

28 December 2023

Hellenic Dynamics Plc
("HELD" or "the Company")

Interim Results for the six months ended 30 September 2023

London, 28 December 2023: Hellenic Dynamics Plc (LSE: HELD), a medical cannabis cultivator with a dedicated focus on producing tetrahydrocannabinol ("THC") dominant strains of medical cannabis flowers for the fast growing global medical cannabis markets, announces its half-yearly results for the six months ended 30 September 2023 (the "Period")

Operational highlights for the period

- Received a European Union grant of EUR €304,425 via the EU Horizon Europe project, as the only medical cannabis cultivator. The overall budget for this EU Horizon Europe is just under EUR €9 million over a period of 36 months. Hellenic Dynamics consortium consists of 29 partners from 11 countries including Kingstons University, Queen Mary University of London, and Fujitsu Technology solutions
- Entered into a five-year memorandum of understanding ("MoU") with ELGO-DIMITRA, the Institute of Plant Breeding and Genetic Resources, a public sector entity functioning under the Greek Ministry of Agriculture, Development and Food located near Thessaloniki, Greece. The MOU set out the intentions of ELGO-DIMITRA and the Company to collaborate on future projects and research, including the registration of medical cannabis genetics for European intellectual property ("IP") ownership
- Developed and implemented the Company's Product Outsourcing and Development ("POD") cultivation strategy and signed an MOU with Demecan Holdings, a trading name of Deutsche Medizinalcannabis GmbH, for the cultivation and supply of medical cannabis flowers
- Signed an exclusive agreement with Nine Lions Bioscience Corp, a renowned Canadian-based supplier of cannabis genetics, for the exclusive European cultivation of unique high THC medical cannabis flowers
- Successfully passed all resolutions with an average of 99.93% of votes at the enlarged Company's first Annual General Meeting, including the re-appointment of all directors

Operational highlights for post period-end

- Completed the construction of the Company's state of the art, fully indoor and climate-controlled cultivation facilities, at a significant low cost
- Elgo Dimitra, the public research institute overseen by the Greek Ministry of Agriculture successfully began the cultivation of medical cannabis flowers for Hellenic Dynamics
- Published a new Company presentation and Facility Presentation, showcasing the position of the Company and the work completed during and post the period
- Entered into a five year MOU with The Laboratory of Molecular Pharmacology, Department of Pharmacy of The University of Patras to collaborate to develop joint scientific research projects, with the intention to focus on cannabis-based molecules to be used for clinical trials with a view to cultivate plants to be used by large pharmaceutical companies
- Signed a mezzanine loan facility of up to USD €3 million with international financial institution Riverfort Global Opportunities
- Successfully completed a capital reorganization and re-issue of 125,300,000 shares with a nominal value of £0.001

Financial highlights for the period

Cash at 31 March 2023 of £2,117,159, with current cash as at 30 September 2023 of £195,780.

Davinder Rai, CEO of Hellenic Dynamics plc, commented:

"The interim period and post period has been one of significant strategic progress, culminating in the completion of what I truly believe to be one of the most sophisticated cultivation facility in Europe or even further. The indoor, fully climate and light controlled facility utilises some of the most high-tech equipment in the industry. Included in the development of Hellenic's new 195,506 square meter facility the team has completed the construction of a new office, a security building, completed the installation of over 90 motion sensing cameras around a new rehabilitated 3km of perimeter fencing, construction and fit out of a new propagation building utilising Priva technology and the completion of our state of the art cultivation bunkers. This is in addition to the installation of new power substations, drilling of bore holes and the connection of utilities across the site. All of this is testament to the hard work and dedication of our team, all whilst maintaining an exceptionally low cost base. I would like to thank our investors and shareholders for their continued support and I look forward to the issue of our annual report next year and the generation of revenues."

The Directors of the Company accept responsibility for the content of this announcement.

Enquiries:

Hellenic Dynamics Plc

+44 (0)20 3818 7850

Davinder Rai

davinder@hellenicdynamics.com

Cairn Financial Advisers

Emily Staples / Jo Turner

+44 (0)20 7213 0880

Peterhouse Capital - Corporate Brokers

+44 (0)20 7469 0930

Lucy Williams / Charles Goodfellow

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.

26 European countries now allow medical cannabis via prescription and the European cannabis market is expected to reach €17.39 billion per annum by 2028. 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 24 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.

