

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 (“FSMA”).**

This document comprises a prospectus relating to U.K. SPAC Plc prepared in accordance with the prospectus regulations rules of the Financial Conduct Authority (the “FCA”) made under section 73(A) of FSMA (the “Prospectus Regulation Rules”) and this prospectus has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are, or the Company which is, the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities. Applications will be made to the FCA for all of the Ordinary Shares, having a nominal value of £0.001 each, in the capital of the Company (issued and to be issued including the Existing Ordinary Shares and the Consideration Shares) to be admitted to the Official List of the UK Listing Authority (the “Official List”) by way of a standard listing under Chapter 14 of the listing rules published by the Financial Conduct Authority under section 73A of FSMA as amended from time to time (the “Listing Rules”) and to the London Stock Exchange plc (the “London Stock Exchange”) for such Ordinary Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities (“Admission”). It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8:00 a.m. on 5 December 2022.

**THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES AS SET OUT IN THE SECTION ENTITLED ‘RISK FACTORS’ BEGINNING ON PAGE 15 OF THIS DOCUMENT.**

The Company, Directors and the Proposed Directors, whose names appear on page 36 of this Document accept responsibility for the information contained in this Document. To the best of their knowledge the information contained in this Document is in accordance with the facts and the prospectus makes no omission likely to affect its import.

Certain information in relation to the Company has been incorporated by reference into this Document. You should refer to the part of this Document headed ‘Relevant Documentation and Incorporation by Reference’ which can be found on page 86 of Part VI of this Document.

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**U.K. SPAC Plc**  
**(to be renamed Hellenic Dynamics Plc)**  
*(Incorporated in England and Wales with Registered No. 06374598)*

Acquisition of Hellenic Dynamics S.A.

Subscription of 250,000,000 new Ordinary Shares at the Subscription Price

Subscription for £375,000 Convertible Loan Notes

Admission of 12,530,000,000 Ordinary Shares of £0.001 each to the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s Main Market for listed securities in connection with the proposed acquisition of Hellenic Dynamics S.A.

AND

Notice of general meeting and approval of waiver of Rule 9 obligations under The Takeover Code

*Financial Adviser and Broker*  
**Peterhouse Capital Limited**



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Peterhouse Capital Limited (“Peterhouse”), which is authorised and regulated by the FCA in the conduct of investment business, is acting exclusively for the Company and for no-one else in connection with the Proposals and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Peterhouse or for providing advice in relation to the contents of this Document, Admission, or any transaction, arrangement, or other matter referred to in this Document.

Peterhouse is not making any representation, express or implied, as to the contents of this Document, for which the Company, the Directors and the Proposed Directors are solely responsible. Without limiting the statutory rights of any person to whom this Document is issued, no liability whatsoever is accepted by Peterhouse for the accuracy of any information or opinions contained in this Document or for any omission of information, for which the Company, the Directors and the Proposed Directors are solely responsible. The information contained in this Document has been prepared solely for the purpose of the Subscription, the Acquisition and Admission and is not intended to be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

Apart from the liabilities and responsibilities, if any, which may be imposed on Peterhouse by FSMA or the regulatory regime established thereunder, neither Peterhouse nor any persons acting on behalf of Peterhouse make any representations or warranties, express or implied, with respect to the completeness or accuracy of this Document nor does any such person authorise the contents of this Document. No such person accepts any responsibility whatsoever for the contents of the Document or for any other statement made or purported to be made by it or on its behalf in connection with the Enlarged Group, the Ordinary Shares or Admission. Peterhouse accordingly disclaims any and all liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Document or any such statement.

Neither Peterhouse nor any persons acting on behalf of Peterhouse accept any responsibility or obligation to update, review or revise the information in this Document, or to publish or distribute any information which comes to their attention after the date of this Document, and the distribution of this Document shall not constitute a representation by Peterhouse or any such persons that this Document will be updated, reviewed or revised or that any such information will be published or distributed after the date hereof.

All Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the Ordinary Share capital of the Company and the New Ordinary Shares will rank *pari passu* in all other respects with the Existing Ordinary Shares in issue on Admission.

An extract of the Notice convening a General Meeting of the Company to be held at the offices of Hill Dickinson LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 1 December 2022 at 10.00 a.m. is set out at the end of this Document. Shareholders will find enclosed with this Document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by SLC Registrars, at the following address: SLC Registrars, P.O. Box 5222, Lancing, BN99 9FG as soon as possible but in any event by not later than 10.00 a.m. on 29 November 2022.

This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, the Republic of South Africa, the Republic of Ireland, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States.

The distribution of this Document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares have been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4 of the Prospectus Regulation Rules, the publication of this Document does not create any implication that there has been no change in the affairs of the Company since or that the information contained herein is correct at any time subsequent to the date of this Document. Notwithstanding any reference to the Company's website, the information on the website does not form part of this Document.

**Application will be made for the Existing Ordinary Shares to be Admitted and the New Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.**

**It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.**

Dated: 14 November 2022

## NOTICE TO INVESTORS

The distribution of this Document may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

### General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Document has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of the FSMA and of the Prospectus Regulation Rules. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in any jurisdiction. Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below. This Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

This Prospectus has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

### For the attention of European Economic Area investors

Following the conclusion of the Brexit transition period on 31 December 2020, it is no longer possible:

- (a) to request and obtain a certificate of approval from the FCA to enable an approved prospectus to be passported from the UK into an overseas EEA jurisdiction; and
- (b) for prospectuses approved by another EEA Member State to be passported into the UK.

For EEA Member States, an offer to the public in the relevant EEA Member State of any Ordinary Shares may only be made under the following exemptions prescribed by the Prospectus Regulation, if they have been implemented in that EEA Member State:

- (a) to any legal entity which is a Qualified Investor, within the meaning of Article 2(e) of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than Qualified Investors, within the meaning of Article 2(e) of the Prospectus Regulation) in such EEA Member State subject to obtaining prior consent of the Company for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed with Peterhouse and the Company that it is a "Qualified Investor" within the meaning of Article 2(e) of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Regulation in that Relevant Member State, and the expression “Prospectus Regulation” includes any relevant implementing measure in each Relevant Member State.

During the period up to but excluding the date on which the Prospectus Regulation is implemented in member states of the European Economic Area, this Document may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any member state of the European Economic Area in which such offer or invitation would be unlawful.

The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions.

#### **For the attention of UK investors**

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

#### **For the attention of US investors**

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States, except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or jurisdiction of the United States.

Accordingly, the Ordinary Shares may only be sold: (i) within the United States or to US Persons as defined in Regulation S of the Securities Act (“US Persons”) (wherever located) in transactions exempt from the registration requirements of the Securities Act and only to persons who are both qualified institutional buyers, as defined in Rule 144A of the Securities Act; and (ii) outside the United States to persons who are non-US Persons in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission (“SEC”), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

#### *Available information*

The Company is not subject to the reporting requirements of section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the “US Exchange Act”). For so long as any Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act, the Company will, during any period in which it is neither subject to section 13 or 15(d) of the US Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide, upon written request, to Shareholders and any owner of a beneficial interest in Ordinary Shares or any prospective purchaser designated by such holder or owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. The Company expects to be exempt from reporting pursuant to Rule 12g32(b).

#### *Enforcement of judgments*

The Company is incorporated under the laws of England and Wales. It may not be possible for investors to effect service of process within the United States upon the Company, or any Directors or Proposed Directors who are not US citizens or residents of the United States, or to enforce outside the United States judgments obtained against the Company, or any Directors or Proposed Directors who are not US citizens or residents of the United States in US courts, including, without limitation, judgements based upon the civil liability provisions of the US federal securities laws or the laws of any state or territory within the United States. Subject to Admission and completion, a majority of the Company’s directly owned assets will be located in Greece, any judgment obtained in the United States, the United Kingdom or other jurisdictions outside of Greece against the Company may not be collectible within those jurisdictions. There is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of United States court

judgments, of civil liabilities predicated solely upon US federal securities laws. In addition, awards for punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom.

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## SUMMARY

### Section A - Introduction and Warnings

#### Introduction

The legal and commercial name of the issuer is U.K. SPAC Plc. The Company's LEI number is 213800IM978BOB5QZA69 and its securities are the Ordinary Shares, registered with ISIN number GB00B3CQW227. The Company's registered address is 3rd Floor 80 Cheapside, London, United Kingdom, EC2V 6EE and telephone number is +44 (0) 7500 558235. This Document has been approved on 14 November 2022 by the FCA, as competent authority under the Prospectus Regulation. The FCA's registered address is FCA Head Office 12 Endeavour Square London E20 1JN.

#### Warnings

**THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS PROSPECTUS. ANY DECISION TO INVEST IN THE ORDINARY SHARES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR.**

Investors could lose all or part of their investment. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document, or where it does not provide, when read together with other parts of this Document, key information in order to aid investors when considering whether to invest in such securities.

### Section B – Key Information on the Issuer

#### Who is the issuer of the securities?

**Issuer's Domicile, Legal Form, LEI, the Law under which it Operates and Country of Incorporation:** The Company was incorporated with limited liability under the laws of England and Wales on 18 September 2007 with registered number 06374598. The Company was re-registered as a public limited company under the Companies Act 2006 on 23 October 2008, and is subject to the UK City Code on Takeovers and Mergers. The Company is domiciled in the United Kingdom. Its LEI is 213800IM978BOB5QZA69.

**Issuer's Principal Activities:** The Company was established as a holding company for three businesses in the construction sector. The Company was admitted to trading on the AIM Market on 30 October 2008. On 3 March 2021, the Company disposed of its assets and became a Cash Shell under AIM Rule 15, with the purpose of acquiring a target company or business or asset(s). The Company raised a total of £3.1 million (before expenses) in conjunction with the Disposal. Since the Disposal, the Company has used the proceeds to continue to review and assess acquisition opportunities and on 2 August 2021 the Company announced that it had entered into a share purchase agreement with Hellenic Dynamics and the shareholders of Hellenic Dynamics, pursuant to which the Company conditionally agreed to acquire the entire issued share capital of Hellenic Dynamics and to list on the Standard List of the Main Market of the London Stock Exchange. On 2 August 2021, the Company's shares were suspended following the announcement of the proposed acquisition of Hellenic Dynamics and the Company ceased trading on AIM with effect from 7:00 a.m. on 3 February 2022.

Hellenic Dynamics is a Greek private company limited by shares whose main objects include the cultivation of cannabis and the general production and trading of medicinal cannabis end-products. Under the terms of the proposed Acquisition, the Hellenic Dynamics shareholders will be entitled to receive up to 10,414,447,530 Consideration Shares; such shares will be issued and allotted at an implied price of £0.003 per share. The approval of the Acquisition is subject to and conditional upon Independent Shareholder approval of the transaction and the Rule 9 Waiver. If the Acquisition is approved by the Independent Shareholders of the Company and all other conditions are satisfied, the Company shall become the holding company of Hellenic Dynamics.

**Enlarged Group Strategy:** The Enlarged Group's core strategy will be, subject to obtaining all relevant regulatory approvals and authorisations, to develop and then operate a 195,506 square meter Facility in Northern Greece, specifically involved in the cultivation, production and distribution of THC-dominant strains of dried medicinal cannabis flowers and THC-dominant extracted medicinal cannabis associated oils which are intended for export into the emerging medical cannabis markets in Europe and the Greek domestic market. The Enlarged Group will not commence commercial operations until it has obtained all relevant regulatory approvals and authorisations.

**Major Shareholders:** So far as the Company is aware, as at the Last Practicable Date and immediately following completion of the Acquisition, on Admission, the following persons (not including any Directors or Proposed Directors), directly or indirectly, had/will have an interest in the Company's capital or Voting Rights which is notifiable under the Disclosure Guidance and Transparency Rules:



Shareholder	Number of Ordinary Shares as at the date of this Document	Percentage of Existing Share Capital as at the date of this Document	Number of Ordinary Shares on Admission	Percentage of Enlarged Issued Share Capital on Admission	Number of Warrants on Admission	Number of Options on Admission	Percentage of Enlarged Fully Diluted Share Capital
JIM Nominees Limited	193,021,820	10.42%	193,021,820	1.54%	0	0	1.34%
Interactive Investor Services Nominees Limited	132,977,843	7.18%	132,977,843	1.06%	0	0	0.93%
Hargreaves Lansdown Nominees Limited	114,131,126	6.16%	114,131,126	0.91%	0	0	0.79%
Hargreaves Lansdown Nominees Limited	97,581,123	5.27%	97,581,123	0.78%	0	0	0.68%
Hargreaves Lansdown Nominees Limited	96,127,793	5.19%	96,127,793	0.77%	0	0	0.67%
Vidacos Nominees Limited	65,192,333	3.52%	65,192,333	0.52%	0	0	0.45%
Pershing Nominees Limited	83,927,629	4.53%	83,927,629	0.67%	0	0	0.58%
Vestra Nominees Limited*	83,520,000	4.51%	83,520,000	0.67%	0	0	0.58%
Interactive Investor Services Nominees Limited	85,900,071	4.64%	85,900,071	0.69%	0	0	0.60%
Barclays Direct Investing Nominees Limited	72,946,210	3.94%	72,946,210	0.58%	0	0	0.51%
George Papadopoulos	0	0%	2,975,550,471	23.75%	0	250,600,000	22.44%
Samos Investments LTD**	0	0%	2,092,476,946	16.70%	0	0	14.56%
Keynes Ventures***	0	0%	1,037,888,567	8.28%	0	0	7.22%
Rashid Ibrahim	0	0%	479,278,170	3.83%	0	0	3.33%
Rami Ajami****	0	0%	407,532,726	3.25%	250,000,000	0	4.57%

\* The ultimate beneficiary owner is Graham Read.

\*\* The ultimate beneficiary owner is His Excellency G.I.Shaker

\*\*\* The ultimate beneficiary owner is Mohamad Ajami

\*\*\*\*If Rami Ajami elects to convert his Convertible Loan Notes prior to the nine-month anniversary of Admission, he will be entitled to receive an additional 125,000,000 Ordinary Shares which will be satisfied by certain existing shareholders of Hellenic.

As at the Last Practicable Date, the Company was not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company, nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

**Key Managing Directors:** The current directors of the Company are (1) Peter Jay, Executive Chairman; (2) Nigel Brent Fitzpatrick, Non-Executive Director; and (3) Simon Grant Rennick, Non-Executive Director. With effect from Admission, the current Directors will resign and the Proposed Directors will join the Board and will hold the following positions: (1) Davinder Rai, Chief Executive Officer; (2) Dr Filippos Papadopoulos, Executive Director; (3) Anthony Jolliffe, Non-executive Chairman; and (4) Joseph Colliver, Non-executive Director.

**Statutory Auditors:** The Company's statutory auditors are Adler Shine LLP whose address is Aston House, Cornwall Avenue, London N3 1LF. The auditors of Hellenic Dynamics S.A. are PKF Euroauditing whose address is located at, 124 Kifisias Avenue, 115 26 Athens, Greece.

#### What is the key financial information regarding the issuer?

##### Selected Key Historical Financial Information:

The following selected financial information relating to the Company has been prepared in accordance with IFRS as adopted by the European Union. The financial information of the Company has been incorporated by reference within the Prospectus. The financial information summarises the Company's financial performance and position for the financial year ended 31 March 2022 long period ended 31 March 2021 and year ended 31 December 2020 (all audited) set out in the following tables:

<b>Statement of Financial position of the Company</b>	<b>As at 31 March 2022</b> (£) (audited)	<b>As at 31 March 2021</b> (£) (audited)	<b>As at 31 December 2019</b> (£) (audited)
<b>Total assets</b>	<b>2,312,553</b>	<b>2,894,392</b>	<b>11,487,232</b>
<b>Total Equity</b>	<b>2,264,192</b>	<b>2,765,310</b>	<b>6,701,464</b>
<b>Total liabilities</b>	<b>48,361</b>	<b>129,082</b>	<b>4,785,769</b>
<b>Total equity and liabilities</b>	<b>2,312,553</b>	<b>2,894,392</b>	<b>11,487,232</b>

<b>Statement of Comprehensive Income of the Company</b>	<b>Year ended 31 March 2022</b> (£) (audited)	<b>15 months to 31 March 2021</b> (£) (audited)	<b>Year ended 31 December 2019</b> (£) (audited)
<b>Operating Profit/(Loss)</b>	<b>(613,511)</b>	<b>(414,048)</b>	<b>(261,568)</b>
Finance and other costs	(185)	(2,132)	(9,158)
Profit/(Loss) from discontinued operations	-	(3,487,000)	942,301
<b>Loss before taxation</b>	<b>(613,696)</b>	<b>(3,903,180)</b>	<b>671,575</b>
Taxation	-	-	(5,562)
<b>Profit/(Loss) for the year/period</b>	<b>(613,696)</b>	<b>(3,903,180)</b>	<b>666,013</b>
<b>Total comprehensive income for the year/period attributable to the equity owners</b>	<b>(613,696)</b>	<b>(3,903,180)</b>	<b>666,013</b>
Earnings per share	<b>(0.033)p</b>	<b>(1.082)p</b>	<b>0.262p</b>

<b>Statement of cash flows</b>	<b>Year ended 31 March 2022</b> (£) (audited)	<b>15 months to 31 March 2021</b> (£) (audited)	<b>Year ended 31 December 2019</b> (£) (audited)
<b>Net cash used in operations</b>	<b>(565,583)</b>	<b>(368,230)</b>	<b>276,254</b>
<b>Net cash used in investing activities</b>	<b>(197,510)</b>	-	<b>(12,557)</b>
<b>Net cash from financing activities</b>	-	<b>3,816,061</b>	<b>(138,559)</b>
Net increase/(decrease) in cash and cash equivalent	(763,093)	3,447,831	125,138
<b>Cash and cash equivalents at beginning of period</b>	<b>2,858,774</b>	<b>802,885</b>	<b>677,747</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,095,682</b>	<b>2,858,774</b>	<b>802,885</b>

The following selected financial information relating to Hellenic Dynamics has been prepared in accordance with IFRS as adopted by the European Union. The financial information of the Company has been incorporated by reference within the Prospectus. The financial information summarises Hellenic Dynamics S.A.'s financial performance and position for the audited financial years ended 31 December 2021, 2020 and period from incorporation to 31 December 2019 and the unaudited 6 month period to 30 June 2022 and 2021 set out in the following tables:

<b>Statement of Financial position of Hellenic Dynamics S.A</b>	<b>As at 30 June 2022 (€)</b> (unaudited)	<b>As at 30 June 2021 (€)</b> (unaudited)	<b>As at 31 December 2021 (€)</b> (audited)	<b>As at 31 December 2020 (€)</b> (audited)	<b>As at 31 December 2019 (€)</b> (audited)
<b>Total Assets</b>	<b>800,838</b>	<b>1,200,018</b>	<b>1,225,165</b>	<b>1,090,444</b>	<b>663,872</b>
<b>Total Equity</b>	<b>451,182</b>	<b>703,647</b>	<b>541,903</b>	<b>(113,380)</b>	<b>(13,771)</b>
<b>Total Liabilities</b>	<b>349,656</b>	<b>469,371</b>	<b>683,262</b>	<b>1,203,823</b>	<b>677,643</b>
<b>Total equity and liabilities</b>	<b>800,838</b>	<b>1,200,018</b>	<b>1,225,165</b>	<b>1,090,444</b>	<b>663,872</b>

<b>Statement of Comprehensive Income of Hellenic Dynamics S.A</b>	<b>6 months to 30 June 2022 (€)</b> (unaudited)	<b>6 months to 30 June 2021 (€)</b> (unaudited)	<b>Year to 31 December 2021 (€)</b> (audited)	<b>Year to 31 December 2020 (€)</b> (audited)	<b>9 months to 31 December 2019 (€)</b> (audited)
<b>Operating Loss</b>	<b>(219,615)</b>	<b>(387,820)</b>	<b>(387,820)</b>	<b>(217,568)</b>	<b>(126,841)</b>
Finance and other costs	-	(17,202)	(17,202)	(17,457)	(11,930)
<b>Loss before taxation</b>	<b>(219,615)</b>	<b>(405,022)</b>	<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>
Income tax	-	-	-	-	-
<b>Loss for the year/period</b>	<b>(219,615)</b>	<b>(405,022)</b>	<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>
<b>Total comprehensive loss for the year/period attributable to the equity owners</b>	<b>(219,615)</b>	<b>(405,022)</b>	<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>

<b>Statement of cashflows of Hellenic Dynamics S.A</b>	<b>6 months to 30 June 2022 (€)</b> (unaudited)	<b>6 months to 30 June 2021 (€)</b> (unaudited)	<b>Year to 31 December 2021 (€)</b> (audited)	<b>Year to 31 December 2020 (€)</b> (audited)	<b>9 months to 31 December 2019 (€)</b> (audited)
Net cash generated/(used) from operating activities	(187,155)	(315,363)	(306,122)	338,288	67,940
Net cash used in investing activities	(140,812)	(38,288)	(64,625)	(432,289)	(142,155)
Net cash from financing activities	348,968	366,679	366,679	103,262	75,000
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>21,001</b>	<b>13,028</b>	<b>(4,067)</b>	<b>9,261</b>	<b>785</b>
Cash and cash equivalents at beginning of period	5,979	10,046	10,046	785	-
<b>Cash and cash equivalents at end of period</b>	<b>26,980</b>	<b>23,074</b>	<b>5,979</b>	<b>10,046</b>	<b>785</b>

There has been no significant change in the financial position or financial performance of either the Company or Hellenic Dynamics since 31 March 2022 and 30 June 2022 respectively, being the date to which the latest audited financial information of the Company and unaudited financial information of Hellenic Dynamics has been published.

**Selected Key Pro Forma Unaudited Financial Information:**

The unaudited Pro Forma Financial Information for the Enlarged Group has been prepared to illustrate the effects of the acquisition of Hellenic Dynamics and impact of the Subscription Funds and CLN Funds.

**Unaudited pro forma statement of net assets at 31 March 2022**

	<b>The Company Net assets as at 31 March 2022 (£)</b>  (Note 1)	<b>Hellenic Dynamics S.A Net Assets as at 30 June 2022 (£)</b>  (Note 2)	<b>Issue of Convertible Loan Notes net of costs</b>  (Notes 3)	<b>Unaudited pro forma adjusted net assets of the Enlarged Group on Admission (£)</b>
<b>Assets</b>				
Non-current assets	-	666,140	-	666,140
Current assets	2,312,553	23,221	1,125,000	3,460,774
<b>Total assets</b>	<b>2,312,553</b>	<b>689,361</b>	<b>1,125,000</b>	<b>4,126,914</b>
Non-current liabilities	-	-	375,000	375,000

Current liabilities	48,361	300,984	-	349,345
<b>Total liabilities</b>	<b>48,361</b>	<b>300,984</b>	<b>375,000</b>	<b>724,345</b>
<b>Total assets less total liabilities</b>	<b>2,264,192</b>	<b>388,377</b>	<b>750,000</b>	<b>3,402,569</b>

The pro forma statement of net assets has been prepared on the following basis:

1. The audited net assets of the Company as at 31 March 2022 have been extracted without adjustment from the Historic Financial Information included in Appendix 1 of this document.
2. The unaudited net assets of Hellenic Dynamics S.A as at 30 June 2022 have been extracted without adjustment from the Historic Financial Information included in Part VII Section C of this document and converted to Great British Pounds at the closing rate on 30 June 2022 of €1 to £0.8608.
3. An adjustment has been made to reflect the proceeds received, strictly subject to and conditional upon Admission, from:
  - i. The issue of convertible loan notes totalling £375,000 at an exercise price of £0.003 per share;
  - ii. The issue of 250,000,000 Ordinary shares at a price of £0.003 per share totalling £750,000;
4. No adjustments have been made to reflect the trading or other transactions, other than described above of:
  - i. the Company since 31 March 2022;
  - ii. Hellenic Dynamics S.A since 30 June 2022;
5. The pro forma statement of net assets does not constitute financial statements.

**Any Qualification in the Audit Report relating to the Historical Financial Information:** No qualification on the audit report on the historical financial information.

**What are the key risks that are specific to the issuer?**

Key risks that are specific to the Enlarged Group and the industry in which it operates are as follows:

1. Hellenic will not undertake business activities until it has obtained all relevant licences, approvals, and consents.
2. The Group may fail to meet German import requirements, in respect of its medical cannabis flowers and non-compliance could limit, restrict, or delay the generation of revenues within the primary target market.
3. The Group does not have its own distribution operations and is reliant on contractual arrangements with third parties to facilitate the export and import of its products.
4. Hellenic Dynamics has to date been loss making and remains at an early stage of development, and therefore may continue to generate sustained losses.
5. The group has not conducted an independent valuation report on the enlarged entity.
6. The Group may not be successful in obtaining EU-GMP for its processing areas. EU-GMP adherence is a requirement for the export of medicinal cannabis products from Greece into Germany.
7. The Group may not be successful in obtaining GACP for its cultivation areas. GACP adherence is a requirement for the export of medicinal cannabis products from Greece into Germany.
8. The Group is reliant on a small number of key employees and consultants. There is no guarantee that employment agreements, service contracts or consulting agreements will not be terminated, or that they will be renewed.
9. The operations of Hellenic Dynamics are subject to a new and evolving sector and are subject to change. Hellenic Dynamics has only been operating its current business since 2019, given this limited operational history, there is inherent uncertainty in relation to Hellenic Dynamics' business.
10. Failure to adhere to the licence regulations could result in loss of license(s) by joint ministerial decision of the Greek government.

**Section C – Key Information on the Securities**

**What are the main features of the securities?**

**Type, Class and ISIN:** The securities being offered in the Fundraising are ordinary shares in the capital of the Company. Applications will be made for the ordinary shares to be admitted to the Official List of the FCA with a Standard Listing and to trading on the main market of the London Stock Exchange. The ordinary shares are registered with ISIN number GB00B3CQW227, SEDOL number B3CQW22 and TIDM HELD.

**Currency, Denomination, Par Value, Number of Securities Issued and Term of the Securities:** The Ordinary Shares have a nominal value of £0.001 each and are denominated in pounds sterling. As at the date of this Document there are 1,852,219,137 Ordinary Shares in issue all of which are fully paid. The Company has approved subject to and conditional upon Admission, the issue and allotment of 250,000,000 Subscription Shares, 13,333,333 Fee Shares and 10,414,447,530 Consideration Shares. Immediately on Admission, the Enlarged Issued Share Capital of the Company will be 12,530,000,000 Ordinary Shares in issue, all of which will be fully paid. In the event that all Options and warrants are exercised on Admission and all Convertible Loan Notes are converted, including the redistribution of the Top-Up Shares, the Enlarged Fully Diluted Share Capital will be 14,375,472,958 Ordinary Shares in issue, all of which will be fully paid. The securities are not subject to any term.

**Rights attached to the Securities:** Each Ordinary Share ranks *pari passu* for voting rights, dividends and return of capital on winding up. Shareholders have the right to receive notice of, and to attend and vote at, any meetings of Shareholders. Each Shareholder entitled to attend and being present in person, by proxy or by a duly authorised corporate representative at a meeting shall have one vote on a show of hands and, on a poll, each such Shareholder shall have one vote for every Ordinary Share of which he is the holder.

**Seniority of the Securities in the Capital Structure of the Company in the event of Insolvency:** Not applicable. The Company does not have any securities in issue (other than the ordinary shares) or liens over its assets and so the ordinary shares are not subordinated in the Company's capital structure as at the date of the Prospectus and will not be immediately following Admission.

**Restrictions on the Free Transferability of the Securities:** All the Ordinary Shares are freely transferable. There are no restrictions on the transfer of Ordinary Shares within CREST (the paperless settlement system operated by Euroclear UK & Ireland Limited) enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments).

**Dividend Policy:** Subject to the CA 2006, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the board of Directors of the Company. The objective of the Board is the achievement of capital growth. In the short term the Board does not intend to declare a dividend on the Ordinary Shares.

**Where will the securities be traded?**

Application has been made for the Ordinary Shares to be admitted to a Standard Segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings will commence at 8.00 a.m. on 5 December 2022.

**Is there a guarantee attached to the securities?**

No guarantee or otherwise is attached to the Ordinary Shares.

**What are the key risks that are specific to the securities?**

1. A Standard Listing affords Shareholders less regulatory protection than a Premium Listing, which may have an adverse effect on the valuation of the Ordinary Shares.
2. Any issue of Ordinary Shares in the future may dilute the interests of Shareholders and could impact upon the price of the Ordinary Shares. The Company has previously issued, or will issue on Admission, a number of Convertible Loan Notes, Warrants and Options, details of which are set out in this Document. The exercise of the Warrants and or the Options and or the conversion of the Convertible Loan Notes would result in a dilution of Shareholders' interests if the prevailing share price per Ordinary Share exceeds the subscription price payable on the exercise of a Warrant or Option at the relevant time.
3. Prior to Suspension, there was a limited market for the Ordinary Shares. The price of the Ordinary Shares after Admission may also vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Enlarged Group's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange, it cannot assure investors that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline. The ability of the Enlarged Group to pay dividends is a function of its profitability and the extent to which, as a matter of law, it will have available to it sufficient distributable reserves out of which any proposed dividend may be paid. The Company can give no assurances that it will be able to pay a dividend going forward.

**Section D – Key Information on the Admission to Trading on a Regulated Market**

**Under which conditions and timetable can I invest in this security?**

**General Terms and Conditions:** The rights attaching to the Ordinary Shares will be uniform in all respects and all the Ordinary Shares will form a single class for all purposes.

**Expected Timetable of the Standard Listing**

Publication of this Document	14 November 2022
Record Date Of The General Meeting	29 November 2022
General Meeting of the Company	1 December 2022
Completion of the Acquisition	5 December 2022
Admission & commencement of dealings on the London Stock Exchange of the Enlarged Issued Share Capital	5 December 2022
CREST members' accounts credited in respect of New Ordinary Shares	5 December 2022

Ordinary Share certificates despatched	within 7 days of Admission
<b>Details of Admission to Trading:</b> The securities subject to Admission are a total of 12,530,000,000 Ordinary Shares, comprising, the existing 1,852,219,137 Ordinary Shares, 10,414,447,530 Consideration Shares, 13,333,333 Fee Shares and 250,000,000 Subscription Shares issued in connection with Admission.	
<b>Dilution:</b> As at the date of this Document, the Company has in issue a total of 1,852,219,137 Ordinary Shares (the “Existing Shares”). On Admission, the Company will issue a total of 10,677,780,863 Ordinary Shares, which will result in dilution of 85.2 per cent to the holders of Existing Shares on Admission (on a pro-rata basis and assuming no other changes in the capital structure of the Company). On Admission, the Company will have in issue a total of 1,282,688,148 Options and 437,784,810 Warrants and investors have subscribed for Convertible Loan Notes having an aggregate value of £375,000. The full exercise of the Options and Warrants and the full conversion of the Convertible Loan Notes would result in the issue of 1,845,472,958 Ordinary Shares and the enlarged fully diluted share capital of the Company would be 14,375,472,958 Ordinary Shares. The holders of the Existing Shares will experience a total dilution of 87.1 per cent. (on a pro-rata basis) as a result of the issue of the New Ordinary Shares and the full exercise of all Options and Warrants and the conversion of all Convertible Loan Notes, and assuming no other changes in the share capital structure of the Company from Admission.	
<b>Estimate of the Total Expenses of the Issue:</b> The total expenses incurred (or to be incurred) by the Company in connection with the Acquisition, Subscription and Admission are approximately £607,356 plus VAT. No expenses will be charged to any investor by the Company.	
<b>Who is the Offeror and/or the Person Asking for Admission to Trading?</b>	
No person or entity is offering to sell the Ordinary Shares.	
<b>Why is this prospectus being produced?</b>	
This prospectus is being produced in connection with the application for the enlarged issued share capital to be admitted to listing on the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s Main Market for listed securities in connection with the proposed acquisition of Hellenic Dynamics S.A.	
<b>Use and Estimated Amount of Net Proceeds:</b>	
The activities that the Enlarged Group intends to undertake will amount to approximately £2,626,600 (“Project Costs”), as described further in the table below. Following Admission, net of Transaction Costs, the Enlarged Group will have available funds of £2,626,600 (“Cash Resources”) taking into account the Subscription Funds and CLN Funds. The amount of £2,626,600 is expected to be utilised by the Enlarged Group to continue its development in the 12 months from Admission.	
<b>Expense</b>	<b>Estimated Amount for 12 months</b>
Mother & clone room cultivation equipment, vault and trimming room equipment, Bunker One cultivation equipment and laboratory equipment.	£852,600
Land lease.	£43,500
Utilities, cultivation and laboratory equipment, certification, packaging, original genetics and consumables.	£211,400
General site construction	£301,700
Cultivation and construction labour, 24 Hour security personnel, management, qualified persons, board and advisory.	£1,002,400
PR, legal and T&E	£215,000
The Company is not undertaking an offer of shares in connection with Admission.	
<b>Whether the Offer is Subject to an Underwriting Agreement:</b> Not applicable as there is no offer.	
<b>Material Conflicts of Interest Pertaining to Admission:</b> As at the date of this Document, there are no potential conflicts of interest between any duties to the Enlarged Group of any of the Directors, Proposed Directors or Senior Managers and their private interests and/or other duties save in respect of their interests and duties as Directors or Proposed Directors of the Company. Any potential conflict of interest that may arise in future will be considered by the non-conflicted Directors.	

## RISK FACTORS

*Any investment in the Ordinary Shares carries a significant degree of risk, including risks in relation to the Enlarged Group's business strategy, potential conflicts of interest, risks relating to taxation and risks relating to the Ordinary Shares.*

*Prospective investors should note that the risks relating to the Ordinary Shares, the Enlarged Group and the sector in which it operates summarised in the section of this Document headed "Summary" are the risks that the Directors and the Proposed Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Enlarged Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Document headed "Summary" but also, among other things, the risks and uncertainties described below.*

*The risks referred to below are those risks the Directors and the Proposed Directors consider to be the material risks at the date of this Document. However, there may be additional risks that the Directors and the Proposed Directors do not currently consider to be material or of which the Directors and the Proposed Directors are not currently aware, that may adversely affect the Enlarged Group's business, financial condition, results of operations or prospects. Investors should review this Document carefully and, in its entirety, and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Furthermore, investors could lose all or part of their investment.*

### RISKS RELATED TO THE PRODUCTS

***The Group may fail to meet German import requirements, in respect of its medical cannabis flowers and non-compliance could limit, restrict, or delay the generation of revenues within the primary target market.***

The Group may fail to meet German import requirements, in respect of its medical cannabis flowers and non-compliance could limit, restrict, or delay the generation of revenues within the primary target market.

Germany currently has one of the most advanced import requirements for all medicinal cannabis flower products within Europe, governed and set by BfArM. Medicinal cannabis flowers must have a total cannabinoid content within a tolerance of 10% based on Hellenic Dynamics' supporting export permit and internal product analysis certification. Furthermore, total micro biology must not exceed more than 50 colony forming units per 1 gram of dried medicinal cannabis flowers.

BfArM requires that the country of origin importing medical cannabis products import into Germany must adhere or partially adhere to Articles 23 and 28 of the United Nations Single Convention on Narcotics. Germany currently imports medical cannabis products from Canada, Netherlands, Denmark, Portugal, Australia, Uruguay, Spain, Zealand. Some of these countries adhere to Articles 23 and 28 of the United Nations Single Convention on Narcotics whereas others only partially adhere. Greece partially complies with the Articles 23 and 28 of the United Nations Single Convention on Narcotics. The Directors are of the view that the German authorities should permit the import of compliant medical cannabis from Greece to secure the supply of the required quantities of medical cannabis into Germany. In the event that BfArM should prohibit or restrict the import of medical cannabis products from Greece into Germany, for any reason, this could have an adverse impact on the financial condition on the issuer, as this would inevitably delay the generation of initial revenues.

All medicinal cannabis flower products exported by Hellenic Dynamics must comply to this certification process or face being declared not fit for release and must be either reimported by Hellenic Dynamics at its own cost, or Hellenic Dynamics must pay a third party within Germany to destroy the products. Any products supplied by Hellenic Dynamics that do not meet these requirements will have an adverse effect on the financial performance of Hellenic Dynamics. Also, Hellenic Dynamics may face reputational risks within the German market damaging its credibility within the market. In the future, if the import certification requirements are amended or changed by BfArM.

### ***Current Risks of COVID-19***

The core strategic goal of the Enlarged Group in the first 12 months from Admission is to complete all outstanding works to the Hellenic Dynamics facility, and to begin commercial cultivation of THC dominant medicinal cannabis flowers at its production facility located in Kilkis, Northern Greece.

Certain Directors of the Enlarged Group will be based in the United Kingdom and will from time to time be required to travel to Greece to attend business meetings with partners and suppliers. There are currently no travel restrictions between the United Kingdom and Greece. The Directors are therefore not aware of any current risks posed by the coronavirus which could have an impact on its UK operations.

In response to the coronavirus pandemic, the Greek government implemented various restrictions in order to protect public health and to decrease mortality rates, particularly within older populations, such as: the closure of schools; the suspensions of cultural events; the closure of indoor and outdoor recreational facilities (such as restaurants and shops); the introduction of “lock-downs” prohibiting all non-essential movement and travel, consistent with other members of the European Union. As a result of the development of vaccination programmes across the developed world this has led to a reduction in mortality rates and, therefore, national governments are moving to lift COVID-19 related restrictions and social distancing measures.

As at the date of this Document, all major restrictions in Northern Greece have been largely lifted. Northern Greece is still reporting COVID related deaths and infections. The Directors therefore note that the coronavirus pandemic does not pose any immediate risk to the operation of its business and the implementation of its strategy following Admission. Investors should nevertheless be aware that there is risk that more transmissible and or lethal variants of the coronavirus variant could develop over time, which could lead to Greece reintroducing measures to combat the risk of infection and to limit mortality rates within its civilian population, such as, reimposing national and or regional lockdowns or social distancing measures. If such risks were to materialise, this could have significant adverse consequences for the Enlarged Group, for example:

- the Enlarged Group could be required to shut down or delay or suspend work at its facilities, as a result of workforce distribution or government restrictions on travel by workers or the closure of facilities and worksites;
- suppliers, contractors and third parties experiencing similar issues, which could cause disruption and delays;
- restrictions in the Enlarged Group’s ability to deliver products to customers and or distributors or otherwise get products to market as a result of restrictions to national and or international travel; or
- counterparties being unable to fulfil their contractual obligations.

