



**CANNABIS INDUSTRY OVERVIEW
&
CHALICE BRANDS PEER ANALYSIS**

October 2021

CHALICE™
— BRANDS LTD —

CHALICE BRANDS LTD.

CSE: CHAL, OTCQB: CHALF

www.chalicebrandsltd.com

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Chalice Brands Ltd. – Overview

Chalice Brands Ltd. (“Chalice Brands” or “the Company,”) (CSE: CHAL, OTCQB: CHALF) is a leading multi-state consumer-driven cannabis company that specializes in processing, production, distribution, wholesale, and retail. On May 25, 2021, the Company changed its corporate name to Chalice Brands Ltd., pursuant to the shareholder approval at its Annual and Special Meeting on May 10, 2021. This name change, symbolized the Company’s resurgence as a significant contender in the US cannabis industry, primarily driven by its leadership in the Oregon market. The Company is committed to developing a dynamic brand portfolio based on consumer requirements. With an emphasis on health and wellness, Chalice Brand’s products help remove or reduce conditions such as anxiety, depression, stress, trauma, and sleeplessness. Chalice Brands offers products such as fruit chews, vaporizer cartridges, cannabis-based facial products, tinctures and extracts under its Chalice Farms, Fifth & Root, Elysium Fields, Private Stash and RXO brands. The Company serves adult-use and medical cannabis markets in California and Oregon, and nationally through its CDB based business Fifth and Root. With operations since 2014, the Company is one of the largest cannabis operators in Oregon and has sixteen dispensaries located in Portland, Albany, Eugene, Salem, Springfield, Oregon.

Chalice Brand’s management team has a combined experience of more than 100 years in the cannabis industry. Mr. Jeff Yapp, the President and Chief Executive Officer, is a proven branding and marketing expert with wide experience in entertainment, consumer goods and retail background and has worked with clients such as Windows, XBOX and Vice Media. Mr. John Varghese, the Executive Chairman, has held senior management positions and served as board of director of private and public companies in various industries. Chalice Brands’ executive management also has significant experience in retail, Fortune 25 and the cannabis supply chain.

Chalice Brands grows its cannabis business based on the crawl, walk and run philosophy. In the crawl phase, the Company validates a potential market, while in the walk phase, it invests to accelerate growth. Finally, in the run phase, the Company vertically integrates cultivation, processing, retail and distribution. Chalice Brands’ investment in Oregon based on the crawl, walk and run philosophy has helped it to successfully establish itself as a market leader in the highly competitive cannabis market in the US. Currently, the Company’s investments in Nevada and California are in the crawl and walk phase, respectively. The Company currently operates in California and Oregon plans to expand its retail footprints into California and beyond as cannabis legalization occurs.

On September 16, 2021, Chalice Brands entered into an asset purchase and services agreement to acquire four retail stores branded Cannabliss & Co. from Acreage Holdings for a total consideration of US\$6.5 million. These retail stores are located in Portland, Eugene and Springfield, Oregon. The acquisition of Cannabliss stores strengthens Chalice Brands’ customer base and significantly increases distribution of Chalice Brands’ products in Oregon.

On May 19, 2021, Chalice Brands acquired SMS Ventures LLC doing business as Homegrown Oregon (“Homegrown”), for US\$9.75 million. Homegrown owns a chain of five retail dispensaries in Albany, Portland and Salem, Oregon. The acquisition price of US\$9.75 million consisted of US\$6 million in cash, 8% interest, secured promissory notes for US\$1.75 million payable over 48 months and issuance of about 37 million pre-consolidation Chalice Brands common shares at C\$0.065 per share. The Homegrown acquisition has helped Chalice Brands to advance towards its goal to achieve 5% market share in Oregon.

On April 8, 2021, the Company announced its 80% acquisition of California-based CBD skincare brand, Fifth & Root Inc. (“Fifth & Root”). Fifth & Root sells its products in over 425 retail outlets across the United States. Fifth & Root offers an exceptional line of clean and innovative products which are available online at www.fifthandroot.com, and in major retailers including Ulta Beauty, Nordstrom, Anthropologie, and Urban Outfitters.

For the quarter ended June 30, 2021, Chalice Brands generated total revenues of US\$6.92 million, an increase of 25% compared to US\$5.51 million during the corresponding period in 2020. Further, for the six months ended June 30, 2021 (H1 2021), Chalice Brands generated total revenues of US\$12.42 million, an increase of 22% compared to US\$10.18 million during the same period in 2020.

Industry Overview

Cannabis Industry - Overview

Cannabis (weed or marijuana) is a psychoactive drug mainly obtained from cannabis plants such as Cannabis Indica and Cannabis Sativa. Cannabis has more than 500 chemical components known as cannabinoids. Out of the 500 cannabinoids, about 104 were discovered recently. Delta-9-tetrahydrocannabinol (THC) and Cannabidiol (CBD) are two significant cannabinoids with active components and therapeutic applications used for medical treatment. THC is used to treat weight loss, nausea caused by chemotherapy and loss of appetite. THC is also used for recreational purposes. CBD is used to treat the regulation of sleep and appetite. Cannabis has also been identified to treat more than 100 medical disorders. Currently, cannabis is used to treat Alzheimer's disease, rheumatism, anorexia (eating disorders), muscle spasm, cancer, epilepsy, appetite loss, nausea, etc.

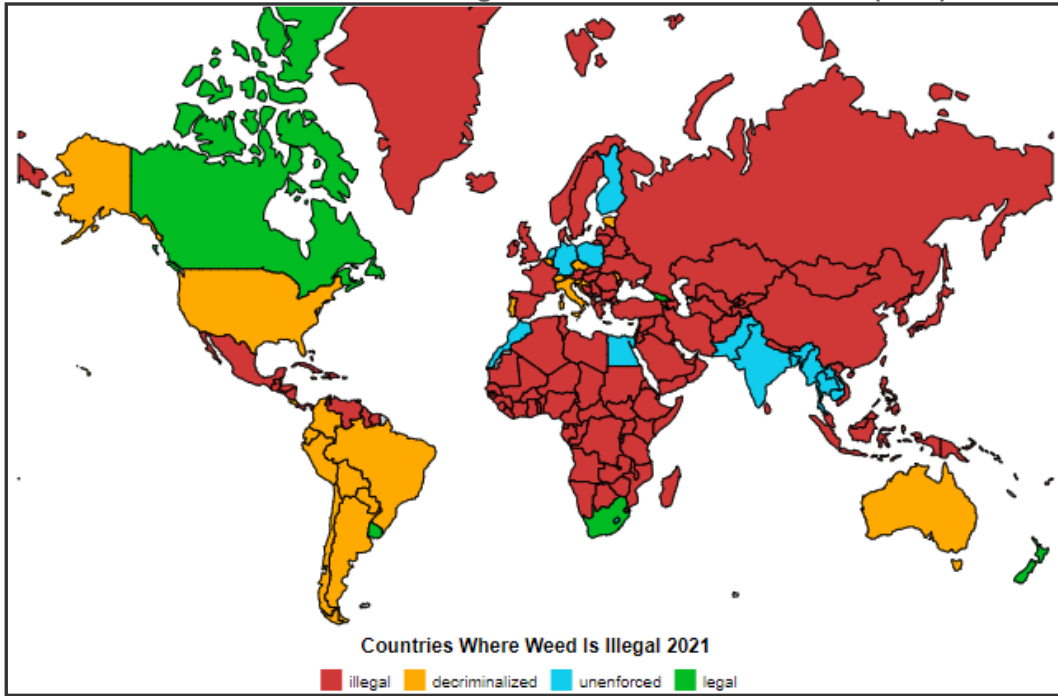
Hemp is also a popular type of cannabis plant from the Sativa family. Hemp and marijuana primarily differ based on the levels of THC and CBD existing in them. Hemp consists of more CBD and only about 0.3% of THC, while marijuana contains approximately 30% THC and lesser CBD. Hemp is mainly used in industrial applications such as crafting, clothing, durable rope, sail, and paper.

Cannabis strains with varying dosages offer different outcomes. Hence, a thorough knowledge of the products is required to make an informed decision. In medical cannabis markets, direct interaction plays a major role in sales. Generally, patients seek the guidance of in-store representatives such as budtenders to choose the right product to meet their specific needs. With the increasing legalization of adult use, the direct-to-customer or one-to-one sale model is expected to continue to benefit cannabis retail. Similar to medical markets, recreational cannabis users also require proper guidance to meet their personal needs. Such successful orders could lead to repeat purchases and thereby increase sales.

Cannabis sales in North America increased significantly in 2020. According to Leafly, a US-based cannabis information resource and technology company, Americans spent over US\$18 billion on cannabis in 2020, a 71% increase over 2019. This increase was mainly due to change in public perception, growing number of states that legalized cannabis and the pandemic. During the pandemic period in the US, many governors in most states declared cannabis an essential product. As a result, retail stores and dispensaries responded and provided cannabis products through online ordering and curbside pickup.

Exhibit 1 shows the countries in which cannabis is legal as of 2021. Uruguay was the first country to legalize cannabis in December 2013. Currently, Uruguay is the leading country in South America's legal cannabis industry. Uruguay's regulated market has approximately 11% of cannabis users and the remaining 89% are still unregulated. The cannabis usage rate in Uruguay is about 15.8%, with its total population of 3.5 million. After Uruguay, Canada became the second country to legalize cannabis sales on October 17, 2018. Some governments in Europe have started cannabis legalization initiatives. Switzerland, Luxembourg, and the Netherlands have passed regulations for cannabis legalization. According to Prohibition Partners' (a London-based business management consultant), *the European Cannabis Report – 6th Edition*, the European cannabis market is expected to grow from €403.4 million in 2021 to €3.2 billion by 2025 at a CAGR of 67.4%. In the US, 36 states and the District of Columbia have legalized cannabis for medical use. According to New Frontier Data, a US-based data, analytics and technology firm, cannabis companies raised total capital of approximately US\$6 billion in 2021 (as of May 2021). President Joe Biden said during his campaign that he wanted marijuana decriminalized in the US. In 2019, US Senator Cory Booker sponsored the Marijuana Justice Act (S. 597), primarily to decriminalize cannabis. Vice President Kamala Harris was one of the co-sponsors of the bill.