Chairman's statement

The Company has achieved a number of significant milestones during the period ended 30 September 2023 and post period. Having completed the Reverse Takeover ("RTO") and gaining Admission to the London Stock Exchange's Main Market for Listed Securities on 5 December 2022. I am extremely pleased that following the inheritance of the Company's issued share capital and Articles of Association ("AoA"), we have successfully completed a capital restructure and adopted new AoA, more in line with the Company and its future.

Aside from the restructuring of the Company, the work completed at the nearly 200,000 square meter facility is world leading in terms of medical cannabis cultivation, especially when we consider the extremely low associated costs. I very much look forward to the generation of revenues during 2024 and executing on a number of the Company's Agreements.

I would like to take this opportunity to thank our team and our shareholders for their continued support.

Sir Anthony Jolliffe

Non-executive Chairman

28 December 2023

**Condensed statement of comprehensive income
For the six months ended 30 September 2023**

	6 months to 30 September 2023 (unaudited)	6 months to 30 September 2022 (unaudited)
	£	£
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(956,782)	(167,758)
Operating loss	(956,782)	(167,758)

Operating loss	(956,782)	(167,758)
Net finance costs	(486)	(131)
Loss before income tax	(957,268)	(167,889)
Income tax expense	-	-
Loss for the period	(957,268)	(167,889)
Other comprehensive income		
Exchange differences on translating foreign operations	(7,805)	(15,589)
Total other comprehensive income for the period	(7,805)	(15,589)
Loss for the period and total comprehensive income	(965,073)	(183,478)
Earnings per share		
Basic earnings per share	(0.008p)	(0.002p)

There are no recognised gains and losses other than those passing through the Statement of Comprehensive Income.

Condensed statement of financial position
As at 30 September 2023

		30 September 2023 (Unaudited)	31 March 2023 (audited)
	Note	£	£
ASSETS			
Non-current assets			
Intangible assets		8,246	8,814
Property, plant and equipment	9	1,035,641	632,244
Right-of-use assets		264,993	317,583
Other receivables		3,038	3,085
		<u>1,311,918</u>	<u>961,726</u>
Current assets			
Other receivables		422,686	186,896
Cash and cash equivalents		195,780	2,117,159
		<u>618,466</u>	<u>2,304,055</u>
TOTAL ASSETS		<u>1,930,384</u>	<u>3,265,781</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued share capital	10	14,800,182	14,800,182
Share premium	10	2,971,570	2,971,570
Merger reserve		20,828,894	20,828,894
Reverse acquisition reserve		(31,497,974)	(31,497,974)
Convertible loan notes reserve		-	41,305
Capital redemption reserve		7,500	7,500
Share based payment reserve		157,302	62,921
Retained earnings		(6,498,080)	(5,533,007)
TOTAL EQUITY		<u>769,394</u>	<u>1,681,391</u>
Current liabilities			
Trade and other payables	11	614,544	654,990
Provisions		212,175	212,175
Lease liabilities		78,423	80,530
		<u>905,142</u>	<u>947,695</u>
Non-current liabilities			
Lease liabilities		255,848	303,000
Loan notes		-	333,695
		<u>255,848</u>	<u>636,695</u>
TOTAL LIABILITIES		<u>1,160,990</u>	<u>1,584,390</u>
TOTAL EQUITY & LIABILITIES		<u>1,930,384</u>	<u>3,265,781</u>

Condensed statement of changes in equity
For the six months ended 30 September 2023

	Share capital	Share premium	Share based payment reserve	Merger reserve	Reverse acquisition reserve	Convertible loan note reserve	Capital redemption reserve	Retained earnings	Total
	£	£	£	£	£	£	£	£	£
At 30 September 2022	232,211	902,610	-	-	-	-	-	(980,320)	154,501
Shares issued during the period	263,333	526,667	-	-	-	-	-	-	790,000
Transfer to reverse acquisition reserve	(232,211)	(902,610)	-	-	1,134,821	-	-	-	-
Recognition of PLC equity at acquisition of subsidiary	4,122,400	2,816,208	-	-	(1,389,452)	-	7,500	-	5,556,656
Issue of shares for the acquisition of subsidiary	10,414,449	-	-	20,828,894	(31,243,343)	-	-	-	-
Equity element of convertible loan notes	-	-	-	-	-	41,305	-	-	41,305
Cost of share issue	-	(371,305)	-	-	-	-	-	-	(371,305)
Share based payment	-	-	62,921	-	-	-	-	-	62,921
Total comprehensive loss for the period	-	-	-	-	-	-	-	(4,552,687)	(4,552,687)
At 31 March 2023	14,800,182	2,971,570	62,921	20,828,894	(31,497,974)	41,305	7,500	(5,533,007)	1,681,391
Total comprehensive loss for the period	-	-	-	-	-	-	-	(965,073)	(965,073)
Share based payment	-	-	94,381	-	-	-	-	-	94,381
Repayment of convertible loan notes	-	-	-	-	-	(41,305)	-	-	(41,305)
At 30 September 2023	14,800,182	2,971,570	157,302	20,828,894	(31,497,974)	-	7,500	(6,498,080)	769,394