### ***The Groups’ product portfolio lacks diversity in the short term***

Hellenic Dynamics will be initially cultivating and supplying THC dominant medicinal cannabis flowers directly to German licenced distributors. The Directors have spent significant time analysing the German medicinal cannabis market where presently medicinal cannabis flowers occupy circa 85% of all medicinal cannabis prescriptions. Presently, the most in demand product category within medicinal cannabis flower prescriptions



are THC dominant strains. Hellenic Dynamics' strategy of only producing THC dominant medicinal cannabis flowers may prove to be inaccurate based on increasing patient demand for medicinal cannabis extracts. Furthermore, changes to patient requirements may call for a lower THC product within the market. Such changes would alter Hellenic Dynamics' current strategy resulting in loss of revenues and potential further capital expenditure.

***The pricing strategy adopted for Hellenic Dynamics' products may be subject to fluctuation***

The Directors believe that the pricing strategy adopted for the sale of THC dominant medicinal cannabis flowers reflects the current market price paid by licenced medicinal cannabis distributors in Germany, by reference to other similar products currently available on the market. However, such strategy and pricing may prove to be inaccurate or may require amendment. Changes in the market perception of the effects of medicinal cannabis medicines, accelerated development of products by competitors, or changes to law or regulation, may result in the anticipated market for Hellenic Dynamics' products decreasing or being materially diluted, which would result in the Directors' current pricing strategy being inaccurate and require products to be priced at a much lower level than is currently anticipated. Equally, the price at which medicinal cannabis products are made available either in the future by national healthcare agencies (if medicinal cannabis products are made more widely available as licensed medicines) or by specialist clinicians may be so high as to prohibit them from being widely used. Any significant changes to the proposed pricing of Hellenic Dynamics' products either now, or throughout Hellenic Dynamics' production cycles, may adversely affect the financial condition or profitability of the Group.

***The Group's products may not be covered by insurance or reimbursement schemes***

German government authority BfArM and third-party payers, such as private health insurers, decide which medical products they will cover and the amount of reimbursement. Reimbursement may depend upon a number of factors, including the payer's determination that use of a product is safe, effective and medically necessary, as well as appropriate for the specific patient and cost-effective. If reimbursement of the Group's products is unavailable or limited in scope or amount, Hellenic Dynamics may be unable to achieve or sustain profitability. Hellenic Dynamics intends to seek approval to market its products in Germany where the pricing of medicinal cannabis flowers is subject to national Governmental control and pricing negotiations between licensed medicinal cannabis distributors and licenced pharmacies. The continuing efforts of the German government, insurance companies, managed care organisations and other payers of healthcare services to contain or reduce costs of healthcare and/or impose price controls may adversely affect Hellenic Dynamics' ability to set prices for its products, generate revenues and achieve or maintain profitability which may adversely affect the future business and results of Hellenic Dynamics.

***The Enlarged Group has not yet verified the required due diligence checks on the licences of the Group's intended third-party purchasers of products, Cansativa GmbH and Nimbus Health GmbH***

Hellenic has entered into two non-binding term sheets together with each of Cansativa GmbH ("Cansativa") and Nimbus Health GmbH ("Nimbus"). The term sheets set out the basis upon which the parties may enter into binding offtake agreements for the sale and purchase of agreed quotas of cannabis flowers and cannabis oils from Hellenic.

The Directors of the Company will need to ensure that prior to entering into any binding offtake arrangements or, otherwise, supply any products or services to either, Cansativa, Nimbus or other third parties performing similar activities in Germany, that the contracting party holds all necessary authorisation to be able to accept delivery of products produced by Hellenic. Cannabis remains a controlled substance and the Board will take all necessary precautions to ensure that any third parties who are customers or suppliers are authorised to perform any regulated activities. If the Company fails to perform adequate due diligence on third parties, this could result in the Company committing a money laundering or proceeds of crime offence.

In order to assess the risk, the Company will seek the advice of legal advisers in Germany so as to ensure that Cansativa and Nimbus hold all necessary authorisations, including, but not limited to:

- manufacturing authorisation according to Section 13 German Medicines Act (Arzneimittelgesetz, "AMG") or pharmaceutical wholesale permit according to Section 52 AMG;
- import authorisation according to Section 72 AMG as well as a certificate according to Section 72a AMG, which confirms that the supplying facility complies with the European quality standards for medicinal products (GMP);
- permit for handling narcotics according to Section 3 of the German Narcotics Act (Betäubungsmittelgesetz, BtMG); and
- authorisation to market medicinal products treated with ionizing radiation according to Section 1 para 2. no. 4 of the Regulation on Radioactive Medicinal Products and Medicinal Products Treated With Ionizing Radiation (Verordnung über radioaktive und mit ionisierenden Strahlen behandelte Arzneimittel, AMRadV).

In circumstances where the analysis of the Company's local legal advisers determines that Cansativa and/or Nimbus do not hold appropriate approvals, the Company will be unable to proceed with any commercial activities involving that party until appropriate authorisations are obtained or, in certain circumstances, the Company could be required to withdraw from any further commercial activities with that party (including, the cancellation of existing orders). Investors should be aware that in the event such risks materialise, the Company could be required to establish relationships with other distributors in Germany, which could adversely impact the ability of the Company to generate revenue from sale of cannabis oils and flower on the German market.

Cansativa and Nimbus are reputable and well-known distributors of medical cannabis in the German market. The Directors therefore believe that there is a low risk of those distributors failing to satisfy the Company's due diligence enquiries.

***The Group may be subject to product liability claims or regulatory action***

As a cultivator of THC dominant strains of medicinal cannabis designed to be prescribed by doctors in Germany, Hellenic Dynamics faces an inherent risk of exposure to product liability claims or regulatory action. Such claims or regulatory action may arise if Hellenic Dynamics' products are alleged to have caused illness, or injury. This may be either as a result of the product research, development and manufacture process, tampering of products by unauthorised third parties, product contamination, or adverse reactions resulting from human consumption of medicinal cannabis flowers, either alone or in combination with other medication or substances. As a result of any or all of these circumstances, Hellenic Dynamics may be subject to product liability claims, which could be expensive to defend or result in settlement payments or judgments against it. In addition, regulatory authorities may interrupt, delay or halt product research, development and/or manufacture and Hellenic Dynamics may be required to make material changes to the development or manufacture of products. A product liability claim or regulatory action, could also materially and adversely affect the reputation of Hellenic Dynamics with its suppliers, distributors and consumers. Should any or all of these circumstances materialise the financial position, prospects and future operations of Hellenic Dynamics could be materially and adversely affected.

***The Group's products may not be widely adopted or prescribed, or may be subject to significant competition from competing products, treatments or therapies***

Medicinal cannabis derived medicines as a treatment for neurological disorders, cancer, cancer treatment side effects, autoimmune disorders or chronic pain have not as yet been fully or widely accepted or adopted by the medical community, patients or the general public. The medicinal cannabis flowers to be produced by Hellenic Dynamics face competition from synthetic cannabis products, established and developed pharmaceutical products or treatments, non-medicinal cannabidiol (CBD) products sold as wellness products or supplement. These alternative treatments for the key indications which Hellenic Dynamics' products seek

to treat, either those which are established or emerging, could render Hellenic Dynamics' products obsolete and/or otherwise uncompetitive. Equally, there are numerous treatments being developed globally for pain management. Any one or a number of these could render medicinal cannabis flowers obsolete or uncompetitive. Notwithstanding the technical merits of a product there can be no assurance as yet that Hellenic Dynamics' medicinal cannabis flowers will be adopted as a standard means of medical practice or that the medical procedures at which Hellenic Dynamics' products are targeted will gain wider market acceptance. At present, the prescription of cannabis-based medicinal products in Germany remains low and is limited to specialist clinicians. As at the beginning of April 2021, circa 230,000 patients had access to regular medicinal cannabis prescriptions. Even if medicinal cannabis flowers are more widely prescribed in Germany the market may not be large enough to allow it to generate significant revenues due to low rates of adoption or the price at which products are sold being considered prohibitive. The failure of Hellenic Dynamics' products to achieve market acceptance, a reluctance by practitioners to prescribe its products, or the greater adoption of established or alternative treatments, could significantly affect further growth and development of Hellenic Dynamics' business or the development of further products.

## **GENERAL BUSINESS RISKS AND RISKS RELATED TO OUR FINANCIAL CONDITION AND OPERATIONS**

### ***Hellenic Dynamics will not undertake business activities until it has obtained all relevant, licences, approvals and consents***

Investors should be aware that the Enlarged Group will be required to obtain certain licences before its cannabis cultivation and production facility located in Kilkis, Northern Greece ("**Facility**") becomes operational.

On 24 October 2019, Hellenic Dynamics was granted a licence for the construction and installation of a facility for the purpose of cultivating, processing and producing medical cannabis products (the "**Installation / Construction Licence**"). The Installation and Construction Licence is valid and subsisting as at the date of this Document and is a pre-requisite for obtaining an operations licence, as further described below.

To be able to cultivate and produce medical cannabis products, as well to undertake the distribution and export of medical cannabis products (the "**Regulated Activities**"), the Enlarged Group must obtain both (a) a facility operations licence (the "**Operations Licence**"); and (b) a production permit and a special distribution authorisation ("**Authorisation**").

To obtain an Operations Licence, the Enlarged Group will be required to submit affidavits together with various supporting documents, including the Security Certificate issued to the company in November 2020, to the Greek Ministry, following the completion of construction work expected to be carried out pursuant to the Installation/Construction Licence ("**Full Application**"). The Enlarged Group expects that all construction work at the facility will be concluded by Q4 2022. The Ministry of Development and Investment, Ministry of Health and Ministry of Agricultural Development and Food will be required to issue the Operations Licence within 30 days of receipt of the Full Application, and the Directors expect to receive a valid Operations Licence during late Q4 2022.

Upon receipt of an Operations Licence, the Enlarged Group may then apply to the Greek National Organization for Medicines for the required Authorisation to be able to export and distribute medical cannabis products. EOF will be required to issue the Authorisation within 90 days of the submission of the application and all the necessary documents to EOF, and the Directors anticipate that an Authorisation will be obtained by Q4 2022.

The Directors believe that the anticipated timelines described above are reasonable and are capable of being met. The Directors, however, cannot guarantee that delays will not arise during the process of applying for the Operations and Licence and the Authorisation, which will ultimately delay the Enlarged Group from commencing commercial operations. The Enlarged Group will not undertake the Regulated Activities until it

has obtained all relevant authorisations, licences and approvals. The following factors could result in delays: (i) the final construction of the facility will depend, in part, upon appropriate weather conditions, the timely delivery of materials (including, machinery and equipment) and the availability of appropriately skilled contractors; (ii) the Directors being able to submit all appropriate of all supporting documentation to obtain the Operations Licence in a timely manner; and (iii) any delays caused by relevant authorities in considering and responding to the Enlarged Group's application for final licences and approvals.

If any risks were to materialise, this would ultimately have an effect the financial position, prospects and future operations of Hellenic Dynamics.

***The Group does not have its own distribution operations and is reliant on contractual arrangements with third parties***

The Group does not have its own distribution capability, and it is envisaged that it will rely on partnerships with pharmaceutical distributors, and logistics providers in Germany to facilitate the export, and import of its products.

Investors should therefore be made aware that if for any circumstances the Enlarged Group is unable to secure appropriate commercial arrangements with distributors in target markets for its products, it will not be in a position to generate revenues. It is therefore vital that upon becoming operational, that suitable commercial arrangements are in place. Failure to establish effectively distribution channels could have an adverse impact on the financial condition of the issuer. Steps have been taken by Hellenic Dynamics to establish distribution arrangements, for instance, it has signed term sheets for offtake agreements with both Cansativa GmbH and Nimbus Health GmbH as importers and distributors of the company's medicinal cannabis flowers in Germany.

***Hellenic Dynamics has to date been loss making and remains at an early stage of development, and therefore may continue to generate sustained losses***

As at the date of the audited accounts period to 31 December 2021, Hellenic Dynamics' had not generated any revenues and had sustained retained losses of approximately €778,818. Hellenic also recorded total comprehensive losses of €405,000 (before tax) for the year to 31 December 2021.

The ability of the Enlarged Group to generate revenues is dependent upon numerous factors including but not limited to the following risk factors. In the event that one or more of these risk factors differs to the Directors' and Proposed Directors' expectations, this could have a material adverse effect on the Enlarged Group's ability to generate revenues and to become profitable.

Noting the short trading history of Hellenic Dynamics and lack of demonstrated revenues, investors have limited information to determine whether the Enlarged Group would be successful in achieving its core strategic objectives.

In the event that the Enlarged Group is unable to complete its core strategic objective to increase revenue, Hellenic Dynamics may continue to sustain losses. This would have a material adverse effect on the financial condition of the Enlarged Group.

***The group has not conducted an independent valuation report on the enlarged entity.***

On 2 August 2021, the Company announced that it has entered into a Share Purchase Agreement for the acquisition of Hellenic Dynamics S.A.. At such time it was proposed that the Company would pay an aggregate consideration of £45.2m which was to be satisfied by the issue and allotment of 9,578,937,499 in aggregate to the Sellers (such shares being issued at an implied issue price of £0.0472 each).

The Directors have carefully considered the current valuation in the light of challenging market conditions and a shift in investor perception. On that basis, the parties to the share purchase agreement have agreed that

Hellenic Dynamics was now valued at £31,243,342.59 and that the consideration for the transaction would be satisfied by the issue and allotment of a total of 10,414,447,530 Consideration Shares to the Sellers on completion (such shares having an implied issue price of £0.003).

The Directors believe the valuation of the combined entity reflects the current and true valuation of the Enlarged Group at this time. However, due to the emerging nature of the Enlarged Group's business activities and lack of comparable European listed Medical Cannabis cultivators, the Directors of Hellenic Dynamics used a financial forecast model, including a discounted cash flow to define the valuation of Hellenic Dynamics. All key assumptions to the methodology for the Hellenic valuation have been independently verified on behalf of U.K. SPAC PLC. However, no independent valuation report was sought for either the valuation of Hellenic Dynamics or U.K. SPAC Plc, prior to the signing of Sales Purchase Agreement between the parties, therefore this valuation methodology may prove to be inaccurate.

Investors should therefore be aware that, whilst the Directors of U.K. SPAC PLC have taken reasonable steps to ensure that the business and assets of Hellenic Dynamics are accurately valued, there is a risk that the Board's current assessment proves to be inaccurate. In the event that the target business turns out to be significantly overvalued, this is likely have a material adverse impact upon the Company's share price and this could lead to investors suffering a loss on their investment. Furthermore, a significant correction in the share price after Admission would adversely affect the reputation of the issuer and would be likely to limit its ability to raise further funds in future.

***The Group may not be successful in obtaining EU-GMP for its processing areas***

One of the key objectives of Hellenic Dynamics is to obtain EU-GMP certification (Good Manufacturing Processes) for all its processing areas. The process for obtaining EU-GMP certification is set out in volume 4 of "The rules governing medicinal products in the European Union." This contains guidance for the interpretation of the principles and guidelines of good manufacturing practices for medicinal products for human and veterinary use laid down in Commission Directives 91/356/EEC, as amended by Directive 2003/94/EC and 91/412/EEC respectively. Once Hellenic Dynamics' Facility is completed, a certified Greek authorising body will conduct a site audit to confirm Hellenic Dynamics' adherence to the EU-GMP certification guidelines. If Hellenic Dynamics is found to not be in adherence, a further audit can be scheduled for a time no sooner than 28 days from the previous audit. Consecutive failed audits will result in Hellenic Dynamics not being certified as a EU-GMP Facility. EU-GMP certification is specifically limited to the trimming, drying and vault areas of Hellenic Dynamics' Facility. EU-GMP adherence is a requirement for the export of medicinal cannabis products from Greece into Germany.

In the event that Hellenic Dynamics fails in obtaining EU-GMP certification in time for the first commercial sale or fails to gain certification at all, this will have a detrimental effect on the financial condition, operations and prospects of Hellenic Dynamics and Hellenic Dynamics would be materially and adversely affected. Hellenic is envisaging to apply for its EU-GMP certification within Q2 of 2022.

***The Group may not be successful in obtaining GACP for its cultivation areas***

One of the Key objectives of Hellenic Dynamics is to obtain GACP certification for all cultivation areas. Eudralex Volume 4 (1) is the collection of rules and regulations governing medicinal products in the European Union and contains guidance for the interpretation of the principles and guidelines of good manufacturing practices for medicinal products for human and veterinary use. Part II of Eudralex Volume 4 sets out the basic requirements for "active substances used as starting materials." GACP guidelines were developed to create a single supranational framework to ensure appropriate and consistent quality in the cultivation and production of medicinal plant and herbal substances. They were developed by the World Health Organization (WHO) in 2003 with the aim of improving the quality of medicinal plants being used in herbal medicines in the commercial market. Once Hellenic Dynamics' Facility is completed, a certified Greek authorising body will conduct a site audit to confirm Hellenic Dynamics' adherence to GACP certification guidelines. If Hellenic

Dynamics is found to not be in adherence, a further site audit can be scheduled for a time no sooner than 28 days from the previous audit. Consecutive failed audits will result in Hellenic Dynamics being not certified as a GACP Facility. GACP certification is specifically limited to all cultivation areas and GACP adherence is a requirement for the export of medicinal cannabis products from Greece into Germany.

In the event that Hellenic Dynamics fails in obtaining GACP certification in time for the first commercial sale, or fails to gain certification at all, this will have a detrimental effect on the financial condition, operations and prospects of Hellenic Dynamics and they would be materially and adversely affected.

***The Group is reliant on a small number of key employees and consultants***

The inception and progress of Hellenic Dynamics to date has been in large part due to the experience of its founders, directors and management team. As of 7 March 2019, Hellenic Dynamics had a total of 6 management employees (which includes those who operate Hellenic Dynamics' accounting and finance function), retained the services of 4 advisory consultants and proposed board of 4 members. There is no assurance that employment agreements, service contracts or consulting agreements will not be terminated, or that they will be renewed. The business and operations of the Group, including implementation of the overall cultivation strategy, are substantially dependent on the continued service of its key personnel. There is no assurance that Hellenic Dynamics will be able to retain the services of these persons. Consultants to or employees of the Group may be able to cease working on behalf of Hellenic Dynamics, either due to such arrangements being terminated or not renewed, at short notice, which could be during periods that are critical to the operation of the business or the development of end medical products. If such contracts are terminated or breached, or if these individuals no longer continue in their current roles, new personnel will need to be employed, possibly at short notice and this may adversely affect the operation of the business, development of products or materially delay or prevent the implementation of the overall cultivation strategy.

***The operations of Hellenic Dynamics are subject to a new and evolving sector and are subject to change***

Hellenic Dynamics has only been operating its current business since 2019. While its founders, Directors, management team and board of advisors have significant experience in the industry, Hellenic Dynamics has a limited operational history and it has not, as yet, completed a cultivation cycle within the Facility, or exported medicinal cannabis flowers into the German market. Given this limited operational history, there is inherent uncertainty in relation to Hellenic Dynamics' business. There can be no guarantee that Hellenic Dynamics' business model and development initiatives will be successful, or even if they are successful, able to generate the revenue which is anticipated. The medicinal cannabis industry is undergoing rapid growth and substantial change, which is resulting in increasing consolidation and formation of strategic relationships. Hellenic Dynamics expects this consolidation and strategic collaborating to continue. Acquisitions or other consolidating transactions could harm the Group by it losing strategic relationships, if third parties with whom it has arrangements (such as distributors) are acquired by or enter into relationships with a competitor (which could cause the Group to lose access to distribution, content, technology and other resources), or Hellenic Dynamics' current competitors could become stronger, or competitors could merge or amalgamate, forming much larger and experienced organisations. Any of these events could put Hellenic Dynamics at a competitive disadvantage. Consolidation within the medicinal cannabis market could also force Hellenic Dynamics to expend greater resources to meet new or additional competitive threats. In the event that any of all of these circumstances arise, the financial condition, operations or prospects of Hellenic Dynamics would be materially and adversely affected.

***Failure to adhere to the licence regulations could result in loss of license(s)***

Hellenic Dynamics must at all times be in adherence to the regulations set out in Hellenic Dynamics' issued Facility Construction Licence and all future licences granted by the Greek government. If Hellenic Dynamics or its management team, directors and employees are found in breach of any conditions of its licence(s) this could result in the loss of a particular licence. The Facility Construction Licence is capable of being revoked by joint ministerial decision of the Greek Government. Hellenic Dynamics will be required to hold all licences

required by local regulations from time to time in force in order to operate as a cultivator and processor of medical cannabis products. Therefore, the loss of any key licences could mean that the Enlarged Group is unable to operate or would be required to cease operations for an undetermined period of time. This would be likely to have a significant adverse impact on the financial condition of the issuer and its prospects.

***The Group's Facility may not become fully operational in the anticipated timeframes, or at all***

The majority of the remainder of the cultivation equipment required to be in commercial operations is being sourced both domestically in Greece and from other European territories. Delays in the delivery of equipment to Hellenic Dynamics' Facility or issues relating to the installation of cultivation equipment may have an adverse effect on Hellenic Dynamics' cultivation schedule effecting revenues. Untimely delivery of cultivation equipment and installation may also have a material reputational risk with Hellenic Dynamics' licenced medicinal cannabis distributors in Germany.

***Faulty and / or broken equipment may prevent Hellenic Dynamics from achieving its objectives***

Subject to compliance with all applicable laws and satisfying all applicable regulatory requirements, the growing of cannabis plants to produce medicinal cannabis using the secure cultivation room model is inherently reliant on a controlled environment supported by known growing precedents of cannabis varieties. Any interruption due to faulty or broken equipment may materially impact on the cultivation time and therefore the number of harvests or the medical cannabis yield generated. In the event that Hellenic Dynamics has faulty or broken equipment during cultivation cycles, this will have a detrimental effect on the financial condition, operations and prospects of the Company and the Company would be materially and adversely affected.

***Unfavourable publicity or unfavourable consumer perception of the Group, or cannabis use generally, may prevent sales and revenue***

The Directors believe the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy, and quality of the products. Consumer perception of Hellenic Dynamics' products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention, and other publicity regarding the consumption of cannabinoids. There can be no assurance that future clinical trials, scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the hemp and cannabis market, any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention, or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could reduce the demand for Hellenic Dynamics' products. In addition, since Hellenic Dynamics' medicinal cannabis flowers contain THC, a controlled substance,- their regulatory approval may generate public controversy. Political and social pressures, including public debate as to the legalisation of recreational cannabis use in certain jurisdictions, could lead to adverse publicity which could lead to delays in the approval of, and increased expenses for Hellenic Dynamics' products. THC is a compound in the cannabis plant that has psychoactive side effects and is the key active ingredients in Hellenic Dynamics' therapeutic medications. Due to THC's psychoactive properties, it has given the plant value as a recreational drug and is therefore a highly controlled substance. This poses several risks for Hellenic Dynamics, including security (i.e. diversion of raw or manufactured material), but the main challenge is ongoing changes with legislation and regulation. Currently, there is little homogeny in global regulation for the import and access of THC which can impact Hellenic Dynamics' ability to manufacture, export and import its products to further markets outside of Germany. All of Hellenic Dynamics' products will contain THC. This puts a risk on its ability to operate in regions where regulations may change due to reasons such as a change in Government, while restricting operations to countries that have legislation to allow for the import, distribution and prescription of cannabinoid-derived products. Any of the pressures set out above could limit or restrict the introduction and marketing of Hellenic Dynamics' products and reputation which could materially and adversely affect the business, operations, financial condition or future prospects of Hellenic Dynamics.

### ***Crop failure related to pests, irrigation malfunction or power supply failure***

A Cannabis crop is susceptible to a number of pests, most commonly spider mites (Tetranychidae) and thrips (Thysanoptera). While these pests are naturally occurring, they are most likely to be spread between cultivation chambers on the clothes and hands of workers. The effect of these pests has the potential to be heightened by the fact that the Facility will not be using artificial pesticides. In the event of a severe outbreak, predator insects (typically Phytoseiulus Persimilis and Amblyseius Andersoni), that eat the mites and their eggs, will be introduced and are likely to wipe out the entire population within a few days. Furthermore, it is possible for the irrigation systems to malfunction; this is most likely to be caused by the failure of a water pump or through an accretion of salts that then blocks the irrigation tubes or nozzles. These issues can cause the substrate holding the plants to dry out and can result in stunting of growth, necrosis of plant material and in prolonged episodes, plant death. The remediation process is rapid and straightforward: spares are inexpensive and kept on site and the repair process is low skilled and not time consuming. The causes of malfunction are very rare under normal operating conditions, as regular checks are made on these items of equipment in accordance with detailed standard operating procedures. Lastly, the mains power supply could fail, this would result in an interruption to the electricity supply to the site, leading to a temporary power outage. In this event, the back-up power generators would start up and are sufficient to power all the main areas of the Facility. This is likely to impact the analysis laboratory's cold storage function, the security monitoring equipment and the cultivation lights. It is estimated that a qualified engineer will be able to visit the site within three hours. Should these back-up generators also fail simultaneously with the mains supply, there could be a delay to the re-supply of electricity which could result in serious crop failure, if the remedial actions fail or electrical supply is not restored. A serious crop failure would be likely to have a significant adverse impact on the financial results of the Enlarged Group during any growing season in which such circumstances were to arise.

### ***Failure and or delays in final product transportation***

Hellenic Dynamics' medicinal cannabis flowers intended for export into Germany will be sold ex-works, where all transportation logistics and associated costs will be borne by the purchasing licenced distributor. Delays in transportation to the distributors licenced Facility in Germany may have a detrimental effect on the medicinal cannabis flowers due to delays. Medicinal cannabis flowers should remain at an ambient temperature of circa 20 degrees centigrade and should contain a moisture content of circa 8%. If the temperature or moisture level change dramatically from these parameters, the products may change in overall cannabinoid content. This potential change in cannabinoid content from point of collection at Hellenic Dynamics' Facility to the purchasing distributors Facility in Germany may change beyond BfArMs regulation of no more than a 10% deviation based on Hellenic Dynamics' support export analysis certification document. If delays in transportation have an adverse effect on the overall cannabinoid content of the medicinal cannabis flowers and they fall outside the 10% deviation, the products must either be reimported to Hellenic Dynamics' Facility at Hellenic Dynamics' own cost, or Hellenic Dynamics must pay a third party within Germany to destroy the products. Any products supplied by Hellenic Dynamics that do not meet these requirements will have an adverse effect on the revenues of Hellenic Dynamics. Also, Hellenic Dynamics may face reputational risks within the German market damaging the credibility of Hellenic Dynamics.



## **RISKS RELATING TO THE COUNTRIES IN WHICH THE ENLARGED GROUP OPERATES**

### ***Fluctuations in currency exchange rates may significantly impact the presentation of the Enlarged Group's financial results***

The functional currency of the Company is Sterling, as the currency which most affects the Enlarged Group's revenue, costs and financing, however due to the geographic area of operations where the Enlarged Group is present, foreign currency transactions are present.

### ***Changes in Greek legislation for the cultivation and export of medicinal cannabis products may impact the ability of the Company to enact its strategy***

In March 2018, the Greek Parliament approved the domestic cultivation of medicinal cannabis by provision no. 1 of Law 4523/2018 which added Article 2A to Law 4139/2013. This laid out exemptions for the production, possession, transportation, storage, supply as well as the installation and operation of a Facility for the processing and production of finished medicinal cannabis products. On the 24 October 2019 Hellenic Dynamics was successful in obtaining its Installation / Construction Licence as approved by joint ministerial decision no. 108432/1548/Φ.64.50 published in the Government Gazette on 5 November 2019. The initial law for the cultivation and sale of medicinal cannabis products in Greece was passed by the then ruling party Syriza. On the 8 July 2019, the Syriza party was beaten in a general election and replaced by the current New Democracy party. Both parties are in support of the bill relating to the domestic cultivation and sales of medicinal cannabis products. Law 4523/2018 was further amended on 24 May 2021 by Law 4801/2021. The new law abolished the Greek state monopoly in domestic sales and sought to simplify the export procedure.

Hellenic Dynamics may face issues with any new political party other than the leading Syriza and New Democracy parties coming into power that may try to change or amend the current cannabis production and sales legislation. Any potential changes in government may cause Hellenic Dynamics to change its operations to comply with any new amendment to the cannabis law which may have additional costs to Hellenic Dynamics and adversely affect revenues.

## **RISKS RELATING TO THE ORDINARY SHARES**

### ***The Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing***

Application will be made for the Ordinary Shares to be admitted to a standard listing segment on the Official List.

A Standard Listing affords shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may impact the valuation of the Ordinary Shares.

### ***Market for the Ordinary Shares***

Prior to Suspension, there was a limited market for the Ordinary Shares. The price of the Ordinary Shares after Admission may also vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Enlarged Group's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange, it cannot assure investors that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

### ***Future issues of Ordinary Shares could be dilutive***

Any issue of Ordinary Shares in the future may dilute the interests of Shareholders and could impact upon the price of the Ordinary Shares, for example, if the Company were to elect to issue further Ordinary Shares to raise additional funds or to fund an acquisition.

As at the date of this Document, the Company has in issue a total of 1,852,219,137 Ordinary Shares (the "Existing Shares"). On Admission, the Company will issue a total of 10,677,780,863 New Ordinary Shares, which will result in dilution of 85.2 per cent to the holders of Existing Shares on Admission (on a pro-rata basis and assuming no other changes in the capital structure of the Company).

On Admission, the Company will have in issue a total of 1,282,688,148 Options, 437,784,810 Warrants and CLNs with a value of £375,000. The full exercise of the Options and Warrants and the full conversion of the Convertible Loan Notes, including the re-distribution of the Top-Up Shares, would result in the issue of 1,845,472,958 Ordinary Shares and the enlarged fully diluted share capital of the Company would be increased to 14,375,472,958 Ordinary Shares. The holders of the Existing Shares will experience a total dilution of 87.1 per cent. (on a pro-rata basis) as a result of the issue of the New Ordinary Shares and the full exercise of all Options and Warrants, and the full conversion of the Convertible Loan Notes, including the re-distribution of the Top-Up Shares, and assuming no other changes in the share capital structure of the Company from Admission.

### ***The Company may not pay dividends***

Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends in the foreseeable future. To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law. Payments of such dividends will be dependent on performance of the Company's business. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any. The Company does not expect to pay dividends in the foreseeable future.

***Fluctuations and volatility in the price of Ordinary Shares***

Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and some which affect listed companies generally, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control.

***Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable***

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the issue price.

## CONSEQUENCES OF A STANDARD LISTING

Application will be made for the enlarged issued share capital to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. Listing Principles 1 and 2 (but not 3 to 6) as set out in Listing Rule 7.2.1 of the Listing Rules also apply to the Company, and the Company will comply at all times with such Listing Principles. Premium Listing Principles 1 to 6 as set out in Listing Rule 7.2.1 AR of the Listing Rules do not apply to the Company.

However, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Acquisition or Admission;
- Chapter 9 of the Listing Rules relating to continuing obligations of a listed company;
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. The Company is not required to comply with the additional requirements for commercial companies with a Premium Listing under Chapter 6 of the Listing Rules.

**It should be noted that the Financial Conduct Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.**

HOWEVER THE FCA WOULD BE ABLE TO IMPOSE SANCTIONS FOR NON-COMPLIANCE WHERE THE STATEMENTS REGARDING COMPLIANCE IN THIS DOCUMENT ARE THEMSELVES MISLEADING, FALSE OR DECEPTIVE.

## IMPORTANT INFORMATION

In deciding whether or not to invest in Ordinary Shares, prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or the Proposed Directors. Without prejudice to the Company's obligations under the FSMA, the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Enlarged Group since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company, the Directors, the Proposed Directors, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed 'Summary' should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the investor. In particular, investors must read the section headed "What are the key risks that are specific to the issuer?" (Risks) of the Summary together with the risks set out in the section headed 'Risk Factors' beginning on page 15 of this Document.

This Document is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely to enable prospective investors to consider the purchase of the Ordinary Shares. Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares hereby is prohibited.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Document and the offering of Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Document are required by the Company, the Directors and the Proposed Directors, to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this Document under the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors or the Proposed Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for that purpose is required. Neither the Company nor the Directors nor the Proposed Directors accept any responsibility for any violation of any of these restrictions by any person.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, Australia, Canada, the Republic of South Africa, the

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**The Ordinary Shares have not been approved or disapproved by the SEC, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.**

Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period.

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#### **Data protection**

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (b) carrying out the business of the Enlarged Group and the administering of interests in the Enlarged Group;
- (c) meeting the legal, regulatory, reporting and/or financial obligations of the Enlarged Group in the United Kingdom or elsewhere; and
- (d) disclosing personal data to other functionaries of, or advisers to, the Enlarged Group to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- (a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- (b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data, it will use reasonable

endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

### **Investment considerations**

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Enlarged Group, this Document and the terms of the Admission, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Enlarged Group's objectives will be achieved.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares can go down as well as up.

This Document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which investors should review.

### **Forward-looking statements**

This Document and any document incorporated herein by reference include statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Document and any document incorporated herein by reference and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Company's and Enlarged Group's objectives, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares; and (ii) future deal flow and implementation of active management strategies, including with regard to the Acquisition. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performances.

The Company's or the Enlarged Group's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Document and any document incorporated herein by reference. In addition, even if the Enlarged Group's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its strategies are consistent with the forward-looking statements contained in this Document and any document incorporated herein by reference, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the 'Risk Factors' section of this Document for a discussion of additional factors that could cause the Company's or the Enlarged Group's actual results to differ materially before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 9.1 of Part XII.

Forward-looking statements contained in this Document and any document incorporated herein by reference apply only as at the date of this Document. Save as required under the Market Abuse Regulation and subject to any obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules or the Prospectus Regulation Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

### **Third party data**

This Document includes certain market, economic and industry data, which was obtained by the Company from industry publications, data and reports, compiled by professional organisations and analysts' data from other external sources conducted by or on behalf of the Company. Where information contained in this Document originates from a third-party source, it is identified where it appears in this Document together with the name of its source. The Company confirms that data sourced from third parties used to prepare the disclosures in this Document has been accurately reproduced and, so far as the Company, the Directors and the Proposed Directors are aware, and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. All third-party information is identified alongside where it is used.

Certain of the aforementioned third-party sources may state that the information they contain has been obtained from sources believed to be reliable. However, such third-party sources may also state that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As the Company does not have access to the facts and assumptions underlying such market data, statistical information and economic indicators included in these third-party sources, the Company is unable to verify such information.

### **Currency presentation**

Unless otherwise indicated, all references in this Document to "UK Sterling", "pound sterling", "sterling", "£", or "pounds" or "pence" are to the lawful currency of the UK, all references to "EUR", "€" or "euro cents" are to the lawful currency of the EU. In addition, all references to "USD", "US\$", "US dollar" or "cents" are to the lawful currency of the United States.

### **No incorporation of website**

The contents of any website of the Company or any other person do not form part of this Document.



**Definitions and glossary of technical terms**

A list of defined terms used in this Document is set out in Part XIII 'Definitions' and a list of technical terms and their meanings used in this Document is referred to in Part XIV 'Glossary of Technical Terms'.

**Governing law**

Unless otherwise stated, statements made in this Document or documents incorporated herein by reference are based on the law and practice currently in force in England and Wales and are subject to changes therein.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	14 November 2022
Record Date of the General Meeting	6:30 p.m. on 29 November 2022
General Meeting of the Company	10.00 a.m. on 1 December 2022
Completion of the Acquisition	5 December 2022
Admission and commencement of dealings on the London Stock Exchange of the Enlarged Issued Share Capital	8.00 a.m. on 5 December 2022
CREST members' accounts credited in respect of New Ordinary Shares	8.00 a.m. on 5 December 2022
Ordinary Share certificates despatched	within 7 days of Admission
Convertible Loan Note certificates despatched	within 7 days of Admission

All references to time in this Document are to London time unless otherwise stated.

## FUNDRAISING AND ADMISSION STATISTICS

Existing Ordinary Share Capital	1,852,219,137
Number of Consideration Shares to be issued on Admission	10,414,447,530
Number of Subscription Shares to be issued on Admission	250,000,000
Number of Fee Shares to be issued on Admission	13,333,333
Total number of New Ordinary Shares	10,677,780,863
New Ordinary Shares as a percentage of the Enlarged Issued Share Capital on Admission	85.22%
Total number of Options in issue as at the date of this Document	111,133,148
Total number of Options expected to be in issue on Admission	1,282,688,148
Total number of warrants in issue as at the date of this Document	62,784,810
Total number of Subscription Warrants to be issued on Admission	250,000,000
Total number of CLN Warrants to be issued on Admission	125,000,000
Total number of Warrants expected to be in issue on Admission	437,784,810
Total number of Ordinary Shares resulting from the conversion of the Convertible Loan Notes	125,000,000
Total number of Ordinary Shares to be issued as a result of full exercise of the Options and Warrants, and full conversion of the Convertible Loan Notes, including the re-distribution of the Top-Up Shares	1,845,472,958
Enlarged Issued Share Capital	12,530,000,000
Enlarged Fully Diluted Share Capital	14,375,472,958
Transaction Costs	£607,356
Market capitalisation of the Company on Admission based upon an IPO Share Price of £0.003 each	£37,590,000

## DEALING CODES

ISIN	GB00B3CQW227
SEDOL	B3CQW22
LEI	213800IM978BOB5QZA69
TIDM	HELD

## DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

**Directors:** Peter Jay (*Executive Chairman*) (resigning upon Admission)  
Nigel Brent Fitzpatrick (*Non-Executive Director*) (resigning upon Admission)  
Simon Grant-Rennick (*Non-Executive Director*) (resigning upon Admission)

The service address for each of the Directors is:  
3rd Floor 80 Cheapside, London, United Kingdom, EC2V 6EE

**Proposed Directors:** Davinder Rai (*Chief Executive Officer*)  
Dr . Filippos Papadopoulos (*Executive Director*)  
Anthony Jolliffe (*Non-Executive Chairman*)  
Joseph Colliver (*Non-Executive Director*)

**Company Secretary:** Peter Jay (resigning upon Admission)  
Ben Harber (on Admission)  
60 Gracechurch Street  
London, EC3V 0HR

**Financial Adviser, and Broker:** Peterhouse Capital Limited  
3<sup>rd</sup> Floor  
80 Cheapside  
London EC2V 6EE

**Rule 3 Adviser:** Cairn Financial Advisers LLP  
9th Floor  
107 Cheapside  
London EC2V 6DN

**Public & Investor Relations:** J &H Communications  
13 Soho Square  
London  
W1D 3QF

**Reporting Accountants and Auditors:** PKF Littlejohn LLP  
15 Westferry Circus  
Canary Wharf  
London E14 4HD

<b>Auditors for the Company</b>	Adler Shine LLP Aston House, Cornwall Avenue London N3 1LF
<b>Auditors for Hellenic Dynamics S.A.</b>	PKF Euroauditing 124 Kifisias Avenue, 115 26 Athens, Greece.
<b>UK Legal Advisers to the Company</b>	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
<b>Greek Legal Advisers to the Company</b>	Hill Dickinson International 2 Deferas Merarchias Str. Piraeus 185 35 Greece
<b>Legal Advisers to Hellenic Dynamics</b>	TandonHildebrand Labs Atrium Stables Market Chalk Farm Road London NW1 8AH
<b>Registrar:</b>	SLC Registrars 42-50 Hersham Road Walton-On-Thames Surrey KT12 1RZ
<b>Registered Address:</b>	3 <sup>rd</sup> Floor, 80 Cheapside London EC2V 6EE
<b>Website:</b>	<a href="http://www.hellenicdynamics.com">www.hellenicdynamics.com</a>

## PART I

### INFORMATION ON THE ENLARGED GROUP

#### 1. Introduction

The Company was established as an investment company and was formerly listed on the London Stock Exchange's AIM market. The Company was established as a holding company for three businesses in the construction sector. The Company was admitted to trading on the AIM Market on 30 October 2008. On 3 March 2021, the Company disposed of its assets and became a Cash Shell under AIM Rule 15, with the purpose of acquiring a target company or business or asset(s). The Company raised a total of £3.1 million (before expenses) in conjunction with the Disposal. On 2 August 2021, the Company's shares were suspended following the announcement of the proposed acquisition of Hellenic Dynamics and the Company ceased trading on AIM with effect from 7:00 a.m. on 3 February 2022.

