

22 April 2024

Hellenic Dynamics plc

("Hellenic Dynamics" or the "Company")

Long Term Loan Agreement

London, 22 April 2024, 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 that Hellenic Dynamics SA, ("Hellenic SA"), the sole subsidiary of the Company, has entered into a 15 year secured loan agreement with a European investment and consulting house focused in health along with oil and gas, commodities construction, and financing, for EUR 1 million ("Loan Agreement"). The Company will use the funds available from the Loan Agreement for working capital purposes and to complete the current phase of investment at the Hellenic facility, including financing the first stage of additional cultivation capacity, which will allow the Company to bring in-house further commercial cultivation and research and development testing of strains to the 195,596 square meter Hellenic facility in northern Greece.

The Loan Agreement provides financing of EUR 1 million to the Company with an annual interest rate of 3.5% with a repayment period of 180 months. For the first 6 months, repayments will be on an 'interest only' basis following which principal and interest will be repaid. The Loan Agreement is guaranteed through an insurance policy with one of the world's largest insurance companies. The Company will pay an insurance fee of EUR 25,000, or 2.5% of the total loan amount, on entering into the Loan Agreement.

The loan is subject to penalties and termination provisions in the event of default and other events usual in an agreement of this nature.

The Loan Agreement is one part of the wider investment strategy adopted by Hellenic, where the Company is in conversations with other funders, one being Piraeus Bank S.A. as announced on 17 January 2024.. The Loan Agreement and other advanced discussions represent Hellenic's steadfast approach to a European fully indoor cultivation facility, with low overheads for the sale of high-quality medical cannabis products into the global markets, along with domestic sales within Greece in addition to the Company's ambition to being a wholesale cultivator of medical cannabis flowers to big pharma for end pharmaceutical medicines.

Dr Fillipos Papadopoulos, Executive Director of Hellenic Dynamics, commented : " By securing the Loan Agreement Hellenic Dynamics SA will significantly reduce the median cost of financing for the Company in its growth stage. The commitment to a 15-year loan underpins the approach that the Company is taking to deliver high quality cannabis products into the global markets. We are also in advanced discussions on additional financing with a number of parties for expedited growth and further announcements will be released to the market in due course."

The Directors of the Company take responsibility for this announcement.

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 global medical cannabis markets. 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, in addition to other international markets and 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.

For further information please visit our website 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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