

6 July 2023

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

**Repayment of Convertible Loan Note**

**London, 6 July 2023:** Hellenic Dynamics Plc (LSE: HELD), the medical cannabis company based on a 195,506 square meter facility in Northern Greece and focused on the cultivation and supply of tetrahydrocannabinol ("THC") dominant strains of medical cannabis flowers to the European market, announces that the Company has received an approach from Rami Ajami, the holder of an unsecured convertible loan note of £375,000 ("CLN"). The Company is pleased to advise that it has made significant cost savings against its initial budget for the purchase of plant and equipment which are in excess of the value of the CLN. As a result of these cost savings, the Company proposed to the holder to repay the CLN in full, which Rami Ajami has accepted.

The CLN has now therefore been redeemed in its entirety.

**Background**

With effect from 5 December 2022, Rami Ajami, who is also an existing shareholder, subscribed for the CLN in the Company.

Under the terms of the subscription agreement for the CLN, conversion of the CLN would have resulted in:

- the issue of 125,000,000 new ordinary shares ("Conversion Shares") in the Company at £0.003;
- the issue of 125,000,000 warrants at an exercise price of £0.003 for a period of two years if converted within the first 9 months from admission; and
- the transfer of 125,000,000 Top-Up Shares (as defined in the Company's prospectus dated 14 November 2022 ("Prospectus")) from existing Hellenic shareholders held in escrow ("Escrow Shares"), if converted within the first 9 months from admission.

After taking careful consideration of the recent significant cost savings referred to above, the Board unanimously approved proposing to Rami Ajami the repayment of the CLN in full. Progression of the Company's strategy, as detailed in its Prospectus and as amended by recent announcements, is therefore not impacted by this repayment.

Furthermore, as the CLN has now been repaid rather than converted, neither the Conversion Shares nor the Conversion Warrants will be issued and the Escrow Shares will be returned to the founding shareholders.

As announced on 13 June 2023, the Company continues to advance its Product Outsourcing Development ("POD") concept and it is also pleased to advise that it is in late stage discussions with a number of funding sources, which include the application of a number of grants, which, if successful, will not only provide sufficient working capital for the accelerated construction of the initial PODs but also place the Company in a stronger working capital position than it was on admission.

The Company previously secured a number of unused post harvest area equipment, as part of the final aspects of completion of its facility which has provided significant cost savings. The Company is on track to produce its first harvest for commercial sale, under its existing off-take agreements, in line with its previous announcements, within Q2 of the Company's fiscal year.

The Company will update the market with details of further POD agreements in due course.

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

"Given our concerted effort to preserve capital and build a platform for growth for shareholders, as per our announcement dated 6 June 2023, we have previously made significant savings in the procurement of construction and equipment, thus we are in a position to repay this CLN without any dilution to our shareholders. Further to the Company's previous announcement dated 13 June 2023, the Company has also made an application for two grants both domestically in Greece and at EU level along with entering into advanced discussion with a well-known financial provider to support the acceleration of our contract

that entering into advanced discussion with a non-affiliated financial provider to support the acceleration of our contract cultivation PODs by way of a capital financing instrument."

**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.**

**The Directors of the Company take responsibility for this announcement.**

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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 specifically involved in the cultivation and sales of THC-dominant medical cannabis products which 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 glaucoma.

**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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