The Company identified Hellenic Dynamics as a suitable acquisition target and subject to the completion of the Acquisition the Company shall become the holding company of Hellenic Dynamics (the "**Enlarged Group**") and shall list on the London Stock Exchange's Main Market.

Subject to obtaining full regulatory approvals and authorisation Hellenic Dynamics S.A. intends to commence full commercial operations as a medicinal cannabis cultivation company in Greece.

The Enlarged Group's core strategy will be to operate a 195,506 square meter Facility in Northern Greece, specifically involved in the cultivation, production and export of THC-dominant strains of dried medicinal cannabis flowers ("**Flowers**") and extracted oils of THC-dominant strains of medicinal cannabis flowers ("**Extracts**") which are intended for export into the emerging Medicinal cannabis markets in Europe.

#### 2. History of Hellenic Dynamics

Hellenic Dynamics S.A. was founded on 7 March 2019 as a medicinal cannabis cultivation and export company specialising in the sale of medicinal cannabis flowers and associated products.

##### 2.1 Licences

In accordance with the current legal framework, Law 4139/2013 (as amended by laws 4523/2018 and 4801/2021), licensed companies are permitted to establish and operate medicinal cannabis processing and production facilities for the purposes of either (i) supplying pharmacies, pharmacy wholesalers, private clinics or public hospitals regulated by the Greek National Organisation for Medicines or (ii) exporting such products outside of Greece for medicinal purposes only

The Greek legislation describes a two stage licensing process – the first being an Installation / Construction Licence and the second an operation licence. To date Hellenic Dynamics holds an Installation /Construction Licence, permitting it to construct and establish a cannabis processing and production Facility in Kilkis, Northern Greece as more fully set out below:

##### Installation / Construction Licence (Phase 1)

Hellenic Dynamics was issued an Installation / Construction Licence on 24 October 2019 by virtue of joint ministerial decision 108432/1548/Φ.64.50/ΦΕΚ Β' 4050/5.11.2019. The Installation/Construction Licence permits Hellenic Dynamics to construct and install a Facility for the purpose of cultivating, processing, altering and producing medicinal cannabis end-products.

This licence relates to the area where Hellenic Dynamics wishes to conduct all cultivation processes and administrative works. Having identified all prerequisite measures to the granting of a medicinal cannabis Facility construction licence by the Greek government, Hellenic Dynamics submitted an application based on a designated 127,743 square meter section of the 195,506 square meter Hellenic Dynamics Facility, located in Northern Greece near to the town of Kilkis. This designated section is surrounded by a perimeter fence and includes all buildings Hellenic Dynamics wishes to assign as future cultivation areas. The remainder of the land occupies an area outside of the existing perimeter fence and it was decided by the Directors, to save costs later in the project, not to include the full 195,506 square meters in the application.

In order for Hellenic Dynamics to progress to the phase two operating licence, a security certificate must be issued by the Police department, the minimum requirement to obtain the security certificate is a fully secure perimeter fence based on the area submitted in the application for the Facility construction licence.

The licence pertains to the specific licensed area located on the Facility and allows for a total of 40,000 square meters of active medicinal cannabis cultivation with no limit on THC content or on the overall volume of production of Flowers each year. Hellenic were awarded the construction licence for the Facility by way of joint ministerial decision of the Greek government.

The licensing process includes full criminal background checks on all directors along with formal governmental checks with the relevant Tax Authorities in Greece and significant background checks by way of referees were conducted.

#### Operations Licence (Phase 2)

Hellenic Dynamics is in the process of completing the necessary works and collecting the required supporting documentation (including security, health & safety measures, equipment compliance and environmental protection) in order to file an application for an operations licence with the Ministry of Economy and Development and start cultivation and processing of medicinal cannabis.

The Directors enlisted the services of Infosec Matters, a UK based security consultancy, which interpreted the security legislation and defined a master security plan to cover both physical and data security. A Greek security company, K2 Security, was commissioned to construct and install the required security features and equipment. Post the completion of the security infrastructure, a formal site security inspection, conducted by the chief of the regional police department, occurred on the 24 November 2020.

Hellenic Dynamics was found to be in full adherence to the legislation set out by Hellenic Dynamics and a confirmation certificate with Protocol No: 3008/4/75-β was issued on 24 November 2020. This certified that the site is compliant with the terms and conditions of its licence and the relevant Greek legislation relating to the security of: (i) the cultivation areas, (ii) the facilities of the manufacturing unit, (iii) the storage areas for raw materials, substances and final products of medicinal cannabis.

In order to commence commercial cultivation operations Hellenic Dynamics must submit further affidavits as required by the relevant legislation for the issuance of an operations licence, which should be issued within 30 days of submission of a complete file of supporting documentation (see page 57 for more information). Hellenic Dynamics plans to submit these affidavits during Q4 of 2022. The Greek government's legislative framework allows the Greek Government up to 90 days to respond. A detailed overview of the required additional authorisations needed by Hellenic Dynamics is provided in Part II on page 57 of this Document.

Under the terms of the Greek medical cannabis legislation as set across the various licence phases, Hellenic Dynamics cannot and will not cultivate, distribute nor sell any medical cannabis until the requisite licences have been achieved and the company is legally able to cultivate, distribute and sell end products.

## 2.2 Facility

Hellenic Dynamics' operations are based in a 195,506 square meter Facility near the town of Kilkis in Northern Greece. The majority of the site (173,128 square metres) is owned by Efpalinos Systems Maintenance and Management S.A. and Hellenic Dynamics entered into a 12-year lease at a fixed cost of €50,000 per annum on 2 April 2019. The lease allows for an out-right purchase of the entire 173,128 square meter site by Hellenic Dynamics for a fixed purchase price of €750,000 at any point up until 2 April 2022, the date of signature of the lease agreement. The remaining 22,378 square metres of the site is owned by the Municipality of Kilkis and Hellenic Dynamics has obtained its use thereof by virtue of land concession decisions no. 166587(6331) and 166585(6329), each issued by the Directorate of Agricultural Economy and Veterinary Medicine of the Regional Unit of Kilkis. The land concession decisions have a term of 25 years and the annual rent payable amounts to €449.

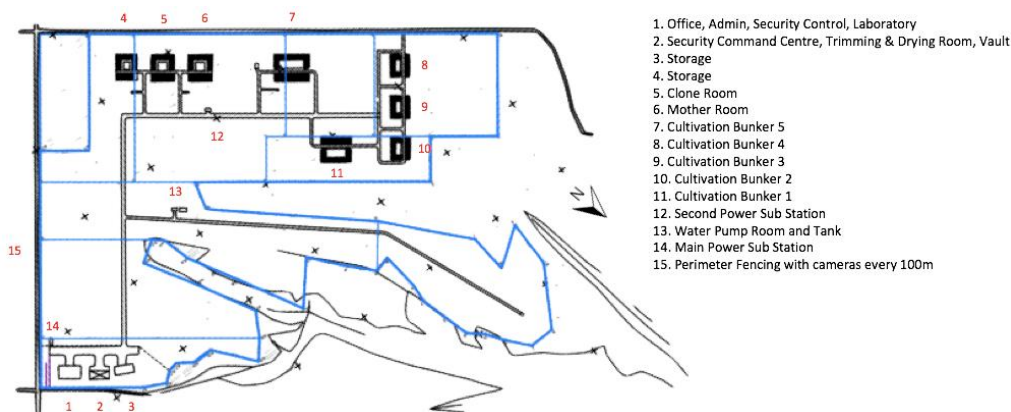
The site was specially chosen prior to the Construction Licence application as it met the Greek Government restrictions on land used for medicinal cannabis cultivation. The directors of Hellenic Dynamics and a team of advisors deemed the site to be in full adherence with the relevant Greek legislation and this was confirmed by the Licensing Authorities upon issue of the Installation / Construction Licence.

The site was previously leased by Austin USA, a United States defence contractor, and by the United Nations. Austin USA constructed 14 buildings within the site in addition to the construction of a full perimeter security fence of circa 3,900 meters. Construction consisted of five overground bunkers with the remainder of the buildings being used as storage and for administration purposes. During the United Nations tenure, the United Nations conducted all relevant contamination tests on the site which was found to be safe and free of any harmful contamination.

The site was chosen by Hellenic Dynamics not only because of the adherence to the required legislation to cultivate medicinal cannabis, but also due to the structure of the existing buildings that stood vacant.

At the time of Hellenic Dynamics entering into the lease, the site already had in place perimeter fencing, secure access points and several buildings. These included a main office building, five storage buildings, five overground bunkers, and infrastructure including a power substation building, and water and CO<sub>2</sub> pump rooms.

### Original Site Plan





## Development of Site

Following the issue of the Installation / Construction Licence, Hellenic Dynamics commenced significant construction works in early 2020. These works covered both security requirements and additional works to cover initial cultivation. The following works have been completed:

- Complete rehabilitation of the 3,900 meter perimeter fence
- Installation of 24-hour surveillance system of cameras through a fiber optic network.
- Construction of a new security command centre
- Installation of new power substation to provide 630 kVA of power to the site
- Installation of power back-up generators
- Installation of new server and data centre
- Drilling of 3 bore holes ranging from 250m to 350m - each bore hole successfully accessed running water supplies
- Installation of external and internal insulation for bunker one for Flowering plants (first cultivation room)
- Installation and rehabilitation of water pump room and water tank so that it is now capable of supplying up to 8,000 litres of water per day.
- Installation of water and power utilities to Cultivation Bunker One
- Installation of all full drainage for the site

### *2.3 Sales Contracts*

Hellenic Dynamics has signed two term sheets for off-take with Cansativa GmbH (“Cansativa”) and Nimbus Health GmbH (“Nimbus”), medical cannabis distributors in Germany. In addition, the Company has entered into an MOU with Kanabo Group Plc, pursuant to which Kanabo may purchase certain quantities of medical cannabis products for distribution in the United Kingdom and Germany.

Founded in 2017, Cansativa is a GMP and GDP-certified company based in Frankfurt am Main and Mörfelden-Walldorf. It is a “one-stop shop”, covering all stages of the value chain: from import to storage and distribution to pharmacies, including transport management with an in-house distribution and fulfilment center. It was named the official partner of the Federal Institute for Drugs and Medical Devices (BfArM) in August 2020.

Nimbus is one of the leading pharmaceutical companies for cannabinoid-based drugs in Germany. Nimbus is fully licensed for import approval and trade of drugs and narcotics. Since the company was founded, it has to date over 18,000 interfaces with pharmacies and over one million medicinal cannabis flowers sold within the German market.

Kanabo is an Israel-based medical cannabis company and whose securities are trading on the Standard List segment of London Stock Exchange. The company focuses on the distribution of cannabis-derived products for medical patients, and non-THC products for CBD consumers, primarily in the United Kingdom and Germany. In early 2022, Kanabo acquired The GP Service (GPS), one of the leading private telemedicine primary healthcare providers in the UK.

For any sales contracts with third parties including the term sheets for off-take with Cansativa GmbH and Nimbus Health GmbH, and pursuant to its MOU with Kanabo, the enlarged groups will carry all relevant due diligence, once final products are ready, prior to any sale and as part of any sales agreements including but not limited to the relevant licences required to conduct such activities. All due diligence will be conducted by the group’s legal counsel in the territories such distributors operate, and envisaged sales are to be made.

#### *2.4 Partnerships*

Hellenic Dynamics currently has a memorandum of understanding with The American Farm School, based in nearby Thessaloniki, for the purposes of promoting joint research and development projects and training in connection with the optimisation of cannabis cultivation. The school is an independent, non-profit agricultural educational institution founded in 1904 to serve the needs of Southern Europe's agricultural sector. It has in-depth experience of research and development and specialises in innovation and learning. The school is assisting with the entire planning and installation of all cultivation equipment on site and in addition the partnership covers research and development, the promotion of research and scientific outcomes and products, the training of researchers and scientists, the utilisation of knowledge and experience. These inputs include but are not limited to:

- The optimisation of cannabis cultivation in indoor conditions, with a view to improving quality and maximising yields, as well as evaluating the performance of different genetic material.
- The editing and submission of funding proposals at national and transnational levels and the development of joint research programs, with the aim of promoting scientific research.
- The development of databases and information in areas of mutual interest.
- The development of information and training activities to promote the results of scientific research, initiatives and technological applications.

#### *2.5 Fundraising and Loan Arrangements*

To date, Hellenic Dynamics' activities have been primarily funded through private equity fundraising rounds and the issue of convertible loan notes. On the 27 July 2020, Hellenic Dynamics completed its first significant private fundraising round in which it raised circa €1 million by way of a subscription for convertible loan notes. This money has been utilised by Hellenic Dynamics on initial construction works.

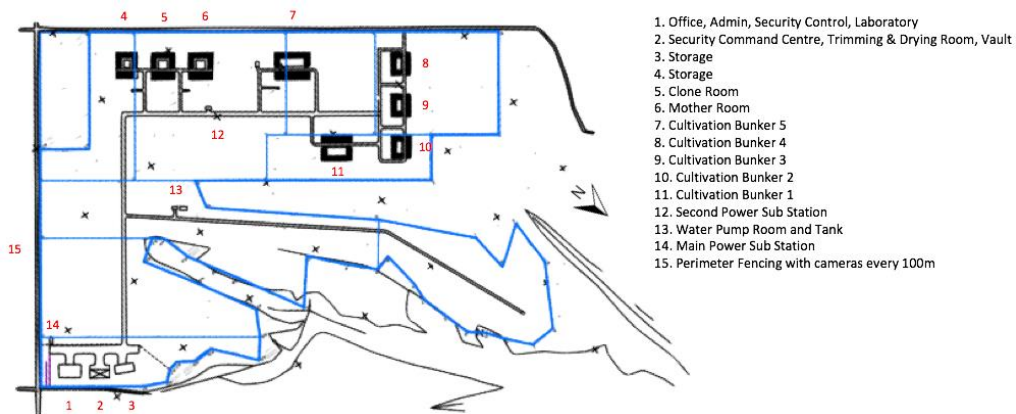
Following the initial private fundraising, the Company has provided to Hellenic Dynamic a facility of up to €450,000, available in tranches of up to €150,000. As at the date of this document, the Company has advanced initial funds of €300,000 to Hellenic Dynamic. Subject to the completion of the Acquisition, it is intended that the loan will be left outstanding as an intra-group debt.

### **3. Core Strategic Plan**

Hellenic Dynamics's main objective is to generate revenues from the sale of THC dominant strains (i.e. containing more than 0.2% THC ) of dried medicinal cannabis flowers and medical flower extracts both for the export market, initially into Germany and also in tandem for the Greek domestic market, as per licence requirements.

#### **Hellenic Dynamics Infrastructure**

##### Current Site Plan



The Facility is currently in the final stages of the installation of cultivation equipment and is intended to complete these works by end of Q4 2022

This will include:

- Minor rehabilitation of designated cannabis plant mother and clone buildings
- Minor rehabilitation of designated cannabis plant building for vegetative growth

### EU Centre of Competence

Hellenic Dynamics, in partnership with the American Farm School, made an application (through the joint venture company EMCCC Private Company (as defined below)) on 13 November 2020 to the European Union to become Europe's first EU Centre of Competence ("EUCC") for cannabinoid research.

An EUCC accreditation would come with a grant of circa EUR €1,000,000, which would be earmarked specifically for an additional laboratory at the Hellenic Dynamics' site. The EUCC would also provide commissioned research to companies on propagation material, best cultivation practices, and best technologies for medicinal cannabis; this research would also be made available to Hellenic Dynamics. This is the first such application covering medicinal cannabis at the EU and a formal response is expected to be received during Q4 2022.

For this purpose, Hellenic Dynamics is a founding member of the company under incorporation having the name European Medicinal Cannabis Competence Centre Private Company ("EMCCC Private Company"). This company has received a Tax ID / VAT no 997227057 but has not yet been incorporated. It is envisaged that once the EU Centre Competence grant is issued, the EMCCC Private Company will be incorporated. Hellenic Dynamics will be a 50% stakeholder in EMCCC Private Company. It is intended that EMCCC Private Company will be financed by its shareholders (35%) and by EU subsidies (65%) and all operations will be conducted in the new laboratory.

### Business Plan

The below plan is subject to Hellenic receiving an operations license and a production authorisation for exports and a special distribution authorisation from EOF.

The Proposed Directors expect that the first Flowers will be cultivated in Q4 2022 with commercial sales expected to occur within Q1 2023. The Board envisages that all Flowers to be produced in stage one of operations will be pre-sold through the offtake agreements which will be based on the term sheets, as described in Part XII *Additional Information*, paragraphs 19.1.4 and 19.1.5 to licensed distributors initially in Germany. Hellenic Dynamics' strategy is to then expand its total cultivation area in phases, in line with

European demand. The strategy allows for each stage of the increase of production area to be financed via cash flow from previous commercial sales. Hellenic Dynamics will also provide an additional medicinal cannabis product, namely a THC extract oil for the Greek domestic market from Q1 2023.

The cultivation strategy is set across three stages of development. Stage 1 is intended to provide full proof of concept and initial sales, with the following stages to be based on Hellenic Dynamics' strategy of utilising sales revenues to increase the total cultivation area in line with increased European demand of medicinal cannabis products.

#### *Stage 1*

Q4 2022: This proof-of-concept stage will see the completion of all outstanding construction works, which are limited to the installation of a security turnstile and minor iron works, completion of exterior insulation and connection of water supplies to the mother room and the installation of an air lock to Bunker One. In addition to the construction works, Hellenic Dynamics will also complete the installation of all cultivation and processing equipment to Bunker One (building no. 11 in the diagram on the previous page) and supporting buildings including the mother and clone rooms, drying rooms and vault. It is envisaged that Hellenic Dynamics will begin cultivation of two genetic strains of THC dominant medicinal cannabis flowers in Q4 2022 in Bunker One. The Board expects that this could produce 75 kgs of cannabis flowers per a cultivation cycle (further details on page 43 of this document) for sale (the "First Harvest") for export as dried medicinal cannabis flowers with a minimum extracted oil product processed for the Greek domestic market as per licence requirements.

#### *Stage 2*

Q1 2023 to the end of Q4 2023: Subject to the successful sale of the First Harvest, this stage will see Hellenic Dynamics expanding the total cultivation area of the Facility by completing the installation of the cultivation equipment to the remaining four bunkers. In total, the five bunkers will provide a total cultivation area of 1,000 square meters, as outlined in page 37 of this Document.

#### *Stage 3*

Q1 2024 In this stage Hellenic Dynamics envisages using its revenues to expand the total cultivation area of the Facility by the construction of a 15,000 square meter greenhouse. This greenhouse will mirror the fully controlled growing environment of the existing bunkers. In Q3 2023, Hellenic Dynamics expects to begin phased cultivation in the first 5,000 square meters of the greenhouse (in addition to the existing cultivation within the five bunkers). The Directors believe this will provide at least 6,000 square meters of gross cultivation area.

#### *Stage 4*

Post Q4 2024 Hellenic Dynamics will continue to expand the total cultivation area in 5,000 square meter intervals, utilising its envisaged revenues. The current estimated maximum cultivation area based on the Hellenic business plan is 16,000 square meters. However, based on European demand and envisaged future revenues, Hellenic Dynamics does have the ability to expand the total cultivation area as per its licence of 40,000 square meters. The Enlarged Group however does not believe that this will happen before 2025 at the earliest.

### **Sensitivity Analysis in respect of Key Assumptions**

As further described in section 3 ("Business Plan") of this Part, the Enlarged Group has 3 main objectives as part of its near-term strategy: (i) to complete all outstanding works to the Facility, (ii) to submit all remaining affidavit documentation in order to obtain its operation licence, and (iii) to produce medicinal cannabis flowers for the export market and an extracted oil for the Greek domestic market. As an early stage business, the successful execution of this plan is reliant on several key factors, in particular the Directors and Proposed have identified the following important:

#### *Successful completion of all outstanding construction works*

The Enlarged Group strategy is dependent on the timely completion of all outstanding construction works to the Facility. The strategy is dependent on good weather conditions, and the availability of the workforce. The construction works are also dependent on the timely delivery of materials to the facility. Any delays in the completion of construction works will affect the Enlarged Group's ability to begin the installation of the cultivation equipment and delay obtaining the operation licence.

#### *Timely delivery of all cultivation equipment and installation*

The Enlarged Group strategy is dependent on the timely delivery and installation of all supporting equipment. Although all suppliers have been sourced, delays in the delivery of equipment caused by potential cross border transportation issues, Covid-19 and other factors, may affect the Enlarged Group's ability to complete the installation of the cultivation equipment and delay the issuance of the operation licence to begin commercial activities.

#### *Submission of operation licence documentation*

As outlined in section 2 of this Part, Hellenic Dynamics must submit the list of remaining documents to the Greek government to obtain the operation licence. Any delays in submitting its remaining documentation may delay the Enlarged Group's ability to begin commercial activities which may affect future revenues.

#### *Reliance on management*

The Enlarged Group is reliant on the skills and experience of its CEO, Davinder Rai, to ensure it can successfully implement its business plan. Davinder Rai has extensive experience in business operations. He has also been fully immersed in the medicinal cannabis industry since 2018, lead Hellenic Dynamics since its inception and has extensive knowledge in local legislation, EU-GMP and GACP accreditation.

#### *Infrastructure*

The strategy of the Enlarged Group assumes that its supply chain will be able to cope with the anticipated delivery of equipment to the facility and that there are no unexpected delays or interruptions within its supply chain. A break within the supply chain could have an adverse effect on the Enlarged Group achieving commercial approval.

#### *Staffing*

The business plan of the Enlarged Group assumes that Hellenic Dynamics will be able to retain its management team and recruit additional staff. If this proves more difficult than expected, it could have a negative impact on the completion of the facility and the envisaged commencement of commercial cultivation.

#### *Pricing and costs*

Any changes to international or domestic freight charges, contractor costs (either caused by delays or unforeseen circumstances), or change in the costs of cultivation equipment, will lead to additional costs which may affect the Enlarged Group's strategy.

## **4. The Product**

Hellenic Dynamics intends to grow, manufacture, process and sell dried cannabis flowers, as pharmaceutical cannabis products for export into the German market, along with providing a secondary medicinal cannabis oil extract product for the envisaged domestic Greek market.

The final installation phases of cultivation equipment are currently taking place at the Facility and Hellenic Dynamics intends to complete this during the remainder of 2022. Initial cultivation is then envisaged to begin in bunker one with a total area of 280 square meters during Q4 2022.

The first flowers are expected to be cultivated during Q4 2022, based on successful harvest and all support quality analysis, it is envisaged that these first products could be put up for commercial sale. The Terms Sheets have been agreed and the Proposed Directors envisage that all dried flowers which will be produced in phase one of operations, assuming they are in line with quality control analysis will be sold to licensed distributors initially in Europe's largest medicinal cannabis market of Germany, with further distribution lines into other European markets to begin in early 2023.

The Board expects the products to be produced at a relatively low cost, based on the price of electricity being fixed at €0.06 per K/Wh, the Facility having its own running water supply and the cost of semi-skilled labour in Greece being one of the lowest in Europe.

#### *Cultivation*

The THC-dominant medicinal cannabis flowers will be cultivated according to EU GACP guidelines within the confines of a fully controlled cultivation Facility at regulated temperatures and with carefully curated placements for optimal growth. The production process will not use any pesticides, and all cultivation will occur in sterile substrate which reduces the possibility of heavy metal contamination from the end-product. The flowers will then be harvested, trimmed, dried, cured and stored. In accordance with best practice and each plant is monitored through a 'Track and Trace' IT system, using specific barcoding to record their progress from clone to harvest.

#### *Cultivation Cycles*

All cultivation will occur from cloned plants, rather than seeds in order to preserve identical genetic compositions, and with standardised cultivation cycles within the confines of a fully controlled cultivation Facility. Due to this controlled environment, Hellenic expects to achieve six cultivation cycles per annum. This is equal to a total of circa 9 weeks' cycle from planting to harvesting, including the sanitation processes.

All plants will be harvested manually and trimmed by hand. The Board believes that while trimming by hand adds cost to the final production, it results in a premium product and provides local job opportunities for stable, year-round employment.

#### *Processing*

The product is then dried for circa one week, cured for several weeks, and ultimately stored in a secure vault within vacuum sealed bags in order to retain freshness. The vault is accessible to a very small number of senior staff on the basis of digital imprint access door only. The processing of flowers into an extracted oil will be conducted in the Hellenic Dynamics laboratory using an EU-GMP certified and CE marked, extraction machine. All product packaging will be done on site. The receptacles used by the consumer can be recycled, are light-resistant and the contents are held at specific humidity levels, to ensure freshness and consistency. The shelf life of the product is anticipated to be nine to twelve months. Hellenic intends to evaluate this further through regular sampling and monitoring.

Where necessary, end products will be subject to a gamma-irradiation process, using a EU-GMP certified and CE marked irradiation in Hellenic's Laboratory prior to shipment. This process removes any pathogen microbiology from the medicinal cannabis flowers without causing significant changes in the composition or in the active ingredients. This allows for the product to only be sold and exported to distributors that hold irradiation licences within the country of import.

Processing can take place concurrently with the next cultivation cycle, therefore not delaying the next harvest.

#### *Laboratory*

The equipment that will be supplied to Hellenic Dynamics for the laboratory has been sourced via the American Farm School and consists of:

- Liquid Chromatography HPLC machine to test for major cannabinoids and terpenes
- Mass Spectrometry: LC-MS-MS / ELISA machine to test for micro-organisms and Mycotoxins
- Mass Spectrometry: LC MS-MS machine – to test for pesticides
- ICP-MS machine to test for heavy metals
- QPCR machine to test for foreign matter
- Handheld moisture meters to test water content
- Rotovap Alcohol extraction machine

This means that testing for all the parameters required in the target market product specifications will be conducted on site to ensure product compliance. A separate, second series of the same tests will be made by Hellenic Dynamics' customers on landing the product in the target market.

### *Branding*

Hellenic Dynamics will promote products under the Hellenic Dynamics brand name where possible, however, the Hellenic Dynamics management team has also identified a need by certain European medicinal cannabis licensed distributors within initial target territories where distributors are looking to create branded products themselves. In this respect, where distributors are wishing to promote their own branded products, Hellenic Dynamics will supply white label end products. These products will come with information informing pharmacists and end patients that these products have been cultivated at the Hellenic Dynamics facility.

## **5. Future Developments**

### **Future Cultivation**

Hellenic Dynamics has been issued with a licence that allows for the total active cultivation area for THC-dominant medicinal cannabis to be 40,000 square meters. With an expected increase in demand for the product, in future years Hellenic Dynamics would intend to expand further into the greenhouse, increasing the cultivation area in tranches of 5,000 square meters per annum, either by utilising envisaged revenues or by way of fund raising.

### **Future Product Range**

Initial products will be limited to dried medicinal cannabis flowers for export into the German market and additionally providing a secondary extract product for the potential Greek domestic market. The management team and board of advisors formed the consensus that, with the introduction of more vaporising medical devices into European markets, dried flowers will remain the most requested product format within Europe. Presently, processed oils account for a smaller market segment. If that demand for Extracts increases, however, Hellenic Dynamics would then look to increase production of these products, this may require additional capex for the potential construction of a larger extraction facility. The market strategy is therefore to increase oil extract products when the European export market is deemed to be significant enough for the production and sales of both products.

Hellenic Dynamics also intends to begin research & development on unique cannabis genetics and thereafter to conduct efficacy trials on these medicinal cannabis flowers against pain indicators in patients. This is intended to provide a medicinal cannabis product as close to an active pharmaceutical Ingredient as currently technically possible.

If the Licensee intends to export dried cannabis flowers the Licensee applicant must, simultaneously with its application for an Export Production Permit, submit an application for a Production Permit and a Special Distribution Authorization for a different medicinal cannabis end-product.

## 6. Market Overview

The Research and Markets report issued by Business Wire in December 2020 stated that the European cannabis market is expected to reach €43.3 bn by 2027 up from €4.09 bn in 2019; it is anticipated to grow at a CAGR of 29.6% from 2020 to 2027.

The growth of the European medicinal cannabis market is attributed to the change in legislation of various European countries allowing the usage of medicinal cannabis for patients via prescription and in the overall growth in public acceptance of these medicines. European countries are experiencing radical transformation in the regulations for marketing cannabis and related products. The changes in the regulations have allowed the consumption and trade of cannabis-derived products across the region.

Based on product type, the European cannabis market is segmented into flowers, concentrates, and others. In 2019, flowers held the largest market share and recent market data shows the resilience of this product in holding such a share. Based on types of compounds used, the European cannabis market is segmented into THC-dominant, CBD-dominant, and balanced THC and CBD. In 2019, the THC-dominant segment held the largest share of the market and was therefore the most lucrative.

Medicinal cannabis, especially in higher THC doses, has been approved for use in Germany and The United Kingdom plus 20 other European countries for conditions including but not limited to chronic pain, intractable chemotherapy-related nausea, PTSD, 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.

The German federal government legalised medical cannabis via prescription on the 4th of May 2016, with first patient access in 2017. Prohibition Partners<sup>1</sup> estimate there are currently over 128,000 patients in Germany who receive medical cannabis prescriptions, which was equal to 9,249kg of medical cannabis flower imports in 2020. This makes Germany not only the most advanced medical cannabis market in Europe, but also the largest.

Imports of medicinal cannabis flowers into Germany:

- 2018 - 3,000 KG
- 2019 - 6,700 KG
- 2020 - 31,500 KG

BfArM requires that the country of origin of any medical cannabis products imported into Germany must adhere or partially adhere to Articles 23 and 28 of the United Nations Single Convention on Narcotics. Germany currently imports medical cannabis products from Canada, Netherlands, Denmark, Portugal, Australia, Uruguay, Spain, Austria, Colombia, Israel, Poland, Jamaica, Malta, Switzerland, Lesotho and New Zealand. Some of these countries adhere to Articles 23 and 28 of the United Nations Single Convention on Narcotics where others only partially adhere. Greece partially complies with the Articles 23 and 28 of the United Nations Single Convention on Narcotics. The Directors believe that supplies of products into Germany from outside of Europe may decrease with the increase of medical cannabis cultivators in Europe. A prerequisite for the import of medicinal cannabis into Germany is the compliance with EU-GACP and EU-GMP during cultivation and production. Demand for medicinal cannabis in Germany has seen a considerable increase over the last few years and the Directors are of the view that the German authorities should permit the import of compliant medical cannabis from Greece in order to secure the supply of the required quantities of medical cannabis

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<sup>1</sup> <https://prohibitionpartners.com/2021/04/16/reimbursed-sales-of-medical-cannabis-in-germany-grew-by-34-in-2020/>



into Germany. In the event that BfArM should prohibit or restrict the import of medical cannabis products from Greece into Germany, this could have an adverse impact on the financial condition of the issuer as this would delay the generation of initial revenues. Investors should refer to the risk factor titled “The Group may fail to meet German import requirements, in respect of its medical cannabis flowers and non-compliance could limit, restrict or delay the generation of revenues within the primary market”.

Hellenic Dynamics has signed two non-binding term sheets, setting out the terms on which the parties would enter into a binding off-take agreement. The term sheets are with Cansativa GmbH and Nimbus GmbH, two medical cannabis distributors in Germany. It is therefore envisaged by the company that having Germany as the current primary market will achieve short term revenues from the sales of end products, which will be utilised by the company to expand the total cultivation area of the company’s cultivation facility and increase its production to meet growing market demands.

The directors of the company believe that achieving revenues and expanding the total active cultivation area of the facility will coincide with the opening of other markets within Europe and greater demand of THC dominant medical cannabis products from emerging markets, such as the UK.

The United Kingdom legalised medical cannabis in 2018 however, to date there have only been three NHS prescriptions. It is envisaged by the directors that Project Twenty21’s<sup>2</sup> findings will open up the UK market for greater supply of medical cannabis with increasing numbers of patients who have access to NHS prescriptions.

It is envisaged by the directors that the United Kingdom could become the secondary market for the sales of THC medical cannabis products produced at the company’s facility. Although there are only 3 NHS prescriptions to date in the UK, Prohibition Partners<sup>3</sup> estimate over 6,000 private prescriptions have been issued for patient access to medical cannabis. The directors are currently in discussions with licensed medical cannabis distributors in the UK and it is envisaged that once early revenues from Germany allow for the overall expansion of the cultivation area at the facility, the company will be in a position to supply into the UK. It is also envisaged by the directors that this should coincide with further NHS prescriptions based on the results of Project TWENTY21, as highlighted above.

If the UK market does not grow as expected, the directors will continue to make sales in Germany along with other European markets that are set to expand their total imports during the course of 2022. Presently there are 28 countries in Europe that allow medical cannabis access to patients via prescription, although access remains inconsistent across the continent.

#### *Greek Domestic Market*

The Greek government passed an amendment to the cannabis cultivation law on the 23rd of May 2021. As part of this amendment, it was stated that any cannabis cultivation company in Greece which produces a product consisting of/containing dried cannabis flowers as an ingredient, must, in addition, submit an application for a special distribution authorisation for a secondary medical cannabis product for the Greek market which does not consist of/contain dried cannabis flowers. It is envisaged by the directors that the total requirement for products in Greece will be small. Greece legalised medical cannabis access for patients via prescription in 2018, however much like the United Kingdom presently, the market is small in numbers. The directors believe that presently no patients have had access via prescription.

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<sup>2</sup> <https://www.healtheuropa.eu/project-twenty21-launches/94695/>

<sup>3</sup> <https://www.healtheuropa.eu/examining-the-potential-of-the-uk-medicinal-cannabis-market/107363/>

Therefore, although the company is required to produce a second medical cannabis product (which will be extracted THC dominant oil product) for the Greek market, Greece may not qualify as our secondary market for sales until patient numbers in Greece increase.

With over 28 European countries allowing access to patients for medical cannabis by prescription, the directors believe that once early revenues have been achieved in Germany and the total cultivation area is increased the company will have sufficient production by Q1 2023 to enter into these secondary markets.

### **Competitor Analysis**

There are many licenced medicinal cannabis cultivators operating globally, due to the increasing number of countries that have adopted changes in legislation, allowing for a medicinal cannabis frame-work, via prescription.

Hellenic Dynamic is not a producer of wellness products associated with the cultivation and production of products containing CBD and other minor cannabinoid products. Nor is the group a producer of pharmaceutical end products containing one or more cannabinoids, which may also include THC.

Hellenic Dynamics is a producer of THC dominant medical flowers and extracts both for the domestic Greek market and other European markets, with a focus, in the near-term strategy, to target the advanced German medicinal cannabis market.

As such the Proposed Directors believe that any company must comply to the following, to be deemed a competitor:

- *Hold a licence to cultivate THC medicinal cannabis flowers, with no limit on total THC content*
- *Cultivate in a country that is in full or partial adherence to the UN 1961 Single Convention on narcotics*
- *Hold the necessary licence(s) that allow for the export of THC dominant medicinal cannabis products or have access to a domestic market in the country of cultivation*
- *Have the ability to obtain EU-GMP certification*
- *Have the ability to obtain GACP*
- *Have the ability to export THC products without limit on total THC content*

The Proposed Directors believe any company that adheres to these pre-requisites and has the ability to supply THC dominant medical flowers to the European market can be classed as a competitor to the group. As such the Proposed Directors have identified a number of territories where potential competitors are operating or may have the ability to operate.

#### *The Netherlands*

The use of medicinal cannabis has been allowed in the Netherlands since 2003. The Dutch framework is an example of a long-established system that allows access to medicinal cannabis. However, it is a closed system. All activities related to medicinal cannabis are strictly regulated and the Dutch Office of Medicinal Cannabis (OMC) has full control. This means that authorisations have to be obtained for the cultivation, import, and sale of medicinal cannabis. Authorisations will only be granted in a limited number of circumstances. In the Netherlands, only one company since 2003 is authorised to cultivate cannabis for medical use since 2003. The Dutch Office of Medicinal Cannabis (OMC) controls all exports of medicinal cannabis products along with setting annual export quotas and sales prices.

