

Press Release

20 January 2022 13:44:00 CET

Hemply Balance updates on the positive outlook ahead

Hemply Balance Holding AB (publ) ("Hemply Balance" or "The Company") updates on increased B2B-retail growth, increased market growth, and increased sales in 2022.

Sales and development

In December 2021, The Company signed a letter of intent to acquire 100% of Polish Hemp Juice Sp. Z o.o. shares. The acquisition is expected to be completed in January 2022. With the acquisition of Hemp Juice, the group will significantly increase its sales. The Company will report detailed pro forma figures for the new group in connection with the completion of the acquisition.

During the second half of 2021, Hemply Balance signed agreements with nearly ten well-known retailers in the Swedish market, including pharmacy chains such as Kronans Apotek, MEDS Apotek, Apotea, and Apohem. The Company has also entered the Swiss market by signing with the distributor Götz & Brands. The Swiss collaboration has resulted in the Company's products retailing at several reputable retailers such as Manor, Zurrose, Perfecthair, and Frauendrogerie. In total, the new partnerships mean that Hemply Balance has had strong B2B-retail growth during the second half of 2021.

The successful collaboration with Götz & Brands also led to an extension of the partnership. From the first quarter of 2022, Götz & Brands will drive Hemply Balance operations in both Switzerland and Austria. This operation means both B2B-retail and directly to consumers through the domain hemplybalance.ch.

Furthermore, the Company signed a letter of intent with Japanese Life Activation to enter the Japanese CBD market in 2022.

Market situation

The European CBD market continues to grow steadily. In line with the development of the market, most countries have introduced an increasingly liberal regulatory framework for CBD. As recently as June 2021, the French Supreme Court ruled that



CBD could be retailed in physical stores.

At the same time, there is a trend in the international market where countries are increasingly legalizing cannabis for adult use or medical purposes. The European market is currently undergoing a process where a handful of countries are expected to legalize cannabis in 2022. Countries such as Germany and Luxembourg are currently experiencing a national legalization process of cannabis.[1]

The European market for CBD oils is expected to have an annual growth rate of 40% between 2022 - 2029, and the market value is expected to reach 8.45 billion USD by 2029.[2]

Prospects

With the optimistic market sentiment, Hemply Balance has positive guidance. The market outlook in terms of regulations is also positive on a EU-level. With a more explicit regulatory framework, more opportunities for expansion and product development are opened up. The Company intends to continue expanding in the European market by continuing its acquisition strategy as well as solid organic growth.

Comment

"We continue to grow through our recognized strategy: consolidation in Europe through more acquisitions in our industry and organic growth driven by additional sales channels and an enlarged product portfolio," says Jonas Lenne, CEO of Hemply Balance.

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.

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

[1] New Frontier Data, *22 for 22 – Cannabis Industry Assertions & Predictions*, January 2022.

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



Attachments

[Hemply Balance updates on the positive outlook ahead](#)