Exhibit 1: Countries have legalized cannabis in some form (2021)

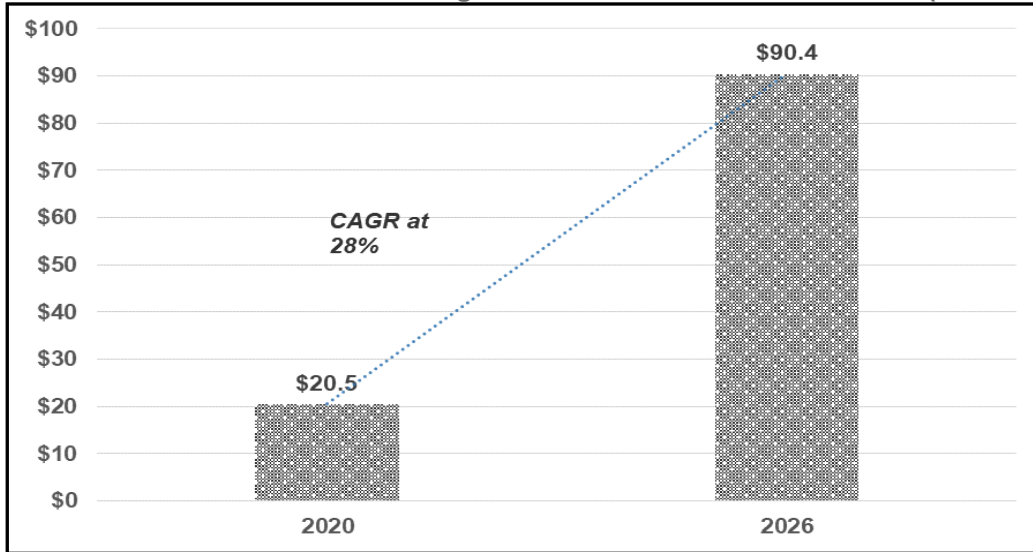


Source: World Population Review – Countries Where Weed is Illegal 2021

Global Cannabis Market is estimated to reach US\$90.4 billion by 2026

According to Research and Markets (an Ireland-based market research firm), the global cannabis industry was estimated to be US\$20.5 billion in 2020 and is forecast to reach US\$90.4 billion by 2026, growing at a compound average growth rate (CAGR) of 28%. This increase is mainly due to increasing usage of cannabis in medical applications, growing cannabis legalization worldwide and increasing social acceptance of cannabis. North America is expected to account for the largest share in the global cannabis market, primarily due to the increasing legalization of cannabis across all US states for both medical and recreational usages. The Europe region is forecast to grow at the highest CAGR during the forecast period due to increasing cannabis legalization. However, the complex regulatory structure remains a concern to produce and use cannabis globally. Based on application, the recreational cannabis segment is expected to be the fastest-growing segment during the forecast period, as consumers highly prefer it. Based on the compound, the THC-dominant segment is forecast to account for the largest share as THC is the psychoactive substance in cannabis products. THC-dominant cannabis products are significantly used for medical benefits and are potent in relieving nausea, insomnia, and appetite loss. Research and Markets also forecasts the global medical cannabis market to reach US\$49.12 billion by 2028 from US\$8.93 billion in 2020, at a significant CAGR of 23.8% from 2020 to 2028. Exhibit 2 presents the global cannabis market growth forecast.

Exhibit 2: Global Cannabis Market is estimated to grow at a CAGR of 28% in 2021-2026 (in US\$ billions)

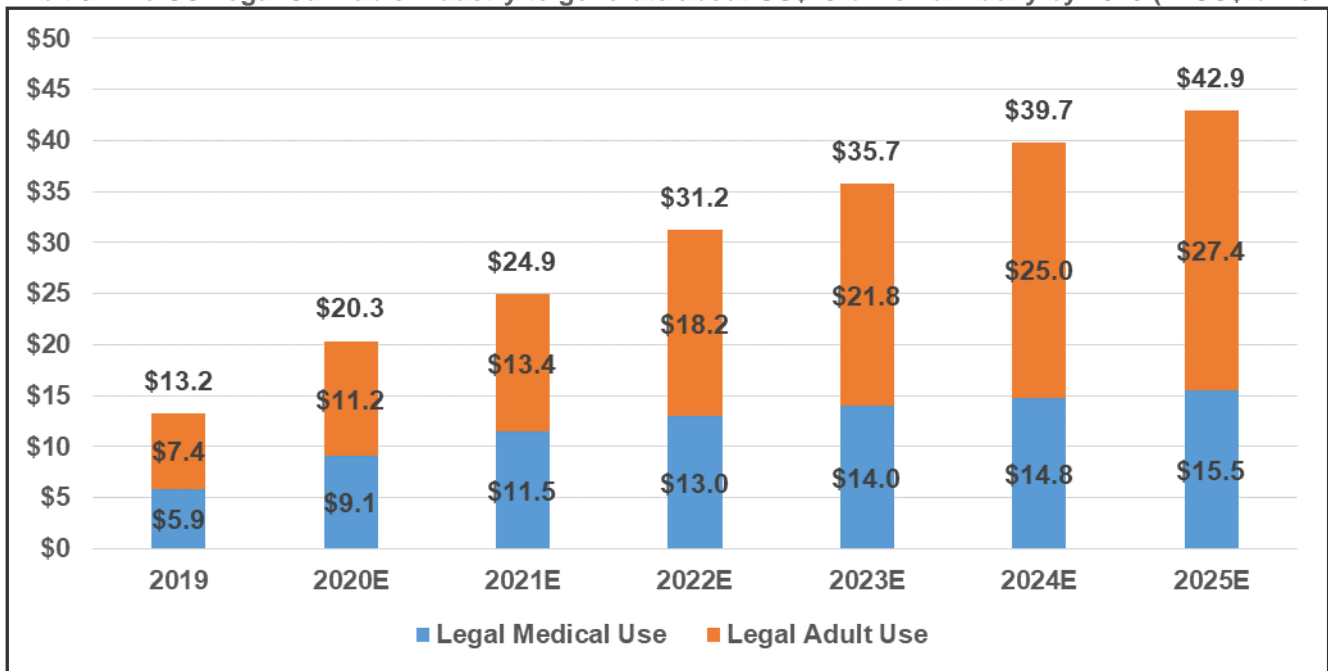


Source: Global Cannabis Market by Application and Region - Forecast to 2026

The US Legal Cannabis Industry is expected to generate about US\$43 billion per annum by 2025

According to New Frontier Data’s *Cannabis in the U.S. 2021 Mid-Year Market Update* (released in June 2021), in 2019, the US cannabis industry generated about US\$13.2 billion in revenue in all adult-use and medical-use legal state markets. New Frontier Data estimates that total US legal cannabis sales to be approximately US\$20.3 billion in 2020 despite the socioeconomic disruptions from the COVID-19 pandemic in 2020. Further, US legal cannabis sales are forecast to reach US\$43 billion by 2025, growing at a CAGR of 16% over the next five years (2020-2025). Legal cannabis sales are expected to grow from 24% of total US cannabis sales to 42% by 2025, mainly due to the continued increase in legal market spending and conversion of existing illicit market consumer spending to the legal market. The US annual legal adult-use cannabis sales are forecast to grow from US\$7.4 billion in 2019 to US\$27.4 billion in 2025, at a 20% CAGR. While legal medical-use cannabis sales are estimated to grow at a CAGR of 11%, to US\$15.5 billion in 2025 from US\$5.9 billion in 2019. 2.4% of US adults or 5.4 million Americans are anticipated to be registered patients in medical cannabis states by 2025. Further, illicit cannabis sales are estimated to be more than US\$65 billion in 2020. Exhibit 3 presents the growth of the US legal cannabis industry and trends.

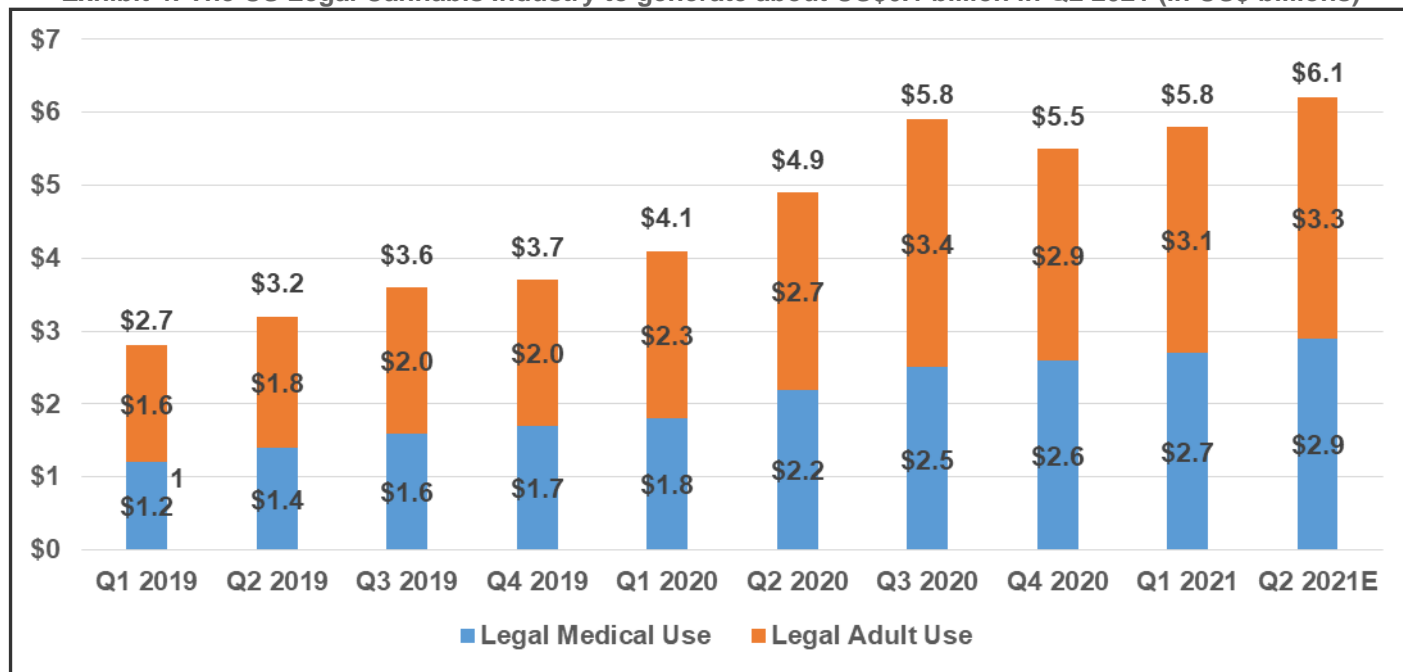
Exhibit 3: The US Legal Cannabis Industry to generate about US\$43 billion annually by 2025 (in US\$ billions)



Source: New Frontier Data

New Frontier Data also forecasts legal cannabis sales in the US to increase to approximately US\$6.1 per annum in Q2 2021, a 4.4% increase from Q1 2021. Quarterly legal medical and adult-use sales peaked to their all-time high value of \$5.84 billion in Q1-2021. In Q2 2021, adult-use and medical-use legal cannabis sales in the US are forecast to be US\$3.3 billion and US\$2.9 billion, respectively. Exhibit 4 presents the US legal cannabis sales by market type and quarter.