#### *Malta*

The cultivation and processing of medicinal cannabis has been allowed since 2018. The Maltese Medicines Authority is responsible for reviewing applications for the importation and wholesale distribution of cannabis based products for medicinal use. Activities related to the production of cannabis for medicinal and research

purposes are regulated through comprehensive evaluation of scientific and technical documentation, security considerations, and good practices. A licensed cultivator may manufacture THC dominant medicinal cannabis products under EU-GMP certification. Due to its size in comparison to other European countries, Malta has limited land to construct a medicinal cannabis facility and the Proposed Directors therefore believe that Malta will become a hub for the processing of medicinal cannabis products rather than a competing cultivation territory to the group.

#### *Denmark*

In January 2018, the Danish government implemented a four-year medicinal cannabis pilot programme along with a special development scheme that provides licenses to grow and handle cannabis to develop medicinal cannabis based products. The government passed a subsequent motion to allow bulk exports of medicinal cannabis. Several of the largest companies in the cannabis industry have already set up in Denmark through joint ventures with Danish partners.

#### *Germany*

Germany's health regulator, the Federal Institute for Drugs and Medical Products (BfArM) issued a tender for 13 domestic licences in 2019. Based on 79 applications, 13 licences were awarded in April of 2019, 10 to a number of Canadian companies and 3 to a single German based company. The licences only allow for a total production of 200kg per annum per a licence and all production must be sold to BfArM at a pre-prescribed price, far below current market prices per a kilo. Therefore, the Proposed Directors believe that domestic German cultivation does not pose any competitive risk to the group.

#### *Portugal*

In April 2019, the Portuguese government created the Office of Cannabis for Medicinal Purposes, with members from various areas (licensing, inspection, evaluation, communication and legal advice), which has been working constructively with companies, patient associations, specialised press and various public entities. Several requests for authorisation to carry out various activities, such as growing, manufacturing, import, export and wholesale distribution, have been received. The Proposed Directors believe that a number of companies are in differing stages of the application process for a licence in Portugal, while at least 6 currently hold a cannabis cultivation licence already. The Proposed Directors also believe that the majority of these cultivators may not be cultivating in a fully enclosed indoor environment which may cause issues with the strict German import requirements.

#### **Additional Competitor Factors**

Hellenic Dynamics, has a licence that allows for a total active cultivation area of 40,000 square meters, which the Proposed Directors believe is one of the largest THC cultivation licences in Europe. Furthermore, the group has an experienced management team with experience in the cultivation of medicinal cannabis at scale, coupled with the location of the facility in the heart of Europe, providing competitive advantages for envisaged final product freight costs. The Proposed Directors believe all these additional factors must be taken into account, with any competitor analysis.

## **7. Terms of Conditional Acquisition of Hellenic Dynamics**

### **Key Terms of the Acquisition**

On 30 July 2021, the Company entered into a share purchase agreement to conditionally acquire 100 per cent of the issued share capital of Hellenic in consideration for the allotment of Consideration Shares in the issued share capital of the Company at an implied issue price of £0.00472 per share.

The Company announced the initial terms of the transaction on 2 August 2021 ("SPA Announcement"). In particular, the consideration for the Acquisition was expected to be £45.2 million which was to be satisfied by the issue and allotment of 9,578,937,499 in aggregate to the Sellers (such shares being issued at an implied

issue price of 0.472 pence each) and with the Company having a minimum cash balance of £3.92m on completion. It is noted that the funding for the Transaction was anticipated to be raised in part from an exercise of warrants issued to investors as part of previous fundraising activities; the warrants in question have since lapsed and, therefore, there is no requirement for any form of adjustment in the manner described within the SPA Announcement.

In the period following the execution of the Agreement, it was noted that market conditions have changed considerably. Reflecting a change in investor sentiment, the parties to the Agreement mutually agreed that Hellenic Dynamics was now valued at £31,243,342.59 and that the consideration for the transaction would be satisfied by the issue and allotment of a total of 10,414,447,530 Consideration Shares to the Sellers on completion (such shares having an implied issue price of £0.003).

Pursuant to the agreement with Peterhouse dated 9 February 2021, Peterhouse will receive £500,000 worth of Ordinary Shares at the IPO Share Price, representing 166,666,658 Ordinary Shares, to be paid pro-rata from the issue of Consideration Shares to certain existing shareholders of Hellenic prior to Admission. The issue of the Peterhouse Shares will be set-off against the issue of the Consideration Shares, as appropriate, at the time of delivery. The effects of the issue on the Peterhouse Shares on the Hellenic Concert Party and Kanabi Concert Party is set out in more detail in paragraph 6 of Part XI of this Document.

Completion of the Acquisition is conditional upon the approval of all resolutions tabled at the General Meeting of the Company. The resolutions to be tabled at the General Meeting include the Rule 9 Waiver to be approved by Independent Shareholders voting on a poll.

The Company is subject to the provisions of the Takeover Code and, as a result, the Shareholders are entitled to the benefit of takeover protection under the Takeover Code, further details of which are set out in paragraph 17 of Part XII "Additional Information" of this Document. Following Admission, certain Shareholders shall be presumed to be acting in concert under the Takeover Code. Details of the concert parties are summarised in Part XI "Takeover Code Disclosures" of this Document. Without the waiver of the obligation under Rule 9 of the Takeover Code, the issue of the Concert Party Shares and the exercise of the Concert Party Options and the Concert Party Warrants would require the members of the Kanabi Concert Party to make a general offer for the entire issued and to be issued share capital of the Company, not already held by them. The Panel has agreed with the Company to grant such a waiver subject to and conditional upon the passing of the Rule 9 Waiver Resolution at the General Meeting to be held on 1 December 2022, such resolution to be approved by Independent Shareholders on a poll.

No members of the Kanabi Concert Party hold Ordinary Shares in the Company and, consequently, all shareholders are considered to be independent for the purposes of voting on the Rule 9 Waiver Resolution.

## **8. Fundraising**

The Company has raised funds to support the transaction from a combination of direct subscription for shares and from the issue of Convertible Loan Notes to an investor.

### Subscription

The Company has received irrevocable commitments from Subscribers to subscribe for an aggregate total of 250,000,000 Subscription Shares at a subscription price of £0.003 per Ordinary Share to raise gross proceeds of £750,000 strictly subject to and conditional upon Admission. Of the Subscription Shares, 125,000,000 have been subscribed for by Rami Ajami, a member of the Kanabi Concert Party.

The Company and the Subscribers have entered the Subscription Letters pursuant to which the Subscribers have agreed, subject to certain conditions, to subscribe for the Subscription Shares at the Subscription Price. The Subscription Letters are conditional on, among other things, Admission.

Each Subscriber will receive one Subscription Warrant for every one share they subscribe for. The terms of the Subscription Warrants are more particularly described at paragraph 18.1.3 of Part XII (“Additional Information”) of this Document.

Further terms of the Subscription are set out at Part IV (“Subscription”) of this Document.

#### Convertible Loan Notes

On 10 November 2022, the Company constituted the £375,000 unsecured convertible loan note instrument for the purpose of raising funds in connection with Admission. The terms of the CLN are more particularly described at paragraph 18.1.5 of Part XII (“Additional Information”) of this Document.

The Company has received an irrevocable commitment from Rami Ajami, a member of the Kanabi Concert Party, to subscribe for £375,000 of Convertible Loan Notes, subject to and conditional upon Admission occurring by no later than 6 December 2022. The funds raised from the Convertible Loan Notes will be used to support the Enlarged Group’s working capital requirements following Admission. No application will be made for the Convertible Loan Notes to be listed.

The CLN funds have been placed into an escrow account arranged by the Company’s brokers, Peterhouse Capital Limited, and such funds will be held by the escrow agent pending Admission. The CLN funds held in escrow will be applied to subscribe for the CLN on Admission (assuming that Admission occurs on or before 6 December 2022). If this condition is not satisfied, the funds held in escrow will be returned to the CLN Holder at his own risk and he will have no right to receive any convertible loan notes.

Rami Ajami, the CLN Holder, may elect to convert his Convertible Loan Notes at any time from the date of issue up to the date immediately preceding the second anniversary of Admission by giving notice in writing to the Company. The Convertible Loan Notes in issue will convert into 125,000,000 Ordinary Shares (the “**Conversion Shares**”) based upon a conversion price of £0.003 each. If the CLN Holder elects to convert his Convertible Loan Notes prior to the nine-month anniversary of Admission, the CLN Holder will be entitled to receive an additional 125,000,000 Ordinary Shares (“**Top-Up Shares**”); the re-distribution of the Top-Up Shares will be satisfied by certain existing shareholders of Hellenic, including members of the Kanabi Concert Party, who have agreed to transfer Ordinary Shares pro-rata to the CLN Holder, rather than to issue new Ordinary Shares upon conversion, to avoid dilution to all shareholders. Accordingly, such number of Ordinary Shares to be transferred in respect of the future re-distribution of the Top-Up Shares will be held in escrow from the time of Admission from the Consideration Shares.

The re-distribution of the Top-Up Shares on the Kanabi Concert Party will result in a net increase of 54,788,856 Ordinary Shares in the interest of the Kanabi Concert Party, further details of which are in paragraph 5 of Part XI of this Document.

The CLN Holder will also receive 125,000,000 CLN Warrants. The terms of the CLN Warrants are more particularly described at paragraph 18.1.4 of Part XII (“Additional Information”) of this Document.

The Convertible Loan Notes will otherwise be redeemed on the second anniversary of Admission.

## 9. Use of Proceeds

The activities that the Enlarged Group intends to undertake will amount to approximately £2,626,600 (“**Project Costs**”), as described further in the table below. Following Admission, net of Transaction Costs (of which £182,898.49 will be deferred up to 18 months post Admission), the Enlarged Group will have available funds of £2,626,600 (“**Cash Resources**”) taking into account the Subscription Funds and CLN Funds.

Following Admission, the funds in the Enlarged Group will be used principally to execute upon its core strategic objective, which is to begin commercial cultivation and generate sales within the Primary Markets of its medicinal cannabis flower products and to improve the recognition of its brand. The Directors also intend to deploy funds to assist with the growth of sales, including the recruitment and appointment of sales staff and account managers to increase the number of distributors, increase sales and intensify its marketing efforts.

Additionally, funds will be used to continue Hellenic Dynamics’ expansion activities in order to create a further cultivation area. The Directors and Proposed Directors have estimated that it will have sufficient funds for completing all necessary works to allow commercial cultivation in one bunker. The Directors also believe that the sums outlined below will be sufficient to achieve the cultivation of medicinal cannabis during the first 12 months.

<b>Expense</b>	<b>Estimated Amount for 12 months (GBP)</b>
Mother & clone room cultivation equipment, vault and trimming room equipment, Bunker One cultivation equipment and laboratory equipment.	£852,600
Land lease.	£43,500
Utilities, cultivation and laboratory equipment, certification, packaging, original genetics and consumables.	£211,400
General site construction	£301,700
Cultivation and construction labour, 24 Hour security personnel, management, qualified persons, board and advisory.	£1,002,400
PR, legal and T&E	£215,000
Use of proceeds (approximate)	£2,626,600

Hellenic Dynamics’ first priority will be to complete all works to the facility to begin cultivation in the shortest time possible as outlined in section 3 of this Part.

### **Mother, Clone Room, Vault, Trimming Room and Bunker One Cultivation Equipment**

Following the completion of the general construction works outlined above, the group will begin the installation of the cultivation equipment in Bunker One, the mother and clone rooms and to a lesser extent the drying room. These items include a full HVAC system, cultivation lights, benches for growing, climate control system, CO<sub>2</sub> system and air pathogen sanitation system. All other items required to begin cultivation have been sourced locally and include minor items such as fans and water tanks.

## **Laboratory**

Along with the installation of cultivation equipment, the group will also complete the purchase of laboratory equipment, in line with licence legislation. This equipment will be installed in the designated laboratory rooms in the main office facility of the site. The full equipment list is outlined in section 3 of this Part. The group has leveraged its relationship with the American Farm School to source all equipment, including a small extraction unit to produce small medicinal cannabis oils for the envisaged Greek domestic market.

## **Land lease & Land Purchase**

Part of the group's facility in Greece is let under a lease agreement with an annual fee of €50,000 per annum as outlined in Part XII paragraph 19.1.1.

## **Utilities**

Power consumption is one of the largest costs in the cultivation of medicinal cannabis. The group has installed a new power substation within the confines of the site, which has a total power capacity of 630 kVA. The group has also secured power costs for the site at €0.06 per K/WH.

## **Cultivation and laboratory Supplies**

The group is intending to cultivate medicinal cannabis in an inert substrate which will need to be replaced every cultivation cycle. All cultivation areas will need a thorough cleaning as per EU-GMP and GACP certification and after each cultivation cycle, certain single use laboratory items will need to be replaced.

### **Certification**

As outlined in Part II – Regulatory Overview section of this Document, adherence to EU-GMP and GACP is a requirement for any envisaged sales of medicinal cannabis products. Certification for adherence to these requirements will be conducted post cultivation. The group has enlisted the services of Diapharm as the audit company to provide certification to the group. There is an annual cost to ensure constant adherence.

## **Packaging & Consumables**

All finished medicinal cannabis products produced by the group must be packaged in accordance with legislation. Initial outlay in costs for these cover any cultivated products within the first 12 months of operations.

## **General Site Construction**

The following works will address all outstanding general construction requirements:

- The installation of a security turnstile and completion of the remaining iron works to the site will allow for 24-hour security operations to begin. Completion of the exterior insulation material and connection of water supply to the mother and clone rooms.
- Installation of the air lock to Bunker One and one final layer post completion of the above works of aggregate to the main road on site of circa 200 square meters. Works on the trimming room, drying room and vault are currently well underway and require minimal cosmetic alterations to adhere to EU-GMP guidelines.

## **Construction and Cultivation Labour**

In the first few months of operations post listing, the group will complete all outstanding construction works and expects that this will require 6 members of staff, in addition to the labour provided by external contractors. Upon the successful completion of the construction works and from the time of any envisaged cultivation, the group will require the services of 2 general site labourers and 4 full time cultivation staff during the course of phase 1 of operations. The salaries provided for are in line with local comparable salaries and are inclusive of all taxes.

**24 Hour Security Personnel**

The group will enter into an agreement with K2 Security from Kilgis in Greece to provide 24 hour manned security to the facility, in line with the licence legislation. This service agreement will be based on 8 members of trained security staff on rotating shifts to ensure there are 2 members of security staff at all times. The licence issued to the group states that manned 24-hour security must be in place from the point that the group begins cultivation activities at the group's Facility.

**Board and Advisory**

As outlined in Part III, the group is remunerating its board and team of advisors in line with industry standards.

**PR**

The group has contracted a leading PR agency to highlight its strategy and it plans to supply final medicinal cannabis products both domestically and to the export markets. As such, an extensive PR and social media campaign is planned for the first 12 months post listing.

**Legal**

The group has sourced the services of an external company secretary to ensure the group is in adherence to all requirements as a public company. These fees, plus auxiliary costs are based on monthly payments.

**Travel & Expenses**

Visits to the site will be required from the management team based in London, in addition to any envisaged visits to sales territories.



## PART II

### REGULATORY OVERVIEW

#### Medicinal cannabis

Medicinal cannabis is the medical name of the Cannabis Sativa or Cannabis Indica plant used to relieve symptoms of diseases and conditions specific to a range of human ailments. Although the term “cannabis” refers specifically to the plant genus, it is also used interchangeably with marijuana, which describes the crude drug isolated from the plants’ leaves and flowers. While cannabis has a long history of medical use as an analgesic (pain reliever) and antispasmodic agent, for much of the modern era there existed a general lack of awareness among scientists and physicians of its medical benefits. The discovery of the active ingredient tetrahydrocannabinol (THC) in the 1960s, as well as the discovery of a system of cannabinoid receptors and ligands in the late 1980s and early 1990s, promoted inquiry into the therapeutic potential of cannabis and its extracts and derivatives. This work revealed that cannabis can provide relief from certain types of conditions such as severe chronic pain and led to the development of various herbal medicinal cannabis products.

According to the European Parliament’s resolution 2018/2775, there is already convincing evidence that cannabinoid use has significant effects on treatment of a number of serious diseases. The potential use of medicinal cannabis will therefore be an additional and dynamic alternative treatment for people suffering from serious illnesses and in need of holistic healthcare. In addition, and in line with its above-mentioned resolution, the European Parliament has urged EU Member States to study and promote the prescription of cannabis for medical purposes.

#### THC and CBD

The cannabis plant includes more than 400 different compounds as its constituents, of which over 100 are cannabinoids. The main cannabinoid compounds are THC and CBD (Cannabinoid) with their impacts enhanced by the ‘entourage effect’ of the permutations of the other minor Cannabinoids and the Terpene compounds.

Both CBD and THC have the exact same molecular structure: 21 carbon atoms, 30 hydrogen atoms, and 2 oxygen atoms. A slight difference in how the atoms are arranged accounts for the differing effects. Both CBD and THC interact with the endocannabinoid receptors (proteins) that bind to CB1 and CB2 receptors. CB1 receptors are located in the brain and throughout the body while the CB2 receptors are found mostly in the immune and gastrointestinal system. This interaction affects the release of neurotransmitters in the brain which are chemicals responsible for relaying messages between cells and have roles in managing pain, the immune function, stress and sleep, to name a few. THC binds more closely to the CB1 receptor. Cannabis seems effective in addressing a large range of ailments because its compounds influence the central homeostatic role in energy balance and metabolism.

Medicinal cannabis, especially in higher THC doses, has been approved for use both in the United Kingdom and Germany for conditions including but not limited to chronic pain, intractable chemotherapy-related nausea, Intractable spasticity due to Multiple Sclerosis, Lennox-Gastaut syndrome, Dravet syndrome, PTSD, Anxiety, Tourette’s syndrome, Substance use disorder, Multiple Sclerosis, IBS, spinal cord treatment, lack of appetite due to HIV/AIDS, Cachexia, Anorexia, Glaucoma and Chemotherapy-related side effects.

#### Legislative Requirements

To cultivate THC dominant medicinal cannabis and supply these end products to licensed European distributors, there are a number of legislative prerequisites that exist within Europe

#### 1961 UN Single Convention

*The 1961 UN Single Convention on Narcotic Drugs is an international treaty to prohibit production and supply of specific drugs and of drugs with similar effects except under license for specific purposes, such as medical*

treatment and research. Greece is party to this treaty thus providing no barriers of entry for the supply of medicinal cannabis to European countries with legal medicinal cannabis markets.

#### EU-GMP

European Union Good Manufacturing Practices (“**GMP**”) describes the minimum standard that a medicines manufacturer must meet in their production process. GMP details the production, handling, storage and packaging of cannabis. The GMP certification is essential to supply medicinal cannabis in Europe. Hellenic Dynamics has been working with Diapharm GmbH to ensure the Facility adheres to this regulation.

#### GACP

Good Agricultural and Collection Practices for Medicinal Plants (“**GACP**”) are a set of guidelines developed in 2003 by the World Health Organization (“**WHO**”) aimed at improving the quality of medicinal plant material being used as medicines. Hellenic Dynamics has been working with Diapharm GmbH and The American Farm School to ensure the Facility adheres to this regulation.

#### EU-GDP

EU-Good Distribution Practice (“**GDP**”) describes the compliance required to ensure the quality and integrity of medicines is maintained throughout the supply chain. Hellenic Dynamics has been working with Diapharm GmbH and The American Farm School to ensure the Facility adheres to this regulation.

### **Greek Government**

#### *Legislative Background*

The Greek legislative framework for drugs and addictive substances is set out in Law 4139/2013. On 7 March 2018, the Greek State enacted Law 4523/2018 (as amended by law 4801/2021) amending Law 4139/2013 (together, “**Cannabis Law**”) and allowing the production of medicinal cannabis end-products. The Amendment introduced an exemption to the criminal offences of production, possession and trafficking of drugs. The Cannabis Law enables certain individuals and corporate entities to obtain a licence for the production and cultivation of Cannabis Sativa L type derivatives in Greece (with more than 0.2% of tetrahydrocannabinol (THC) content) (“**Medical**” or “**Pharmaceutical Cannabis**”).

The licence allows such persons (each, a “**Licensee**”) to establish, construct and operate a Facility for the manufacture and production of medicinal cannabis end-products for the purposes of either (i) supplying pharmacies, pharmacy wholesalers, private clinics or public hospitals regulated by the Greek National Organisation for Medicines or (ii) exporting such products outside of Greece for medicinal purposes only.

#### *Licence Legislation*

The production, possession, transportation, storage and supply of raw materials and substances of medicinal cannabis as well as the establishment and operation of facilities for the cultivation, processing and production of medicinal cannabis end-products is permitted under certain strict conditions and is governed by articles 2A – 2IΣΤ of the Cannabis Law, Ministerial decision No. 51483/700/Φ.15 (Government Gazette B’ 1692/15.5.2018) (as amended), Ministerial decision No. Δ3(γ)52588 (Government Gazette B’ 2840/16.7.2018), and the Ministerial decision No. 2243/333582 (Government Gazette B’ 5432/09.12.2020).

The Cannabis Law and Ministerial Decision No 51483/700/Φ.15/2018 issued on 15 May 2018 (as amended, Ministerial Decision) set out the requirements and procedures for: (i) the issuance of the applicable licences, (ii) the submission of supporting documents in relation to the issuance of the applicable licences, (iii) the amount of fees payable, (iv) the storage and safety specifications of the cultivation area, (v) the procedure for verifying compliance with all terms and conditions of the licence by the licensees in accordance with all applicable Greek legislation. The licences are granted in two separate Phases. Phase 1 relates to the installation and construction of a production Facility while Phase 2 relates to the operation of that Facility and the production of end-products of Medicinal cannabis.

### *General Requirements for a Licence*

In order to be issued a license, companies must meet the following minimum requirements:

- the purposes of the production must be either (i) supplying pharmacies, pharmacy wholesalers, private clinics or public hospitals regulated by the Greek National Organisation for Medicines or (ii) exporting such products outside of Greece for medicinal purposes only ;
- The Facility within which all the licensed activities will occur must be a single plot measuring at least four thousand square metres;
- Both the Facility and the cultivation areas must be walled off;
- Specific safety and security requirements must be observed for the protection of the perimeter;
- the Public Security Directorate of the Greek police will supervise the operation of the Facility to ensure its security installations are compliant with the above requirements;
- applicants will not be approved for a licence if they or any of their employees – including transport drivers – have been convicted or indicted of any felony. Applicants who have been convicted of certain misdemeanours as well as those who have been placed under judicial administration such as curatorship will also not be eligible to receive a licence; and
- approval will only be granted for single installations in designated areas and regions where cannabis and hemp processing and production are permitted under land use regulations.

### **Installation / Construction Licence (Phase 1)**

Hellenic Dynamics applied to the Ministry of Economy and Development for the issuance of a facility installation / construction Licence on 11 June 2019 and filed all the required supporting documentation in accordance with Article 1(A) of the Ministerial Decision as evidenced by the relevant certificate issued by the General Secretariat of Industry, the General Directorate of Industry & Business Environment, the Business Licensing and Business Parks Directorate, Department A' on 12 June 2019 with Ref. No: 62905-12/06/2019.

On the basis of the above application, a facility Installation /Construction Licence (Phase 1) was granted to Hellenic Dynamics by virtue of joint ministerial decision No. 108432/1548/Φ.64.50 of the Ministers for the Economy and Development, for Health and for Rural Development and Food, which has been published in the Government Gazette (Issue B' 4050/05.11.2019).

The Licence has a 5-year duration and permits the construction of a Facility for cultivating, processing and producing medicinal cannabis end-products within a specific area measuring 127,743 square meters, located at Chorigi, in the Municipality of Kilkis. The Licence issued to Hellenic Dynamics is similar in form to other licences of the same type issued by the same authority and contains the following conditions and technical specifications:

- (a) the cultivation area in the Facility will comprise of greenhouses of up to 40,000 square metres;
- (b) cultivation in “closed areas” is expressly prohibited;
- (c) the use of steam boilers, gas cylinders and natural gas is prohibited;
- (d) use of gas tanks (4 x liquid CO<sub>2</sub> (5m<sup>3</sup>) and 1 x ethynol (1m<sup>3</sup>)), power generators and borehole water is permitted;
- (e) the covered areas (offices, production, warehouses) to comprise of (i) 2,316 square meters of existing buildings and (iii) 4,000 square meters of buildings under construction;
- (f) Hellenic Dynamics shall produce medicinal cannabis end-products after obtaining the special authorisations issued by EOF in relation to (i) the production and (ii) the distribution in accordance with the provisions;
- (g) Hellenic Dynamics shall comply with the environmental undertakings mentioned in the Licence;

- (h) Hellenic Dynamics shall comply with all applicable legislation (regarding the environment, labour, health, transportation of products, safety measures, fire safety, police and sanitary measures, urban planning obligations etc.);
- (i) within the tenure of the Licence Hellenic Dynamics shall file the supporting documents, required for the issuance of the operation licence;
- (j) the Licence is non-transferrable and none of the approved activities (including management of the Facility) may be assigned to third parties;
- (k) any amendment to the shareholding structure of Hellenic Dynamics must be notified to the relevant authority and the new shareholders are required to file specific supporting documents with the licensing authority;
- (l) certain of the documents filed in support of Hellenic Dynamics' licence application are required to be updated and filed with the licensing authority on the 31st of December of each year during the tenure of the licence;
- (m) any amendment to the total area, the cultivated area, the mechanical equipment, storage facilities, building facilities and security measures requires the issuance of a new construction licence;
- (n) Hellenic Dynamics is prohibited from importing propagating material until the issuance of the operation licence; and
- (o) Hellenic Dynamics is prohibited from producing medicinal cannabis end-products until the issuance by the National Organization of Medicines of the necessary Production Permit and Special Distribution Authorization.

### **Operation Licence (Phase 2)**

In order to commence cultivation operations Hellenic Dynamics must submit a number of supporting documents (20 in total) to the licensing authority in accordance with the requirements of the relevant legislation. The operation licence is issued by a joint decision of the Ministers of Economy and Development, Health and Rural Development and Food within 30 days of submission of a complete application and the licence will be valid for a period of up to 10 years (subject to any revocation or disqualification procedures). Within two months of the issuance of the operation licence, the Department of Licences will carry out an unscheduled site check to ascertain whether all required conditions for issuance of the operation licence have been fulfilled.

Throughout the respective periods of the construction licence and the operation licence, the Director of the Department of Licences may (at any time and no less than on an annual basis) conduct on site inspections to verify continued compliance with all conditions of each licence. If any violations are identified, the relevant authorities would be notified of the findings of such inspection.

Hellenic Dynamics is in the process of completing the necessary works and collecting the required supporting documentation in order to apply to the Ministry of Economy and Development for the issuance of an operation licence (Phase 2).

On 24 November 2020 Hellenic Dynamics reached a major milestone in its progress to acquire an operation licence when the Security Department of the Police Directorate of Kilkis inspected the Facility/unit premises of Hellenic Dynamics and issued a certificate with Protocol No: 3008/4/75-β' confirming that Hellenic Dynamics has complied with all the terms and conditions for the security of the cultivation areas, the facilities of the manufacturing unit, the storage areas for raw materials, substances and end products of medicinal cannabis, pursuant to Articles 3 and 4 of the Ministerial Decision.

### **Updating of supporting documentation / Amendment to Licence**

Certain supporting documents filed with the Greek Licensing Authority must be updated periodically (such as copies of the passports of the members of the board of directors, good standing certificates, criminal records, security compliance certificates, etc.) and updated versions of such documents must be filed by Hellenic Dynamics by the 31st of December of each calendar year. Furthermore, if any supporting documents are amended or have expired, Hellenic Dynamics is required to file such amended documents within 10 days of their amendment or expiration.

If Hellenic decides to extend or renovate the Facility, it will be required to apply for a new installation / construction licence and an amendment of the operation licence.

### **Authorisations required from the Greek National Organisation for Medicines (EOF)**

Further authorisation is required for the production and distribution (including export) of medicinal cannabis end-products, pursuant to the Cannabis Law and Ministerial Decision Δ3(γ)52588/16.7.2018 (Government Gazette B' 2840/16.7.2018) (**EOF Ministerial Decision**). The authorisations are granted to the Licensee after application to the Specialist Scientific Committee on Medicinal Cannabis End-Products or the President of EOF. Law 4801/2021, which recently amended the Cannabis Law, aims to simplify the export procedure. It sets out a separate authorization procedure for production of medicinal cannabis products with the sole purpose of export.

### **Production of medicinal cannabis end-products for distribution in the Greek market**

#### *Production Permit*

A permit issued by EOF for the production of cannabis medicinal end-products is required under Article 21E of the Cannabis Law. An application must be submitted by the holder of an Installation / Construction and Operation licence ("**Licensee**") to EOF, pursuant to article 8 of the EOF Ministerial Decision. The permit is issued within a maximum of 90 days of submission and only covers the facilities, products and formulations specified therein.

The Licensee must designate and employ a person responsible for production, and a person responsible for quality control, pursuant to article 27.1(a) of Law 1316/1983 (Government Gazette A' 3/11-1.1983). The designated person must hold a university degree in one of the following fields of study: Chemistry, Pharmacy, Medicine, Biology, Veterinary Science, Chemical Engineering.

The applicant Licensee must submit to EOF full details of the medicinal end-products which will be produced as well as the method of production utilised for each product. From the details submitted it must be evident that the applicant has sufficient resources, such as production areas, equipment and the ability to monitor production.

The applicant Licensee must also demonstrate compliance with the requirements of Joint Ministerial Decision ΔΥΓ3α/7567/2008 (published in the Government Gazette B' 1562/6-8-2008), which transposes EU Directive 2003/94/EC on the Principles and Guidelines of Good Manufacturing Practice in respect of medicinal products. EOF will conduct an on-site inspection to verify whether the production facilities, equipment and systems comply with the Principles and Guidelines of Good Manufacturing Practice, prior to issuing a production permit. A compliance report will be issued after such inspection, which will be notified to the applicant Licensee. The applicant Licensee will have the opportunity to provide their comments on the findings within 10 days of notification or to provide any further information or explanations. If compliance is confirmed by EOF, a certificate of compliance is issued, which is a prerequisite for the permit.

EOF will issue a production permit after ensuring that the information submitted by the applicant is accurate and complies with the requirements set out above. EOF may, in its discretion, attach conditions to the permit.

A breach of these conditions can result in rejection of the application and/or revocation of the permit. Any change to the supporting documents submitted with the application must be promptly notified to EOF.

EOF will subsequently conduct on-site inspections every three months to monitor production and, specifically, the amount of plants used to produce the end-products, the number of end-products produced (in batches), the efficiency of the production methods employed and any deviations from the expected yield.

#### *Special Distribution Authorisation*

Finally, an application for a special distribution authorisation must also be submitted by the Licensee to EOF, pursuant to articles 3, 5 and 6 of the EOF Ministerial Decision. Such authorisation is valid for 3 years and may be renewed following evaluation by EOF.

#### *Production of medicinal cannabis end-products for export*

Law 4801/2021, which came into force on 24 May 2021, simplifies the procedure for export of medicinal cannabis end-products. Law 4801/2021 explicitly stipulates that the production and export of medicinal cannabis products is permissible irrespective of whether such products will be used as end-products or as raw materials, and irrespective of any therapeutic indications.

Pursuant to Articles 21A–21F, the Licensee may apply for a production permit for the exclusive purpose of export, under the procedure and requirements set out below. Alternatively, the Licensee may export such products if it holds a Production Permit and a Special Distribution Authorization from EOF, as described above. The products may only be exported via the Third Customs Authority of Piraeus or the First Customs Authority of Thessaloniki. A certificate issued by the competent authorities of the importing country (legalized by the Greek Consulate) is required, stating that importation of medicinal cannabis products is legally permissible in the destination country and that the products being imported shall be used for medical purposes, the full name and address of the consignee, the quantity of product being imported and the deadline for its importation.

#### *Production Permit for the Exclusive Purpose of Export*

In order to produce medicinal cannabis exclusively for export, a Licensee must apply to EOF for a Production Permit for the Exclusive Purpose of Export (**Export Production Permit**). The requirements of Article 8 of the EOF Ministerial Decision, set out above, are also applicable for the issuance of the Export Production Permit. In addition to those requirements, a Licensee must also submit the following further documents:

1. Certified translation of the authorisation or other document issued by the competent authorities of the importing country:
  - a. evidencing the legality of the import of cannabis end-products or dried flowers for medicinal or pharmaceutical purposes, either as an end-product, an intermediate product or as a raw material) and the distribution of such products in the destination country;
  - b. description of the product; including its qualitative and quantitative composition, as well as its THC level;
  - c. stating the intended use of such products; and
  - d. showing the form and packaging;
2. Description of the production process and validation of the same;
3. Description of the method of analysis of the end-product and validation of the same;

4. A base fee of € 2.500 plus an additional fee € 400 for each form and composition, all payable to EOF. If the Licensee intends to export dried flowers, Articles 21B-1F of the Cannabis Law set out further requirements for the issuance of the Export Production Permit, in addition to those stated above. The Licensee must additionally submit the following documents:
  - a. Validated compliance of the cannabis flowers with the general European guidelines for production of pharmaceutical products with specific reference to the methods, microbiological quality, aflatoxins, heavy metals, pesticides, pyrrolizidine alkaloids or, absent such guidelines, compliance with the relevant national guidelines of another EU Member State or a third state, such as the USA;
  - b. A certificate issued by the General Directorate of Industry & Business Environment, the Business Licensing and Business Parks Directorate, confirming the following additional requirements:
    - i. Submission of the Facility Construction Licence and Facility Operation Licence;
    - ii. Fenced neutral zone for control of incoming and outgoing vehicles from the Facility;
    - iii. Reinforced masonry and security doors at the storage Facility of the raw materials and dried flowers. If the relevant security features are installed after the issuance of the Installation / Construction Licence and Operation Licence, a new Installation / Construction Licence is required and the Operation Licence must be amended accordingly;
    - iv. Affidavit of the Applicant stating the existence of a safe container for the dried flowers and anti-tampering device for such container;
    - v. Affidavit of the applicant stating that the licensed Facility has and maintains the capacity to produce at least two pharmaceutical products, one of which must not be dried flowers and must not contain dried flowers as an ingredient; and
    - vi. Compliance with the requirements of the Ministerial Decision, or any ministerial decision that will be issued in the future and will specify the relevant security and other requirements

The Export Production Permit is issued within a maximum of 90 days of the submission of the application and the necessary documents. If the Licensee intends to export dried cannabis flowers the Licensee applicant must, simultaneously with its application for an Export Production Permit, submit an application for a Production Permit and a Special Distribution Authorization for a different medicinal cannabis end-product.

#### **Authorisations for Transportation:**

The transportation of cannabis medicinal end-products is permitted following the issuance of an authorisation by the police and the transportation of such products may only take place under the escort of the police.

#### **German Legislation**

On 4 May 2016, the German Government approved the legislation allowing the use of medicinal cannabis for ill patients who have consulted with a doctor and have no therapeutic alternative. German Health Minister Hermann Gröhe presented the legal draft on the legalization of medicinal cannabis to the cabinet which took effect on 10 March 2017. This resulted in enabling seriously ill patients to obtain medicinal cannabis with a doctor's prescription paid for by health insurance. Today, Germany is Europe's largest medicinal cannabis market with over 120,000 patients treated in 2020 and 300,000 statutory health insurance prescriptions and growing rapidly with complete dependency on imports.

Imports of medicinal cannabis flowers into Germany:

- *2018 - 3,000 KG*
- *2019 - 6,700 KG*
- *2020 - 31,500 KG*

BfArM requires that the country of origin of any medical cannabis products imported into Germany must adhere or partially adhere to Articles 23 and 28 of the United Nations Single Convention on Narcotics. Germany currently imports medical cannabis products from Canada, Netherlands, Denmark, Portugal, Australia, Uruguay, Spain and New Zealand. Some of these countries adhere to Articles 23 and 28 of the United Nations Single Convention on Narcotics whereas others only partially adhere. Greece partially complies with the Articles 23 and 28 of the United Nations Single Convention on Narcotics. The Directors believe that supplies of products into Germany from outside of Europe may decrease with the increase of medical cannabis cultivators in Europe. A prerequisite for the import of medicinal cannabis into Germany is the compliance with EU-GACP and EU-GMP during cultivation and production. Demand for medicinal cannabis in Germany has seen a considerable increase over the last few years." The Directors are of the view that the German authorities should permit the import of compliant medical cannabis from Greece to secure the supply of the required quantities of medical cannabis into Germany. In the event that BfArM should prohibit or restrict the import of medical cannabis products from Greece into Germany, for any reason, this could have an adverse impact on the financial condition of the issuer as it would delay the generation of initial revenues. Investors should refer to the risk factor titled "The Group may fail to meet German import requirements, in respect of its medical cannabis flowers and non-compliance could limit, restrict or delay the generation of revenues within the primary market".



## PART III

### EXISTING DIRECTORS AND PROPOSED DIRECTORS, MANAGEMENT AND AGRICULTURAL TEAMS, AND CORPORATE GOVERNANCE

#### 1. Existing Directors and the Proposed Directors

***Davinder Rai, Chief Executive Officer (date of birth: 30 September 1981) (Proposed Director, will be appointed on Admission)***

Davinder has over 10 years' experience as a partner at Levant Consultants LLP, a single family office incorporated over 30 years ago, actively investing in and operating businesses and interests with a focus on natural resources, technology and entertainment, globally. Prior to Levant Davinder has held senior board positions for a number of private and public companies spanning Europe and North America. Having left university and following a short tenure in marketing for brands such as Cartier and Harrods, Davinder went on to become an independent commodities trader, specifically involved in the sale and purchase of minerals from West Africa and Asia. Davinder has daily interactions with global leaders and industry pioneers.

***Dr. Filippos Papadopoulos, Executive Director (date of birth: 19 March 1959) (Proposed Director, will be appointed on Admission)***

Dr. Filippos Papadopoulos holds a PhD from London School of Economics and M.A. in International Relations from the University of Sussex; he is currently the Director of the Strategic Project Management Office of the American Farm School (AFS). In this capacity he is responsible for the two Agricultural Entrepreneurship Centers run by AFS and oversees projects in over thirty locations throughout Greece. In addition, he is coordinating EU- funded research & innovation projects, the Internet of Food Alliance (InoFA) cluster and oversees the AFS private LoRaWAN pilot network throughout Greece. Building and managing multi-actor alliances between research institutes, civil society organisations and the real economy is one of his core activities. His fields of interest include Diffusion of Technical Innovation, Community of Practice Building, Consumer Behaviour, Entrepreneurship, Organisational Culture & Climate, Leadership and Management.

