

Press Release

08 February 2022 15:53:00 CET

## Hemply Balance acquires the Polish company Hemp Juice

**Hemply Balance Holding AB (publ) ("Hemply Balance" or "The Company") has today acquired 100% of the shares in Hemp Juice Sp. z o.o. ("Hemp Juice").**

### Background

In late December 2021, Hemply Balance communicated its intention to acquire Hemp Juice by signing a letter of intent. Since then, The Company has completed the due diligence of Hemp Juice. Today, both parties signed an agreement to fulfill the transaction.

### Transaction in summary

- A set-off issue of 120,000 shares in Hemply Balance at a share price of SEK 25.345
- A cash payment divided between the years 2022–2024 of €220,000
- A possible additional purchase price of a maximum of €460,000 over four years provided that the seller achieves predetermined margins and sales targets (earn out).
- The transaction will condition that the sellers stay in their existing roles for at least four years.

### Market drivers and motives

The European market for CBD is growing rapidly and is expected to have an annual growth rate of 40% until 2029 when the market value (total addressable market) is estimated at around EUR 7.38 billion.[1] In the expansive environment in which the Company operates, Hemply Balance sees potential in acquiring companies in Europe to consolidate its position as a leading player in the industry. With Hemply Balance's unique position and acquisition opportunity, the Company announced an acquisition strategy during the fourth quarter of 2021. In connection with the announcement of the acquisition strategy, the Company initiated the work to complete its first acquisition, whereupon the Company is now making its first acquisition and taking an important step in its continued expansion into the European market.



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The agreement conditions that key employees remain in their existing roles for at least four years where the intention is for the sellers to continue to expand in the Polish market. The acquisition also entails significant cost and growth synergies for Hemply Balance. The company has identified economies of scale in, for example, production at a lower cost, efficiency gains in sales, marketing and product development, and outstanding human capital and improved revenue growth. In parallel with the expansion in the Polish market, the parties see good opportunities to develop Hemp Juice B2B sales on the European market.

### **About Hemp Juice**

Hemp Juice is an e-commerce company that sells its CBD products, primarily on the Polish market. Hemp Juice product range consists of products divided into three categories: supplements, cosmetics, and pet products. Since its inception in 2019, Hemp Juice has had strong sales growth and strong gross margins because of its pure e-commerce driven business model.

Hemp Juice reported sales of 3,98 million SEK in 2021 with a net profit of 57 thousand SEK and a gross margin of 77%.

### **Comments**

"Today is a great day for Hemply Balance. As I started with the company, we worked out and announced our acquisition strategy and after approximately three months, we acquire the first company. Hemp Juice is a healthy business, entrepreneurially driven, with which we see significant synergies. This is the first and important step on our acquisition strategy into Europe" says Jonas Lenne, CEO of Hemply Balance.

"We are thrilled to be a part of Hemply Balance. Being part of a larger structure gives our company a fantastic opportunity to flourish", says Radek Budzik, CEO of Hemp Juice.

### **About Hemply Balance Holding**

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.

Augment Partners AB, tel. +46 8 604 22 55, email: [info@augment.se](mailto:info@augment.se) is the company's



Mentor.

For more information, visit the Hemply Balance website [www.hemplybalance.com](http://www.hemplybalance.com)

[1] MarketWatch, *Europe CBD oil Market size, Share 2022 Growing Rapidly with Recent Trends, Development, Revenue, Demand and Forecast to 2029*, 2021-12-27.

## Attachments

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[Hemply Balance acquires the Polish company Hemp Juice](#)

