

**Hellenic Dynamics plc**  
**("Hellenic Dynamics" or the "Company")**

**Business Update**

**London, 20 January 2023:** Hellenic Dynamics plc (LSE: HELD) is a medical cannabis cultivator specifically focused on the cultivation and supply of tetrahydrocannabinol ("THC") dominant strains of medical cannabis flowers destined for the rapidly growing medical cannabis markets across Europe. In December 2022, Hellenic Dynamics became the first medical cannabis cultivator to list on the London Stock Exchange's main market for listed securities.

**Highlights**

- Phase one cultivation fit out strategy well underway
- On track for first harvest in mid-2023
- In advanced discussions with licensed medical cannabis distributors outside Germany for additional off-take agreements
- Wholesale prices of medical cannabis flowers in Europe holding strong

Hellenic Dynamics' core strategy is to develop and operate its 40,000 square metre active THC cultivation licence from its 195,506 square metre facility located near Thessaloniki in Northern Greece.

The facility benefits from one of the lowest costs of power in Europe as well as having its own running water supply, meaning that utility costs are significantly below standard market rates. Furthermore, the facility is located in an area that has one of the lowest rates for skilled and semi-skilled labour in Europe. The licence allows for an active cultivation area for THC-dominant medical cannabis of 40,000 square meters, which is one of the largest THC cultivation licences issued in Europe, capable of producing over 54,000 kg of dried medical cannabis flowers per annum when in full production.

Hellenic Dynamics has signed two term sheets for off-take of its THC-dominant medical cannabis flowers into Germany's advanced medical cannabis market, where there are over 350,000 patients who receive medical cannabis via prescription, with European patient numbers growing annually and estimated to exceed 500,000 in 2023. With 25 countries in Europe now allowing medical cannabis prescriptions to patients, Hellenic Dynamics' strategy is to secure and fulfil further supply agreements within Europe. The European cannabis market is expected to reach €43.3 billion per annum by 2027.

**Davinder Rai, CEO of Hellenic Dynamics, commented:**

*"We have continued to make good progress since our IPO and our cultivation and processing facility in Greece is on track to be ready for the first harvest to take place in the second quarter of this year. With discussions with new potential off-take customers on going, and the price of THC-dominant medical cannabis holding firm, we look to the future with confidence and can't wait for our products to start changing patients' lives for the better during 2023."*

**Phase one cultivation strategy well underway**

The company's facility comprises of 14 constructed buildings which house offices, security, a post-harvest processing area, a 200 tonne water tank, five over ground bunkers which are for cultivation and propagation and three storage buildings. Phase one of the fit-out and process implementation strategy for the facility is well underway. All cultivation and propagation activities will be in line with Good Agricultural and Collection Practices for Medicinal Plants ("GACP") requirements and the post-harvest completion area will be in line with EU-Good Manufacturing Practice ("EU-GMP") requirements.

**On track for Q2 2023 revenues to meet distributor demand**

The Company expects to complete the initial fit-out and activation phase of its facility during Q1 2023 which will

enable it to cultivate, harvest and supply its pre-allocated medical cannabis flowers to its off-take customers in Germany during mid-2023. Hellenic Dynamics expects the total cultivation area to be expanded towards its licence capacity as it secures phased revenues in line with growing European demand. As such, Hellenic Dynamics is in advanced discussions with licensed medical distributors outside of Germany and a further update will be made to the market in due course.

#### **Wholesale prices of medical cannabis flowers holding strong**

The current wholesale price of THC medical cannabis flowers of a THC content of 22% and above is holding strong and Hellenic Dynamics expect these prices to continue throughout the year. Demand for medical cannabis products in Germany and other target markets in Europe are increasing annually and Hellenic Dynamic is in a prime position to serve these.

THC-dominant medical cannabis products are only available via a medical prescription. Medicinal cannabis has been approved for use both in the United Kingdom and Germany, plus 23 other European countries, for conditions including chronic pain, intractable chemotherapy-related nausea, anxiety, insomnia, Tourette's syndrome, substance use disorder, multiple sclerosis, IBS, spinal cord treatment, lack of appetite due to HIV/AIDS, cachexia, anorexia and glaucoma.

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

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#### **About Hellenic Dynamics plc**

Founded in 2019, Hellenic Dynamics is specifically focused on the cultivation and supply of THC ("tetrahydrocannabinol") - dominant strains of medical cannabis flowers, destined for the growing medical cannabis markets across Europe. Hellenic Dynamics' core strategy is to develop and operate its 40,000 square metre active cultivation licence from its 195,506 square metre facility located near Thessaloniki in Northern Greece. In full production, Hellenic Dynamics is capable of producing over 54,000 kg of dried flowers per annum.

Hellenic Dynamics will take advantage of its relatively low cost base resulting from a comparatively low cost of power, having its own running water supply and the labour rates for skilled and semi-skilled labour in Northern Greece.

25 European countries now allow medical cannabis via prescription and the European cannabis market is expected to reach €43.3 billion per annum by 2027. Sales of Hellenic Dynamics' dried THC-dominant cannabis flowers and extracts are initially intended for export into Europe's largest market - Germany, in addition to other European markets including domestically in Greece.

As the first medical cannabis cultivator to obtain a listing on the main market for listed securities of the London Stock Exchange, Hellenic is significantly different to the number of CBD (Cannabidiol) related companies that have appeared over the recent years. Hellenic Dynamics cultivates THC-dominant medical cannabis flowers. THC-dominant medical cannabis products are only available via a medical prescription. Medicinal cannabis has been approved for use both in the United Kingdom and Germany, plus 23 other European countries, for conditions including but not limited to chronic pain, intractable chemotherapy-related nausea, anxiety, insomnia, Tourette's syndrome, substance use disorder, multiple sclerosis, IBS, spinal cord treatment, lack of appetite due to HIV/AIDS, cachexia, anorexia and

use disorder, multiple sclerosis, MS, spinal cord treatment, risk of appetite due to HIV/AIDS, diabetes, diabetes and glaucoma.

For further information please visit our website [www.hellenicdynamics.com](http://www.hellenicdynamics.com)

#### **Caution regarding forward looking statements**

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

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