***Sir Anthony Jolliffe, Non-executive Chairman (date of birth: 12 August 1938) (Proposed Director, will be appointed on Admission)***

City accountant and international trade pioneer, Sir Anthony formed his own accountancy practice in 1965 which he grew into a multinational operation with offices in 44 countries and over 200 partners. Sir Anthony's global career included many directorships of private and public companies in the UK, USA, China, Japan, Canada and South America. After leading the sale of DHL to Japan Airlines, Sir Anthony embarked on numerous business projects in international trade, he was on the board of Walker Greenbank, which currently trades on AIM as Sanderson Design Group PLC (SDG), Sir Anthony has also been the chairman of Smart Pensions, which is authorised and supervised by the Pensions Regulator. He was knighted GBE in 1982 and also holds the Knight Order of St. John, Order of Abdul Azziz – Saudi Arabia, Order of Nepal, Order of the Orange – Netherlands, Hon Doctor of science – City of London University and Hon Doctor of Music – Guildhall school of music.

Some of his past public duties have included being the Lord Mayor of London, Sheriff of London, President of the London Chamber of Commerce, Chairman of the Police Dependents Trust, Chairman of Stoke Mandeville Hospitals and Treasurer and Vice President of the European League for Economic Co-operation.

***Joseph Colliver, Non-executive Director (date of birth: 9 March 1980) (Proposed Director, will be appointed on Admission)***

A qualified Fellow Chartered Accountant with regulatory, commercial and management consulting experience. Previously CFO of Sativa Group Inc. a life sciences company in the CBD wellness and medical cannabis space. Sativa was listed on the AQSE in London, the CSE in Canada and also on the OTC (USA) and Frankfurt Stock Exchange. At Sativa, Joseph was accountable for financial, statutory and regulatory

reporting, and executed the reverse takeover of Stillcanna Inc, via a scheme of arrangement, leading the scheme documentation in the UK, Canadian statutory filings, POCA opinion, compliance with The Take Over Panel code, deal due diligence and engagement with the share registrar. In addition to the financial reporting requirements in the UK and Canada including publishing Annual Report and Accounts, filing Quarterly Statements and obtaining clean audit opinions, other regulatory milestones that Joseph was accountable for included securing a Home Office medical cannabis cultivation licence, ISO 17025 accreditation (in his role as MD of PhytoVista Laboratories), leading the Group's Novel Food submission to the Food Standards Agency, GMP and HACCP accreditation, and liaising with regulators such as the Medicines and Healthcare products Regulatory Agency (MHRA), Home Office and Trading Standards.

Before joining Sativa, Joseph was a Director of Consulting at Kantar Consulting, part of WPP plc ("WPP") which advises Retail, Sales and Shopper clients on enhancing their commercial capability and the commercial competency of their staff. Prior to this, Joseph was Chief Financial Officer and board member at WPP's Kantar Futures, which advises its clients on enhancing profit through change and shaping strategy. Here, Joseph was accountable for financial performance, managing a global finance team. From 2012 – 2015 Joseph was Global Commercial Director of WPP's Kantar subsidiary Taylor Nelson Sofres, a \$1.8 billion turnover marketing agency. Before joining WPP, Joseph was an Audit Senior at Mazars LLP, where he qualified as an Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW), being made a Fellow in 2018.

***Peter Jay, Executive Chairman (date of birth: 3 November 1944) (resigning upon admission)***

Peter Jay has been Chairman of the Company since its admission to AIM in 2008 having lead the admission process. as a partner in the corporate department of the firm that is now known as DAC Beachcroft LLP. Prior to joining Beachcroft, Peter had been a founding partner and later Head of Corporate and finally Senior Partner of Finers, Solicitors. Peter has held a number a number of directorships in a number of public and private companies.

***Nigel Brent Fitzpatrick, Non-executive Director (date of birth: 25 September 1949) (resigning upon admission)***

Nigel Fitzpatrick (known as Brent) has as over 20 years' experience as a corporate finance consultant and brings with him considerable quoted company experience, with current directorships including Lombard Capital plc, Path Investments plc and Vela Technologies plc. He has been instrumental in advising a number of companies on their acquisitions, funding and subsequent flotations. Mr Fitzpatrick was Chairman of Global Marine Energy plc, an AIM traded oil services company. He was also Chairman of Risk Alliance Group Limited and Powerhouse Energy Group plc. He is a member of the Audit Committee Institute. In the Queen's Birthday Honours List 2012, Mr Fitzpatrick was awarded an MBE for services to education.

***Simon Grant-Rennick, Non-executive Director (date of birth: 6 November 1957) (resigning upon admission)***

Simon Grant-Rennick graduated from the Camborne School of Mines with a BSc Hons Mining, ACSM, and has been actively involved with mining and metal trading for over 35 years. During this time Simon has served on both private companies and public companies listed in the UK, Australia and America. He has held positions from raw material marketing director to chairman. He has been and remains involved with agriculture. mining and technology

He is presently Chairman of Evrima Plc on the Aquis Exchange ( which is involved with mining be in Botswana). He is also Chairman of Globe Capital Limited, an Aquis company and was Chairman of Angelfish Investments on the Aquis Exchange but is now a director. He was chairman of Quetzal Capital PLC on the Aquis Exchange and he still is a non -executive of All Active Asset Capital Limited (formerly on AIM).

## 2. Management and Agricultural Teams

### *Significant Medicinal cannabis Experience*

Hellenic Dynamics has spent the past few years analysing the dominant trends in the European medicinal cannabis market. The team has significant experience in product design and formulation, manufacture and distribution of these products and has consulted with the major players in the German and UK medicinal cannabis distribution network. Similarly, the team and Advisory Board draws on relationships with cutting edge medical research trials and with prescribing doctors to understand current trends in patient diagnosis and medical intervention.

### *Significant Cultivation Experience*

The cultivation team brings together advanced academic research in horticulture with a deep experience of the Cannabis plant. The cultivation processes deployed are rigorously scientific, depending on close observation and tracking of the environmental parameters as well as the light intensity, organic integrated pest management, track and trace technology and a close attention to the details of the post-harvest process. The team has practical experience both in intensive indoor cultivation and in outdoor and glasshouse techniques.

In terms of the team and experience of key managerial and technical staff please see the biographies set out below.

### *Managerial*

#### **George Papadopoulos, Chief Executive Officer - Greece**

Originally trained in law at Aristotele University, George went on to become the Chief of Staff at the Ministry of Foreign Affairs. Following his tenure in Athens, including being on the board of the Greek Football League, George returned to Thessaloniki to start a successful career in construction and agriculture. Partnering with the American Farm School, he launched the Group of Table Grapes, an innovative supplier of table grapes to the European market. The group has already been recognized for their outstanding achievements, being chosen by the European Commission's Smart Specialisation Platform as an implementation point, to show other member states how to grow grapes using smart technologies and to create a protocol for the next decade.

#### **Panagiotis Kalafatis, Chief Operating Officer - Greece**

Gaining a Masters degree in Hydrology from Imperial College London, Panos is a precision agriculture expert with proven experience on related EU projects over the past 7 years. He has served in the role of project manager at Hellenic Dynamics since inception. He has significant experience in the development of soft infrastructures and respective algorithms.

#### **Amit Parhar, Financial Operations - UK**

Having achieved a degree in Accounting and Finance, Amit has over 14 years of experience in various senior roles within corporate finance with a specialisation in the high growth technology sector. Amit has been fundamental in the financial operations and financial planning of early stage start-ups, taking them through growth and acquisition. Having been a member of the Hellenic Dynamics management team since inception, his role transcends finance to incorporate operations.

#### **Zoe Papadopoulos, Administration Manager**

Zoe has over 5 years of experience working specifically in import / export within the manufacturing industries in Northern Greece where her role also encapsulated all aspects of finance. Prior to this she had a successful career as a renowned photographer of her hometown of Kilikis for over 15 years. In 2015 Zoe brought her skill

set to the United Nations Refugee Agency based on a Greek army Facility in the field on the refugee crisis along the Balkan route.

#### *Agricultural*

##### **Toby Shillito, Master Grower**

A Master Grower, Toby has been involved in the legal, medicinal cannabis industry formally for over 6 years. Most recently, he has designed and operated licensed cultivation facilities in Spain, Portugal, Holland, Greece, the UK and North Macedonia, creating products for the European medicinal cannabis market. With his MBA from London Business School, he is well equipped to gauge which business models are best suited to succeed in the modern cannabis industry. He is fascinated with the question of how to produce Pharmaceutical Cannabis in a sustainable and responsible manner.

##### **Olga Dichala, Head of Cultivation**

Having completed an MSc in Plant Science and Natural Resource Management at Wageningen University in the Netherlands, Olga then went on to achieve a PHD from the School of Agriculture at the Aristotle University of Thessaloniki. Olga has been inducted as a Fellow of Excellence at Aristotle University and has since published many works in Europe on horticulture and plant science. Working closely with local authorities and the EU she has obtained an in-depth knowledge of the cultivation and testing demands of medicinal cannabis in Europe and is leading the cultivation team to ensure a secure steady supply of our products.

### **3. Advisory Board**

The Enlarged Group has enlisted the services of a number of key individuals which comprise the group's Advisory Board. The Advisory Board supports the operations of the Company covering areas of legal compliance, medical oversight and patient advocacy. Please see biographies of the Advisory Board below.

All members of the Advisory Board are contracted and retained by the Enlarged Group to provide advisory services with due care, skill and diligence and be available at reasonable times to the company for the purposes of consultation and advice. The Advisory Board, post submission, will meet monthly with the proposed incoming members of the Enlarged Group's board of directors to ensure consistent legal compliance and medical advocacy of the Enlarged Group's activities.

Frequency of the Advisory Board meetings will be monthly, on or near the last Thursday of every month post admission.

#### ***Legal and compliance***

##### **Michael Bennett – Appointed 14<sup>th</sup> January 2020 to Hellenic Dynamics**

A partner at Hill Dickinson law firm, Michael Bennett advises clients in a broad range of sectors including agriculture, consumer goods and services, energy, financial services. He has a specialist focus on the life sciences sector including medical cannabis in Europe. He has been involved in some of the largest cannabis transactions across Europe and the capital markets side of Michael's practice is largely represented by issuers, particularly those admitted to the AIM market of the London Stock Exchange and the AQSE Growth Market. He has acted on numerous UK and international flotations, reverse takeovers, placings, open offers and dual listings.

**Hours of Service:** To provide up to 10 hours of advisory services per a month.

**Terms of remuneration:** The advisor will be awarded options in the Company as outlined in section 5.4 of Part XII of this Document, representing 0.2 per cent. of the Enlarged Issued Share Capital, subject to certain milestones, in addition to a GBP £1,000 per month retainer.

**Notice:** The appointment has a continuing term unless terminated by either party giving to the other not less than 2 months prior written notice.

#### **Peter Homberg – Appointed 1<sup>st</sup> January 2020 to Hellenic Dynamics**

Peter Homberg is a partner in the Berlin office of international law firm Dentons and the head of the European Cannabis sector group. Peter is also a member of the Licensing Executive Society (LES), the German Association for Intellectual Property and Copyright (GRUR), the German Institution for Arbitration (DIS) as well as the Pharma-Lizenz-Club Deutschland e.V. He regularly lectures at seminars and conferences and is the author of numerous professional articles and other publications regarding corporate law in the field of medical cannabis.

**Hours of Service:** To provide up to 10 hours of advisory services per a month.

**Terms of remuneration:** The advisor will be awarded options in the Company as outlined in paragraph 5.4 of Part XII of this Document, representing 0.5 per cent. of the Enlarged Issued Share Capital, subject to certain milestones, in addition to a EUR €3,500 per month retainer.

**Notice:** The appointment has a continuing term unless terminated by either party giving to the other not less than 2 months prior written notice.

#### ***Medical***

#### **Professor Michael Barnes – Appointed 1<sup>st</sup> February 2020 to Hellenic Dynamics**

Professor Mike Barnes is a neurologist based at the University of Newcastle. He has a long standing interest in cannabis as a medicine and assisted with the development of the first cannabis medicine - Sativex. As advisor to the government of the United Kingdom In 2016 he wrote a definitive report for the APPG (All-Party Parliamentary Groups) on Drug Policy Reform on the efficacy of cannabis. He then helped the family of Alfie Dingley to obtain the first license in the UK for cannabis for Alfie's resistant epilepsy. He then campaigned, with others, for the law change which was successful and on 1st November 2018 which allowed specialist doctors to prescribe cannabis. Since then very few prescriptions have been written and his focus now is on education of doctors so that more prescriptions will be written.

**Hours of Service:** To provide up to 10 hours of advisory services per a month.

**Terms of remuneration:** The advisor will be awarded options in the Company as outlined in paragraph 5.4 of Part XII of this Document, representing 0.2 per cent. of the Enlarged Issued Share Capital, subject to certain milestones, in addition to a GBP £1,000 per month retainer.

**Notice:** The appointment has a continuing term unless terminated by either party giving to the other not less than 2 months prior written notice.

#### ***Advocacy***

#### **Hannah Deacon – Appointed 1<sup>st</sup> February 2020 to Hellenic Dynamics**

Hannah Deacon is the mother of Alfie Dingley, a six-year-old boy with a rare form of epilepsy. When Hannah and Alfie moved to Holland for five months to access medicine containing THC, Alfie's condition improved dramatically. She subsequently became the first person in June 2018 to legally enter the UK with cannabis oil in order to help her son. She now leads the campaign group End Our Pain, working with 18 families who have not been allowed to apply for a license as they do not have their doctors' support.

**Hours of Service:** To provide up to 10 hours of advisory services per a month.

**Terms of remuneration:** The advisor will be awarded options in the Company as outlined in paragraph 5.4 of Part XII of this Document, representing 0.2 per cent. of the Enlarged Issued Share Capital, subject to certain milestones, in addition to a GBP £1,000 per month retainer.

**Notice:** The appointment has a continuing term unless terminated by either party giving to the other not less than 2 months prior written notice.

#### **4. Corporate Governance**

As a company being admitted to the Standard Segment of the Official List, the Enlarged Group is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors acknowledge their responsibility, and are committed to good corporate governance and, so far as appropriate given the Enlarged Group's size and the constitution of the Board, intends to comply with the QCA Guidelines on Corporate Governance ("**QCA Guidelines**").

The Board holds regular scheduled and other timely board meetings as issues arise which require the attention of the Directors. From Admission, the Board will be responsible for the management of the business of the Enlarged Group, setting the strategic direction of the Enlarged Group and establishing the policies of the Enlarged Group. It will be the Board's responsibility to oversee the financial position of the Enlarged Group and monitor the business and affairs of the Enlarged Group, on behalf of the Shareholders to whom they are accountable. The primary duty of the Board is to act in the best interests of the Company at all times. The Board will also address issues relating to internal control and the Enlarged Group's approach to risk management and has formally adopted an anti-corruption and bribery policy.

Anthony Jolliffe and Joseph Colliver will be considered by the Board to be an Independent Non-Executive Director on Admission.

The Board has established an audit committee, a remuneration committee and a nomination committee with formally delegated duties and responsibilities.

##### **Audit and Risk Committee**

The audit and risk committee, which, on Admission, will comprise of Joseph Colliver (Chair) and Amit Parhar, has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Enlarged Group is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Enlarged Group's accounting and internal controls. The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Enlarged Group is properly monitored and reported. The audit and risk committee will meet not less than twice per annum.

##### **Remuneration Committee**

The remuneration committee, which, on Admission, will comprise Sir Anthony Jolliffe (Chair) and Davinder Rai, is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Enlarged Group. The remuneration committee will meet not less than twice per annum.

##### **Nomination Committee**

The nomination committee, which, on Admission, will comprise Sir Anthony Jolliffe (Chair), Filippos Papadopoulos and Davinder Rai, is responsible for matters of nomination and succession of board directors and senior management. The nomination committee will meet not less than twice per annum.

### **Share dealing code**

The Company has adopted a share dealing code for PDMRs and their Closely Associated Persons, which complies with the MAR and the Company will take all reasonable steps to ensure compliance by PDMRs and their Closely Associated Persons.

### **Bribery Act 2010**

The Bribery Act 2010 ("**Bribery Act**") which came into force in the UK on 1 July 2011 prescribes criminal offences for individuals and businesses relating to the payment of bribes and, in certain cases, a failure to prevent the payment of bribes. The Company has therefore established procedures and adopted an antibribery and corruption policy designed to ensure that no member of the Enlarged Group engages in conduct for which a prosecution under the Bribery Act may result.

## **5. Conflicts of interest**

As at the date of this Document, there are no potential conflicts of interest between any duties to the Enlarged Group of any of the Directors, Proposed Directors or Senior Managers and their private interests and/or other duties save in respect of their interests and duties as Directors or Proposed Directors of the Company. Any potential conflict of interest that may arise in future will be considered by the non-conflicted Directors.

## **6. Lock-in agreements**

Details of the lock-in and orderly market arrangements entered into in connection with Admission are summarised in paragraph 18.2.4 of Part XII of this Document ("**Additional Information**").

## PART IV

### THE SUBSCRIPTION

#### 1 Description of the Subscription

The 250,000,000 Subscription Shares have been irrevocably subscribed for by the Subscribers at a price of £0.003 per Ordinary Share to raise gross proceeds of £750,000 strictly subject to and conditional upon Admission.

The Subscription Shares have been made available to investment professionals and high net worth, sophisticated and institutional investors in the UK.

In accordance with Listing Rule 14.2.2, on Admission at least 10 per cent. of the Ordinary Shares will be in public hands (as defined in the Listing Rules).

The Subscription is conditional only on Admission and all monies paid will be refunded to the applicants if Admission does not occur. All Subscribers have given an irrevocable commitment to subscribe for their respective portion of the Subscription Shares, conditional only on Admission.

Completion of the Subscription will be announced via a regulatory news service on Admission, which is expected to take place at 8.00 a.m. on 5 December 2022.

At the Subscription Price, the Enlarged Issued Share Capital will have a market capitalisation of £37,590,000 on Admission. The Subscription shares will be registered within ISIN GB00B3CQW227 and SEDOL code B3CQW22.

#### 2 Admission and Dealings

The Subscription is subject to the satisfaction of conditions contained in the Subscription Letters, including Admission occurring on or before 6 December 2022 or such later date as may be determined by the Company (being not later than 6 December 2022).

Admission is expected to take place and dealings in the Enlarged Issued Share Capital are expected to commence on the London Stock Exchange at 8.00 a.m. on 5 December 2022. If Admission does not proceed, the Subscription will not proceed, and all monies received by the Company will be returned to the relevant applicants.

Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Shares prior to the commencement of unconditional dealings will be on a "when issued basis", will be of no effect if Admission does not take place, and will be at the sole risk of the parties concerned. No application has been or is currently intended to be made for the Ordinary Shares to be admitted to listing or dealt with on any other stock exchange.

The CREST accounts designated by Subscribers that have requested delivery of Subscription Shares in uncertificated form are expected to be credited with the relevant new Ordinary Shares on the date of Admission. Where applicable, definitive share certificates in respect of the Subscription Shares of Subscribers that have requested delivery of Subscription Shares in certificated form are expected to be despatched, by post at the risk of the recipients, to the relevant Subscribers not later than 12 December 2022. No temporary documents of title will be issued. Prior to the despatch of definitive share certificates in respect of any new



Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company.

The Ordinary Shares are in registered form and may be held in certificated or uncertificated form.

### **3 Subscription**

The Company and the Subscribers have entered into the Subscription Letters pursuant to which the Subscribers have agreed, subject to certain conditions, to subscribe for the Subscription Shares at the Subscription Price. The Subscription Letters are conditional on, among other things, Admission. The Subscription Agreements do not include any underwriting obligations.

### **4 Allocation and Pricing**

All Ordinary Shares issued pursuant to the Subscription will be issued at the Subscription Price, which has been determined by the Directors after consultation with Peterhouse.

The Subscription is being made by means of an offering of the Subscription Shares. In accordance with Listing Rule 14.2.2, at Admission, at least 10 per cent. of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules).

Allocations have been determined by agreement between the Directors and Peterhouse after indications of interest from prospective Subscribers were received. A number of factors were considered in deciding the basis of allocations under the Subscription, including the level and nature of the demand for the Ordinary Shares, investor profile and the firm through which the application was to be made, if any. Each prospective Subscriber shall only be entitled to acquire their allocation. Allocations have been managed by the Directors and Peterhouse so that the Company shall have sufficient shares in public hands, in accordance with Listing Rule 14.2.2.

Conditional upon Admission becoming effective by 8.00 a.m. on or prior to 6 December 2022, each Subscriber who has applied for Ordinary Shares agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to them at the Subscription Price. To the fullest extent permitted by law, Subscribers will not be entitled to rescind their agreement at any time. In the event that Admission does not occur by 8.00 a.m. London time on or prior to 6 December 2022, Subscribers will receive a full refund of monies subscribed.

The rights attaching to the Subscription Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

Allocations under the Subscription will be determined by the Company after indications of interest from prospective investors have been received. Multiple applications for Subscription Shares under the Subscription will be accepted. A number of factors will be considered in deciding the basis of allocation under the Subscription, including the level and nature of the demand for the Subscription Shares and the objective of establishing an investor profile consistent with the long-term objective of the Company. The Company will notify investors of their allocations.

All Subscription Shares issued pursuant to the Subscription will be issued, payable in full, at the Subscription Price.

The Ordinary Shares issued pursuant to the Subscription will be issued in registered form and the currency of the securities issue is Pounds Sterling. It is expected that the Ordinary Shares will be issued pursuant to the Subscription on 5 December 2022.

## **5 Dealing arrangements**

Application will be made to the FCA for all the Ordinary Shares to be listed on the Official List and application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

The expected date for settlement of such dealings will be 5 December 2022. All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued basis". If the Subscription does not become unconditional in all respects, any such dealings will be of no effect and any such dealings will be at the risk of the parties concerned.

It is expected that Admission will take place and unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. on 5 December 2022. This date and time may change.

Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned. When admitted to trading, the Ordinary Shares will be registered with ISIN number GB00B3CQW227 and SEDOL number B3CQW22.

## **6 Payment**

Each Subscriber has undertaken to pay the Subscription Price for the Subscription Shares allocated to them in accordance with the terms of their Subscription Letter. No expenses will be charged by the Company to Subscribers in connection with the Subscription. If Admission does not occur, subscription monies will be returned to applicants, without interest, by the Company.

## **7 CREST**

CREST is the system for paperless settlement of trades in listed securities operated by Euroclear. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. The Articles permit the holding of Shares in uncertificated form under the CREST system.

Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares in the Subscription may elect to receive Ordinary Shares in uncertificated form in the form if the investor is a system member (as defined in the CREST Regulations) in relation to CREST.

**PART V**  
**SECTION A**

**OPERATING AND FINANCIAL REVIEW OF THE COMPANY**

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Company's audited financial statements for the period from 1 December 2019 to 31 March 2022.

The following discussion should be read in conjunction with the other information in this Document, in particular with the entire "Part VII – Historical Financial Information on the Hellenic Dynamics S.A." and "Part IX – Unaudited Pro Forma Financial Information". This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on page 31. The key risks and uncertainties include but are not limited to those described in the section of this Document entitled "Risk Factors" on pages 15 to 27.

**Overview**

The Company was incorporated on the 18 September 2007 as ACRE 1124 Limited and changed its name on 9 September 2008 to Mountfield Group Limited. On the 28 October was re-registered as a PLC and was admitted to trading on the AIM Market on 30 October 2008.

The Group was established as a holding company for three businesses in the construction sector.

On 3 March 2021, the Company disposed of its assets and became a Cash Shell under AIM Rule 15, with the purpose of acquiring a target company or business or asset(s). The Company raised a total of £3.1 million (before expenses) in conjunction with the Disposal. Since the Disposal, the Company has used the proceeds to continue to review and assess acquisition opportunities.

On 2 August 2021 the Company announced that it had entered into a new share purchase agreement with Hellenic Dynamics S.A. and the shareholders of Hellenic Dynamics S.A., pursuant to which the Company conditionally agreed to acquire the entire issued share capital of Hellenic Dynamics and to list on the Standard List of the Main Market of the London Stock Exchange.

On 2 August 2021, the Company's shares were suspended following the announcement of the proposed acquisition of Hellenic Dynamics S.A.

The Company ceased trading on AIM with effect from 7:00 a.m. on 3 February 2022.

The tables below set out the summary financial information of the Company as derived without material adjustment from the audited financial consolidated statements of the Company for the financial years ended 31 December 2018 and 31 December 2019 together with the extended period to 31 March 2021.

The unaudited results for the period to 31 March 2021 include the Mountfield Group prior to the sale of the groups assets on 3 March 2021 and becoming a cash shell.

<b>Statement of Financial position of the Company</b>	<b>As at 31 March 2022 (£) (audited)</b>	<b>As at 31 March 2021 (£) (audited)</b>	<b>As at 31 December 2019 (£) (audited)</b>
<b>Total assets</b>	<b>2,312,553</b>	<b>2,894,392</b>	<b>11,487,232</b>
<b>Total Equity</b>	<b>2,264,192</b>	<b>2,765,310</b>	<b>6,701,464</b>
<b>Total liabilities</b>	<b>48,361</b>	<b>129,082</b>	<b>4,785,769</b>
<b>Total equity and liabilities</b>	<b>2,312,553</b>	<b>2,894,392</b>	<b>11,487,232</b>

<b>Statement of Comprehensive Income of the Company</b>	<b>Year ended 31 March 2022 (£) (audited)</b>	<b>15 months to 31 March 2021 (£) (audited)</b>	<b>Year ended 31 December 2019 (£) (audited)</b>
<b>Operating Profit/(Loss)</b>	<b>( 613,611 )</b>	<b>(414,048)</b>	<b>(261,568)</b>
Finance and other costs	( 185 )	(2,132)	(9,158)
<b>Loss before taxation</b>	<b>( 613,696 )</b>	<b>(416,180)</b>	<b>(270,726)</b>
Profit/(Loss) from discontinued operations	00.00	(6,565,990)	942,301
Taxation	00.00	-	(5,562)
<b>Profit/(Loss) for the year/period</b>	<b>( 613,696 )</b>	<b>(6,882,170)</b>	<b>666,013</b>
<b>Total comprehensive income for the year/period attributable to the equity owners</b>	<b>( 613,696 )</b>	<b>(6,882,170)</b>	<b>666,013</b>
Earnings per share	<b>( 0.033 )p</b>	<b>(0.115)p</b>	<b>0.262p</b>

<b>Statement of cash flows</b>	<b>Year ended 31 March 2022 ( £ ) audited</b>	<b>15 months to 31 March 2021 (£) (audited)</b>	<b>Year ended 31 December 2019 (£) (audited)</b>
<b>Net cash used in operations</b>	<b>( 565,583 )</b>	<b>(179,745)</b>	<b>276,254</b>
<b>Net cash used in investing activities</b>	<b>( 197,510 )</b>	<b>(588,736)</b>	<b>(12,557)</b>
<b>Net cash from financing activities</b>	<b>00.00</b>	<b>2,824,371</b>	<b>(138,559)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>( 763,092 )</b>	<b>2,055,890</b>	<b>125,138</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,858,774</b>	<b>802,885</b>	<b>677,747</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,095,682</b>	<b>2,858,774</b>	<b>802,885</b>

**PART V**  
**SECTION B**

**OPERATING AND FINANCIAL REVIEW OF HELLENIC DYNAMICS S.A.**

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from Hellenic Dynamics S.A. (Hellenic) audited financial information for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 and the unaudited interims to 30 June 2022, which are the only relevant periods, included in Part VII Section B – Historical Financial Information on Hellenic Dynamics S.A. These have been prepared in accordance with International Financial Reporting Standards (IFRS) and presented in Hellenic’s local currency Euro (EUR).

The following discussion should be read in conjunction with the other information in this Document, in particular with the entire Part VII – Selected Financial Information on Hellenic and Part IX – Unaudited Pro Forma Financial Information. This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward looking statements contained on page 31.

The key risks and uncertainties include but are not limited to those described in the section of this Document entitled “Risk Factors” on pages 15 to 27.

**Overview**

Hellenic Dynamics S.A. was established in March 2019 in Greece, as a company looking to acquire a medical cannabis cultivation licence, to cultivate and distribute THC dominant strains of medical cannabis flowers and medical cannabis extracts, specifically for the European market. The Company operates from a 195,506 square meter facility headquartered in Greece, Chorygi Kilkis, P.C. 61100, this is also where the company’s facility is located.

Hellenic successfully received a medical cannabis cultivation licence from the Greek government by virtue of joint ministerial decision in November 2019. The phase 1 licence provides Hellenic with a total cultivation area of 40,000 square metres, contained within the 195,506 square metre Hellenic facility to produce and export for sale, THC dominant strains of medical cannabis products. These products are intended for Hellenic’s first target market of Germany.

As part of Hellenic’s progress through the Greek medical cannabis licence phases, it was successful in obtaining its Security Certificate from the Security Department of the Police Directorate of Kilkis in November 2020.

The tables below set out a summary financial information of Hellenic as derived from the audited financial information of the company as of 07 March 2019 to 31 December 2021. The company’s audited financial information has been prepared in accordance with International Financial Reporting Standards (IFRS).

**Revenue**

As at the date of the audited accounts period to 31 December 2021 Hellenic had not generated any revenues and had sustained retained losses of approximately €778,818. Hellenic also recorded total comprehensive losses of €219,615 (before tax) for the unaudited six month period to June 2022..

**Operating Facility**

Hellenic entered onto a lease agreement on 2 April 2019 with Efpalinos S.A. pertaining to 173,401 square metres of land where Hellenic’s licence and operations are based. Rent in the amount of €50,000 is payable

annually and the amount of the rent is subject to increase in accordance with the published Consumer Price Index but not less than 1% per annum.

In addition to the lease of the 173,401 square meters, Hellenic has also entered two further lease agreements for land directly from the Municipality of Kilkis. Plot 1003 measuring 13,858 square meters with an annual rent of €278 and plot 1010 measuring 8,520 square meters with an annual rent of €171. Both plots 1003 and 1010 are subject to annual adjustment from 2023, which amounts to a percentage equal to the change of the published Consumer Price Index. The lease for both plots has been conceded for a term of 25 years, ending on 3 April 2045.

All three leases total the entire 195,506 square metres of the Hellenic Facility.

### **Administrative Expenses**

Administrative expenses consist of professional fees, licence application fees, site maintenance, marketing, depreciation and payroll, totalling in €344,410 for 2019 and 2020 and €387,820 for the twelve month period to 31 December 2021. During the unaudited interim period to June 2022, these cost totalled €113,777. Professional fees include fees for consultants involved in the application of the licence.

To date Hellenic's administrative expenses have totalled approximately €846,007, these expenses include various licence application costs totalling approximately €80,000, this covers all relevant government good standing fees for both Hellenic Dynamics S.A. and directors and officers of the company. As part of the Greek medical cannabis cultivation legislation, such background checks and details of good standing are due annually and presently are at an annual fixed cost.

### **Security works**

Hellenic is required by virtue of its progression through the medical cannabis licence procedure to achieve a Security Certificate. Infosec Matters, a security consultant company was engaged to develop the plans for site security at a cost of €20,000. Works begin in early 2020 and included the installation of a full 150 camera CCTV system at €76,210, full alarm system and access control system at €103,375, newly constructed security command centre building at €100,000, Fibre optic wiring and trenching at €96,000, new server system at €40,500 security patrol car at €20,000 and approximately €9,642 on the rehabilitation of the 6,000 meter perimeter fencing and associated iron works.

The total cost of security was approximately €445,727. No security works costs were associated to the 2019. The total security works spent in 2020 amounted to the entire security works, resulting in Hellenic receiving its Security Certificate from the Security Department of Kilkis police in November 2020. All security infrastructure works were completed by K2 Security. No further security costs were associated to the remainder of the accounting period herein referred to, however at the point of cultivation, K2 Security will provide round the clock security personal, as per Hellenic's licence requirements at approximately €30,000 per month, this is envisaged to begin in Q2 2022.

### **Construction works**

For the purpose of envisaged cultivation activities, limited works began in 2019 to allow employees and consultants to operate from the site, this included the rehabilitation of the administration building at a cost of approximately €30,000 and the engagement of various consultants ranging from structural engineers to Diapharm GmbH (Germany) and Kees Greece B.V. (Netherlands) for adherence to EU-GMP and EU-GACP protocols. The total cost associated with consultant services in 2019 was approximately €15,000. No further construction works or consultant services were carried out in the 2019 financial year.

Construction works began in early 2020 which included the structural build of the various rooms and offices within the administration building at a cost of approximately €30,000, structural works to the post harvest

area (building two) at approximately €48,000, the installation of a new internal perimeter road at €30,000 and the covering of external insulation to bunker one (building 11) at a cost of €3,000. The total costs for construction works in 2020 amounted to approximately €111,000. For the 2020 accounting period consultancy costs totalled €17,234.

In the referenced 2021 accounting period, Hellenic continued its construction works, including the external installation to all remaining bunkers (buildings 7,8,9 and 10) at a cost of €12,000, and the sealing of all five bunkers at a cost of approximately €15,000, ready to receive cultivation equipment. The total costs for construction works in the accounting period of 2021 totalled approximately €17,000. In 2021 there was no consultancy fees associated with construction works.

In the referenced unaudited interim period to June 2022, Hellenic Dynamics continued to complete outstanding construction works, including the rehabilitation to the staff office area of approximately €56,182, and the sealing of the bunkers which totalled €84,000. No further works have been conducted in the six month period to June 2022.

### **Utilities**

In 2019 Hellenic installed a new power substation to the site at a cost of approximately €30,000 this included all works required to deliver power to the administration building.

In 2020, Hellenic continued to work on all utilities to the site including the installation of site internet at a cost of €2,000, the digging of three bore holes for water at a cost of approximately €30,000, the rehabilitation of the site water pump room and tank at a cost of €19,000, the installation of a second power sub-station to feed security power usage at a cost of approximately €20,000 and the installation of a back-up power generator at €15,000. All utility costs also included the connection of these utilities to the site. The total cost in 2020 for utilities totalled approximately €86,000.

Total cost for the use of utility usage for the year ending 31 December 2019 total utility usage costs were €1,991, for 31 December 2020 they were €6,198 and for 2021 utility costs totalled €3,089. The unaudited period to June 2022 the total cost for power was €6,310. No further utility costs were incurred in this period.

### **Funding**

In the accounting period highlighted Hellenic has received a total of approximately €1,040,004 by way of shareholders loans. As of 31 December 2020, the total loans made by Kanabi Limited (Kanabi) amounted to €693,625. By 30 June 2021, the shareholders loans amounted to €831,632 made by Kanabi and a further €226,372 made by Keynes Ventures (Keynes).

At the EGM on 30 June 2021, the shareholders approved the conversion of these loans to equity. Accordingly, the share capital was increased. At the date of this document, all loans into Hellenic have been converted into equity and Hellenic is debt free. The total number of shares in Hellenic are 268,007 and are fully paid up.

### **Liabilities**

As of December 2020 Payables by related parties was equal to €693,625, this related to shareholder loans provided to the company by Kanabi Limited. In the accounting period to December 2021 this liability reduced by €555,664 as the loans provided by Kanabi Limited were converted into ordinary shares in the company. The Current liabilities consist of trade and other payables which total €111,500. In the six month period to June 2022 trade payables totalled €243,713. Hellenic does not have any bank overdrafts or loans. This €243,713 relates to trade payables and local taxes.

**Non-current Assets**

Non-current assets consist of PPE and Goodwill with maturities of greater than one year. Property right of use including the agreed leases for all three plots of land, equalling the total 195,506 of the Hellenic site, including details of all works total approximately €376,185. For Plant and Equipment over the accounting period totals approximate €1,125,732.

**Liquidity**

Hellenic has to date been funded by shareholders loans from Kanabi and Keynes, which have been converted to equity in Hellenic making Hellenic debt free. Hellenic has no other bank facilities or loans.

The proposed in-coming board of the enlarged entity at admission have a number of policies and procedures to ensure working capital management, including but not limited to a FPPP document, internal reconciliation balance sheets and full oversight of the in-coming board. The future plans of Hellenic are linked to the increase in total cultivation area and it is envisaged the potential revenues achieved with the current working capital requirements will be deployed into such expansion.

**Travel and Marketing**

Other Charges consist mainly of travel costs both internationally and domestically. These travel expenses cover all site visits for both directors and consultants and marketing efforts in Germany to secure off-take terms sheets for Hellenic's envisaged end products. These costs total approximately €2,165 for the period 2019, rising to €5,646 in 2020 and €7,684 for 2021. In the six month audited period to June 2022 total costs were €2,769.

**Off balance sheet items**

Hellenic does not have any off balance sheet items

**Contractual obligations and commitments**

Hellenic contractual obligations currently extend only to the land leases which total €50,449 per annum and a security agreement with K2 Security, who provide security services to the Hellenic facility, in line with the terms of the Security Certificate at €30,000 per month. These monthly payments will begin from envisaged admission.

**Currency**

At admission the enlarged companies bank account will be in the United Kingdom. Funds will be deployed to the Hellenic Dynamics S.A. on a monthly basis, based on the working capital projections and sign off of the CEO. For this purpose, Hellenic envisions monthly banking fees of approximately €250. To the accounting period of this document the total banking charges of the company have totalled €919.



