

Press Release

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Hemply Balance signs letter of intent to acquire Polish Hemp Juice

Hemply Balance signs letter of intent to acquire Polish Hemp Juice Hemply Balance Holding AB (publ) ("Hemply Balance" or "The Company") has today signed a letter of intent with the owners of Hemp Juice Sp. z o.o. ("Hemp Juice") to acquire 100% of the shares in Hemp Juice.

Background

Hemp Juice is an e-commerce company that sells its CBD products, primarily on the Polish market. The company was founded in 2019, has six employees, and is headquartered in Warsaw. Hemp Juice product range consists of 10 products divided into three categories: dietary supplements, cosmetics, and pet products. All products contain CBD from hemp grown in Poland, where the company also has its production and warehousing.

Since its inception, Hemp Juice has more than doubled its annual sales during profitability, and the company has a very positive future outlook. Hemp Juice reported sales of €156,000 in 2020, and the entire year 2021 sales are expected to approximately €390,000, which corresponds to a growth of roughly 115%. Its business model is pure D2C, i.e., e-commerce on its own platform.

Radek Budzik and Marta Kocher founded Hemp Juice, and in 2021, Jędrzej Zarychta later joined the company as a partner. All have a broad experience in CBD, production, marketing, and e-commerce. According to their business plan, existing owners will remain in their current roles at least until 2025 to continue building Hemp Juice. The Polish CBD market is expected to grow to €1.1 billion by 2025.

Synergies:

Hemply Balance has identified several synergies:

- Economies of scale in production, generate cost savings through, among other things, larger volumes.



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- Revenue growth through access to new products that broaden the product range across all channels (e-commerce, retailers, and distributors).
- Human capital and a more efficient cost base.
- Efficiency gains in sales, marketing, and product development.

Purchase price and schedule

The purchase price for Hemp Juice consists of:

- A set-off issue of 120,000 shares in Hemply Balance at a share price of SEK 24.5
- A cash payment divided between the years 2022–2024 of €220,000
- A possible additional purchase price of a maximum of €470,000 over four years provided that the seller achieves predetermined goals (earn out).

The transaction is conditional on completed due diligence and that Hemply Balance and Hemp Juice agree to enter into a share transfer agreement. The acquisition is expected to be completed in January 2022.

Comments

"We are delighted to announce an acquisition of such a great company into the group. It marks an important first step in our acquisition strategy", says Pingis Berg-Hadenius, Chair of Hemply Balance.

"We are very fortunate to announce this deal with such a great brand, products, team and founders. I feel confident in the positive synergies Hemp Juice and Hemply Balance combined will develop. Our values and focus are aligned, and we have product portfolio's that complement one another. For example, HJ will add several new products such as beauty products, but they are also in an expansive segment that we strongly believe in, supplements for pets," says Jonas Lenne, CEO of Hemply Balance.

"We're very excited for the upcoming merge. We see many synergies between Hemp Juice and Hemply Balance and feel confident that together we can aim to become a major player," says Radek Budzik, CEO of Hemp Juice.

About Hemply Balance

Hemply Balance is a health food company that sells safe, high-quality hemp products for intimate and personal care, as well as hemp oil and hemp capsules outside Sweden. The company's goal is to consolidate its position as the leading player in high-quality hemp products in Sweden and to become a significant player in Europe.



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Augment Partners AB, tel. +46 8 604 22 55, email: info@augment.se is the company's Mentor.

For more information, visit the Hemply Balance website www.hemplybalance.com

This information is information that Hemply Balance Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-12-20 09:50 CET.

Attachments

[Hemply Balance signs letter of intent to acquire Polish Hemp Juice](#)