Exhibit 4: The US Legal Cannabis Industry to generate about US\$6.1 billion in Q2 2021 (in US\$ billions)



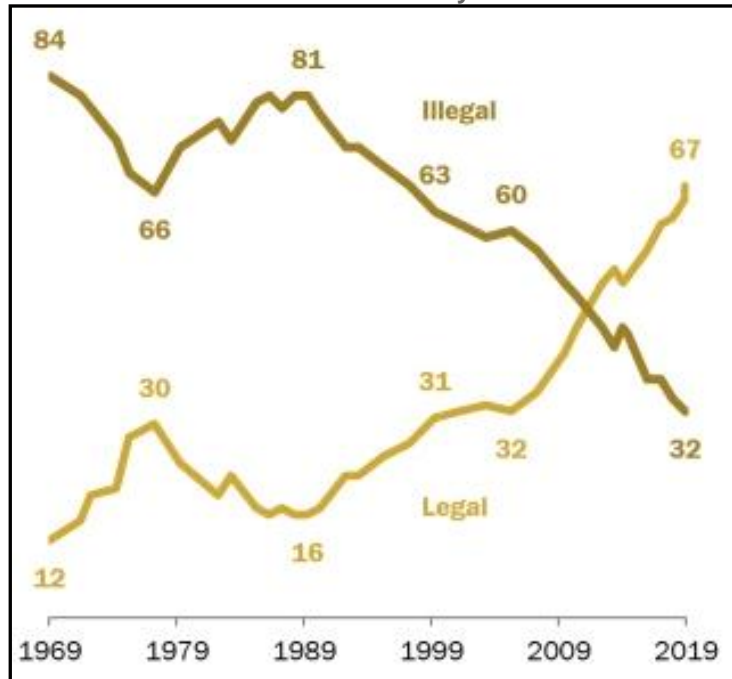
Source: New Frontier Data

235 million Americans, or 71% of the US population, can access legal cannabis in some form

According to the National Conference of State Legislatures (NCSL), as of May 18, 2021, 36 US states and four territories allow cannabis for medical treatments. As of July 06, 2021, 18 states, two territories and the District of Columbia have legalized cannabis for adult-use. Connecticut became the 18th US state to legalize recreational cannabis. In June 2021, Connecticut’s governor Ned Lamont signed a bill legalizing the recreational use of cannabis and those 21 years old and higher could legally use recreational cannabis from July 1, 2021. According to New Frontier Data, currently, 235 million Americans, or 71% of the US population, live in states where some form of cannabis is in use. According to New Frontier Data, about 17% of all US cannabis sales were legal in 2019. Meanwhile, legal markets are forecast to meet over 39% of total annual demand by 2025 as more states adopt cannabis legalization and continual demand from consumers. The recent surge in consumer demand is due to the transition from illicit markets to legal markets.

Further, increased consumer access to cannabis in newly legal markets is expected to generate revenues of approximately US\$1.2 billion by 2022. During the COVID-19 pandemic, about 42% of cannabis consumers have increased their overall cannabis consumption and approximately 52% of cannabis consumers used it to improve their mental health. As a result, monthly consumer spending increased by about US\$149 in major legal markets between March 2020 and October 2020. Exhibit 5 shows the status of cannabis legalization in the US.

Exhibit 7: 67% of Americans say YES to Cannabis



Source: Two-thirds of Americans support Marijuana Legalization – Pew Research Center

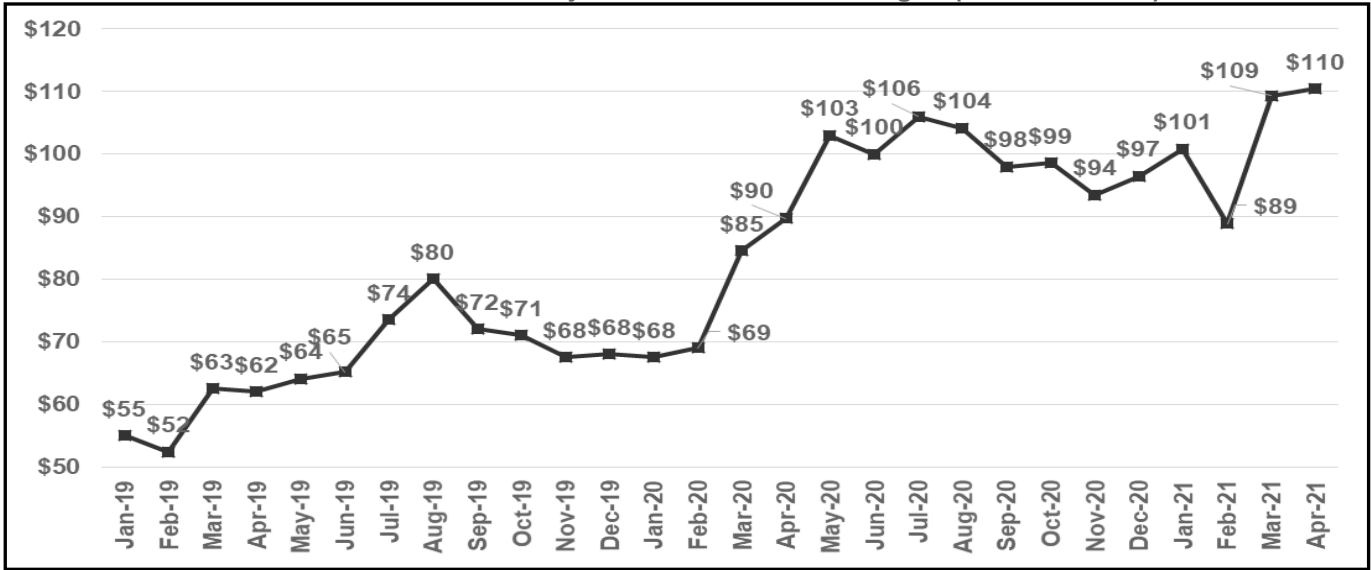
Oregon Cannabis market overview

Oregon is the first state in the US to have implemented cannabis decriminalization. Oregon is one of the first states to have adopted a statewide regulated and taxed medical marijuana program. According to Thompson Coburn, a US law firm, Oregon stands sixth in cannabis state regulations in the US. The Oregon Medical Marijuana Act (OMMA) passed in 1998 modified state law to allow patients with certain medical conditions to cultivate, possess and use marijuana based on doctor’s recommendation. In 2014, the Adult and Medical Use of Cannabis Act legalized marijuana cultivation, possession and use by adults 21 and over.

Although cannabis has been legalized in many states in the US, it is still illegal under federal law. Therefore, cannabis shipments across the state could result in federal criminal prosecution. In 2019, Oregon Governor Kate Brown signed Senate Bill 582 (SB582) to allow interstate cannabis shipments with neighboring states where cannabis is legal. Further, Oregon’s Senate Bill 408 (SB408) will limit the conditions based on which the Oregon Liquor Control Commission (OLCC) may delay processing, denying, or approving a license application. SB408 that takes effect from January 1, 2022, also permits producers and processors with common ownership to transfer certain marijuana products. As of December 2020, Oregon has about 2,396 licensed recreational cannabis businesses and 3,969 submitted applications.

According to the Oregon Liquor Control Commission (OLCC - a government agency of the US state of Oregon), total cannabis sales in Oregon increased from US\$795 million in 2019 to **US\$1.1 billion in 2020**. According to earlier Oregon cannabis sales estimates from Statista (based on a survey undertaken in 2019), the Oregon market was supposed to cross the one billion total cannabis sales mark by 2024. However, Oregon has achieved this target four years ahead of projections. Oregon cannabis sales surged in March 2020 to \$85 million with a 22% month-over-month increase when the COVID-19 lockdowns began and steadily increased in the subsequent months. Cannabis sales exceeded over US\$100 million in May 2020 and remained over US\$100 million for the next three months. Recently, cannabis sales in Oregon increased to US\$109.3 million in March 2021, aided by stimulus payments and enhanced unemployment benefits. Further, Oregon’s cannabis sales set another monthly sales record of US\$110.4 million in April 2021. For the first four months of 2021, Oregon’s cannabis sales stood at US\$409.4 million, up 31% year-over-year. The adult-use market contributed to 91.2% or US\$373.4 million and medical marijuana accounted for 8.8% or US\$36 million of the total US\$409.4 million. The average combined medical and adult-use cannabis sales in May through July 2021 stood at \$103.5 million per month, which is up marginally compared to \$103 million in the same period last year. Exhibit 8 depicts the recreational marijuana sales trends in Oregon from January 2019 to April 2021.