## Statement of Financial Position

	Year ended December 31	Year ended December 31,	Year ended December 31,
	2021	2020	2019
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	629,069	556,410	125,620
Right of use assets	376,185	416,854	457,522
Intangible assets	10,000	18,035	16,535
Other non-current receivables	3,500	3,500	3,500
	<b>1,018,754</b>	<b>994,798</b>	<b>603,178</b>
<b>Current Assets</b>			
Trade and other receivables	200,432	85,598	59,909
Cash and cash equivalents	5,979	10,046	785
	206,411	95,645	60,694
<b>Total Assets</b>	<b>1,225,165</b>	<b>1,090,443</b>	<b>663,872</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital	268,007	260,417	125,000
Share premium	1,052,714	-	-
Retained earnings / (losses)	(778,818)	(373,797)	(138,771)
<b>Total Equity</b>	<b>541,903</b>	<b>(113,380)</b>	<b>(13,771)</b>
<b>Long-term liabilities</b>			
Lease liabilities	433,802	41,682	449,842
<b>Total Long-term liabilities</b>	<b>433,802</b>	<b>41,682</b>	<b>449,842</b>
<b>Short-term liabilities</b>			
Trade and other payables	111,500	93,377	77,801
Payables to related parties	137,961	693,625	150,000
<b>Total Short-term liabilities</b>	<b>249,460</b>	<b>787,002</b>	<b>227,801</b>
<b>Total liabilities</b>	<b>683,262</b>	<b>1,203,822</b>	<b>677,643</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,225,165</b>	<b>1,090,443</b>	<b>663,872</b>

## Income Statement

*Amounts in Euros*

	Year ended December 31,	Year ended December 31,	Year ended December 31,
	2021	2020	2019
<b>Sales</b>	-	-	-
Cost of goods sold	-	-	-
<b>Gross profit / (loss)</b>	-	-	-
Other expenses	(387,820)	(217,568)	(126,842)
<b>Operating profit/(loss)</b>	<b>(387,820)</b>	<b>(217,568)</b>	<b>(126,842)</b>
Finance expense	(17,202)	(17,457)	(11,930)
<b>Profit/ (loss) before taxes</b>	<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>
Income tax	-	-	-
<b>Profit/ (loss) after taxes</b>	<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>
Other comprehensive income	-	-	-
<b>Total comprehensive loss</b>	<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>

**Cash Flow Statement**  
**Amounts in Euros**

	Year ended December 31, June 30, 2021	Year ended December 31, 2020	Year ended December 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>			
<b>Cash flows from operating activities</b>			
<b>Profit / (loss) before taxation</b>	<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>
Adjustments for: Depreciation	40,699	40,669	30,501
Interest and other related expenses	17,202	17,457	11,930
Plus: Adjustments for changes in working capital:			
Decrease / (Increase) in receivables	(114,834)	(25,689)	(63,409)
(Decrease) / Increase in liabilities (except for banks' debt) Less:	(156,083)	559,201	227,801
Interest and other related expenses paid	(220)	(18,324)	(112)
Income tax payment	-	-	-
<b>Net Cash flow from operating activities (a)</b>	<b>(306,112)</b>	<b>338,288</b>	<b>67,940</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible	(64,625)	(432,289)	(142,155)
<b>Net cash flows from investing activities (b)</b>	<b>(64,625)</b>	<b>(432,289)</b>	<b>(142,155)</b>
<b>Cash flows from financing activities</b>			
Share capital increase	366,679	135,417	125,000
Payment of lease liabilities	-	(32,154)	(50,000)
<b>Net cash flows from financing activities (c)</b>	<b>366,679</b>	<b>103,263</b>	<b>75,000</b>
<b>Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)</b>	<b>4,067</b>	<b>9,261</b>	<b>785</b>
Cash and cash equivalents at beginning of the period	10,046	785	-
<b>Cash and cash equivalents at end of the period</b>	<b>5,979</b>	<b>10,046</b>	<b>785</b>

**PART V**  
**SECTION C**

**CAPITAL RESOURCES OF THE COMPANY AND HELLENIC DYNAMICS S.A.**

**1. Capital resources and sources and use of funds**

**Hellenic Dynamics S.A.**

In the accounting period highlighted Hellenic has received a total of approximately €1,040,004 by way of directors (shareholders). As of 31 December 2020, the total loans made by Kanabi Limited (Kanabi) amounted to €693,625. By 30 June 2021, the shareholders loans amounted to €831,632 made by Kanabi and a further €226,372 made by Keynes Ventures (Keynes). During the 2021 accounting period the total shareholder loans made by Kanabi Limited and Keynes Ventures were converted into ordinary share in the company.

In an EGM dated 30 June 2021, the shareholders approved the conversion of these loans to equity. Accordingly, the share capital was increased. At the date of this document, all loans into Hellenic have been converted into equity and Hellenic is debt free. The total number of shares in Hellenic are 268,007 and are fully paid up. Current funds in at Hellenic for this accounting period total €23,074, in addition during the first quarter of 2022, the company received GBP €150,000 loan from UK SPAC Plc to support its working capital.

**U.K. SPAC Plc**

In the financial period ended 31 March 2022 the company did not raise further funds. In the financial period ended 31 March 2021 the Company raised a total of £3.1 million (before expenses) following the disposal of its assets comprised within the Mountfield Group. Since the disposal, the Company has used the proceeds to continue to review and assess acquisition opportunities and following the end of that process, in undertaking due diligence on Hellenic, the chosen acquisition opportunity.

**2. Cash flows**

**Hellenic Dynamics S.A.**

As set out in the paragraph above, as of 30 June 2022, the date to which Hellenic Dynamics' most recent unaudited interim financial statements have been prepared and which are incorporated into this Document as set out in Part VII of this Document, Hellenic Dynamics had €26,980 in cash and cash equivalents.

**U.K. SPAC Plc**

The Company's most recent audited financial statements to 31 March 2022 which are in Appendix I, the Company had £2,858,744.87 on 31 March 2022 in cash and cash equivalents.

**3. Restrictions on the use of capital resources**

**Hellenic Dynamics S.A.**

Save as disclosed in the Articles, Hellenic Dynamics does not have any restrictions on the use of its capital resources.

**U.K. SPAC Plc**

Save as disclosed in the Articles and the Companies Act, the Company does not have any restrictions on the use of its capital resources.

**4. Contractual obligations requiring capital resources**

**Hellenic Dynamics S.A.**

Save as noted in Section 19 of Part XII "Additional Information" of this Document, Hellenic Dynamics does not have any contractual obligations requiring capital resources.

**U.K. SPAC Plc**

Save in relation to the Acquisition, UK SPAC does not have any contractual obligations requiring capital resources.

**5. Off-balance sheet arrangements**

**Hellenic Dynamics S.A.**

At 30 June 2022 and at 31 December 2021, Hellenic Dynamics had no off-balance sheet arrangements.

**U.K. SPAC Plc**

At 31 March 2022 and at 30 September 2021, UK SPAC plc had no off-balance sheet arrangements.

**6. Financial risk management**

**Hellenic Dynamics S.A.**

The audited historical financial information of Hellenic Dynamics, which is set out in Section B of Part VII of this Document, clearly sets out the main risks arising from financial instruments.

**U.K. SPAC Plc**

The audited and unaudited historical financial information of U.K. SPAC Plc, which is incorporated by reference in Part VI of this Document, clearly sets out the main risks arising from financial instruments.

**7. Critical accounting policies**

**Hellenic Dynamics S.A.**

The principal accounting policies of Hellenic Dynamics are detailed in Section B of Part VII of this Document as laid out in the audited historical financial information.

**U.K. SPAC Plc**

The principal accounting policies of U.K. SPAC Plc are detailed in Part V of this Document, included by reference.

## PART VI

### RELEVANT DOCUMENTATION AND INCORPORATION BY REFERENCE

The information below which is incorporated by reference in this Document, is to ensure that Shareholders and others are aware of all information which is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company and the rights attaching to the Ordinary Shares.

#### CROSS REFERENCE LIST

The Company's Report and Financial Statements for the period ended 31 March 2021.

The page numbers below refer to the relevant pages of the Company's Report and Financial Statements for the period ended 31 March 2021. This document can be found on the Company's website at:

<http://www.ukspacplc.com/documents/UK%20Spac%20Plc%202021%20-%20signed%20accounts%20for%20public%20record.pdf>

- Independent Auditors' Report – pages 11-15
- Statement of Comprehensive Income – pages 16
- Statement of Financial Position – pages 17
- Statement of Cash Flows – pages 18
- Statement of Changes in Equity – pages 19
- Notes to the Financial Statements – pages 20-51 (Related Party Transactions note section 23 on page 44)

The Company's Report and Financial Statements for the year ended 31 December 2019

The page numbers below refer to the relevant pages of the Company's Report and Financial Statements for the year ended 31 December 2019. This document can be found on the Company's website at:

<http://www.ukspacplc.com/announcements/15092020%20Final%20Results.pdf>

- Independent Auditors' Report – pages 13-17
- Statement of Comprehensive Income – pages 18
- Statement of Financial Position – pages 19
- Statement of Cash Flows – pages 20
- Statement of Changes in Equity – pages 21
- Notes to the Financial Statements – pages 22-43

Shareholders may request a hard copy of the financial information from the Company's registered office. Hard copies will be despatched as soon as possible, and in any event, within two business days of a receipt of a request. Shareholders who do not make a request will not be sent hard copies of the financial information.

A Shareholder, person with information rights or other person to whom this Document is sent may request a copy of any of the documents listed above in hard copy form. A hard copy may be obtained by contacting the Company at 3rd Floor 80 Cheapside, London, United Kingdom, EC2V 6EE or by telephoning +44 7500 558235.

The parts of the prospectus that are not incorporated by reference are either not relevant for the investor (pursuant to Prospectus Regulation Rules Article 19.1) or are covered in another part of this Document.

## PART VII

### SECTION A

#### ACCOUNTANT'S REPORT ON THE SPECIAL PURPOSE HISTORICAL FINANCIAL INFORMATION OF HELLENIC DYNAMICS S.A



Accountants &  
business advisers

The Directors  
U.K. SPAC Plc  
3rd Floor 80 Cheapside,  
London  
EC2V 6EE

The Directors  
Peterhouse Capital Limited  
3rd Floor  
80 Cheapside  
London  
EC2V 6EE

14 November 2022

Dear Directors

#### **Introduction**

We report on the financial information of Hellenic Dynamics S.A (“Hellenic”) for the year ended 31 December 2021, 2020 and for the period from incorporation to 31 December 2019 which comprises the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the related notes. This financial information has been prepared for inclusion in the Prospectus of U.K. SPAC Plc dated 14 November 2022 on the basis of the accounting policies set out in note 2 to the financial information. The report is required by Annex 1, item 18.3.1 of the PR Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

#### **Opinion**

In our opinion the financial information set out below gives, for the purposes of the Prospectus dated 14 November 2022, a true and fair view of the state of affairs of Hellenic as at 31 December 2021, 31 December 2020 and 31 December 2019 and of the results, cash flows and changes in equity for the period then ended in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 (“IFRS”) and has been prepared in a form that is consistent with the accounting policies adopted by Company.

#### **Responsibilities**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with IFRS.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under 5.3.2R(2)(f) of the Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, item 1.3 of the PR Regulation, consenting to its inclusion in the Prospectus.

### **Basis of opinion**

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council (“FRC”) in the United Kingdom. We are independent of the Company in accordance with the FRC’s ethical standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Conclusions relating to going concern**

We are required to report if we have anything material to add or draw attention to in respect of the Directors’ statement in the Financial Information about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Information and the Directors’ identification of any material uncertainties to the Company’s ability to continue as a going concern over a period of at least twelve months from the date of this Prospectus.

We have nothing material to add or to draw attention to.

### **Declaration**

For the purposes of Prospectus Regulation Rules 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1, item 1.2 of the Prospectus Regulation.

Yours faithfully

**PKF Littlejohn LLP**  
**Reporting Accountant**

15 Westferry Circus  
Canary Wharf  
London E14 4HD



PART VII

SECTION B

HISTORICAL FINANCIAL INFORMATION ON HELLENIC DYNAMICS S.A

Statement of Financial Position

<i>Amounts in Euros</i>	Note	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, plant and equipment	5	629,069	520,141	125,620
Right of use assets	6	376,185	416,854	457,522
Intangible assets	7	10,000	18,035	16,535
Other receivables		3,500	3,500	3,500
		<b>1,018,754</b>	<b>958,530</b>	<b>603,177</b>
<b>Current Assets</b>				
Trade and other receivables	8	200,432	85,599	59,909
Cash and cash equivalents	9	5,979	10,046	785
		<b>206,411</b>	<b>95,645</b>	<b>60,694</b>
<b>Total Assets</b>		<b>1,225,165</b>	<b>1,054,175</b>	<b>663,871</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Share capital	10	268,007	260,417	125,000
Share premium	10	1,052,714	-	-
Retained losses		(778,818)	(373,796)	(138,771)
<b>Total Equity</b>		<b>541,903</b>	<b>(113,379)</b>	<b>(13,771)</b>
<b>Non-current liabilities</b>				
Lease liabilities	11	368,863	382,453	416,820
<b>Total non-current liabilities</b>		<b>368,863</b>	<b>382,453</b>	<b>416,820</b>
<b>Current liabilities</b>				
Trade and other payables	12	111,499	93,378	77,800
Payables to related parties	13	137,961	657,356	150,000
Lease liabilities	11	64,939	34,367	33,022
<b>Total current liabilities</b>		<b>314,399</b>	<b>821,370</b>	<b>260,822</b>
<b>Total liabilities</b>		<b>683,262</b>	<b>1,167,554</b>	<b>677,642</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,225,165</b>	<b>1,054,175</b>	<b>663,871</b>

The accompanying form an integral part of the Historic Financial Information.

## Income Statement

### *Amounts in Euros*

	Note	Year ended 31 December 2021	Year ended 31 December 2020	Period ended 31 December 2019
<b>Continuing Operations:</b>				
Administrative expenses	14	(387,820)	(217,568)	(126,841)
<b>Operating loss</b>		<b>(387,820)</b>	<b>(217,568)</b>	<b>(126,841)</b>
Finance expense	15	(17,202)	(17,457)	(11,930)
<b>Loss before income tax</b>		<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>
Income tax expense	16	-	-	-
<b>Loss for the period from continuing operations</b>		<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>
Other comprehensive income:		-	-	-
<b>Total Comprehensive Income for the period</b>		<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>

The accompanying form an integral part of the Historic Financial Information.

## Statement of Changes in Equity

	Share Capital	Share premium	Retained earnings	Total
<i>Amounts in Euros</i>				
<b>As at incorporation</b>	-	-	-	-
Issue of shares on incorporation	25,000	-	-	<b>25,000</b>
Issue of shares	100,000	-	-	<b>100,000</b>
Loss for the period	-	-	(138,771)	<b>(138,771)</b>
<b>Balance as at 31 December 2019</b>	<b>125,000</b>	-	<b>(138,771)</b>	<b>(13,771)</b>
<b>Balance as at 1 January 2020</b>	<b>125,000</b>	-	<b>(138,771)</b>	<b>(13,771)</b>
Issue of shares	135,417	-	-	<b>135,417</b>
Loss for the period	-	-	(235,025)	<b>(235,025)</b>
<b>Balance as at 31 December 2020</b>	<b>260,417</b>	-	<b>(373,796)</b>	<b>(113,379)</b>
<b>Balance as at 1 January 2021</b>	<b>260,417</b>		<b>(373,796)</b>	<b>(113,379)</b>
Issue of shares	7,590	1,052,714	-	<b>1,060,304</b>
Loss for the period	-	-	(405,022)	<b>(405,022)</b>
<b>Balance as at 31 December 2021</b>	<b>268,007</b>	<b>1,052,714</b>	<b>(778,818)</b>	<b>541,903</b>

The accompanying form an integral part of the Historic Financial Information.

## Cash Flow Statement

<i>Amounts in Euros</i>	Year ended 31 December 2021	Year ended 31 December 2020	Period ended 31 December 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>(A)</b>			
<b>Cash flows from operating activities</b>			
<b>Loss before taxation</b>	<b>(405,022)</b>	<b>(235,025)</b>	<b>(138,771)</b>
Adjustments for:			
Depreciation	40,669	40,669	30,501
Finance costs	17,202	17,457	11,930
Plus: Adjustments for changes in working capital:			
increase in trade and other receivables	(114,833)	(25,690)	(59,909)
Increase in trade and other payables	18,122	15,577	77,801
Less:			
Interest and other related expenses paid	(220)	(479)	(112)
Income tax payment			
<b>Net Cash flow (used in)/ generated from operating activities (a)</b>	<b>(444,082)</b>	<b>(187,491)</b>	<b>(78,560)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(108,928)	(394,521)	(125,620)
Purchase of intangible assets	-	(1,500)	(16,535)
Disposal of intangibles	8,035		
Purchase of other assets	-	-	(3,500)
<b>Net cash flows used in investing activities (b)</b>	<b>(100,893)</b>	<b>(396,021)</b>	<b>(145,655)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	-	135,417	125,000
Proceeds from borrowings	540,908	507,356	150,000
Repayment of borrowings	-	-	-
Payment of lease liabilities	-	(50,000)	(50,000)
<b>Net cash flows from financing activities (c)</b>	<b>540,908</b>	<b>592,773</b>	<b>225,000</b>
<b>Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)</b>	<b>(4,067)</b>	<b>9,261</b>	<b>785</b>
Cash and cash equivalents at beginning of the period	10,046	785	0
<b>Cash and cash equivalents at end of the period</b>	<b>5,979</b>	<b>10,046</b>	<b>785</b>

The accompanying form an integral part of the Historic Financial Information.

## **1. General Information of Hellenic Dynamics S.A.**

HELLENIC DYNAMICS S.A. was established in March 2019 and is active in Greece in the field of cultivation and processing of medicinal cannabis.

Hellenic Dynamics has received the registration number in the General Electronic Commercial Registry: 149608035000. The headquarters are in Greece, Chorigi Kilkis, P.C. 61100.

## **2. Basis of Preparation**

This Financial Information of Hellenic Dynamics has been prepared for the sole purpose of publication within this prospectus. It has been prepared in accordance with the requirements of the Prospectus Rule and has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (“IFRS”) and the policies stated elsewhere within the Financial Information. The historic financial information has been prepared under the historical cost convention. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Financial Information is presented in Euros, which is the Hellenic Dynamics’ functional and presentational currency.

### **2.1 Significant accounting judgments, estimates and assumptions**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in the financial statements, are disclosed below.

#### **2.1.1 Leases – Estimating the incremental borrowing rate**

Hellenic Dynamics cannot readily determine the interest rate implicit in the lease, therefore, they use the incremental borrowing rate to measure lease liabilities. The incremental borrowing rate of 4% is considered to be the rate of interest that Hellenic Dynamics would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## **3. Significant Accounting Policies**

The significant accounting policies applied for the preparation of the Financial Information are as follows:

### **3.1 Going Concern**

Management prepared the Historical Financial Information on a going concern basis. The directors are satisfied that adequate resources are available to the Company and they have no reason to believe that any material uncertainty exists that would cast a doubt about the ability of the Company to continue as a going concern.

In making this judgement management considered the Company's budgets and cash flow forecasts for a period of at least twelve months from the date of approval of the financial information which demonstrates that the Company will be in a position to meet its liabilities as they fall due.

The Group has therefore adopted the going concern basis in preparing the Historical Financial Information.

### 3.2 Changes in accounting policies and disclosures

#### a) New standards, amendments and interpretations adopted by the Company

The Company has adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for account periods commencing on or after 1 January 2019.

#### b) New standards and interpretations not yet adopted

At the date of the authorisation of this Historical Financial Information, the following key standards and amendments were in issue but not yet effective. The Company has not applied these standards in preparation of the Historical Financial Information.

- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 3 References to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to IFRS Standards 2018-2020 Cycle
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IFRS 16 Leases

The adoption of the above standards and interpretations are not expected to lead to any changes in the Company's accounting policies or have any other material impact of the financial position or performance of the Company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact to the Company.

### 3.3 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors that make strategic decisions. Given the nature of the business the Directors consider there to be only one business segment located in Greece and have not therefore disclosed segmental analysis accordingly.

### 3.4 Foreign Currency Translation

Hellenic Dynamics' functional and presentation currency is the Euro. Transactions involving other currencies are translated into Euro at the exchange rates, ruling on the date of the transactions. At the reporting date, monetary assets and liabilities, which are denominated in foreign currencies, are retranslated at the exchange rates at that date. Gains or losses resulting from foreign currency translation are recognized in the income statement.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rate at the date of the initial transaction. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the exchange rates at the date that the fair value was determined. The foreign currency differences arising from the change in the fair value of these items are recognized in the income statement or directly in other comprehensive income depending on the underlying item.

### 3.5 Intangible assets

Intangible assets acquired separately are recognized at historical cost, on the date of acquisition. Subsequently, they are carried at cost less accumulated amortization and accumulated impairment losses. All intangible assets have a finite useful life and are amortized on a straight-line basis over their useful life. The useful life of intangible assets is reviewed on an annual basis, and adjustments, where applicable, are made prospectively.

The intangible assets of Hellenic Dynamics relate to licences, the useful life of which has been estimated to be between 5 and 10 years.

### 3.6 Property, Plant and Equipment

Items of property, plant and equipment are measured at historical cost, plus interest costs incurred during periods of construction, less accumulated depreciation and any impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Repairs and maintenance costs are expensed as incurred. The cost and related accumulated depreciation of assets retired or sold are removed from the corresponding accounts at the time of sale or retirement, and any gain or loss is recognized in the income statement.

When significant parts of the property, plant and equipment are required to be replaced at intervals, Hellenic Dynamics recognizes such parts as individual assets with specific useful lives and depreciation, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is recognized on a straight-line basis over the estimated useful lives of property, plant and equipment, which are periodically reviewed, at least annually. The estimated useful lives and the respective rates are as follows:

<u>Item Description</u>	<u>Estimated Useful Life</u>	<u>Depreciation Rates</u>
Building installations in third party properties	Duration of the lease	8% - 12%
Technical equipment and machinery	5 - 10 years	10% - 20%
Transportation means	6 - 9 years	11% - 17%
PC Hardware	2 - 5 years	10% - 20%
Fixtures and furniture	5 - 10 years	10% - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are recognised within "Other (Losses)/Gains – Net" in the income statement.

### 3.7 Impairment of Non – Financial Assets

The carrying values of the Hellenic Dynamics' non-financial assets are tested for impairment, when there are indications that their carrying amount is not recoverable. In such cases, the recoverable amount is estimated and if the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In measuring value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset. If an asset does not generate cash flows individually, the recoverable amount is determined for the cash generating unit to which the asset belongs. At each reporting date Hellenic Dynamics assesses whether there is an indication that an impairment loss recognized in prior periods may no longer exist. If any such indication exists, Hellenic Dynamics estimates the recoverable amount of that asset and the impairment loss is reversed, increasing the carrying amount of the asset to its recoverable amount, to the extent that the recoverable amount does not exceed the carrying value of the asset that would have been determined (net of amortization or depreciation), if no impairment loss had been recognized for the asset in prior years.

### 3.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 3.9 Initial recognition and subsequent measurement of financial assets

The financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model within which the financial asset is held.



## **Trade and other receivables**

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

## **Impairment of financial assets**

Hellenic Dynamics assesses at each reporting date, whether a financial asset or group of financial assets is impaired and recognize, if necessary, an allowance for Expected Credit Losses for all debt instruments not held at fair value through profit or loss. Expected Credit Losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Hellenic Dynamics expects to receive, discounted at an approximation of the original effective interest rate.

For all Hellenic Dynamics' financial assets at amortized cost, the simplified approach is applied. These assets are considered to have low credit risk and any loss allowance is therefore limited to 12 months' expected losses.

## **Derecognition of financial assets**

A financial asset (or, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- Hellenic Dynamics retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- Hellenic Dynamics has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When Hellenic Dynamics has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, Hellenic Dynamics continues to recognize the transferred asset to the extent of its continuing involvement. In that case, Hellenic Dynamics also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Hellenic Dynamics has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that Hellenic Dynamics could be required to repay.

## **Initial recognition and subsequent measurement of financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For the purpose of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss.

## **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

## **Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when Hellenic Dynamics has a legally enforceable right to set off the recognized amounts and intends either to settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of Hellenic Dynamics or the counterparty.

### **3.10 Trade Receivables and allowance for doubtful accounts**

A receivable represents Hellenic Dynamics' right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### **3.11 Cash and Cash Equivalents**

In the Statement of Cash Flows, cash and cash equivalents comprise cash in hand and deposits held at call with bank with a three month maturity or less.

### **3.12 Current and Deferred Income Tax**

Income tax for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is measured on the taxable income for the year using enacted or substantively enacted tax rates at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of temporary differences associated with investment in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Hellenic Dynamics did not recognize deferred tax assets on unutilized losses due to uncertainty over the timing and existence of sufficient future tax profits.

### 3.13 Share Capital

Ordinary shares are classified as equity. Share capital issuance costs, net of related tax, are reflected as a deduction from Share Premium.

### 3.14 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

### 3.15 Leases

Hellenic Dynamics assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## **Accounting by lessee**

Hellenic Dynamics apply a single recognition and measurement approach for all leases (including short-term leases and leases of low-value assets). Hellenic Dynamics recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **a) Right-of-use assets**

Hellenic Dynamics recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets.

If ownership of the leased asset is transferred to Hellenic Dynamics at the end of the lease term or its cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

### **b) Lease liabilities**

At the commencement date of the lease, Hellenic Dynamics recognize lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by Hellenic Dynamics and payments of penalties for terminating the lease, if the lease term reflects the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, Hellenic Dynamics use the group's incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced through the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a reassessment or modification of the lease contract.

## **3.16 Provisions**

Provisions are recognized when Hellenic Dynamics has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are measured by discounting the expected future cash flows at a

pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost. Provisions are reviewed at each reporting date, and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, they are reversed. No provisions have been recognised

#### **4. Financial Risk Management**

##### **4.1 Financial risk factors**

Hellenic Dynamics is exposed to financial risks, such as market risks (changes in exchange rates, interest rates, market prices), credit risk and liquidity risk. Hellenic Dynamics's overall risk management program seeks to minimize the potential negative impact of financial market volatility on Hellenic Dynamics's financial performance.

Risk management is handled by Hellenic Dynamics's financial department, which operates according to specific rules.

##### **a) Market risk**

Hellenic Dynamics operates in Europe and most of its transactions are expected to be conducted in Euro.

Hellenic Dynamics at this stage of operation is not exposed to the risk of fluctuations in interest rates arising from bank loans with floating interest rates. Hellenic Dynamics is also not exposed to fluctuations in market interest rates that may have affected its financial position as well as its cash flows. Due to the non-lending of Hellenic Dynamics there is no risk.

Nevertheless, Hellenic Dynamics monitors interest rate trends as well as the duration and nature of financial needs.

##### **b) Credit risk**

Hellenic Dynamics has no credit risk concentration. Hellenic Dynamics has established and will implement, when it starts its activity, credit control procedures to ensure that wholesale sales will be made mainly to customers with an assessed credit history.

##### **c) Liquidity risk**

The maturity of the Group's financial liabilities including trade and other payables, other loans to related parties and lease liability total payments with the interest payable is as set out below. Current liabilities were payable on demand or to normal trade credit terms with the exception of lease liabilities which are payable quarterly.

<b>At 31 December 2021</b>	<b>Up to 1 year</b>	<b>2-5 years</b>	<b>Over 5 years</b>
	€	€	€
Trade and other payables	(111,499)	-	-
Loan from a related party	(137,961)	-	-
Lease liabilities	(64,939)	(159,306)	(209,557)
	<u>(314,399)</u>	<u>(159,306)</u>	<u>(209,557)</u>

<b>At 31 December 2020</b>	<b>Up to 1 year</b>	<b>2-5 years</b>	<b>Over 5 years</b>
	€	€	€
Trade and other payables	(93,378)	-	-
Loan from a related party	(657,356)	-	-
Lease liabilities	(34,367)	(152,052)	(230,401)
	<u>(785,101)</u>	<u>(152,052)</u>	<u>(230,401)</u>

<b>At 31 December 2019</b>	<b>Up to 1 year</b>	<b>2-5 years</b>	<b>Over 5 years</b>
	€	€	€
Trade and other payables	(77,800)	-	-
Loan from a related party	(150,000)	-	-
Lease liabilities	(33,022)	(146,100)	(270,720)
	<u>(260,822)</u>	<u>(146,100)</u>	<u>(270,720)</u>

### ***Classification of financial instruments***

All financial assets have been classified as at amortised cost, and all financial liabilities have been classified as other financial liabilities measured at amortised cost.

#### **Financial assets**

	<b>31 December 2021</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
	€	€	€
<b>At amortised cost</b>			
Trade and other receivables	200,432	85,599	59,909
Cash and cash equivalents	5,979	10,046	785
	<u>206,411</u>	<u>95,645</u>	<u>60,694</u>

#### **Financial liabilities**

**At amortised cost**

Trade and other payables	(111,499)	(93,378)	(77,800)
Loan from a related party	(137,961)	(657,356)	(150,000)
Lease liabilities	(433,802)	(416,820)	(449,842)
	<u>(683,262)</u>	<u>(1,167,554)</u>	<u>(677,642)</u>

**4.2 Capital risk management**

The company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide future returns for shareholders and benefits for other stakeholders.

Hellenic Dynamics monitors the capital structure with the debt to capital ratio. This is calculated as the ratio of net borrowing to total capital employed. Net borrowings are calculated as total borrowings (including short-term and long-term borrowings as shown in the Statement of Financial Position) less cash and cash equivalents. Total working capital is calculated as the total equity as shown in the balance sheet plus net borrowing.

**5. Property Plant and equipment**

Property Plant and equipment are analyzed as follows:

<i>Amounts in Euros</i>	<b>Leasehold improvements in process</b>	<b>Computers, furniture and fittings</b>	<b>Security equipment</b>	<b>Land</b>	<b>Total</b>
<b>Cost</b>					
<b>As at incorporation</b>	-	-	-	-	-
Additions	118,620	7,000	-	-	125,620
<b>as at 31 December 2019</b>	<b>118,620</b>	<b>7,000</b>	-	-	<b>125,620</b>
Additions	196,211	14,579	153,731	30,000	394,521
<b>as at 31 December 2020</b>	<b>314,831</b>	<b>21,579</b>	<b>153,731</b>	<b>30,000</b>	<b>520,141</b>
Additions	99,962	8,966	-	-	108,928
Transfers	153,731	-	(153,731)	-	-
<b>as at 31 December 2021</b>	<b>568,524</b>	<b>30,545</b>	-	<b>30,000</b>	<b>629,069</b>
<b>Depreciation</b>					
<b>As at incorporation</b>	-	-	-	-	-
Charge for the year	-	-	-	-	-
<b>as at 31 December 2019</b>	-	-	-	-	-
Charge for the year	-	-	-	-	-
<b>as at 31 December 2020</b>	-	-	-	-	-
Charge for the year	-	-	-	-	-
<b>As at 31 December 2021</b>	-	-	-	-	-
<b>Net book value</b>					
<b>as at 31 December 2021</b>	<b>568,524</b>	<b>30,545</b>	-	<b>30,000</b>	<b>629,069</b>

<b>as at 31 December 2020</b>	<b>314,831</b>	<b>21,579</b>	<b>153,731</b>	<b>30,000</b>	<b>520,141</b>
<b>as at 31 December 2019</b>	<b>118,620</b>	<b>7,000</b>	-	-	<b>125,620</b>

Hellenic Dynamics has not recognised depreciation charge in profit or loss for the periods 2021, 2020 and 2019.

Depreciation of assets will begin when they are available for use, i.e. when are in the location and condition necessary for them to be capable of operating in the manner intended by management.

## 6. Right of use assets

<i>Amounts in Euros</i>	Land	Total
<b>Net book value at incorporation</b>	-	-
Additions	488,023	<b>488,023</b>
Depreciation	(30,501)	<b>(30,501)</b>
<b>Net book value as at 31 December 2019</b>	<b>457,522</b>	<b>457,522</b>
Additions	-	-
Depreciation	(40,668)	<b>(40,668)</b>
<b>Net book value as at 31 December 2020</b>	<b>416,854</b>	<b>416,854</b>
Additions	-	-
Depreciation	(40,669)	<b>(40,669)</b>
<b>Net book value as at 31 December 2021</b>	<b>376,185</b>	<b>376,185</b>

The above RoU concerns a 12- year land lease started April 2019.

## 7. Intangible assets

<i>Amounts in Euros</i>	Licences
<b>Net book value at incorporation</b>	-
Additions	16,535
<b>Net book value as at 31 December 2019</b>	<b>16,535</b>



Additions	1,500
<b>Net book value as at 31 December 2020</b>	<b>18,035</b>
Additions	-
Disposals	(8,035)
<b>Net book value as at 31 December 2021</b>	<b>10,000</b>

Following their assessment of impairment, the Directors concluded that no impairment charge was necessary for the year ended 31 December 2021 (2020: £ nil, 2019: £ nil).

#### 8. Trade and other receivables

<i>Amounts in Euros</i>	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
VAT receivables	170,739	76,123	31,724
Suppliers' debit balances	28,193	9,476	28,185
Other receivables	1,500	-	-
<b>Total</b>	<b>200,432</b>	<b>85,599</b>	<b>59,909</b>

#### 9. Cash and cash equivalents

<i>Amounts in Euros</i>	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
Cash in hand	5,365	15	491
Cash deposits	614	10,031	294
<b>Total</b>	<b>5,979</b>	<b>10,046</b>	<b>785</b>

## 10. Share capital

	Number of Shares	Nominal Value €	<i>Share Capital Amount</i> €	<i>Share premium</i>
<b>As at incorporation</b>	<b>25,000</b>	<b>1</b>	<b>25,000</b>	-
Issue of shares at €1 per share	100,000	1	100,000	-
<b>As at 31 December 2019</b>	<b>125,000</b>	<b>1</b>	<b>125,000</b>	-
Issue of shares at €1 per share	135,417	1	135,417	-
<b>As at 31 December 2020</b>	<b>260,417</b>	<b>1</b>	<b>260,417</b>	-
Issue of shares at €1 per share	2,300	1	2,300	-
Conversion of debt to equity	5,290	1	5,290	1,052,714
<b>As at 31 December 2021</b>	<b>268,007</b>	<b>1</b>	<b>268,007</b>	<b>1,052,714</b>

Following the Extraordinary General Meeting of the shareholders held on June 30, 2021, it was decided to increase the share capital by EUR 2,300 partly in cash “at par”. It was also decided to convert debt of €1,058,004 (see note 13) by issuing 5,290 new common registered shares with a nominal value of one (1.00) euro each. The total shareholding of the Company for the year ended 31 December 2021 was €268,007.

## 11. Lease liabilities

The future lease payments are as follows:

<i>Amounts in Euros</i>	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
Up to 1 year	50,000	50,000	50,000
2 to 5 year	200,000	200,000	200,000
After 5 years	250,000	250,000	300,000
<b>Total</b>	<b>500,000</b>	<b>500,000</b>	<b>550,000</b>
<b>Less: Future financial charges</b>	<b>(66,198)</b>	<b>(83,180)</b>	<b>(100,158)</b>
<b>Present value of future lease payments</b>	<b>433,802</b>	<b>416,820</b>	<b>449,842</b>

<i>Amounts in Euros</i>	<b>As at 31 December 2021</b>	<b>As at 31 December 2020</b>	<b>As at 31 December 2019</b>
Up to 1 year	64,939	34,367	33,022
2 to 5 year	159,306	152,052	146,100
After 5 years	209,557	230,401	270,720
<b>Total</b>	<b>433,802</b>	<b>416,820</b>	<b>449,842</b>

## 12. Trade and other payables

<i>Amounts in Euros</i>	<b>As at 31 December 2021</b>	<b>As at 31 December 2020</b>	<b>As at 31 December 2019</b>
Trade payables	95,643	89,363	77,800
Withholding tax	4,222	1,165	-
Others	11,634	2,850	-
<b>Total</b>	<b>111,499</b>	<b>93,378</b>	<b>77,800</b>

## 13. Payables to related parties

<i>Amounts in Euros</i>	<b>As at 31 December 2021</b>	<b>As at 31 December 2020</b>	<b>As at 31 December 2019</b>
Kanabi Limited	4,158	657,356	150,000
Payable to Directors	133,803	-	-
<b>Total</b>	<b>137,961</b>	<b>657,356</b>	<b>150,000</b>

As at 31 December 2021, €103,803 was payable to G Papadopoulos and €30,000 to P Moschokarfi (2020:€Nil, 2019€Nil).

Amounts payable to related parties are interest free and repayable on demand. Directors received no remuneration for the 3 years ended 31 December 2021.

During the year ended 31 December 2020, the Company entered into a loan agreement with its majority shareholder, Kanabi Limited as lender dated 27 June 2020 for a secured loan facility of up to €1,000,000 (Kanabi Loan Agreement). The amount of the loan outstanding on 30 June 2021 was €831,632, which was converted into 4,158 shares of the Company. These were issued to Kanabi on 30 June 2021 and there are no longer any amounts outstanding under this facility.

During the year ended 31 December 2021, the Company entered into a loan agreement with its shareholder, Keynes Ventures Limited as lender dated 22 July 2021 (effective from 5 February 2021) for a secured loan facility of up to £200,000 (Keynes Loan Agreement). The amount of the loan outstanding on 30 June 2021 was €226,372, which was converted into 1,132 shares of the Company. These were issued to Kanabi on 30 June 2021 and there are no longer any amounts outstanding under this facility.

#### 14. Expenses by nature

<i>Amounts in Euros</i>	<b>As at 31 December 2021</b>	<b>Year to 31 December 2020</b>	<b>Period to 31 December 2019</b>
Payroll	94,260	19,345	-
Professional Services	77,177	61,187	-
Repairs & maintenance	3,087	1,675	-
Electricity	7,757	6,198	1,991
Fuel	14,712	-	-
Security services	36,414	-	-
Taxes & duties	3,173	6,416	5,387
Travelling	16,569	5,646	2,165
Promotion & advertising costs	57,097	-	-
Depreciation	40,669	40,669	30,501
Other charges	36,905	76,432	86,797
<b>Total administration expenses</b>	<b>387,820</b>	<b>217,568</b>	<b>126,841</b>

#### 15. Finance expense

<i>Amounts in Euros</i>	<b>As at 31 December 2021</b>	<b>Year to 31 December 2020</b>	<b>Period to 31 December 2019</b>
Lease liabilities	16,982	16,978	11,818
Bank charges	220	479	112
<b>Total</b>	<b>17,202</b>	<b>17,457</b>	<b>11,930</b>

## 16. Income tax

No current or deferred tax amounts were recognised as a tax expense/(credit) in the income statement, or in other comprehensive income in the year (2020: £nil 2019: £nil)

### Reconciliation of effective tax rate

	As at 31 December 2021 €	Year to 31 December 2020 €	Period to 31 December 2019 €
Loss before income tax	<u>(405,022)</u>	<u>(235,025)</u>	<u>(138,771)</u>
Loss multiplied by the standard rate of corporation tax in Greece of 22% (2020: 24%, 2019: 24%)	(89,144)	(56,406)	(33,305)
Effects of:			
- Expenses not deductible for tax purposes	-	-	-
- Carried forward tax losses	89,144	56,406	33,305
Tax expense	<u>-</u>	<u>-</u>	<u>-</u>

At the period end, there were unrecognised deferred tax assets of €178,855 (2020: €89,711, 2019: €33,305) in respect of unutilised tax losses. Deferred tax assets carried forward have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

## 17. Staff information

The company's staff consists of 3 people, excluding directors. Their employment started in September 2020.