Condensed cash flow statement
For the six months ended 30 September 2023

	6 months to 30 September 2023 (unaudited) £	6 months to 30 September 2022 (unaudited) £
Cash from operating activities:		
Loss before taxation	(957,268)	(167,889)
Adjusted for:		
Depreciation	56,311	24,788
Share based payment expense	94,381	-
Finance costs	486	131
Foreign exchange movements	6,992	1,653
Operating cashflow before working capital movements	(799,098)	(141,317)
(Increase)/ decrease in trade and other receivables	(235,743)	16,712
(Decrease)/ increase in trade and other payables	(40,446)	117,029
Finance costs	(486)	(131)

Taxation paid	-	-
Net cash (outflow)/inflow from operating activities	(1,075,773)	7,707
Cash flows from investing activities:		
Purchase of property, plant and equipment	(421,346)	(779)
Net cash flows from / (used) in investing activities	(421,346)	(779)
Cash flows from financing activities:		
Repayment of convertible loan notes	(375,000)	-
Payment of lease liabilities	(49,260)	-
Net cash flows from financing activities	(424,260)	-
Net (decrease)/increase in cash and cash equivalents	(1,921,379)	(8,486)
Cash and cash equivalents brought forward	2,117,159	14,104
Cash and cash equivalents carried forward	195,780	5,618

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	As at 30 September 2023 £	As at 30 September 2022 £
Cash at bank and in hand	195,780	5,618
Bank overdraft	-	-
	195,780	5,618

1. Corporate information

The interim condensed financial statements of Hellenic Dynamics Plc ("the Company") for the six months ended 30 September 2023 were authorised for issue in accordance with a resolution of the directors on 28 December 2023.

The Company and its subsidiary ("the Group") have a principal activity of the cultivation and supply of medical cannabis flowers. The address of its registered office is 21 Arlington Street, London, SW1A 1RN.

Hellenic Dynamics Plc is a limited company, incorporated in England and Wales, whose shares are publicly traded on the London Stock Exchange in the standard segment.

2. Notes to the Interim Report

Basis of preparation

The Company's half-yearly financial statements for the six months ended 30 September 2023 were authorised for issue by the directors on 28 December 2023.

The half-yearly financial statements, which are unaudited, do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 March 2023 have been filed with the Registrar of Companies at Companies House. The audit report on the statutory accounts for the year ended 31 March 2023 was unqualified and did not contain any statements under Section 498 (2) or (3) of the Companies Act 2006.

On 5 December 2022, the Company acquired Hellenic Dynamics S.A. via a reverse takeover which resulted in the Company becoming the ultimate holding company of the Group. The transaction was accounted for as a reverse acquisition since it did not meet the definition of a business combination under IFRS 3. The comparatives within the condensed statement of comprehensive income and condensed statement of changes in equity and the condensed cashflow statement represent that of the legal subsidiary and accounting acquirer, Hellenic Dynamics S.A. for the interim period to 30 September 2022 and not that of Hellenic Dynamics Plc. The interim financial statements as at 30 September 2022 reflected the figures of Hellenic Dynamics Plc as it was prior to the reverse takeover.

The annual financial statements of the Company for the year ended 31 March 2024 will be prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, IFRIC Interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under UK-adopted IAS. Accordingly, these interim financial statements have been prepared using accounting policies consistent with those which will be adopted by the Company in the financial statements and in compliance with IAS 34 "Interim financial reporting".

The functional currency for each entity in the Group is determined as the currency of the primary economic environment for which it operates. The functional currency of the parent company, Hellenic Dynamics PLC, is Pounds Sterling (£). The functional currency of its subsidiary, Hellenic Dynamics S.A., is the Euro (€). The Group has chosen to present its consolidated financial statements in Pounds Sterling (£), as the Directors believe it is a more appropriate presentational currency of the users of the consolidated financial statements. Foreign operations are included in accordance with the policies set out in the Annual Report and Accounts.

The interim financial statements have been prepared in accordance with the accounting policies set out in the annual financial statements for the year ended 31 March 2023.

New standards, amendments and interpretations adopted by the Group

There are no accounting pronouncements which have become effective from 1 April 2023 that have a material impact on the Company's interim condensed financial statements.