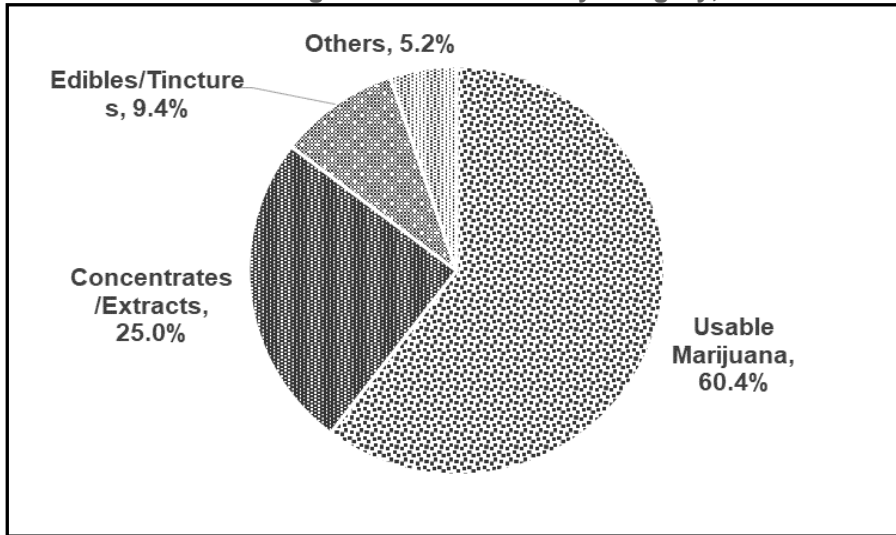
Exhibit 8: Recreational Marijuana Sales Trends in Oregon (in US\$ millions)



Source: Oregon Liquor Control Commission

In 2020, usable marijuana accounted for 60.4% of total cannabis sales in Oregon, followed by concentrates/Extracts (25%) and Edibles/Tinctures (9.4%). Exhibit 9 shows Oregon cannabis sales by category.

Exhibit 9: Oregon cannabis sales by category, 2020



Source: Oregon Liquor Control Commission

Cannabis Cultivation in Oregon

Oregon cultivates world-famous cannabis as well as world class wine and micro-brews. Oregon has one of the best climates for growing marijuana. Oregon has an inimitable climate and different regions of the state have more than one climate type. Cannabis cultivated across Oregon has different strains. Cannabis cultivated from Oregon has been named with appellations or regions, which should benefit small cannabis firms. The coastal region has a very cool climate and flowers growing from this region have wide range of colors. Central Oregon farmers primarily cultivate sativa and sativa dominant hybrids. Kush strains are favored in Eastern Oregon. During cannabis prohibition, the Emerald Triangle and Southern Oregon were known for typical black-market cannabis. After the legalization of cannabis, many regions in Oregon have begun cultivation and newly recognized areas appeared on the market. According to Oregon Department of Agriculture, there were 27,434 acres of outdoor hemp registered in 2020 season (by November 2020), with the Jackson County covering the largest area (6,380 acres), followed by Josephine (3,047 acres) and Deschutes (2,365 acres).

Types of Cannabis Businesses

According to Leafly, there are two major types of cannabis businesses in the cannabis industry, 1) Plant-touching and 2) Non-plant touching businesses. The plant-touching businesses manage cannabis products directly and require licenses from the state. The plant-touching businesses include operations such as cultivation, laboratory testing and research, processing and manufacturing, distribution, dispensaries and delivery services and social consumption. The non-plant touching businesses offer products or services that support the cannabis industry. The non-plant touching businesses include construction, packaging, professional services, technology products and accessories. Cannabis entrepreneurs could enter any cannabis business mentioned above. However, vertical integration or Seed-to-Sale could be the goal for many cannabis entrepreneurs as it offers solid margins. Vertically integration enhances profitability, improves efficiencies, manages the product pipeline, and reduces costs for consumers. Vertical integration manages a product from cultivation to distribution to retail. Some states in the US prohibit the cannabis vertical integration business model. At the same time, states such as Oregon and Colorado allow vertically integrated cannabis companies.

Cannabis licensing laws vary from state to state. The Oregon Liquor Control Commission approves cannabis licenses in Oregon. As of September 13, 2021, there are 3,364 licenses issued in various business types in Oregon as seen in Exhibit 10.

Exhibit 10: Oregon - Status of Active Applications and Licenses by Type (as of September 13, 2021)

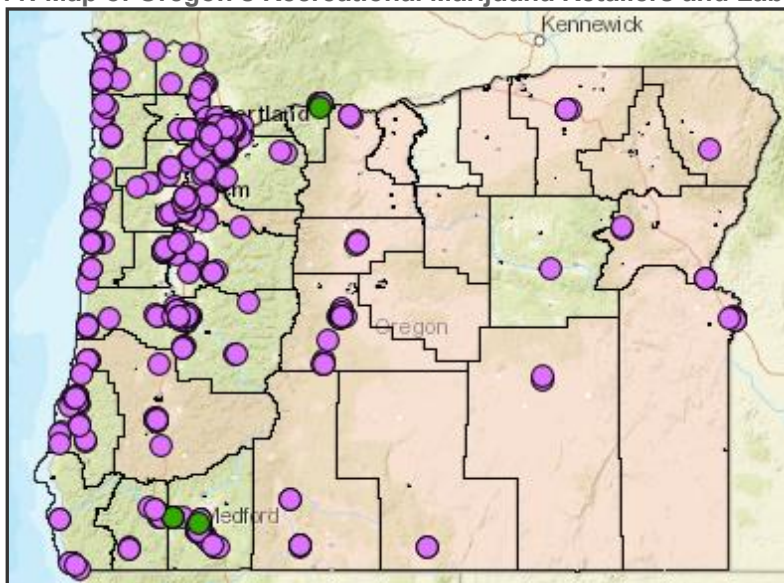
	License Active	Approved Not Paid	Assigned	Ready For Assignment	Without Approved LUCS*	Grand Total
Laboratory	20	-	1	1	2	24
Processor	301	1	26	73	30	431
Producer	1,368	7	89	158	6	1,628
Retailer	755	5	38	58	85	941
Wholesaler	219	1	16	38	62	336
Research	1	-	2	-	1	4
Grand Total	2,664	14	172	328	186	3,364

Source: Oregon Liquor Control Commission
*LUCS - Land Use Compatibility Statement

Exhibit 11 shows the map of Oregon's recreational retailers and laboratories. There are about 755 active marijuana retail licenses approved as of September 13, 2021. Most of the retailers are primarily concentrated in West Oregon. According to Verilife, a US-based multiple state cannabis company, Oregon has about 16.5 dispensaries per 100,000 residents, followed by Oklahoma (15.6 dispensaries per 100,000 residents), Montana (15.1) and Colorado (14.1). Nine Oklahoma cities and eight Oregon cities are listed in the top-30 cities with the most dispensaries. Five US states, Oklahoma, California, Oregon, Colorado, and Washington, accounted for about 89.3% of cannabis cultivation licenses issued in 2020. Oklahoma contributed to about 38% of active cannabis cultivation licenses, followed by California (33%) and Oregon (7%). According to Statista, Oregon has the most cannabis users per capita in the US (with 28,560 users per 1000,000 residents), followed by Colorado (27,770) and Vermont (25,710).

Chalice Brands is well-positioned to capture the growing Oregon cannabis market in the near future. Chalice Brands' recent acquisition of four retail stores branded Cannabliss & Co has increased its retail stores from twelve to sixteen. With this purchase, Chalice is one of the top five largest operators in Oregon and is also expected to increase its Oregon market share from a 5% run-rate in Q4 2021 to 10% in Q4 2022.

Exhibit 11: Map of Oregon’s Recreational Marijuana Retailers and Laboratories



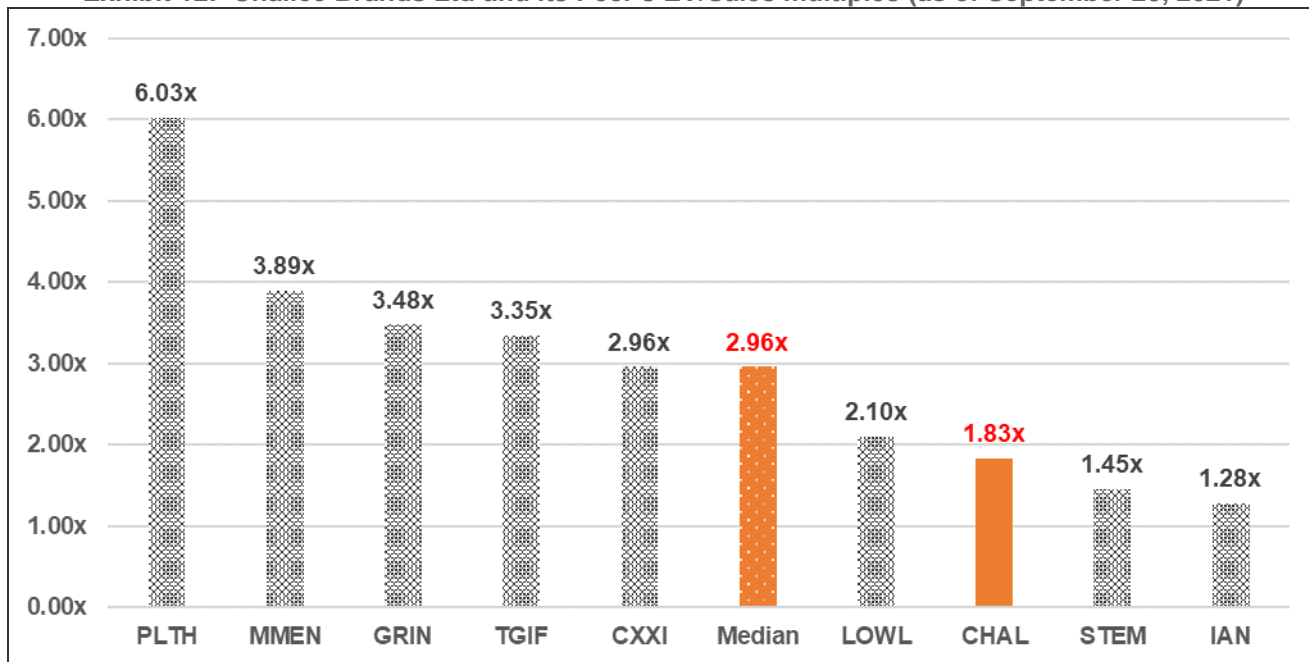
Source: Oregon.gov

Public Listed Cannabis Companies Overview – Valuation Arbitrage

We have selected Driven By Stem (CSE: STEM), Grown Rogue (CSE: GRIN), MedMen Enterprises Inc. (CSE: MMEN), C21 Investments Inc. (CSE: CXXI), Lowell Farms Inc. (CSE: LOWL), iAnthus Capital Holdings Inc. (CSE: IAN) and 1933 Industries Inc. (CSE: TGIF) as peers to Chalice Brands Ltd (CSE: CHAL). These Canada-listed peers primarily produce, market, and distribute cannabis-infused and cannabis products for retail and medical cannabis markets in the US and Canada. Please refer to the Peer Analysis section for further details.