<i>Amounts in Euros</i>	As at 31 December 2021	Year to 31 December 2020	Period to 31 December 2019
Wages and salaries	66,345	12,830	-
Social security costs	17,263	3,785	-
Other costs	10,652	2,730	-
<b>Total</b>	<u><b>94,260</b></u>	<u><b>19,345</b></u>	<u>-</u>

**18. Contingent liabilities**

There were no contingent liabilities at 31 December 2021, 31 December 2020 or 31 December 2019.

**19. Ultimate controlling party**

In the opinion of the Directors as at the year end and the date of the financial information, KANABI Limited is the ultimate controlling party.

**20. Events after the reporting period**

There are no events after the 31 December 2021 that relate to Hellenic Dynamics and which would significantly affect Hellenic Dynamics's Financial Information.

**PART VII**

**SECTION C**

**UNAUDITED INTERIM FINANCIAL INFORMATION ON HELLENIC DYNAMICS S.A FOR  
THE SIX MONTHS ENDED 30 JUNE 2022**

The Directors have prepared the Interim Financial Statements for the six months ended 30 June 2022 on the basis set out in note 2 to the Interim Financial Statements. The Interim Financial Statements contained in this Part VII Section C, which have been prepared by the Directors and are unaudited. The Directors are responsible for the Interim Financial Statements contained in this Part VII, Section C.

## I. Statement of Financial Position

		Unaudited As at June 30	Year ended December 31,
		2022	2021
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	3	752,075	629,069
Right of use assets	4	355,851	376,185
Intangible assets		17,806	10,000
Other receivables		3,500	3,500
		<b>1,129,232</b>	<b>1,018,754</b>
<b>Current Assets</b>			
Trade and other receivables	5	218,795	200,432
Cash and cash equivalents	6	26,976	5,979
		245,771	206,411
<b>Total Assets</b>		<b>1,375,003</b>	<b>1,225,165</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital	7	268,007	268,007
Share premium		1,052,714	1,052,714
Retained losses		(998,433)	(778,818)
<b>Total Equity</b>		<b>322,289</b>	<b>541,903</b>
<b>Non-current liabilities</b>			
Lease liabilities	8	305,851	368,863
<b>Total non-current liabilities</b>		<b>305,851</b>	<b>368,863</b>
<b>Current liabilities</b>			
Trade and other payables	9	243,713	111,499
Payables to related parties	10	453,150	137,961
Lease liability	8	50,000	64,939
<b>Total Current liabilities</b>		<b>746,863</b>	<b>314,399</b>
<b>Total liabilities</b>		<b>1,052,714</b>	<b>683,262</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,375,003</b>	<b>1,225,165</b>



## II. Income Statement

*Amounts in Euros*

	Unaudited 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021
Administrative expenses	(210,915)	(234,685)
<b>Operating loss</b>	<b>(210,915)</b>	<b>(234,685)</b>
Finance expense	(8,700)	(8,593)
<b>Loss before income tax</b>	<b>(219,615)</b>	<b>(243,278)</b>
Income tax expense	-	-
<b>Loss for the period from continuing operations</b>	<b>(219,615)</b>	<b>(243,278)</b>
Other comprehensive income:	-	-
<b>Total Comprehensive Income for the period</b>	<b>(219,615)</b>	<b>(243,278)</b>

### III. Statement of Changes in Equity

Amounts in Euros	Share Capital	Share premium	Retained losses	Total
<b>Balance at January 01, 2021</b>	<b>260,417</b>	-	<b>(373,796)</b>	<b>(113,379)</b>
Issue of shares	7,590	1,052,714	-	<b>1,060,304</b>
Loss for the period	-	-	(243,278)	<b>(243,278)</b>
<b>Balance at June 30, 2021- (unaudited)</b>	<b>268,007</b>	<b>1,052,714</b>	<b>(617,074)</b>	<b>703,647</b>
<b>Balance at January 01, 2022</b>	<b>268,007</b>	<b>1,052,714</b>	<b>(778,818)</b>	<b>541,903</b>
Issue of shares	-	-	-	-
Loss for the period	-	-	(219,615)	<b>(219,615)</b>
<b>Balance at June 30, 2022- (unaudited)</b>	<b>268,007</b>	<b>1,052,714</b>	<b>(998,433)</b>	<b>322,288</b>

#### IV. Cash Flow Statement

##### *Amounts in Euros*

	Unaudited 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>		
<b>Cash flows from operating activities</b>		
<b>Loss before taxation</b>	<b>(219,615)</b>	<b>(243,278)</b>
Adjustments for:		
Depreciation	20,334	20,334
Finance costs	8,700	8,593
Plus: Adjustments for changes in working capital:		
Increase in trade and other receivables	(147,257)	(78,593)
Increase in trade and other payables	133,077	(22,233)
Less:		
Interest and other related expenses paid	(200)	(187)
Income tax payment	-	-
<b>Net Cash flow used in operating activities (a)</b>	<b>(204,961)</b>	<b>(315,363)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible	(123,006)	(38,288)
<b>Net cash flows used in investing activities (b)</b>	<b>(123,006)</b>	<b>(38,288)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	-
Receipt of Borrowings	348,968	366,679
<b>Net cash flows generated from financing activities (c)</b>	<b>348,968</b>	<b>366,679</b>
<b>Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)</b>	<b>21,001</b>	<b>13,028</b>
Cash and cash equivalents at beginning of the period	5,979	10,046
<b>Cash and cash equivalents at end of the period</b>	<b>26,980</b>	<b>23,074</b>

## **Notes to the Interim Financial Information**

### **1. General Information of Hellenic Dynamics**

HELLENIC DYNAMICS S.A. (“Hellenic Dynamics”) was established in March 2019 and has received the registration number in the General Electronic Commercial Registry: 149608035000. The headquarters are in in Greece, Chorigi Kilkis, P.C. 61100.

The Company’s principal activities are in the field of cultivation and processing of medical cannabis.

### **2. Basis of Preparation**

The condensed Interim Financial Information has been prepared for the sole purpose of inclusion in the Prospectus and prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006. The Interim Financial Information does not include all disclosures that would otherwise be required in a complete set of financial information but have been prepared in accordance with the existing accounting policies and policies expected to be applied in the Financial Statements for the year ended 31 December 2022. The Interim Financial Information should be read in conjunction with the audited Historic Financial Information for the year ended 31 December 2021 as included in Part VII Section B.

The Interim Financial Information for the half year ended 31 June 2022 and 31 June 2021 is unaudited.

The Historic Financial Information of the Company, as included in Part VII Section B. The same accounting policies, presentation and methods of computation are followed in the Interim Financial Information as were applied in the audited Historic Financial Information.

No new policies were issued by IASB that are applicable to the period ended 31 June 2022.

The Interim Financial Information has been prepared under the historical cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in the Historic Financial Information. The Historic Financial Information is prepared in Euros.

#### **2.1 Going Concern**

Management prepared the Interim Historical Financial Information on a going concern basis. The directors are satisfied that adequate resources are available to the Company and they have no reason to believe that any material uncertainty exists that would cast a doubt about the ability of the Company to continue as a going concern.

In making this judgement management considered the Company’s budgets and cash flow forecasts for a period of at least twelve months from the date of approval of the financial information which demonstrates that the Company will be in a position to meet its liabilities as they fall due.

The Group has therefore adopted the going concern basis in preparing the Interim Historical Financial Information.

## 2.2 Significant accounting judgments, estimates and assumptions

The preparation of condensed Interim Financial Information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 2.1 of the Company' Historic Financial Information as included in Part VII. Actual amounts may differ from these estimates. The nature and amounts of such estimates have not changed significantly during the interim period.

## 3. Property Plant and equipment

Property Plant and equipment are analysed as follows:

<i>Amounts in Euros</i>	Leasehold improvements in process	Computers, furniture and fittings	Prepayment for security equipment	Prepayment for land acquisition	Total
<b>Acquisition cost at January 1, 2021 (audited)</b>	<b>314,831</b>	<b>21,579</b>	<b>153,731</b>	<b>30,000</b>	<b>520,141</b>
Additions during period	99,963	8,965	-	-	<b>108,920</b>
Transfers	153,731	-	(153,731)	-	-
<b>Acquisition cost at December 31, 2021 (audited)</b>	<b>568,524</b>	<b>30,545</b>	<b>-</b>	<b>30,000</b>	<b>629,069</b>
<b>Accumulated Depreciations at January 1, 2021</b>	-	-	-	-	-
Period's depreciation	-	-	-	-	-
<b>Accumulated Depreciations at December 31, 2021</b>	-	-	-	-	-
<b>Net carrying value at December 31, 2021 (audited)</b>	<b>568,524</b>	<b>30,545</b>	<b>-</b>	<b>30,000</b>	<b>629,069</b>
<b>Acquisition cost at January 1, 2022 (audited)</b>	<b>568,524</b>	<b>30,545</b>	<b>-</b>	<b>30,000</b>	<b>629,069</b>
Additions during period	123,006	-	-	-	<b>123,006</b>
<b>Acquisition cost at June 30, 2022 (unaudited)</b>	<b>691,530</b>	<b>30,545</b>	<b>0</b>	<b>30,000</b>	<b>752,075</b>
<b>Accumulated Depreciations at January 1, 2022</b>	-	-	-	-	-
Period's depreciation	-	-	-	-	-
<b>Accumulated Depreciations at June 30, 2022</b>	-	-	-	-	-
<b>Net carrying value at June 30, 2022 (unaudited)</b>	<b>691,530</b>	<b>30,545</b>	<b>0</b>	<b>30,000</b>	<b>752,075</b>

- Hellenic Dynamics has not recognized depreciation charge in profit or loss for the six-month period to 30 June 2022 or any previous reporting period.
- Depreciation of assets will begin when they are available for use, i.e. when are in the location and condition necessary for them to be capable of operating in the manner intended by management.

## 4. Right of use assets

Right of use assets are analyzed as follows:

<i>Amounts in Euros</i>	Land	Total
<b>Net book value at December 31, 2020 (audited)</b>	<b>416,854</b>	<b>416,854</b>
Additions during period 2021	0	0
Depreciation charge for the year 2021	(40,669)	<b>(40,669)</b>
<b>Net book value at December 31, 2021 (audited)</b>	<b>376,185</b>	<b>376,185</b>
Additions during period June 30, 2022	0	0
Depreciation charge for the period June 30,2022	(20,334)	<b>(20,334)</b>
<b>Net book value at June 30, 2022 (unaudited)</b>	<b>355,851</b>	<b>355,851</b>

The above RoU concerns a 12- year land lease started April 2019.

## 5. Trade and other receivables

Trade and other receivables are analyzed as follows:

<i>Amounts in Euros</i>	As of June 30, 2022 (unaudited)	As of December 31, 2021 (audited)
Receivables from VAT	191,390	170,739
Suppliers' debit balances	25,799	28,193
Others receivables	1,606	1,500
<b>Total</b>	<b>218,795</b>	<b>200,432</b>

## 6. Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

<i>Amounts in Euros</i>	As of June 30, 2022 (unaudited)	As of December 31, 2021 (audited)
Cash in hand	26,976	5,815
Cash deposits	-	164
<b>Total</b>	<b>26,976</b>	<b>5,979</b>

## 7. Share capital

Fully paid share capital is analyzed as follows:

<i>Share Capital</i>	Number of Shares	Nominal Value	Share Capital Amount	Share Premium
Balance amount December 31, 2021 (audited)	268,007	1	268,007	1,052,714
	-	-	-	-
Balance amount June 30, 2022	268,007	1	268,007	1,052,714

## 8. Lease liabilities

Payments from leases are analyzed as follows:

<i>Amounts in Euros</i>	As of June 30, 2022 Unaudited)	As of December 31, 2021 (audited)
Up to 1 year	50,000	50,000
2 to 5 year	200,000	200,000
After 5 years	200,000	250,000
<b>Total</b>	<b>450,000</b>	<b>500,000</b>
<b>Less: Future financial charges</b>	<b>(94,149)</b>	<b>(66,198)</b>
<b>Present value of future lease payments</b>	<b>355,851</b>	<b>433,802</b>

## 9. Trade and other payables

Trade and other payables are analyzed as follows:

<i>Amounts in Euros</i>	As of June 30, 2022 (unaudited)	As of December 31, 2021 (unaudited)
Trade payables	243,713	95,643
Withholding tax	-	4,222
Others	-	11,634
<b>Total</b>	<b>243,713</b>	<b>111,499</b>

## 10. Payables to related parties

Payables to related parties are analysed as follows:

<i>Amounts in Euros</i>	<b>As of June 30, 2022 (unaudited)</b>	<b>As of December 31, 2021 (audited)</b>
Kanabi Limited	4,158	4,158
UK SPAC Plc	315,189	-
Payable to directors	133,803	133,803
<b>Total</b>	<b>453,150</b>	<b>137,961</b>

As at 30 June 2022, €103,803 was payable to G Papadopoulos (31 December 2021, €103,803), €30,000 to P Moschokarfi (2021:€ 30,000, 2019€Nil) and €315,189 was payable to UK SPAC Plc (31 December 2021, €Nil).

Amounts payable to related parties are interest free and repayable on demand. Directors received no remuneration for the 3 years ended 31 December 2021.

During the year ended 31 December 2020, the Company entered into a a loan agreement with its majority shareholder, Kanabi Limited as lender dated 27 June 2020 for a secured loan facility of up to €1,000,000 (Kanabi Loan Agreement). The amount of the loan outstanding on 30 June 2021 was €831,632, which was converted into 4,158 shares of the Company. These were issued to Kanabi on 30 June 2021 and there are no longer any amounts outstanding under this facility.

During the year ended 31 December 2021, the Company entered into a a loan agreement with its shareholder, Keynes Ventures Limited as lender dated 22 July 2021 (effective from 5 February 2021) for a secured loan facility of up to £200,000 (Keynes Loan Agreement). The amount of the loan outstanding on 30 June 2021 was €226,372, which was converted into 1,132 shares of the Company. These were issued to Kanabi on 30 June 2021 and there are no longer any amounts outstanding under this facility.

## 11. Events after the reporting period

There are no events after the 30th of June 2022 that relate to Hellenic Dynamics and which would significantly affect the interim financial information.



**PART VIII  
SECTION A**

**Capitalisation and Indebtedness of the Company**

The following table shows capitalisation and indebtedness of the Company as at 31 August 2022 and has been extracted without material adjustment from unaudited management information.

	<i>31 August 2022</i> (£)
<b><i>Total Current Debt</i></b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	
<b><i>Total Non-Current Debt</i></b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
<b><i>Shareholder Equity</i></b>	<i>31 August 2022</i> (£)
Share Capital	4,122,400
Share premium	2,816,208
Other Reserves	7,500
<b>Total</b>	<b>6,946,108</b>

As at the Last Practicable Date, there has been no material change in the capitalisation of the Company since the last published financial information.

The following table sets out the unaudited net funds of the Company as at 31 August 2022 and has been extracted without material adjustment from unaudited management information.

	<i>31 August 2022</i>
	(£)
A. Cash	1,891,725
B. Cash equivalent	-
C. Trading securities	-
D. Liquidity (A) + (B) + (C)	<u>1,891,725</u>
E. Current financial receivable	358,218
F. Current bank debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	-
I. Current Financial Debt (F) + (G) + (H)	-
J. Net Current Financial Indebtedness (I) - (E) - (D)	<u>(2,249,943)</u>
K. Non-current Bank loans	-
L. Bonds Issued	-
M. Other non-current loans	-
N. Non-current Financial Indebtedness (K) + (L) + (M)	-
O. Net Financial Indebtedness (J) + (N)	<u><b>(2,249,943)</b></u>

As at 31 August 2022, the Company had no indirect or contingent indebtedness.

As at the Last Practicable Date, there has been no material change in the indebtedness of the Company since 31 August 2022.

**PART VIII**

**SECTION B**

**Capitalisation and Indebtedness of Hellenic Dynamics**

The following table shows Hellenic Dynamics' capitalisation and indebtedness as at 31 August 2022 and has been extracted without material adjustment from unaudited management information.

	<i>31 August 2022</i>
	<i>(£)</i>
<b><i>Total Current Debt</i></b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
<b><i>Total Non-Current Debt</i></b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
<b><i>Shareholder Equity</i></b>	<i>31 August 2022</i>
	<i>(£)</i>
Share Capital	<i>616,975</i>
Share premium	<i>1,052,714</i>
<b>Total</b>	<i>1,669,689</i>

As at the Last Practicable Date, there has been no material change in the capitalisation of Hellenic Dynamics since the last published financial information.

The following table sets out the unaudited net funds of Hellenic Dynamics as at 31 August 2022 and has been extracted without material adjustment from unaudited management information.

	<i>31 August 2022</i>
	<i>(£)</i>
A. Cash	26,976
B. Cash equivalent	-
C. Trading securities	-
D. Liquidity (A) + (B) + (C)	<u>26,976</u>
E. Current financial receivable	-
F. Current bank debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	-
I. Current Financial Debt (F) + (G) + (H)	-
J. Net Current Financial Indebtedness (I) - (E) - (D)	<u>(26,976)</u>
K. Non-current Bank loans	-
L. Bonds Issued	-
M. Other non-current loans	-
N. Non-current Financial Indebtedness (K) + (L) + (M)	-
O. Net Financial Indebtedness (J) + (N)	<u><b>(26,976)</b></u>

As at 31 August 2022, Hellenic Dynamics had no indirect or contingent indebtedness.

As at the Last Practicable Date, there has been no material change in the indebtedness of Hellenic Dynamics since 31 August 2022.

## PART IX

### UNAUDITED PRO FORMA FINANCIAL INFORMATION

PKF Littlejohn LLP



Accountants &  
business advisers

The Directors  
U.K. SPAC Plc  
3rd Floor 80 Cheapside,  
London  
EC2V 6EE

The Directors  
Peterhouse Capital Limited  
3rd Floor  
80 Cheapside  
London  
EC2V 6EE

Dear Sirs

#### **Introduction**

We report on the unaudited pro forma statement of net assets at 31 March 2022 ('the Pro Forma Financial Information') set out in Part IX of the Company's Prospectus dated 14 November 2022, which has been prepared on the basis described in Part IX of this document, for illustrative purposes only, to provide information about how the Warrant Subscription Funds, acquisition of Hellenic Dynamic S.A and Admission might have affected the net assets presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the period ended 31 March 2022. This report is required by Annex 20, Section 3 of the PR Regulation and is given for the purpose of complying with that requirement and for no other purpose.

#### **Opinion**

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

#### **Responsibilities**

It is the responsibility of the Directors of the Company to prepare the Pro Forma Financial Information in accordance with Sections 1 & 2 of the UK version of Annex 20 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129.

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129, as to the proper compilation of the Pro forma financial information and to report that opinion to you. Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest

extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, Item 1.3 of the PR Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

#### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we have performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

#### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1, Item 1.2 of the PR Regulation.

Yours faithfully

**PKF Littlejohn LLP**  
**Reporting Accountant**

**14 November 2022**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

#### UNAUDITED PROFORMA NET ASSET STATEMENT FOR ENLARGED GROUP

Set out below is an unaudited pro forma statement of net assets and income statement of U.K. SPAC Plc (“the Company”) and Hellenic Dynamics (together “the Enlarged Group”) as at 31 March 2022 and 30 June 2022 respectively. The unaudited pro forma net assets of the Enlarged Group has been prepared on the basis set out in the notes below and in accordance with Annex 20 and item 18.4.1 of Annex 1 of the PR Regulation to illustrate the proposed acquisition as if it had taken place on 1 April 2021.

The unaudited pro forma information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group’s actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group’s financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future. The unaudited pro forma information is based on the unaudited net assets of the Company and Hellenic Dynamics as 31 March 2022 and 30 June 2022 respectively included by reference and as shown in Appendix I and Part VII respectively (Historical Financial Information). No adjustments have been made to take account of trading, expenditure or other movements subsequent to 31 March 2022 and 30 June 2022 respectively, being the date of the last published balance sheet of the Company and Hellenic Dynamics.

The unaudited pro forma information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Prospectus and not rely solely on the summarised financial information contained in this Part.

Unaudited pro forma statement of net assets as at 31 March 2022

	The Company Net assets as at 31 March 2022	Hellenic Dynamics S.A Net Assets as at 30 June 2022	Issue of convertible loan notes net of costs	Unaudited pro forma adjusted net assets of the Enlarged Group on admission
	(Note 1) (£)	(Note 2) (£)	(Note 3) (£)	(£)
<b>Assets</b>				
<b>Non-current assets</b>				
<b>Investments</b>				
Property, plant and equipment	-	647,386	-	647,386
Right of use assets	-	15,741	-	15,741
Intangible assets	-	-	-	0
Other non-current receivables	-	3,013	-	3,013
<b>Total non-current assets</b>	<b>-</b>	<b>666,140</b>	<b>-</b>	<b>666,140</b>
<b>Current assets</b>				
Cash	2,095,682	-	1,125,000	3,225,702
Trade and other receivables	216,871	23,221	-	240,092
<b>Total current assets</b>	<b>2,312,553</b>	<b>23,221</b>	<b>1,125,000</b>	<b>3,460,774</b>
<b>Total assets</b>	<b>2,312,553</b>	<b>689,361</b>	<b>1,125,000</b>	<b>4,126,914</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease liabilities	-	-	-	-
Convertible loan notes	-	-	375,000	375,000
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>375,000</b>	<b>375,000</b>
<b>Current liabilities</b>				
Trade and other payables	48,361	211,304	-	259,665
Payables to related parties	-	89,680	-	89,680
<b>Total current liabilities</b>	<b>48,361</b>	<b>300,984</b>	<b>-</b>	<b>349,345</b>
<b>Total liabilities</b>	<b>48,361</b>	<b>300,984</b>	<b>375,000</b>	<b>724,345</b>
<b>Total assets less total liabilities</b>	<b>2,264,192</b>	<b>388,377</b>	<b>750,000</b>	<b>3,402,569</b>



The pro forma statement of net assets has been prepared on the following basis:

1. The audited net assets of the Company as at 31 March 2022 have been extracted without adjustment from the Historic Financial Information which can be found in Appendix I of this document.
2. The net assets of Hellenic Dynamics S.A as at 30 June 2022 have been extracted without adjustment from the Historic Financial Information included in Part VII Section C of this document and converted to Great British Pounds at the closing rate on 30 June 2022 of €1 to £0.8608.
3. An adjustment has been made to reflect the proceeds received, strictly subject to and conditional upon Admission, from:
  - i. The issue of convertible loan notes totalling £375,000 at an exercise price of £0.003 per share;
  - ii. The issue of 250,000,000 Ordinary shares at a price of £0.003 per share totalling £750,000;
4. No adjustments have been made to reflect the trading or other transactions, other than described above of:
  - i. the Company since 31 March 2022;
  - ii. Hellenic Dynamics S.A since 30 June 2022;
5. The pro forma statement of net assets does not constitute financial statements.

## PART X

### TAXATION

The following Part is a summary guide only to certain aspects of tax in the UK. This is not a complete analysis of all the potential tax effects of acquiring, holding and disposing of Ordinary Shares, nor will it relate to the specific tax position of all Shareholders in all jurisdictions. This summary is not a legal opinion. Shareholders are advised to consult their own tax advisers.

#### 1. Taxation in the United Kingdom

The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of shareholders who are resident (and in the case of individuals, ordinarily resident and domiciled) in the UK, holding shares as investments and not as securities to be realised in the course of a trade. Unless otherwise noted the paragraphs below are based on current UK legislation, HM Revenue & Customs practice and incorporates formal announcements made by the Chancellor, but not yet enacted by Parliament.

1.1. An investor should consult his/her own tax professional about the tax consequences of an investment in the shares of the Company.

1.2. Taxation of dividends

(a) Under current UK legislation, no tax is withheld from dividend payments by the Company.

UK resident individuals are entitled to a £2,000 annual dividend allowance. Dividends received and not exceeding this allowance will not be subject to income tax. Dividends received in excess of this allowance will be taxed at 8.75 per cent up to the limit of the basic rate income tax band. Dividends received in excess of the basic tax income tax band will be taxed at 33.75% up to the limit of the higher rate income tax band. Where dividends are received in excess of the higher rate income tax band, then the excess will be taxed at 39.35% being at the additional rate of income tax.

(b) Trustees of discretionary trusts are liable to account for income tax at the dividend trust rate, currently 38.1 per cent.

(c) Investors should consult their own tax advisers on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident.

1.3. Taxation of capital gains made by shareholders

(a) United Kingdom resident shareholders

A disposal of Ordinary Shares by a Shareholder, who is resident for tax purposes in the UK, will in general be subject to UK taxation on the chargeable gain arising on a disposal of Ordinary Shares.

UK resident individuals are entitled to an annual allowance to be deducted from any chargeable gain that would otherwise be taxable in the relevant tax year. The annual allowance for the tax year to 5 April 2023 is £12,300. Generally speaking, where the individual's taxable chargeable gains exceed the allowance, then these gains will be taxed at 10%, but only to the extent that the individual's taxable income and chargeable gains do not exceed the basic rate income tax band. Where the individual's taxable income and chargeable gains exceeds the basic rate income tax

band and then the remaining chargeable gain will be taxed at 20%.

The trustees of discretionary or accumulation trusts may be able to claim an annual allowance being one-half of the allowance available to individuals. For the tax year ended 5 April 2023 the allowance is £6,150. Independent professional advice should be sought before claiming this allowance. Where the allowance is claimed then chargeable gains in excess of this amount will be liable to tax at 20%. Where the allowance is not claimed then the whole chargeable gain will be liable to tax at 20%.

(b) Non-residents

A Shareholder who is not resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the Shareholder is a company) or through a branch or agency (where the Shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation through such permanent establishment, branch or agency (as appropriate) will be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, any holders of Ordinary Shares who are individuals and who dispose of shares while they are temporarily non-resident may be treated as disposing of them in the tax year in which they again become resident in the UK.

All non-resident or non-domiciled shareholders should seek professional advice before considering a transaction which should be considered a chargeable gain.

(c) Companies

For UK corporates, capital gains are currently chargeable at the rate of 19 per cent subject to indexation which may apply to reduce any such gain, although indexation cannot create or increase a capital loss (indexation is no longer available to individuals and trustees). Other reliefs may be relevant.

From 1 April 2023, the corporation tax main rate will be increased to 25% applying to profits over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

#### 1.4. Inheritance tax

Shareholders regardless of their tax status should seek independent professional advice when considering any event which may give rise to an inheritance tax charge.

Ordinary Shares beneficially owned by an individual Shareholder will be subject to UK inheritance tax on the death of the Shareholder (even if the Shareholder is not domiciled or deemed domiciled in the UK); although the availability of exemptions and reliefs may mean that in some circumstances there is no actual tax liability. A lifetime transfer of assets to another individual or trust may also be subject to UK inheritance tax based on the loss of value to the donor, although again exemptions and reliefs may be relevant. Particular rules apply to gifts where the donor reserves or retains some benefit

#### 1.5. UK stamp duty and duty reserve tax

No UK stamp duty will be payable on the issue by the Company of Ordinary Shares. Transfers of Ordinary Shares for value will give rise to a liability to pay UK ad valorem stamp duty, or stamp duty reserve tax, at the rate in each case of 50p per £100 of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5). Transfers under CREST system for paperless transfers of shares will generally be liable to stamp duty reserve tax.

#### 1.6. General Note on Taxation

Investors should be aware that taxation treatment may be varied in accordance with changes made in taxation rules by H.M. Government from time to time.

**This summary of UK taxation issues can only provide a general overview of these areas and it is not a description of all the tax considerations that may be relevant to a decision to invest in the Company. The summary of certain UK tax issues is based on the laws and regulations in force as of the date of this Document and may be subject to any changes in UK law occurring after such date. Legal advice should be taken with regard to individual circumstances. Any person who is in any doubt as to his or her tax position or where he or she is resident, or otherwise subject to taxation, in a jurisdiction other than the UK, should consult his or her professional adviser.**

## PART XI

### TAKEOVER CODE DISCLOSURES

#### 1. Principal Activities of the Company

The Company is an investment vehicle with an enlarged strategic focus to include acquisition opportunities within the cannabis processing industry.

#### 2. Responsibility

The following responsibility statements are made in connection with the requirements of the Takeover Code.

- 2.1. The Directors, whose names and principal functions are set out on page 66 of Part III of this Document, and the Company, accept responsibility for the information contained in this Document (including any expressions of opinion) (except where responsibility is taken by other parties as set out in section 2.2 and 2.3 below). To the best of the knowledge of the Directors and the Company the information contained in this document for which they are responsible is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.
- 2.2. Each of the Proposed Directors whose names appear on page 65 of Part III of this Document, accepts responsibility for the information contained in this Document (including any expressions of opinion) relating to himself or herself. To the best of the knowledge and belief of each of the Proposed Directors the information contained in this Document for which they are responsible is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.
- 2.3. Each of the members of the Kanabi Concert Party whose names appear in paragraph 6 of this Part XI of this Document, accepts responsibility for the information contained in this Document (including any expressions of opinion) relating to himself or itself. To the best of the knowledge and belief of each member of the Kanabi Concert Party the information contained in this document for which they are responsible is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.

#### 3. Directors

The Directors at the date of this document are:

Peter Jay	Executive Chairman
Nigel Brent Fitzpatrick	Non-executive Director
Simon Grant-Rennick	Non-executive Director

The business address of the Directors is the Company's registered office address.

The Proposed Directors, following Admission, are:

Anthony Jolliffe	Non-executive Chairman
Davinder Rai	Chief Executive Officer
Dr. Filippou Papadopoulos	Executive Director

At the date of this document the directors of Hellenic are:

Joseph Colliver

Non-executive Director

#### **4. Takeover Code and Rule 9 Waiver**

The Takeover Code applies to the Company and governs, inter alia, transactions which may result in a change of control of a company to which the Takeover Code applies. Under Rule 9 of the Takeover Code, a person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of the voting rights of the company, an offer will normally be required if any further interests in shares carrying voting rights are acquired by such person or any person acting in concert with that person.

An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Company has agreed with the Panel that there are two distinct concert parties. Information on the concert parties and each of their members, is set out in paragraph 5 below.

Following Admission, the members of the Kanabi Concert Party will be interested in 5,213,653,039 Ordinary Shares, representing 41.61 per cent. of the voting rights of the Company. Assuming exercise in full by the members of the Kanabi Concert Party of the Concert Party Options and the Concert Party Warrants and the conversion of the CLNs and re-distribution of the Top-Up Shares (and assuming that no other person converts any convertible securities or exercises any options or any other right to subscribe for shares in the Company), the members of the Kanabi Concert Party would be interested in 6,019,341,895 Ordinary Shares, representing approximately 45.32 per cent. of the enlarged voting rights of the Company. Further details of the respective individual interests in shares of the members of each of the Hellenic Concert Party and Kanabi Concert Party on Admission and following the exercise of the Concert Party Options and Concert Party Warrants, together with the issue of the Conversion Shares and the re-distribution of the Top-Up Shares is set out below.

Following Admission, the members of the Kanabi Concert Party will be interested in shares carrying more than 30 per cent. of the voting rights of the Company but will not hold shares carrying more than 50 per cent. of the voting rights of the Company. For so long as they continue to be acting in concert, any increase in their aggregate interest in shares will be subject to the provisions of Rule 9. Any increase in the aggregate interest if shares of the Hellenic Concert Party above 29.9 per cent. would also be subject to the provisions of Rule 9.

The issue of the Concert Party Shares in addition to the exercise by the members of the Kanabi Concert Party

of the Concert Party Options or the Concert Party Warrants, or the receipt of the Conversion Shares and the Top-Up Shares described above would normally trigger an obligation for an offer to be made under Rule 9. However, the Panel has agreed to waive this obligation such that there will be no requirement for an offer to be made in respect of the exercise of such Concert Party Options or the Concert Party Warrants, or the receipt of the Conversion Shares and the Top-Up Shares.

**The Panel has agreed to waive the obligation to make an offer that would otherwise arise for the members of the Kanabi Concert Party under Rule 9 as a result of the allotment and issue of the Concert Party Shares and the exercise of the Concert Party Warrants and the Concert Party Options, subject to the approval of independent shareholders. Accordingly, Resolution 1 is being proposed at the General Meeting of the Company and will be taken on a poll. All existing shareholders are considered to be independent and, therefore, will be eligible to vote.**

**Whether or not the Rule 9 Waiver is approved, the Kanabi Concert Party will not be restricted from making an offer for the Company in the event that the Rule 9 Waiver Resolution is passed.**

Further details of the members of the Hellenic Concert Party and the Kanabi Concert Party are set out below.

## 5. Concert Party Shares

Pursuant to the terms of the Convertible Loan Notes, upon conversion of the Convertible Loan Notes within 9 months of the date of Admission, Rami Ajami, the CLN Holder and a member of the Kanabi Concert Party, will be entitled to receive 125,000,000 Top-Up Shares from certain persons who were existing shareholders of Hellenic prior to Admission. The Top-up Shares, which will be held in escrow from Admission, will be redistributed pro-rata from these shareholders.

The table below sets out the effects of the re-distribution of the Top-up Shares on the members of the Hellenic Concert Party and Kanabi Concert Party.

	Number of Ordinary Shares held on Admission *	Holding as a percentage of issued share capital on Admission	Number of Conversion Shares	Reduction in holding as a result of the redistribution of Top-up Shares	Number of Top-up Shares	Number of Ordinary Shares held following conversion and re-distribution of Top-up Shares	Holding as a percentage of so enlarged issued share capital
<b><u>Hellenic Concert Party</u></b>							
George Papadopoulos	2,975,550,471	23.75%	-	(38,753,701)	-	2,936,796,770	23.21%
Paraskevoula Moschokarfi	8,594,005	0.07%	-	(111,928)	-	8,482,077	0.07%
Zoe Papadopoulos	-	0.00%	-	-	-	-	0.00%
	<b>2,984,144,476</b>	<b>23.82%</b>	-	<b>(38,865,629)</b>	-	<b>2,945,278,847</b>	<b>23.27%</b>
<b><u>Kanabi Concert Party</u></b>							
Samos Investments LTD	2,092,476,946	16.70%	-	(31,188,812)	-	2,061,288,134	16.29%

Keynes Ventures	1,037,888,567	8.28%	-	(13,517,506)	-	1,024,371,061	8.09%
Rashid Ibrahim	479,278,170	3.83%	-	(6,242,140)	-	473,036,030	3.74%
Davinder Rai	452,923,219	3.61%	-	(5,898,892)	-	447,024,327	3.53%
Rami Ajami	407,532,726	3.25%	125,000,000	(3,679,718)	125,000,000	653,853,008	5.17%
Verdict Advisors LTD	239,639,086	1.91%	-	(3,121,070)	-	236,518,016	1.87%
Suisse Royal Group GMBH	153,813,612	1.23%	-	(2,003,275)	-	151,810,337	1.20%
Hele Koivastik	119,819,543	0.96%	-	(1,560,535)	-	118,259,008	0.93%
Paul McMullen	69,515,962	0.55%	-	(905,378)	-	68,610,584	0.54%
Jeremy Tizzard	47,897,261	0.38%	-	(623,816)	-	47,273,445	0.37%
Levant Consultants LLP	40,028,971	0.32%	-	(521,340)	-	39,507,631	0.31%
Hassan Chalhoub	23,948,630	0.19%	-	(311,909)	-	23,636,721	0.19%
Ajit Parhar	23,948,630	0.19%	-	(311,909)	-	23,636,721	0.19%
Raymond Khoury	11,038,523	0.09%	-	(143,767)	-	10,894,756	0.09%
Martin John Pugh	8,899,571	0.07%	-	(115,909)	-	8,783,662	0.07%
George Weston	5,003,622	0.04%	-	(65,168)	-	4,938,454	0.04%
	<b>5,213,653,039</b>	<b>41.61%</b>	<b>125,000,000</b>	<b>(70,211,144)</b>	<b>125,000,000</b>	<b>5,393,441,895</b>	<b>42.62%</b>
<b>Other Shareholders</b>	<b>4,332,202,485</b>	<b>34.57%</b>	<b>-</b>	<b>(15,923,227)</b>	<b>-</b>	<b>4,316,279,258</b>	<b>34.11%</b>
<b>Total</b>	<b>12,530,000,000</b>	<b>100.00%</b>	<b>125,000,000</b>	<b>(125,000,000)</b>	<b>125,000,000</b>	<b>12,655,000,000</b>	<b>100.00%</b>

\* - this figure is calculated following transfer of the Peterhouse Shares

It should be noted that it is only the aggregate holding of the Kanabi Concert Party that increases as a result of conversion. Therefore, for the purposes of determination of the maximum concert party position in tables in Paragraph 6 below, for the Hellenic Concert Party, it is assumed that no Top-Up Shares are awarded.

## 6. Information on the Concert Parties

The respective holdings of the concert parties on Admission and each concert party's maximum potential shareholding, assuming all options held by every member of each concert party only are exercised in full, is summarised below:

Concert Party	Number of Ordinary Shares held in aggregate on Admission*	Enlarged Issued Share Capital held on Admission (%)	Maximum shareholding position upon issue of the Concert Party Shares and exercise of the Concert Party Options and Concert Party Warrants**	Concert Party maximum shareholding as a percentage of the enlarged fully diluted



				share capital (%)
Hellenic Concert Party	2,984,144,476	23.82%	3,259,804,476	25.46%
Kanabi Concert Party	5,213,653,039	41.61%	6,019,341,895	45.32%

\* - Calculated following transfer of the Peterhouse Shares

\*\* - Members of the Hellenic Concert Party have no interest in the Concert Party Shares, Concert Party Options or Concert Party Warrants, however, members of the Hellenic Concert Party will be granted options on Admission, comprising part of the New Options as detailed below.

Further details of the members of each of the Hellenic Concert Party and the Kanabi Concert Party, together with their respective shareholdings on Admission, are set out in full below:

### **Hellenic Concert Party**

The Hellenic Concert Party comprises the following members:

George Papadopoulos

George Papadopoulos is the founder and Chief Executive Officer of Hellenic Dynamics as at the date of this Document. He is the husband of Paraskevoula Moschokarfi and the brother of Zoe Papadopoulos.

