

**LONDON  
STOCK  
EXCHANGE**

An LSEG Business

NS    Miscellaneous

## SIGNING OF MOU WITH DEMECAN HOLDING

[HELLENIC DYNAMICS PLC](#)

Released 07:00:11 13 June 2023

RNS Number : 4750C  
Hellenic Dynamics PLC  
13 June 2023

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

### **Signing of MoU with Demecan Holding ("Demecan")**

- **Demecan is the only vertically integrated independent German company licensed to grow, process and distribute medical cannabis in Germany**
- **MoU is the first commercial agreement under Hellenic's expanded strategy into contract cultivation**
- **Advanced discussions underway with a number of other licenced European distributors for POD agreements**

**London, 13 June 2023:** Hellenic Dynamics plc (LSE: HELD), the specialist cultivator and supplier of tetrahydrocannabinol ("THC") dominant strains of medical cannabis flowers, announces it has signed a Memorandum of Understanding ("MoU") with Deutsche Medizinalcannabis GmbH which trades as Demecan Holding for the cultivation and supply of medical cannabis flowers.

Demecan is the only licensed independent German company that covers the entire value chain for medical cannabis from cultivation through processing to distribution. Demecan works with producers of medical cannabis worldwide to ensure a reliable and continuous supply of medical cannabis for patients in Germany.

This MoU represents the first commercial agreement for Hellenic Dynamics under the expanded contract cultivation strategy it announced last week whereby it will allow, for the first time, medical cannabis distributors to have their own dedicated white label cultivation facilities by way of a Hellenic Dynamics Product Outsourcing Development ("POD") agreement.

Under the MoU, Hellenic Dynamics will grow and supply medical cannabis flowers from Demecan provided cultivars in an indoor cultivation area of 1,000 square meters capable of producing circa 1,200 kg of medical cannabis flowers per annum under Good Agricultural and Collection Practice ("GACP"). Demecan will then process the delivered flowers in its own EU-GMP facilities for onward sale to the German market. It is anticipated that the binding agreement with Demecan will be in place in line with Hellenic Dynamics' cultivation strategy, as per the Company's previous announcement.

Hellenic Dynamics is also in discussions with a number of other licensed European distributors, who have their own GMP processing facilities for similar POD agreements. The model allows distributors to fully define the specific type of medical cannabis they want to receive using either Hellenic Dynamics' strains or the distributor's own strains. Hellenic Dynamics will then cultivate and despatch directly to the distributor, branded under the distributor's chosen brand name. It is currently anticipated that customers will be contractually obliged to take a POD area for a minimum of two years.

This outsourced model means that Hellenic Dynamics handles the entire fit out of the POD and all cultivation requirements, with oversight from the distributor if they so wish. Hellenic Dynamics' distributor customers can also benefit from certain of the Company's relationships, for example the recent MoU agreement it has with ELGO-DIMITRA, the Institute of Plant Breeding and Genetic Resources located near Thessaloniki in Greece, which may enable POD owners to have their products registered and IP protected in Europe.

Under this strategy of white label cultivation, Hellenic Dynamics intends to have a select number of distributors utilising a POD agreement, while the Company will continue as planned to produce its own crop of medical cannabis plants. The medical cannabis markets in Europe are rapidly evolving and in the last 18 months cultivators have been struggling with soaring energy costs. In addition, many distributors have been building their own EU-GMP facilities. As mentioned in the last Company announcement, Hellenic Dynamics, in adapting with the market changes, has seen fit to expand its strategy to include the production of customised GACP products cutting down its production cost and the time to deliver products, which should enhance the business turnover and generate earlier cash flows. This strategy also allows the Company to diversify and accelerate cash flows whilst strengthening its relationships with a number of key distributors across Europe and establish production at scale.

Hellenic Dynamics remains committed to excellence and compliance across its cultivation value chain.

Further details on the POD expanded cultivation strategy can be found at:

<https://www.hellenicdynamics.com/investor/#s4>

**Davinder Rai, CEO of Hellenic Dynamics, commented:** "This POD agreement represents another development in the future of the Company's medical cannabis cultivation and underpins the long-term value inherent in the business and our operating model. We can allow distributors to grow the products they want in their own dedicated white label cultivation areas, which we then ship to their EU-GMP facilities for processing enabling us to widen our client base and creating more value for our shareholders."

**Enquires:**

Hellenic Dynamics plc  
Davinder Rai

+44 (0)20 3818 7850  
davinder@hellenicdynamics.com

Cairn Financial Advisers LLP  
Emily Staples / Jo Turner

+44 (0)20 7213 0880

Peterhouse Capital  
Lucy Williams / Charles Goodfellow

+44 (0)20 7469 0930

J&H Communications  
George Hudson

+44 (0)7803 603130

**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 glaucoma. [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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCNKBBBBBKBAAD

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

© 2023 London Stock Exchange plc. All rights reserved.