As seen in Exhibit 12, CHAL is currently trading at an Enterprise Value-to-Sales (EV/Sales) of 1.83x compared to the peers’ median EV/Sales of 2.96x based on data as of September 24, 2021.

Exhibit 12: Chalice Brands Ltd and its Peer’s EV/Sales multiples (as of September 23, 2021)



Source: SEDAR filings, Yahoo! Finance, and companies’ websites

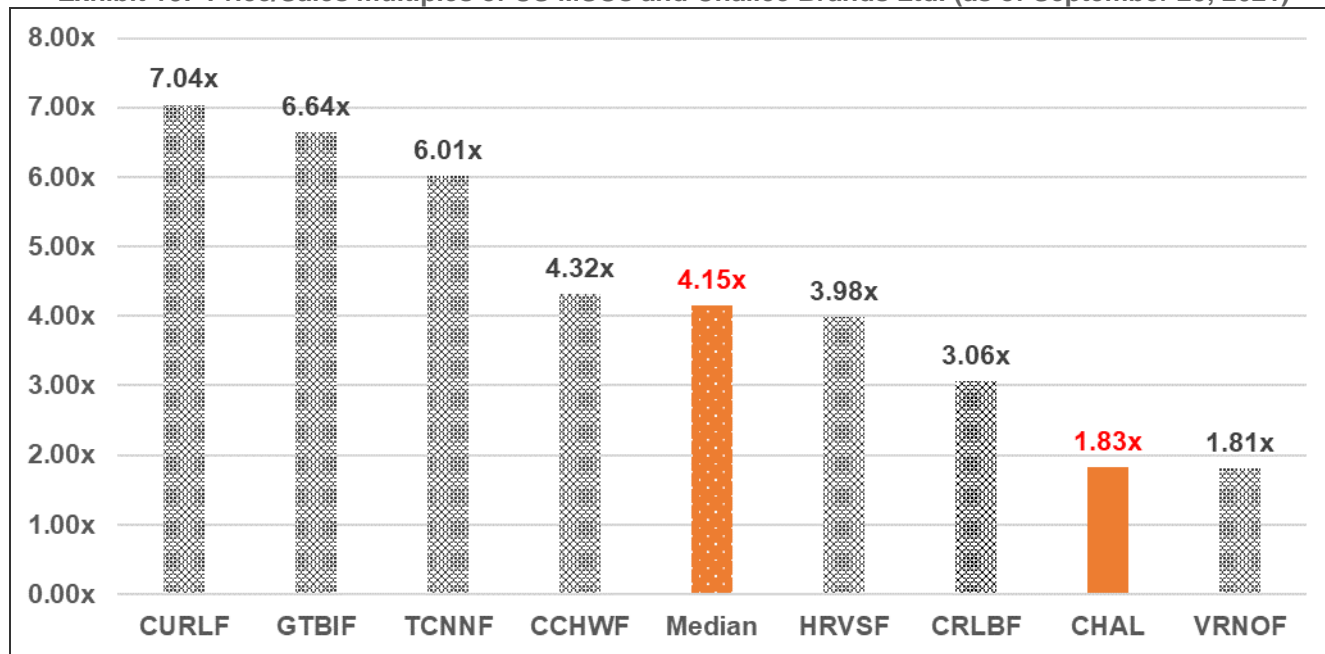
Note – EV/ Sales metrics are calculated based on annualized revenue

* For 1933 Industries EV/Sales metrics are calculated based on revenue and in USD term using conversion rate of 0.79 USD/CAD as of September 24, 2021

On comparing Chalice brands with some of the largest US Multi-State Cannabis Operators (MSO) like Curaleaf Holdings Inc. (OTCQX: CURLF), Green Thumb Industries Inc. (OTCQX: GTBIF), Trulieve Cannabis Corp. (OTCQX: TCNNF),

Cresco Labs Inc. (OTCQX: CRLBF), Verano Holdings Corp. (OTCQX: VRNOF), Harvest Health & Recreation Inc. (OTCQX: HRVSF), Columbia Care Inc. (OTCQX: CCHWF), we find that CHAL is currently trading at Enterprise Value-to-Sales (EV/S) ratio of 1.83x compared to the above-mentioned MSO’s median EV/S of 4.15x. Exhibit 13 presents P/S metrics of some of the leading US cannabis MSOs.

Exhibit 13: Price/Sales multiples of US MSOs and Chalice Brands Ltd. (as of September 23, 2021)



Source: Morningstar

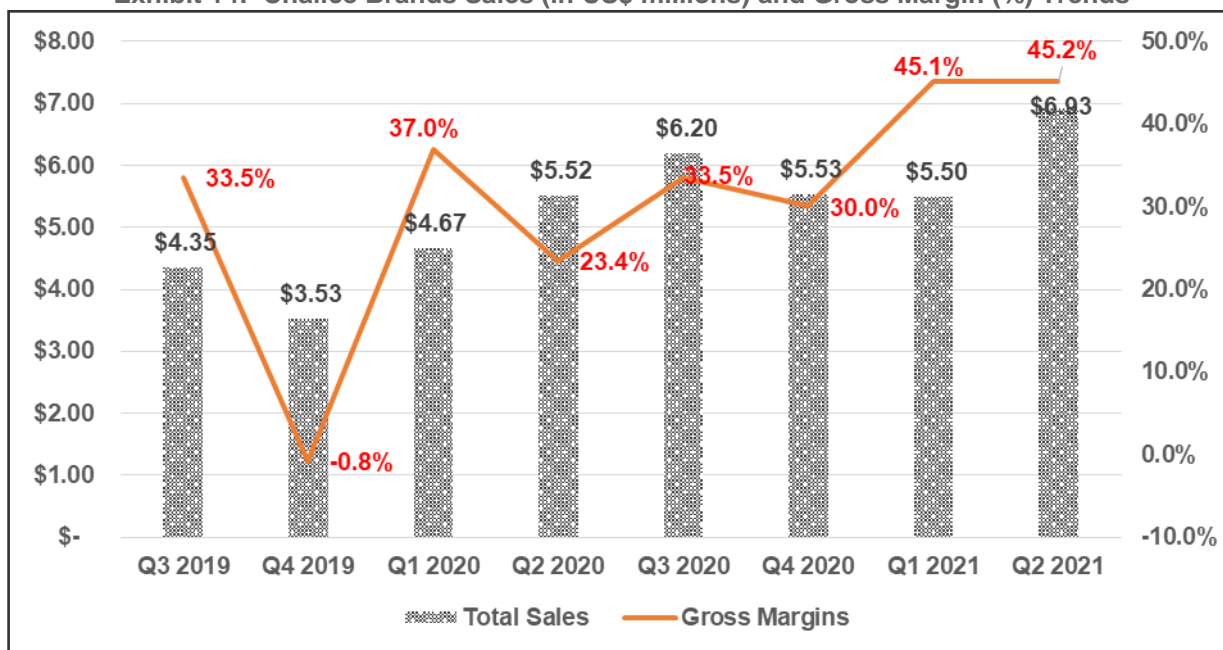
Note – EV/ Sales metrics are calculated based on annualized revenue

Chalice Brands has strong earnings in Q2 2021 with improved balance sheet and gross margin

For the quarter ended June 30, 2021 (Q2 2021), Chalice Brands generated total revenues of US\$6.92 million, a 25% increase year over year. At the same time, operating expenses increased by 16% to US\$3.5 million. In Q2 2021, the Company’s gross margin improved by 2,200 basis points to 45% compared to 23% in Q2 2020, mainly due to increased vertical product growth and higher retail sales. The Company has continued to generate positive adjusted EBITDA consecutively for the past three quarters with Q2 2021 adjusted EBITDA of about US\$250,000. Further, interest expenses declined by 17% to US\$455,000 in Q2 2021. Chalice Brands has continued to increase its retail count; for instance, the Company has increased its retail store count in Oregon from seven to 12 during Q2 2021. The Company is developing its brands across Oregon. As mentioned in the Company section, Chalice Brands is expected to accelerate its sales through strategic acquisitions and disciplined capital allocation in the future.

Exhibit 14 shows the Company’s sales and gross margin trends from Q3 2019 to Q2 2021. The Company has recorded its highest revenues in the recent Q2 2021 due to higher sales in retail and wholesale businesses. Further, gross margin is also in an uptrend due to increased revenues and higher margin contribution from the Company’s state-of-the-art Bald Peak facility.

Exhibit 14: Chalice Brands Sales (in US\$ millions) and Gross Margin (%) Trends



Source: Company Filings

Chalice Brands’ stock offered a higher return than SPY in the past 1-year

Cannabis equities have slightly overperformed the US equity market over the past 1-year. ETFMG Alternative Harvest ETF (NYSE: MJ, Asset Under Management: US\$1.1 billion), AdvisorShares Pure US Cannabis ETF (NYSE: MSOS, AUM: US\$778.7 million) and AdvisorShares Pure Cannabis ETF (NYSE: YOLO, AUM: US\$265 million) are some notable cannabis ETFs. As seen in Exhibit 15 below, Chalice Brands offered significant returns of 49.14% in the last 1-year, while SPDR S&P 500 Trust ETF (NYSE: SPY), MJ, MSOS and YOLO provided one-year return of 37.36%, 47.75%, 50.12% and 60.11%, respectively. Exhibit 16 compares Chalice Brands stock price return to ETFMG Alternative Harvest ETF AdvisorShares Pure US Cannabis, AdvisorShares Pure Cannabis ETF and SPDR S&P 500 Trust ETF in various periods.