New standards, amendments and interpretations adopted not yet by the Group

The standards and interpretations that are relevant to the Group, issued, but not yet effective, up to the date of these interim Financial Statements have been evaluated by the Directors and they do not consider that there will be a material impact of transition on the financial statements.

3. Significant accounting policies

The interim condensed financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended 31 March 2023.

4. Going concern

The interim financial statements are prepared on a going concern basis which the directors believe to be appropriate. At the balance sheet date, the company had total assets of £1,930,384 and a cash balance of £195,780. Subsequent to the period ended 30 September 2023 the Company secured a mezzanine draw down loan facility of USD €3million, which will support the current plans of the group. The Directors believe that the Company will be able to meet its obligations as they fall due.

5. Estimates and judgements

The judgements, estimates and assumptions applied in the interim condensed financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the year ended 31 March 2023.

6. Risks and uncertainties

The Directors continuously assess and monitor the key risks of the business. The key risks that could affect the Group's performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's most recent annual financial statements for the year ended 31 March 2023.

7. Segmental Reporting

For management purposes the Group is organized into business units based on its products and services and has two reportable segments, as follows;

- Medical Cannabis Supply - Cultivation and supply of medicinal cannabis flowers
- Head Office - The provision of management services of the Group

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and incomes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segmental operating performance

	Six months to 30 September 2023 (unaudited)		Six months to 30 September 2022 (unaudited)	
	Segmental revenue £'000	PBT £'000	Segmental revenue £'000	PBT £'000
Medicinal Cannabis Supply	-	(154)	-	(168)
Head Office	-	(803)	-	-
	-	(957)	-	(168)
Inter-segmental revenue and unallocated costs	-	-	-	-
	-	(957)	-	(168)

Business segments assets and liabilities

	30 September 2023 (unaudited)		31 March 2023 (audited)	
	Segment assets £'000	Segment liabilities £'000	Segment assets £'000	Segment liabilities £'000
Medical Cannabis Supply	1,715	423	1,019	592
Head Office	215	738	2,247	992
	1,930	1,161	3,266	1,584

8. Property, plant and equipment

During the six months ended 30 September 2023, the Group acquired assets with a cost of £421,346 (*Sept 2022 - £779*).

9. Share Capital

	30 September 2023		31 March 2023	
	Number	£	Number	£
Allotted, called up and fully paid				
Ordinary shares of 0.1p each	12,530,000,000	12,530,000	12,530,000,000	12,530,000
Founder shares of £1 each	2,270,182	2,270,182	2,270,182	2,270,182
		<u>14,800,182</u>		<u>14,800,182</u>

The ordinary shares have attached to them fully voting, dividend, and capital distribution rights (including on a winding up). The ordinary shares do not confer any right of redemption.

2,270,182 Founder shares were issued in 2016. The founder shares are not quoted and do not carry a right to vote or to receive a dividend.

Warrants

During the period, 125,000,000 warrants lapsed as a result of the repayment of the convertible loan notes. As at 30 September 2023, there were 312,784,810 warrants outstanding.

Share Options

All of the options are equity settled and the charge for the period is £94,381 (*Sept 2022 - £Nil*). As at 30 September 2023, there were 1,282,688,148 share options outstanding.

10. Trade and other payables

During the period, convertible loan notes amounting to £375,000 were repaid. The equity element of the convertible loan note amount to £41,305 was reversed.

11. Related party transactions

At the end of the period, an amount £14,353 was owed by a director (*Mar 2023 - £14,353*).

12. Subsequent events

Subsequent to the year end the company undertook a capital reorganisation by consolidating every 100 Existing Ordinary Shares held into one Ordinary Share of £0.01 each, followed by a share subdivision and reclassification of each Consolidated Share into 99 Deferred Shares and one new Ordinary Share of £0.001 each.

The New Ordinary Shares have the same rights as the Existing Ordinary Shares including voting, dividend and other rights.

The Deferred Shares have no right to vote or participate in the capital of the company save in respect of insolvency.

Subsequent to the year end the company entered into a \$3 million unsecured loan facility for a 36 month term of which \$450,000 has been advanced. The annual interest rate payable is 15% per annum. 4,249,291 warrants have been granted to the lender exercisable at 9.884p for 36 months.

13. Statement of Directors' responsibilities

The Directors of Hellenic Dynamics plc are set out on page 3 of this report. We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.
- the interim management report includes a fair review of the information required by;
 - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Davinder Rai

Chief Executive Officer

28 December 2023

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