

Press Release

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Significant legal advances in the CBD market enhance growth opportunities

Hemply Balance Holding AB (publ) ("Hemply Balance" or "The Company") reports an important milestone for the CBD market in the United Kingdom. The Food Standard Agency ("FSA") published its list of food products containing cannabidiol (CBD) that enables these to be retailed as novel food.

The CBD market in the UK

The FSA, who is responsible for food safety and hygiene in the UK and Wales, is undergoing a process and evaluating whether CBD products should be classified as an authorized novel food and thus be able to be retailed as food in England and Wales. As early as 2019, CBD products gained food status in the UK. The projection is that in 2023, the first CBD products are expected to be approved as an authorized novel food.

The number of CBD products left in the FSA process to be approved as novel foods in the UK was increased last week to 3,536 products. The FSA list means that the products will continue to be retailed in England and Wales. The UK market for CBD products is estimated to be worth € 814.5 million in 2021, according to the Association for the Cannabinoid Industry.

The CBD market in the EU

The rules on novel foods in the EU are found in EU Regulation 2015/2283. According to the regulation, nutrition and ingredients, which we did not eat to any great extent before 15 May 1997, must be reviewed and approved before being retailed as an authorized novel food.

The process for CBD to be approved as a novel food throughout the EU would mean that The Company's products can be retailed as new food, which would contribute to the growth potential increases significantly. The market for CBD in Europe is forecast to grow to around € 25.52 billion by 2027.



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Comment

"We are very positive about this progress in the UK. A more regulated CBD market with clearer regulations and stricter requirements for suppliers will benefit us as a company, while less serious players will find it increasingly difficult to conduct their business. Our expectation is that similar progress will be made at the EU level shortly, which is welcomed as we as a company continuously secure our collaborations with The Company's suppliers," says Jonas Lenne, CEO of Hemply Balance Holding AB.

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About Hemply Balance Holding

Hemply Balance Holding AB (publ) is an e-commerce-focused health supplement company that sells safe and high-quality products in three categories: cosmetics, dietary supplements, and supplements for pets. The focus is mainly on CBD supplements and adaptogens. We add what we call "*The missing ingredient*" to our customers. The business model is focused on the companies' e-commerce with elements of strategic retailers for brand building. The company owns two brands, Hemp Juice and Hemply Balance. The former was acquired in the first quarter of 2022 and the Group's goal is to continue with further acquisitions.

Augment Partners AB, tel. +46 8 604 22 55, e-mail: info@augment.se is the Company's Mentor.

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

Attachments

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