Biden's win in the US 2020 presidential election helped cannabis stocks increase as Democratic Vice-Presidential candidate Kamala Harris promised to support the bill, which could legalize/decriminalize cannabis federally. However, the current US government takes a conservative approach for full US cannabis legalization. Cannabis stocks have fallen from their peak in February 2021, although most cannabis companies have reported solid earnings in Q1 2021 and Q2 2021. Further, higher COVID-19 cases due to delta-variant impacted cannabis sales across North America. According to Canopy Growth Corporation (NASDAQ: CGC), the Canadian cannabis market was affected by COVID-19 related lockdowns in Q2 2021. However, the expected/awaited full national cannabis legalization in the US and the conversion of the illegal black market to legal cannabis market are anticipated to support cannabis companies in the future.

Exhibit 15: Chalice Brands offered 49.14% return in the last one year (as of September 23, 2021)



Exhibit 16: Return Comparison - Chalice Brands vs ETFs (as of September 23, 2021)

Company/ ETFs	Tickers	1-Month	3-Months	6-Months	YTD	1-Year
ETFMG Alternative Harvest ETF	NYSE: MJ	-7.14%	-26.26%	-34.25%	2.43%	47.75%
AdvisorShares Pure US Cannabis ETF	NYSE: MSOS	-1.46%	-16.88%	-27.63%	-16.06%	50.12%
AdvisorShares Pure Cannabis ETF	NYSE: YOLO	-0.78%	-14.31%	-27.85%	-2.71%	60.11%
SPDR S&P 500 Trust ETF	NYSE: SPY	-0.74%	4.58%	12.66%	20.17%	37.36%
Chalice Brands	OTCQB: CHALF	-17.22%	-35.87%	-41.30%	12.51%	49.14%

Source: Seeking alpha

Chalice Brands' Peer Analysis

All prices and monetary units are denoted in Canadian dollars, unless otherwise noted.

- **Planet 13 Holdings Inc. (CSE: PLTH, OTCQX: PLNHF) (“Planet 13”)** – Planet 13 is a US-based vertically integrated cannabis company with a presence in Nevada and California. Planet 13 is engaged in the production, cultivation, distribution and sales of cannabis and cannabis-infused products. Planet 13 has six licensed facilities and wholesales to over 45 dispensaries in Nevada. Planet 13 offers extracts, vapes, concentrates, gummies, beverages, flower, chocolate bars, topicals and tinctures under the brands TRENDI, HaHa, Medizin, Dreamland Chocolates, Leaf & Vine and Planet M. On March 15, 2021, Planet 13 partnered with Curaleaf Holdings Inc.'s Select brand to open Select's shop-in-shop in Planet 13's Las Vegas Superstore dispensary. On August 5, 2021, Planet 13 received a conditional adult-use dispensing organization license from the Illinois Department of Financial and Professional Regulation in the Chicago-Naperville-Elgin region. For the three months ended June 30, 2021, Planet 13 generated total revenues of US\$32.8 million, an increase of 205%, representing a strong recovery from the COVID-19 pandemic low of US\$10.8 million during the corresponding period in 2020.
- **MedMen Enterprises Inc. (CSE: MMEN, OTCQX: MMNFF) (“MedMen”)** – MedMen is a US-based cannabis retailer. MedMen is engaged in the cultivation, production, distribution, and retail of medicinal and recreational cannabis under its MedMen Red and LuxLyte brands. MedMen offers premium cannabis products through its 24 operational retail locations across six states in the US, namely, California, Florida, Nevada, New York, Massachusetts, and Illinois. Further, MedMen has 19 licenses facilities across the US. Since 2018, MedMen has made over two million retail transactions. On March 30, 2021, MedMen received a new license to open an adult-use dispensary in Illinois. For the quarter ended June 26, 2021, MedMen generated total revenues of US\$42 million.
- **iAnthus Capital Holdings Inc. (CSE: IAN, OTC-Pink: ITHUF) (“iAnthus”)** – iAnthus is a New York-based cannabis company that owns and operates licensed cannabis processing, cultivation, and dispensary facilities in the US. iAnthus has significant retail operations in the states of Florida, Arizona, New York, Nevada, Maryland, and Massachusetts and has 34 dispensaries across the US. iAnthus offers products including topicals, flowers, vapes, and tinctures under the brands such as CBD for Life and Melting Point Extracts (MPX). Further, iAnthus' CBD products are sold in over 2,300 stores and THC products are carried in more than 190 stores across the US. On February 2, 2021, iAnthus raised total proceeds of US\$11 million through bridge financing for the construction and improvement of iAnthus' New Jersey facilities. For the quarter ended June 30, 2021, iAnthus generated revenues of US\$54.2 million.
- **Lowell Farms Inc. (CSE: LOWL, OTCQX: LOWLF) (“Lowell Farms”)** – Lowell Farms is a US-based vertically integrated cannabis company, formerly known as Indus Holdings Inc. (“Indus”) and formed as a combination between Lowell Herb Co. and Indus in February 2021. Lowell Farms is engaged in the cultivation, extraction, distribution, retail, wholesale, manufacturing, processing, packaging, and branding of cannabis products in California. Lowell Farms produces a portfolio of pre-rolls, concentrates, edibles, vape and jarred flower products. Further, Lowell Farms sells its cannabis products under licensed brands, including Lowell Herb Co. MOON, Cypress Cannabis, Kaizen Medicinals and Humble Flower. Lowell Farms owns a 225,000 sq. ft. retrofitted greenhouse facility, with a targeted production capacity of over 10,000 pounds (lb) of flowers each quarter, in California. For the quarter ended June 30, 2021, Lowell Farms generated total revenues of US\$15.2 million.
- **C21 Investments Inc. (CSE: CXXI, OTCQX: CXXIF) (“C21 Investments”)** – C21 Investments is a Canada-based vertically integrated cannabis company that cultivates, processes, sells and distributes cannabis and hemp-derived products in the US. C21 Investments is focused on value creation through quality manufacturing, supply chain optimization, distribution, brand extension and retail channels. C21 Investments provides products such as vape pens, bulk flower, pre-rolls, capsules or tinctures and resin extracts. C21 Investments sells its portfolio of products under the brands Silver State Relief, Eco Firma Farms, Phantom Farms and Swell Companies in Oregon and Nevada. For the quarter ended April 30, 2021, C21 Investments generated revenues of US\$9.15 million.

- **Driven By Stem (CSE: STEM, OTCQX: STMH)** – Driven By Stem (formerly known as Stem Holdings Inc.) is a US-based vertically integrated cannabis company. Driven By Stem is engaged in the cultivation, extraction, processing, distribution, retail, and delivery-as-a-service across the US. Driven By Stem operates 11 licensed facilities across the states of Oregon, California, Nevada, New York, and Pennsylvania in the US. Further, Driven By Stem has six dispensaries in the US, three in Oregon and one each in California, Massachusetts and Oklahoma. Driven by Stem sells flower, extracts, edibles, topicals and CBD & hemp oil under the brands such as TJ's Gardens, Yerba Buena, Cannavore, Dose-ology, Everyday California, and Hi-Tec. On December 30, 2020, Stem Holdings Inc. completed the acquisition of Driven Deliveries Inc. and formed Driven By Stem. For the quarter ended June 30, 2021, Driven By Stem generated revenues of US\$10.58 million.
- **1933 Industries Inc. (CSE: TGIF, OTCQX: TGIFF) (“1933 Industries”)** – 1933 Industries is a Canada-based vertically integrated cannabis company that is engaged in the production and cultivation of cannabis in Nevada, USA. 1933 Industries operates through two subsidiaries, Infused Manufacturing (“Infused MFG”) and American Medicine Association LLC (AMA). AMA manufactures third-party brands and sells unique cannabis products to recreational users and medical patients. Infused MFG sells lip balms, dabs, topicals, pre and post-workout recovery, elixirs and vapes. 1933 Industries offers these products under the brands AMA flower, Distillate and Concentrates, Canna Hemp™, Canna Hemp X™ and hemp-specific products. On January 29, 2021, 1933 Industries started selling its AMA and Canna Hemp™ premium products at Planet 13 stores. For the quarter ended April 30, 2021, 1933 Industries generated total revenues of \$3.37 million.
- **Grown Rogue International Inc. (CSE: GRIN) (“Grown Rogue”)** – Grown Rogue is a Canada-based cannabis company with operations in Oregon and Michigan, USA. Grown Rogue is engaged in the production, cultivation, and wholesale of cannabis products. Grown Rogue provides cultivars such as sativas, indicas and flower products, vape cartridges, pre-rolls, and edibles. Grown Rogue directly sells its products to dispensaries in Oregon. On February 5, 2021, Grown Rogue completed the acquisition of a previously operational 30,000 sq. ft. indoor facility and a retail dispensary in Oregon. For the three months ended April 30, 2021, Grown Rogue generated revenues of US\$1.53 million. On August 19, 2021, Grown Rogue entered into a joint venture (JV) partnership with Pure Extracts Technologies Corp. (“Pure Extracts”). Through this JV, Grown Rogue has expanded its Michigan product offerings with Pure Extracts’ portfolio of products.

Table 1: Chalice Brands' Peers with Highlights on Brands and Relevant Metrics (as of October 6, 2021)

Company	Ticker	Enterprise Value (USD millions)	Market Cap (USD millions)	Brands/ Products	Price/ Sales	EV/ Sales	Recent Activities
Planet 13 Holdings Inc.	CSE:PLTH OTCQX:PLNHF	\$ 778.50	\$ 901.44	<ul style="list-style-type: none"> •TRENDI •HaHa •Medizin •Dreamland Chocolates •Leaf & Vine •Planet M 	6.87x	5.93x	On August 5, 2021, Planet 13 received a conditional adult use dispensing organization license from the Illinois Department of Financial and Professional Regulation in the Chicago-Naperville-Elgin region.
MedMen Enterprises Inc.	CSE:MMEN OTCQX:MMNFF	\$ 690.66	\$ 203.52	<ul style="list-style-type: none"> •MedMen Red •LuxLyte 	1.21x	4.11x	On March 30, 2021, MedMen received a new license to open an adult-use dispensary in Illinois.
iAnthus Capital Holdings Inc.	CSE:IAN OTC:ITHUF	\$ 276.70	\$ 69.07	<ul style="list-style-type: none"> •CBD for Life •MPX 	0.32x	1.28x	On February 2, 2021, iAnthus raised total proceeds of US\$11 million through bridge financing for the construction and improvement of iAnthus' New Jersey facilities.
Lowell Farms Inc.	CSE:LOWL OTCQX:LOWLF	\$ 132.90	\$ 81.96	<ul style="list-style-type: none"> •Lowell Herb Co. •MOON •Cypress Cannabis •Kaizen Medicinals •Humble Flower 	1.35x	2.19x	For the quarter ended June 30, 2021, Lowell Farms generated total revenue of US\$15.2 million.
C21 Investments Inc.	CSE:CXXI OTCQX:CXXIF	\$ 96.70	\$ 78.37	<ul style="list-style-type: none"> •Silver State Relief •Eco Firma Farms •Phantom Farms •Swell Companies 	2.18x	2.69x	For the quarter ended April 30, 2021, C21 Investments generated revenue of US\$9.15 million.
Driven By Stem	CSE:STEM OTCQX:STMH	\$ 60.89	\$ 54.75	<ul style="list-style-type: none"> •TJ's Gardens •Yerba Buena •Cannavore •Dose-ology •Everyday California •Hi-Tec 	1.29x	1.44x	For the quarter ended June 30, 2021, Driven By Stem generated revenue of US\$10.58 million.
1933 Industries Inc.*	CSE:TGIF OTCQX:TGIFF	\$ 32.61	\$ 24.28	<ul style="list-style-type: none"> •AMA Flower, Distillate and Concentrates •Canna Hemp™ •Canna Hemp X™ 	2.28x	3.06x	On January 29, 2021, 1933 Industries started selling its AMA and Canna Hemp™ premium products at Planet 13 stores.
Grown Rogue International Inc.	CSE:GRIN OTC:GRUSF	\$ 18.22	\$ 18.68	NA	1.54x	1.5x	On August 19, 2021, Grown Rogue entered into a JV partnership with Pure Extracts to expand its Michigan product offerings with Pure Extracts' portfolio of products.
Chalice Brands Ltd.	CSE: CHAL OTCQB: CHALF	\$ 54.63	\$ 36.55	<ul style="list-style-type: none"> •Chalice Farms •Fifth & Root •Elysium Fields •RXO •Private Stash •Cannabliss 	1.32x	1.97x	On September 16, 2021, Chalice Brands entered into an asset purchase and services agreement to acquire four retail stores branded Cannabliss & Co. from Acreage Holdings for a total consideration of US\$6.5 million.
Median					1.33x	2.08x	
Minimum					0.32x	1.28x	
Maximum					6.87x	5.93x	

Source: Morningstar, SEC filings, SEDAR filings and companies' websites

Note: The Price/ Sales, EV/ Sales and EV/ EBITDA metrics are calculated based on annualized revenue and EBITDA from the most recent and available quarterly results
 * For 1933 Industries P/S, EV/S and EV/EBITDA metrics are calculated based on revenue and EBITDA in USD term using conversion rate of 0.79 USD/CAD as of September 24, 2021

Recent M&A Activities

All prices and monetary units are denoted in Canadian dollars, unless otherwise noted.

- **Columbia Care's acquisition of Green Leaf (June 2021)** – On December 22, 2020, Columbia Care Inc. ("Columbia Care") (CSE: CCHW, OTCQX: CCHWF) entered into an agreement to acquire Green Leaf Medical, LLC ("Green Leaf") for total consideration of US\$240 million. The acquisition price consists of US\$45 million in cash payment and US\$195 million worth of Columbia Care shares. Through this acquisition, Columbia Care expects to increase its footprint and operation scale in Mid-Atlantic and East Coast regions in the US. On June 11, 2021, Columbia Care completed the acquisition of Green Leaf. Columbia Care is a US-based leading multi-state operator in the medical cannabis industry. Green Leaf is a US-based privately held cannabis multi-state operator.
- **Jazz's US\$7.2 billion acquisition of GW Pharmaceuticals (May 2021)** – Jazz Pharmaceuticals plc. ("Jazz") (NASDAQ: JAZZ) is an Ireland-based international biopharmaceutical company. GW Pharmaceuticals plc ("GW Pharmaceuticals" or "GW") is a UK-based biopharmaceutical company that commercializes novel therapeutics from its patented cannabinoid product platform in several disease areas. On February 3, 2021, Jazz signed an agreement to acquire GW Pharmaceuticals through a cash and stock deal. According to the transaction terms, Jazz would acquire each GW Pharmaceuticals' American Depository Share (ADS) for US\$220 per ADS. The acquisition price consists of US\$200 in cash and the remaining US\$20 in Jazz ordinary share for each GW ADS. Each GW ADS comprises 12 GW ordinary shares. Further, GW ordinary shareholders are entitled to receive an equivalent of the per ADS acquisition price divided by 12 per ordinary share. The total transaction is valued to be US\$7.2 billion or US\$6.7 billion, excluding GW's cash. Through this acquisition, Jazz intends to strengthen its neuroscience business with GW Pharmaceutical's cannabis-based epilepsy treatment. On May 5, 2021, Jazz completed the acquisition of GW Pharmaceuticals.
- **Aphria and Tilray business combination (May 2021)** – Aphria Inc. ("Aphria") (TSX: APHA, NASDAQ: APHA) is a Canada-based global cannabis company. Tilray Inc. ("Tilray") is a Canadian cannabis research, production, distribution and cultivation company. On December 16, 2020, Aphria and Tilray signed an agreement for a business combination. Based on Aphria and Tilray's share price at market close on December 15, 2020, the equity value of the combined entity is estimated to be \$5.0 billion (~US\$3.9 billion). On May 3, 2021, Aphria completed the business combination with Tilray. According to the transaction terms, Aphria shareholders will receive 0.8381 Tilray shares for each Aphria share, thereby completing the combination through a reverse acquisition. Upon successful completion of the transaction, Aphria shareholders would own 62% of Tilray shares and the combined entity and Tilray shareholders would hold the remaining 38% of the company. The combined entity will operate under the name Tilray and trade on NASDAQ under the symbol "TLRY." Through this combination, the combined entity expects to continue its accelerated growth in the US and the Canadian beverage industries.
- **Cresco Labs' acquisition of Bluma Wellness to expand into Florida (April 2021)** – Cresco Labs Inc. ("Cresco Labs") (CSE: CL, OTCQX: CRLBF) is a leading multistate cannabis company based in the US. Bluma Wellness Inc. ("Bluma Wellness") (CSE: BWEL.U, OTCQX: BMWLF) is a Canada-based vertically integrated cannabis company with operations in Florida, USA. On January 14, 2021, Cresco Labs signed an agreement to acquire all the issued and outstanding shares of Bluma Wellness through an all-share transaction. The transaction is estimated with an equity value of US\$213 million. According to the transaction terms, Cresco Labs would issue 0.0859 subordinate voting shares of Cresco Labs for each Bluma Wellness share. This exchange ratio represents a 29% premium to the price of Bluma Wellness shares on January 13, 2021, at market close. The exchange ratio is also subject to change if the 5-day weighted average price of Cresco Labs' shares two days before transaction close ("Cresco Closing Price") is less than US\$9.99 but greater than US\$7.00 (first case) and if Cresco Closing Price is less than or equal to US\$7.00. Under the first case, the new exchange ratio will be calculated by dividing US\$0.86 with the Cresco Closing Price. For the second case, the exchange ratio will be fixed to 0.1229. Through this acquisition, Cresco Labs expects to have significant operations in all seven US cannabis markets that fall within the top 10 highly populated states in the US. On April 14, 2021, Cresco completed the acquisition of Bluma Wellness.

- **Greenrose's acquisition of four cannabis companies (March 2021)** – Greenrose Acquisition Corp. (“Greenrose”) (NASDAQ: GNRSU, GNRSW, GNRS) is a special purpose acquisition company targeting the cannabis industry. On March 15, 2021, Greenrose signed agreements to acquire four cannabis companies, namely, Shango Holdings Inc. (“Shango”), Theraplant LLC, True Harvest LLC and Futureworks LLC (all four jointly referred to as “The Platform”). According to the agreement terms, Greenrose would acquire the Platform for total consideration of US\$210 million. This acquisition price consists of about US\$170 million in cash, US\$25 million in debt and US\$15 million in stock. Further, Greenrose would pay a maximum of US\$110 million, consisting of US\$75 million in stock and US\$35 million in debt, as earnouts through 2024. Greenrose expects to close the transaction by Q3 2021.
- **Ayr Wellness' acquisition of Liberty Health (February 2021)** – Ayr Wellness Inc. (“Ayr Wellness”, formerly known as Ayr Strategies) (CSE: AYR.A, OTCQX: ARYWF) is a US-based vertically-integrated multi-state cannabis operator. On December 22, 2020, Ayr Wellness entered into an agreement to acquire Liberty Health Sciences (“Liberty Health”) through a stock-for-stock transaction. According to the terms of the agreement, Liberty Health shareholders will receive 0.03683 Ayr Wellness shares for each Liberty Health share. Based on the price of Ayr Wellness' share on December 21, 2020, at market close, the acquisition price was estimated to be US\$290 million. On February 26, 2021, Ayr Wellness completed the acquisition of Liberty Health. Prior to the acquisition, Liberty Health was a vertically integrated cannabis operator in Florida.
- **Verano's acquisition of AltMed (February 2021)** – Verano Holdings Corp. (“Verano”) (CSE: VRNO, OTC-Pink: VRNOF) is a US-based vertically integrated cannabis multi-state operator. Alternative Medical Enterprises LLC, Plants of Ruskin LLC and affiliated companies (collectively referred to as “AltMed”) are vertically integrated cannabis companies that cultivate, develop, produce and dispense medical cannabis products in Arizona and Florida. On November 12, 2020, Verano entered into an agreement to acquire and combine with AltMed for an undisclosed amount. Verano estimated this acquisition to be highly accretive to its business. Further, this acquisition could establish Verano as one of the three largest multi-state operators in the US based on internal revenue and EBITDA projections for 2021. On February 11, 2021, Verano completed the merger with AltMed.
- **Subversive's acquisition of Caliva and Left Coast Ventures (January 2021)** – On November 24, 2020, Subversive Capital Acquisition Corp. (“SCAC”), a special purpose acquisition company, signed agreements with CMG Partners Inc. (“Caliva”), Left Coast Ventures Inc. (“Left Coast Ventures” or “LCV”), Roc Nation LLC (“Roc Nation”) and entrepreneur and MONOGRAM founder, Shawn “Jay-Z” Carter to form TPCO Holding Corp. (“The Parent Company”). According to the agreement terms, Jay-Z would become the Parent Company's Chief Visionary Officer and the Parent Company would be the official cannabis partner of Roc Nation. Further, the Parent Company would acquire Caliva and LCV for total considerations of US\$282.9 million and US\$142.2 million, respectively. On January 15, 2021, Subversive completed the proposed acquisitions and formed TPCO Holding Corp. The Parent Company started trading in the NEO Exchange under the symbols GRAM.WT.U and GRAM.U and the OTCQX exchange as GRAMF.
- **Canopy Growth to acquire Acreage Holdings (September 2020)** – Acreage Holdings Inc. (“Acreage”) (CSE: ACRG.A.U., ACRG.B.U.) is a US-based multistate cannabis operator. Canopy Growth Corporation (“Canopy Growth”) (TSX: WEED, NYSE: CGC) is a Canada-based cannabis company. On April 18, 2019, Canopy Growth signed an agreement to acquire all the issued and outstanding shares of Acreage, contingent upon a triggering event that cannabis sale and production become federally legal in the US. In April 2019, the total transaction value was estimated to be US\$3.4 billion. On June 25, 2020, Canopy Growth and Acreage signed a new agreement to amend the terms of April 2019 such that it could offer potential upside to all shareholders. According to the June 2020 agreement, Canopy Growth would pay Acreage shareholders and certain convertible security holders a total of US\$37.5 million (approximately US\$0.30 per share) and create two new classes of shares, namely, the Fixed Share and Floating Share. The Fixed Share represents 70% of Acreage's existing share and would receive 0.3048 of Canopy Growth shares, while the Floating Share is entitled to a minimum of at least US\$6.41 per Floating Share when the triggering event occurs. On September 23, 2020, Canopy Growth paid the US\$37.5 million upfront payment and Acreage exchanged each existing share for 0.7 Fixed Share and 0.3 Floating Share.

- **Curaleaf's acquisition of Grassroots (July 2020)** – Curaleaf Holdings Inc. (“Curaleaf”) (CSE: CURA, OTCQX: CURLF) is a US-based vertically integrator cannabis operator. GR Companies Inc. (“Grassroots”) is a US-based privately held vertically integrated multi-state cannabis operator. On July 17, 2019, Curaleaf entered into an agreement to acquire Grassroots through a cash and stock deal. The total acquisition price was estimated to be \$875 million, which consists of a cash payment of \$75 million and issuance of \$40 million worth of Curaleaf shares (priced at the 10-day volume-weighted average price before transaction close) and 102.8 million Curaleaf subordinate voting shares. The total value of the Curaleaf subordinate shares was estimated to be \$756 million, priced at a 30-day volume-weighted average price of Curaleaf subordinate voting shares as of July 16, 2019. On July 23, 2020, Curaleaf completed the acquisition of Grassroots and became the largest cannabis company in the world in terms of revenue. Through this acquisition, Curaleaf has extended its footprint from 18 to 23 states in the US.
- **Cresco Labs' \$1.1 billion acquisition of Origin House (January 2020)** – On April 1, 2019, Cresco Labs signed an agreement to acquire CannaRoyalty Corp., conducting business as Origin House, through an all-share transaction. On January 8, 2020, Cresco Labs acquired Origin House. Pursuant to transaction terms, Cresco Labs issued 0.7031 Cresco Labs share for each Origin House share. This transaction was estimated to be \$1.1 billion. Prior to the acquisition, Origin House was a cannabis company with operating facilities in the US and Canada.

Table 2: Significant Recent Merger and Acquisition Activities in the Cannabis Industry (as of September 23, 2021)

<u>M&A Activity</u>	<u>EV/Sales of Acquirer/New Entity</u>	<u>Transaction Value (in US\$ million)</u>	<u>Date/ Anticipated Date</u>	<u>Transaction Summary</u>
Columbia Care's acquisition of Green Leaf	5.71x	\$ 240	June 11, 2021	On December 22, 2020, Columbia Care entered into an agreement to acquire Green Leaf. The acquisition price consists of US\$45 million in cash payment and US\$195 million worth of Columbia Care shares. Through this acquisition, Columbia Care expects to increase its footprint and operation scale in Mid-Atlantic and East Coast regions in the US.
Jazz's US\$7.2 billion acquisition GW Pharmaceuticals	5.43x	\$ 7,200	May 05, 2021	On February 3, 2021, Jazz signed an agreement to acquire GW Pharmaceuticals through a cash and stock deal. According to the transaction terms, Jazz would acquire each GW Pharmaceuticals American Depository Share (ADS) for US\$220 per ADS. Through this acquisition, Jazz intends to strengthen its neuroscience business with GW Pharmaceutical's cannabis-based epilepsy treatment.
Aphria and Tilray business combination	11.47x	C\$5 billion	May 03, 2021	On December 16, 2020, Aphria and Tilray signed an agreement for a business combination. According to transaction terms, Aphria shareholders will receive 0.8381 Tilray shares for each Aphria share, thereby completing the combination through a reverse acquisition. Through this combination, the combined entity expects to continue its accelerated growth in the US and the Canadian beverage industries.
Cresco Labs' acquisition of Bluma Wellness to expand into Florida	3.62x	\$ 213	April 14, 2021	On January 14, 2021, Cresco Labs signed an agreement to acquire all the issued and outstanding shares of Bluma Wellness through an all-share transaction. According to the transaction terms, Cresco Labs would issue 0.0859 subordinate voting shares of Cresco Labs for each Bluma Wellness share. Through this acquisition, Cresco Labs expects to have significant operations in all seven US cannabis markets that fall within the top 10 highly populated states in the US.
Greenrose's acquisition of four cannabis companies	NA	\$210	Q3 2021	On March 15, 2021, Greenrose signed agreements to acquire four cannabis companies (jointly referred to as "The Platform"). This acquisition price consists of about US\$170 million in cash, US\$25 million in debt and US\$15 million in stock. Further, Greenrose would pay a maximum of US\$110 million as earnouts through 2024.
Ayr Wellness' acquisition of Liberty Health	6.33x	\$ 290	February 26, 2021	On December 22, 2020, Ayr Wellness entered into an agreement to acquire Liberty Health through a stock-for-stock transaction. According to the terms of the agreement, Liberty Health shareholders will receive 0.03683 Ayr Wellness shares for each Liberty Health share.
Verano's acquisition of AltMed	4.50x	Undisclosed	February 11, 2021	On November 12, 2020, Verano entered into an agreement to acquire and combine with AltMed for an undisclosed amount. Verano estimated this acquisition to be highly accretive to its business. Further, this acquisition could establish Verano as one of the three largest multi-state operators in the US based on internal revenue and EBITDA projections for 2021.
Subversive's acquisition of Caliva and Left Coast Ventures	1.01x	\$ 425	January 15, 2021	On November 24, 2020, SCAC signed agreements with Caliva, Left Coast Ventures, Roc Nation and entrepreneur and MONOGRAM founder Shawn "Jay-Z" Carter to form TPCO Holding Corp. According to the agreement terms, Jay-Z would become the Parent Company's Chief Visionary Officer and the Parent Company would be the official cannabis partner of Roc Nation. Further, the Parent Company would acquire Caliva and LCV for total considerations of US\$282.9 million and US\$142.2 million, respectively.
Canopy Growth to acquire Acreage Holdings	9.44x	\$ 3,400	Contingent upon a triggering event that cannabis sale and production become federally legal in the US	On April 18, 2019, Canopy Growth signed an agreement to acquire all the issued and outstanding shares of Acreage. On June 25, 2020, Canopy Growth and Acreage signed a new agreement to amend the terms of April 2019 such that it could offer potential upside to all shareholders. According to the June 2020 agreement, Canopy Growth would pay Acreage shareholders and certain convertible security holders a total of US\$37.5 million (approximately US\$0.30 per share) and create two new classes of shares, namely, the Fixed Share and Floating Share.
Curaleaf's acquisition of Grassroots	8.88x	C\$875 million	July 23, 2020	On July 17, 2019, Curaleaf entered into an agreement to acquire Grassroots through a cash and stock deal. The total acquisition price consists of a cash payment of \$75 million and issuance of

				\$40 million worth of Curaleaf shares and 102.8 million Curaleaf subordinate voting shares, estimated to be \$756 million. Through this acquisition, Curaleaf has extended its footprint from 18 to 23 states in the US.
Cresco Labs' \$1.1 billion acquisition of Origin House	3.68x	C\$1.1 billion	January 08, 2020	On April 1, 2019, Cresco Labs signed an agreement to acquire CannaRoyalty Corp., conducting business as Origin House, through an all-share transaction. On January 8, 2020, Cresco Labs acquired Origin House. Pursuant to transaction terms, Cresco Labs issued 0.7031 Cresco Labs share for each Origin House share.

Source: Morningstar and Company filings & websites

Sources

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