Paraskevoula Moschokarfi

Paraskevoula Moschokarfi is the wife of George Papadopoulos.

Zoe Papadopoulos

Zoe Papadopoulos is the sister of George Papadopoulos and an employee of the Company.

The interests of the members of the Hellenic Concert Party are as follows:

Shareholder	Number of Ordinary Shares held on Admission*	Enlarged Issued Share Capital held on Admission (%)	Number of options held over Ordinary Shares to be granted on Admission	Maximum shareholding position upon exercise of options	Shareholding when Concert Party position maximised (%)
George Papadopoulos	2,975,550,471	23.75%	250,600,000	3,226,150,471	25.19%
Paraskevoula Moschokarfi	8,594,005	0.07%	-	8,594,005	0.07%
Zoe Papadopoulos	-	-	25,060,000	25,060,000	0.20%
<b>Total</b>	<b>2,984,144,476</b>	<b>23.82%</b>	<b>275,660,000</b>	<b>3,259,804,476</b>	<b>25.46%</b>

\* - this figure is calculated following transfer of the Peterhouse Shares

The maximum controlling position of the Hellenic Concert Party, as set out above, is 3,259,804,476 Ordinary Shares representing 25.46 per cent. of the Enlarged Issued Share Capital. This is based on the following assumptions:

- completion of the Acquisition (resulting in the issue of the Consideration Shares) and the granting of New Options, on Admission, of which members of the Hellenic Concert Party are recipients);
- the transfer of the Peterhouse Shares having occurred;
- exercise of all options held only by members of the Hellenic Concert Party;
- Conversion of the CLNs not having occurred; and
- there being no other issue of Ordinary Shares.

If any of the members of the Hellenic Concert Party listed above were to increase the percentage of the shares carrying voting rights in which they are interested, with the result that their concert party is interested in aggregate in 30 per cent. or more of the Ordinary Shares in issue at the time, then the members of such concert party would be obliged, except with the consent of the Takeover Panel, to make a mandatory offer as referred to above.

### **Kanabi Concert Party**

Kanabi, a private limited company incorporated in the UK with company number 11709689, was established as an investment vehicle to make acquisitions in the European cannabis sector. Kanabi acquired 51.1 per cent. of the issued share capital of Hellenic on 18 November 2020 and, prior to Admission, effected a distribution in specie of its shareholding in Hellenic to its underlying shareholders. Prior to its investment into Hellenic in November 2020, Kanabi had no previous business relationship with Hellenic or its directors.

The Kanabi Concert Party comprises the following members:

Samos Investments Limited	A company owned by the family trust of Sheikh Ghassan Shaker, a business associate of Mohamad Ajami.
Keynes Ventures Limited	Keynes, a private limited company incorporated in Gibraltar controlled by Mohamad Ajami, a close business associate of the founders of Kanabi and a partner of Levant Consultants LLP (a founding shareholder in Kanabi).
Rashid Ibrahim	An Initial investor in Kanabi and a partner in Levant Consultants LLP.
Davinder Rai	Founder, sole director and initial investor in Kanabi.
Rami Ajami	The eldest son, and close business associate, of Mohamad Ajami. A subscriber in the fundraise and, on Admission, holder of the CLN.
Verdict Advisors Ltd	A company controlled by a close business associate of Mohamed and Rami Ajami which acquired shares in August 2021 alongside other shareholders in a funding round.
Suisse Royal Group GmbH	The private investment vehicle of Toby Shillito, a founding shareholder of Kanabi and Hellenic's master grower.

Hele Koivastik	An initial investor in Kanabi and a close business associate of Levant Consultants LLP who was awarded shares in Kanabi in lieu of services.
Paul McMullen	A close business associate of Levant Consultants LLP who acquired shares in Kanabi alongside other investors.
Jeremy Tizzard	A person closely related, and a service provider, to Levant Consultants LLP who was awarded shares in Kanabi in lieu of services.
Levant Consultants LLP	A partnership controlled by Mohamad Ajami and Rashid Ibrahim and a founding shareholder in Kanabi.
Hassan Chalhoub	A close business associate of Levant Consultants LLP who was awarded shares in Kanabi in lieu of services.
Ajit Parhar	The father of the proposed head of financial operations of Hellenic on Admission who is also a closely related to Levant Consultants LLP and who purchased shares in Kanabi alongside other investors.
Raymond Khoury	A close business associate of Levant Consultants LLP who acquired shares in Kanabi alongside other investors.
Martin John Pugh	A business associate of Levant Consultants LLP who acquired shares in Kanabi alongside other investors
George Weston	A friend and business associate of Rami Ajami who acquired shares in Kanabi alongside other investors

The interests of the members of the Kanabi Concert Party are as follows:

Shareholder	Number of Ordinary Shares held on Admission*	Enlarged Issued Share Capital held on Admission (%)	Number of Ordinary Shares held following issue of Conversion Shares and re-distribution of Top-Up Shares**	Number of Concert Party Options and Concert Party Warrants held following Admission	Maximum shareholding position upon issue of Conversion Shares and re-distribution of Top-Up Shares and exercise of Concert Party Options and Concert Party Warrants	Shareholding when Concert Party position maximised (%)
Samos Investments Limited	2,092,476,946	16.70%	2,061,288,134	-	2,061,288,134	15.52%
Keynes Ventures	1,037,888,567	8.28%	1,024,371,061	-	1,024,371,061	7.71%
Rashid Ibrahim	479,278,170	3.83%	473,036,030	-	473,036,030	3.56%

Davinder Rai	452,923,219	3.61%	447,024,327	250,600,000	697,624,327	<b>5.25%</b>
Rami Ajami	407,532,726	3.25%	653,853,008	250,000,000	903,853,008	<b>6.81%</b>
Verdict Advisors Ltd	239,639,086	1.91%	236,518,016	-	236,518,016	<b>1.78%</b>
Suisse Royal Group GmbH	153,813,612	1.23%	151,810,337	125,300,000	277,110,337	<b>2.09%</b>
Hele Koivastik	119,819,543	0.96%	118,259,008	-	118,259,008	<b>0.89%</b>
Paul McMullen	69,515,962	0.55%	68,610,584	-	68,610,584	<b>0.52%</b>
Jeremy Tizzard	47,897,261	0.38%	47,273,445	-	47,273,445	<b>0.36%</b>
Levant Consultants LLP	40,028,971	0.32%	39,507,631	-	39,507,631	<b>0.30%</b>
Hassan Chalhoub	23,948,630	0.19%	23,636,721	-	23,636,721	<b>0.18%</b>
Ajit Parhar	23,948,630	0.19%	3,636,721	-	23,636,721	<b>0.18%</b>
Raymond Khoury	11,038,523	0.09%	10,894,756	-	10,894,756	<b>0.08%</b>
Martin John Pugh	8,899,571	0.07%	8,783,662	-	8,783,662	<b>0.07%</b>
George Weston	5,003,622	0.04%	4,938,454	-	4,938,454	<b>0.04%</b>
<b>Total</b>	<b>5,213,653,039</b>	<b>41.61%</b>	<b>5,393,441,895</b>	<b>625,900,000</b>	<b>6,019,341,895</b>	<b>45.32%</b>

\* - this figure is calculated following transfer of the Peterhouse Shares

\*\* - Please see table in paragraph 5 above for net movement in the shareholdings of member of the Kanabi Concert Party as a result of the re-distribution of the Top-Up Shares.

The Kanabi Concert Party comprises a number of shareholders. Consequently and there is no ultimate owner of the Consideration Shares. The maximum controlling position of the Kanabi Concert Party, as set out above, is 6,019,341,895 Ordinary Shares representing 45.32 per cent. of the Enlarged Issued Share Capital. This is based on the following assumptions:

- completion of the Acquisition (resulting in, inter alia, the issue of the Consideration Shares and Subscription Shares due to members of the Kanabi Concert Party);
- the transfer of the Peterhouse Shares having occurred;
- exercise of all Concert Party Options and Concert Party Warrants held only by members of the Kanabi Concert Party;

- conversion of the CLN within the 9 months following Admission such that the Conversion Shares and Top-Up Shares are awarded to the CLN Holder; and
- there being no other issue of Ordinary Shares.

## **7. Intentions of the Kanabi Concert Party**

Save for the appointment of the Proposed Directors and, the resignation of the existing Directors on Admission, no member of the Kanabi Concert Party is proposing any changes to the Board. The members of the Kanabi Concert Party have confirmed their intention that, following any increase in their holdings of Ordinary Shares as a result of the issue to them of the 5,393,441,895 Concert Party Shares, the 375,900,000 Concert Party Options, and the 250,000,000 Concert Party Warrants, on approval of the Waiver Resolution, the combined business of the Company and Hellenic Dynamics would continue in substantially the same manner as the business of the Company and Hellenic Dynamics immediately prior to passing of the Rule 9 Waiver Resolution and implementation of future strategic plans will have no repercussions as to the combined business or any employees of Hellenic. The members of the Kanabi Concert Party have no intention of relocating the business or redeploying the combined fixed assets of the Company and Hellenic Dynamics. The members of the Kanabi Concert Party are not restricted from making an offer for the Company.

The Kanabi Concert Party intends to move the Company's admission to the standard segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange. Apart from the Directors, the Company has no employees prior to the Acquisition and therefore the Acquisition has no employment rights implications and there will be no material changes in respect of the balance of skills and functions of employment and management, for which none are employed apart from the Directors. The Company does not operate any pension schemes and has no research and development facilities. Following Completion, the Kanabi Concert Party intends to implement Hellenic Dynamics's operations as outlined in Part I of this Document.

## **8. Material Contracts of the Company**

Besides the Share Purchase Agreement entered into on 30 July 2021, there are no contracts that have been entered into by the Company or any member of the Kanabi Concert Party within the period of two years preceding the date of this Document that are or may be material (not being contracts entered into in the ordinary course of business).

The material contracts of the Company are set out in full in Part XII paragraph 18.

## **9. Interests and Dealings**

- 9.1. As at the close of business on the Last Practicable Date, the total issued share capital of the Company was 1,852,219,137 Ordinary Shares.
- 9.2. As at the close of business on the Last Practicable Date, the interests of the Directors and their families and the interests of persons connected with them, within the meaning of Part 22 of the UK Companies Act 2006, in the issued share capital of the Company were as follows:

	<i>Number of Ordinary Shares held before Admission</i>	<i>Percentage of Existing Ordinary Shares</i>	Number of Ordinary Shares held on Admission	Percentage of Enlarged Issued Share Capital	Number of Options held on Admission
Peter Jay*	36,664,557	1.93%	36,664,557	0.29%	46,305,478
Nigel Brent Fitzpatrick**	17,721,519	0.96%	17,721,519	0.14%	32,413,835
Simon Grant-Rennick	-	-	-	-	32,413,835
<b>Total</b>	<b>54,386,076</b>	<b>2.89%</b>	<b>54,386,076</b>	<b>0.43%</b>	<b>111,133,148</b>

*\* Peter Jay owns 18,664,557 Ordinary Shares and a further 18,000,000 Ordinary Shares are held by his family members \*\* Mr Fitzpatrick does not hold any Ordinary Shares in his own name. A family company, of which Mr Fitzpatrick is a minority shareholder, owns 17,721,519 Ordinary Shares in the Company*

Cairn, the former nominated adviser to the Company and a connected adviser to the Company, currently holds 15,189,873 Ordinary Shares, representing 0.82 per cent. of the Existing Ordinary Share Capital and, following Admission, will hold 28,523,206 Ordinary Shares, representing 0.23 per cent. of the Enlarged Issued Share Capital.

Peterhouse, financial adviser to the Company for the purposes of Admission and a connected adviser to the Company, currently holds 62,784,810 warrants, representing 3.39 per cent. of the Existing Ordinary Share Capital. Following Admission, Peterhouse will hold 166,666,658 Ordinary Shares and 62,784,810 warrants, representing 1.33 per cent. and 0.5 per cent. respectively of the Enlarged Issued Share Capital.

- 9.3. During the 12-month period prior to the Last Practicable Date, the Directors have not undertaken any dealings for value in existing Ordinary Shares.
- 9.4. Save for the Share Purchase Agreement, the letters of appointment and service contracts with the relevant Proposed Directors who are member of the Kanabi Concert Party, no agreement, arrangement or understanding (including any compensation arrangement) exists between the Kanabi Concert Party (or any person acting in concert with them) and the Directors, recent directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon the Acquisition set out in this Document.

Further, there are no arrangements for the transfer of securities acquired pursuant to the proposed Acquisition and Share Purchase Agreement.

- 9.5. On the Last Practicable Date and save as disclosed in this Document:
- a) no member of the Kanabi Concert Party, nor any person acting in concert with them has any interest in, right to subscribe, in respect of or short position, in relation to any relevant securities;

- b) no member of the Kanabi Concert Party, nor any person acting in concert with them has dealt in relevant securities during the period of twelve months ended on the Last Practicable Date;
- c) there are no relevant securities which the Kanabi Concert Party, or any person acting in concert with them has borrowed or lent;
- d) none of:
  - i) the Directors or any of their close relatives or related trusts; or
  - ii) any other person acting in concert with the Company,

has as at the Last Practicable Date any interest in, right to subscribe in respect of or short position in relation to any relevant securities, save as set out above in connection with Options, or any interest in Hellenic's relevant shares;

- e) there are no relevant securities which the Company or any person acting in concert with the Directors has borrowed or lent (excluding any borrowed relevant securities which have either been on lent or sold);
- f) there are no relationships (personal, financial or commercial), arrangements or understandings between any member of the Kanabi Concert Party and:
  - i) any of the Directors (or their close relatives and related trusts); or
  - ii) any of the Shareholders of the Company or any person who is, or is presumed to be, acting in concert with any such shareholder; or
  - iii) Cairn (or any person who is, or is presumed to be, acting in concert with Cairn).
- g) there are no relevant securities which the Company or any person acting in concert with the Directors has borrowed or lent (excluding any borrowed relevant securities which have either been on lent or sold);

9.6. In this paragraph 7 reference to:

- a) "relevant securities" means Ordinary Shares and securities carrying conversion or subscription rights into Ordinary Shares;
- b) "derivatives" includes any financial product, whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- c) "short position" means a short position, whether conditional or absolute and whether in the money or otherwise, and includes any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- d) "connected adviser" means:
  - i) in relation to the Company, (i) an organisation which is advising the Company in relation to the disapplication of the application of Rule 9; and (ii) a corporate broker to the Company;
  - ii) in relation to a person who is acting in concert with the Kanabi Concert Party or with the Directors, an organisation (if any) which is advising that person either (i) in relation to the disapplication of the application of Rule 9; or (ii) in relation to the matter which is the reason for that person being a member of the relevant concert party; and
- e) "control" means an interest, or aggregate interests, in shares carrying in aggregate 30 per cent or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control; and
- f) "dealing" or "dealt" includes the following:
  - i) the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;

- ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
- iii) subscribing or agreeing to subscribe for securities;
- iv) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
- v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
- vi) the entering into, terminating or varying the terms of any agreement to purchase or sell securities;
- vii) the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by the Company or the Investor; and
- viii) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position.

9.7. For the purposes of this paragraph 4 a person is treated as “interested” in securities if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as “interested” in securities if:

- a) he owns them;
- b) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
- c) by virtue of any agreement to purchase, option or derivative, he:
  - i) has the right or option to acquire them or call for their delivery, or
  - ii) is under an obligation to take delivery of them;
- d) whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- e) he is party to any derivative:
  - i) whose value is determined by reference to their price, and
  - ii) which results, or may result, in his having a long position in them.

## **10. Directors’ service agreements**

A summary of the directors’ service contracts and appointment letters are set out below in Part XII paragraph 13

None of the service contracts and appointment letters, or the terms of such contracts and letters, have been amended within the six-month period prior to the date of this Document.

## **11. Middle Market Quotations**

The closing middle market quotations for an Ordinary Share for the first business day in each of the six months immediately preceding the date of this Document are:



Date	Price
1 October 2022	delisted
1 September 2022	delisted
1 August 2022	delisted
1 July 2022	delisted
1 June 2022	delisted
1 May 2022	delisted
1 April 2022	delisted

On 2 August 2021, the Company's shares were suspended at 0.205p per share following the announcement of the proposed acquisition of Hellenic Dynamics and the Company ceased trading on AIM with effect from 7:00 a.m. on 3 February 2022.

## **12. Documents Available for Inspection**

12.1. Copies of the following documents will be available for inspection:

- a copy of this Document;
- a copy of the Share Purchase Agreement;
- the articles of Hellenic Dynamics;
- the existing Articles of the Company;
- the audited accounts of the Company for the year ended 31 December 2019, 18 month period ended 31 March 2021 and year ended 31 March 2022;
- unaudited financial information of the Company for the 6 month period ended 30 September 2021;
- the material contracts referred to in paragraph 18 of this Part XI;
- the audited accounts of Hellenic Dynamics for the period from incorporation to 31 December 2019 and for the financial year ended 31 December 2020 and year ended 31 December 2021;
- the unaudited pro forma statement of net assets of the enlarged Company referred to in Part VIII of this Document; and
- the written consent of Cairn referred to in paragraph 22.6 of Part XII.

12.2. The documents will be available at (i) the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) until the conclusion of the General Meeting, (ii) at the place of the meeting for at least 15 minutes prior to the General Meeting until its conclusion, and (iii) for inspection on: [www.ukspacplc.com](http://www.ukspacplc.com).

## **13. Recommendation**

Each of the Directors is independent for the purpose of appraisal of the Acquisition.

**The Directors, who have been so advised by Cairn consider that the Proposals are fair and reasonable insofar as the Shareholders are concerned and in the best interests of the Company and its Shareholders as a whole.**

**In providing advice to the Directors, Cairn has taken into account the commercial assessments of the Directors.**

**Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions necessary to approve and implement the Acquisition as they intend to do so in respect of their aggregate beneficial holding of 54,386,076 Ordinary Shares, representing 2.89 per cent. of the Issued Share Capital of the Company.**

## PART XII

### ADDITIONAL INFORMATION

#### 1 Responsibility Statement

- 1.1 The Company, the Directors and the Proposed Directors, whose names, business address and function appear on page 63, accept responsibility for the information contained in this Document.
- 1.2 To the best of the knowledge of the Company, the Directors and the Proposed Directors, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

#### 2 Incorporation and status of the Company

- 2.1 The Company was incorporated and registered as a private company limited by shares in England and Wales on 18 September 2007 under the Companies Act 2006, with registered number 06374598, under the name of ACRE 1124 LIMITED.
- 2.2 The Company changed its name to Mountfield Group Limited on 9 September 2008 and re-registered as a public limited company on 23 October 2008 under the name of Mountfield Group Plc. The Company subsequently changed its name to U.K. SPAC Plc on 11 March 2021.
- 2.3 The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the Companies Act 2006.
- 2.4 The Company's registered office and principle business address is located at 3rd Floor 80 Cheapside, London, United Kingdom, EC2V 6EE. The Company's telephone number of its principal place of business is +44 7500 558235.
- 2.5 The Company operates in conformity with its Articles and the laws of England and Wales.
- 2.6 The Company's website can be accessed through [www.ukspacplc.com](http://www.ukspacplc.com).
- 2.7 The accounting reference date of the Company is currently 31 March.
- 2.8 Following Admission, the Company will be subject to the Listing Rules, Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the Financial Conduct Authority), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

#### 3 The Enlarged Group

- 3.1 As at the Last Practicable Date, the Company did not have any Subsidiaries.
- 3.2 On completion of the Acquisition being subject to and conditional upon Admission, the Company shall have one wholly owned subsidiary as more particularly described below:

Name of Subsidiary	Place of Incorporation	Ownership
Hellenic Dynamics S.A.	Greece	100%

#### 4 Share capital history

- 4.1 As at the date of this Document the Company has two classes of share, the Ordinary Shares and the Founder Shares. No application has been made nor will an application be made for the Founder Shares to be admitted to the Official List of the FCA or to trading on the Main Market. The following table shows the issued Shares of the Company as at the date of this Document and as it will be immediately following Admission:

As at the date of this Document		As at Admission	
No. of Ordinary Shares	Nominal Value (£)	No. of Ordinary Shares	Nominal Value (£)
1,852,219,137	£1,852,219.14	12,530,000,000	£12,530,000.00
No. of Founder Shares	Nominal Value (£)	No. of Founder Shares	Nominal Value (£)
2,270,182	£2,270.18	2,270,182	£2,270.18

- 4.2 The Company was incorporated with a share capital of £1,100 divided into 110,000 Ordinary Shares having a nominal value of £0.01 each.
- 4.3 The following is a summary of the changes in the issued share capital of the Company from incorporation:

Date of Event	Change	Number of Shares Allotted (if applicable)	Total number of Shares
18 September 2007	Sub-division of 110,000 Ordinary Shares of £0.01 each in the Company into 1,100,000 Ordinary Shares of £0.001 each*		1,100,000
6 May 2008	Allotment	220,000 Ordinary Shares	1,320,000
28 May 2008	Allotment	30,918,520 Ordinary Shares	32,238,520
16 October 2008	Allotment	130,820,000 Ordinary Shares	163,058,520
30 October 2008	Allotment	6,500,000 Ordinary Shares	169,558,520
31 March 2009	Allotment	1,753,267 Ordinary Shares	171,311,787

1 September 2010	Allotment	4,000,000 Ordinary Shares	175,311,787
17 May 2011	Allotment	37,333,334 Ordinary	212,645,121
24 June 2011	Allotment	4,099,333 Ordinary Shares	216,744,454
3 July 2013	Cancellation	7,500,000 Ordinary Shares	209,244,454
29 July 2013	Allotment	45,000,000 Ordinary Shares	254,244,454
14 December 2016	Allotment	2,270,182 Founder Shares**	256,514,636
3 March 2021	Allotment	1,597,974,683 Ordinary	1,854,489,319

\*the subdivision was approved by written resolution on the 18<sup>th</sup> September 2007.

\*\* The 2,270,182 Founder Shares were issued in lieu of loan notes previously held by Graham Read and Andrew Collins. Please see paragraph 4.9 for further detail.

4.4 Further to a board meeting of the Company held on 10 November 2022 and subject to the approval of the Resolutions, the Directors will be duly authorised on Admission to issue Ordinary Shares (or otherwise grant rights to subscribe for and or to convert any securities in the capital of the Company), as follows:

- (a) 10,414,447,530 Consideration Shares to the Sellers on completion of the Acquisition, issued as fully paid shares each at the IPO Share Price, of which 166,666,658 shares to be issued and allotted to Peterhouse in satisfaction of the balance of fees payable under the Peterhouse engagement letter with Hellenic Dynamics;
- (b) 250,000,000 Subscription Shares to be issued pursuant to the Subscription at a subscription price of £0.003 per share, subject to and conditional upon Admission;
- (c) the subscription for £375,000 Convertible Loan Notes pursuant to the terms of the convertible loan instrument, as more particularly summarised at paragraph 18.1.5 of this Part;
- (d) 250,000,000 Subscription Warrants and 125,000,000 CLN Warrants to be issued pursuant to Admission, with an exercise price of £0.003 per Ordinary Share. The terms of the warrant instruments are more particularly described at paragraph 18.1.3 and paragraph 18.1.4 of this Part;
- (e) 13,333,333 Fee Shares to be issued to Cairn Financial Advisers at the IPO Price;
- (f) the Company shall grant New Options over a total of 1,171,555,000 Ordinary Shares pursuant to the option arrangements as more particularly described at paragraphs 5.3 to paragraph 5.5 of this Part.

4.5 Subject to approval of the Resolutions to be tabled at the General Meeting, Directors of the Company shall have the authority to issue and allot the new Ordinary Shares described in paragraph 4.4 of this

Part.

- 4.6 Application will be made for the Enlarged Issued Share Capital to be admitted to the Official List, by way of a Standard Listing, and to trading on the London Stock Exchange's Main Market for listed securities. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules. It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules that the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.
- 4.7 Save as disclosed in this Document and particularly as set out in paragraphs 4 and 5 of this Part, as at the date of this Document:
- 4.7.1 no issued Ordinary Shares of the Company are under option or have been agreed conditionally or unconditionally to be put under option;
  - 4.7.2 no Ordinary Share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
  - 4.7.3 no commission, discount, brokerage or any other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the Ordinary Share or loan capital of the Company;
  - 4.7.4 no persons have preferential subscription rights in respect of any Ordinary Share or loan capital of the Company or any subsidiary;
  - 4.7.5 no amount or benefit has been paid or is to be paid or given to any promoter of the Company; and
  - 4.7.6 the Company will have no short, medium or long-term indebtedness.
- 4.8 Each Ordinary Share ranks pari passu for voting rights, dividends and returns on capital on winding up.
- 4.9 The rights attached to Founder Shares were incorporated by Special Resolution on 29 June 2016 and then altered by Special Resolution on 02 March 2021 and include the following provisions:
- 4.9.1 The Founder Shares shall not entitle the holder to any dividends or other distribution. The holder is not entitled to receive notice of or to attend, speak and vote at general meetings. The Founder Shares are not redeemable.
  - 4.9.2 On return of assets on liquidation, capital reduction or otherwise (other than conversion or purchase of shares), the assets shall be applied in the below priority:
    - a) First, payment to the holders of Ordinary Shares of any arrears and an aggregate amount of £20,000,000 to be divided amongst the holders on a pro rata basis;
    - b) Second, in paying the holders of Founder Shares in respect of each share held at the issue price; and
    - c) Thereafter, in distributing the balance among the holders of Ordinary Shares.
  - 4.9.3 On sale of the Company or on disposal by the Company of all, or subsequently all of, its business and assets the Founder Shares will only be entitled to a distribution where the aggregate consideration exceeds £20 million.
- 4.10 The issue and allotment of the New Ordinary Shares on Admission will result in the interests of Existing

Shareholders being diluted by 85.22 per cent. in respect of their pro-rata shareholding and assuming no other changes to the share capital structure of the Company, as further illustrated by the Table below:

	<b>No. of Ordinary Shares</b>	<b>Percentage of Enlarged Share Capital on Admission</b>
Existing Shares	1,852,219,137	14.78
New Ordinary Shares	10,677,780,863	85.22

On Admission, there will be a total of 1,282,688,148 Options, 437,784,810 Warrants in issue and the conversion of the Convertible Loan Notes would result in the issue and allotment of 125,000,000 new Ordinary Shares. The full exercise and conversion of such securities would result in the issue and allotment of 1,845,472,958 new Ordinary Shares (such shares representing approximately 14.73 per cent of the Enlarged Issued Share Capital on Admission). The further issue and allotment of these securities would therefore result in further dilution to the existing Shareholders.

- 4.11 In accordance with Listing Rule 14.2.2, at Admission at least 10 per cent. of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules).

## **5 Share Option Arrangements and Warrants**

### **Options**

- 5.1 As at the date of this Document, the Company has a total of 111,133,148 Existing Options in issue and subject to and conditional upon Admission, the Company will grant a total of 1,171,555,000 New Options over 1,171,555,000 ordinary shares in respect of grants made to directors, employees, consultants and relevant advisers to the Company. The terms of such grants are more particularly described in this paragraph 5. On Admission, it is anticipated that there will be a total of 1,282,688,148 options in issue on Admission.

### **Existing Options**

- 5.2 Set out below is a summary of the Existing Options currently in issue as at the date of the Document, such options being granted to the existing Directors under the terms of an EMI option scheme, as more particularly described at paragraph 18.2.6 of this Part.

<b>Name of Director</b>	<b>Number of Existing Options</b>	<b>Exercise Price</b>	<b>Exercise Period Expiry</b>
Peter Jay	46,305,478	0.1975 pence	30 September 2025*
Simon Grant-Rennick	32,413,835	0.1975 pence	30 September 2025*
Brent Fitzpatrick	32,413,835	0.1975 pence	30 September 2025*
TOTAL	111,133,148		

\* The exercise period for the existing EMI option grants was extended to 30 September 2025 pursuant to deeds of variation entered into between the Company and each Existing Option holder on 10 November 2022.

## New Option Arrangements

- 5.3 On 10 November 2022, the Company decided pursuant to a meeting of the Board to establish share option arrangements for the benefit of the Board, management, and advisers. As at Admission, the Company will have in issue a total of 1,282,688,148 Options, representing approximately 10.24 per cent of the issued share capital of the Company on Admission. The Board will consider making further grants of options over time for the purpose of retaining and or recruiting directors, management, employees and advisers for the purpose of incentivizing performance, retaining their services or for such other purposes that the Board may consider desirable.
- 5.4 Subject to and conditional upon the approval of the Resolutions, the Company will grant the following New Options to the persons set out in the Table below.

Name of New Option Holders	Relationship with Company	Number of New Options	New Options as a percentage of Share Capital on Admission
Davinder Rai	Director	250,600,000	2 %
Anthony Jolliffe	Director	93,975,000	0.75 %
Joseph Colliver	Director	62,650,000	0.5 %
Filipos Papadopoulos	Director	62,650,000	0.5 %
Peter Homberg	Advisory Board	62,650,000	0.5 %
Michael Bennett	Advisory Board	25,060,000	0.2 %
Mike Barnes	Advisory Board	25,060,000	0.2 %
Hannah Deacon	Advisory Board	25,060,000	0.2 %
Toby Shillito	Managerial Role	125,300,000	1 %
Amit Parhar	Managerial Role	37,590,000	0.3 %
George Papadopoulos	Managerial Role	250,600,000	2 %
Zoe Papadopoulos	Managerial Role	25,060,000	0.2 %
Panagiotis Kalafatis	Managerial Role	62,650,000	0.5 %
Olga Dichala	Managerial Role	62,650,000	0.5 %
Total		1,171,555,000	9.35 %

- 5.5 The New Option grants which are described in paragraph 5.3 of this Part will be made on substantially the same terms and pursuant to individual options deeds entered into between the Company and each New Option Holder. The terms of the options deeds are described below at paragraph 18.2.5 of this Part.

## Warrant Arrangements

- 5.6 As at the date of this Document, the Company has granted the following warrants over Ordinary Shares or it will otherwise approve the grant of such warrants over Ordinary Shares subject to and conditional upon Admission:

Name of Warrant Instrument	No. of Warrants as at the date of this Document	No. of Warrants as at Admission (assuming no warrants are exercised)	Exercise Price	Exercise Expiry Date	Percentage of Share Capital on Admission
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Peterhouse Warrant – March 2021	62,784,810	62,784,810	£0.003	3 March 2024	0.5%
Subscription Warrants	-	250,000,000	£0.003	The second anniversary of Admission	2%
CLN Warrants	-	125,000,000	£0.003	The second anniversary of Admission	1%
<b>Totals</b>	<b>62,784,810</b>	<b>437,784,810</b>			

5.7 The Warrants described in the Table (above) at paragraph 5.6 of this Part are granted pursuant to warrant instrument as more particularly described at paragraphs 18.1.3, 18.1.4 and 18.1.6 of this Part.

5.8 As at the date of this Document, the Warrants described at 5.6 represent 3.05% of the Enlarged Fully Diluted Share Capital of the Company.

## 6 Directors' and Proposed Directors' interests

6.1 Save as disclosed in this Document, none of the Directors, or Proposed Directors (or any Connected Person with them) has at the date of this Document, or will have immediately following Admission any interest (beneficial or otherwise) in the Ordinary Shares of the Company:

Director or Proposed Directors	As at the date of this Document		Immediately following Admission		
	Number of Ordinary Shares	% of existing Ordinary Shares	Number of Ordinary Shares	% of existing Ordinary Shares	Number of Options
Peter Jay*	36,664,557	1.66%	36,664,557	0.29%	46,305,478
Nigel Brent Fitzpatrick**	17,721,519	0.96%	17,721,519	0.14%	32,413,835
Simon Richard de Clanay Grant Rennick	0	0%	0	0%	32,305,478
Davinder Rai	0	0%	452,923,219	3.61%	250,600,000
Filippos Papadopoulos	0	0%	982,963,319	7.84%	62,650,000
Anthony Jolliffe	0	0%	0	0%	93,975,000
Joseph Colliver	0	0%	0	0%	62,650,000

*\*18,000,000 of these Ordinary Shares are held by Emma Jay (6,000,000) and Zara Bendor (6,000,000), the daughters of Peter Jay, and Marc Jay (6,000,000), the son of Peter Jay.*

*\*\* A family company, of which Nigel Brent Fitzpatrick is a minority shareholder, owns 17,721,519 shares in the Company.*

- 6.2 Save as disclosed in paragraphs 6.1 above, the Directors and the Proposed Directors (and respective Connected Persons of a Director or Proposed Director) do not hold any options or warrants or other rights over any unissued Shares of the Company.
- 6.3 Save as disclosed in this paragraph 6.1 above, immediately following Admission, no Director nor any Proposed Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company

## **7 Major Shareholders and other interests**

- 7.1 Save for the Directors, Proposed Directors and their Connected Persons (within the meaning of section 252 of the Act), as at the date of this Document and immediately following Admission, so far as the Directors and the Proposed Directors are aware, no person is directly or indirectly interested in more than three per cent of the issued share capital of the Company other than as described below:

<b>Shareholder</b>	<b>Number of Ordinary Shares as at the date of this Document</b>	<b>Percentage of Existing Share Capital as at the date of this Document</b>	<b>Number of Ordinary Shares on Admission</b>	<b>Percentage of Enlarged Issued Share Capital on Admission</b>
JIM Nominees Limited	193,021,820	10.42%	193,021,820	1.54%
Interactive Investor Services Nominees Limited	132,977,843	7.18%	132,977,843	1.06%
Hargreaves Lansdown Nominees Limited	114,131,126	6.16%	114,131,126	0.91%
Hargreaves Lansdown Nominees Limited	97,581,123	5.27%	97,581,123	0.78%
Hargreaves Lansdown Nominees Limited	96,127,793	5.19%	96,127,793	0.77%
Vidacos Nominees Limited	65,192,333	3.52%	65,192,333	0.52%
Pershing Nominees Limited	83,927,629	4.53%	83,927,629	0.67%
Vestra Nominees Limited*	83,520,000	4.51%	83,520,000	0.67%
Interactive Investor Services Nominees Limited	85,900,071	4.64%	85,900,071	0.69%

Barclays Direct Investing Nominees Limited	72,946,210	3.94%	72,946,210	0.58%
George Papadopoulos	0	0%	2,975,550,471	23.75%
Samos Investments LTD**	0	0%	2,092,476,946	16.70%
Keynes Ventures***	0	0%	1,037,888,567	8.28%
Rashid Ibrahim	0	0%	479,278,170	3.83%
Rami Ajami	0	0%	407,532,726	3.25%

\* The ultimate beneficiary owner is Graham Read.

\*\* The ultimate beneficiary owner is His Excellency G.I.Shaker

\*\*\* The ultimate beneficiary owner is Mohamad Ajami

- 7.2 Immediately following Admission, as a result of the issue of the New Ordinary Shares, the Directors expect that a number of persons will have an interest, directly or indirectly, in at least three per cent. of the voting rights attached to the Company's Enlarged Issued Share Capital and certain current Shareholders who hold at least three per cent. of the Existing Ordinary Shares prior to the issue of the New Ordinary Shares may have their percentage holdings in the Company diluted. Such persons will be required to notify such interests or changes to their interests to the Company in accordance with the provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules, and such interests will be notified by the Company to the public.
- 7.3 As at the Last Practicable Date, the Company was not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company, nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 7.4 No Shareholder interested, directly or indirectly, in three per cent. or more of the Enlarged Issued Share Capital has different voting rights from any other holder of Ordinary Shares.

## 8 Articles of association

The Articles of Association of the Company contain, inter alia, the following provisions relating to the rights attaching to Ordinary Shares:

- (a) There are no rights of pre-emption in respect of transfers of issued Ordinary Shares. However, in certain circumstances, the Company's Shareholders may have statutory pre-emption rights under the Companies Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to place new shares for allotment of existing Shareholders on a pro-rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares are offered to the Company's Shareholders;
- (b) In order to transfer Ordinary Shares, the instrument of transfer of any such shares must be in any usual or common form or in such other form as may be approved by the Directors and must be executed by or on behalf of the transferor and, if the shares are not fully paid, by or on behalf of the transferee. The Articles of Association contain no restrictions on the free transferability of

fully paid shares, provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles of Association relating to the deposit of instruments for transfer have been complied with;

Any shares of the Company may be held in uncertificated form and title to shares may be transferred by means of a relevant system, and the Directors may make arrangements for a class of shares to become a participating class which may be held in uncertificated form and transferred by means of the relevant system;

- (c) Each Ordinary Share confers the rights to receive notice of and attend all meetings of shareholders. Each holder of Ordinary Shares present at a general meeting in person or by proxy has one vote, and, on a poll, one vote for each Ordinary Share of which he is the holder;
- (d) On a winding up a liquidator may, with the sanction of a special resolution of the Company, divide amongst the holders of the Company's shares (in specie or in kind) the whole or any part of the assets of the Company, and may, with the like sanction, determine how such diversion is to be carried out;
- (e) The Ordinary Shares confer upon their holders the right to participate in any profits which the Company may from time to time determine to distribute in respect of any financial period;
- (f) Subject to the provisions of the Companies Act and if the profits of the Company justify such payments, the Directors may declare and pay interim dividends on shares of any class of such amounts as and when they think fit. All dividends are apportioned and paid pro-rata according to the amounts paid on the shares. No dividend or other monies payable on or in respect of a share will bear interest as against the Company. The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply them towards the satisfaction of the debts, liability or engagements in respect of a lien. A dividend may be retained if a shareholder has failed to comply with the statutory disclosure requirements of the Companies Act. Any dividend unclaimed for twelve years will be forfeited and revert to the Company;
- (g) Subject to the provisions of the Companies Act, the Company may purchase any of its own shares, provided that the terms of any contract under which the Company will or may become entitled or obliged to purchase its own shares be authorised by a special resolution of the Company in a General Meeting before the Company enters into such a contract;
- (h) All or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class. At every such separate general meeting the quorum is two persons holding or representing by proxy one-third in nominal value of the issued shares of that class; and
- (i) The Company may make arrangements for any class of its shares to be issued in uncertificated form and in accordance with and subject as provided in The Uncertificated Securities Regulations 2001 and transfer of title of those shares shall be affected by means of relevant system in the manner provided for and subject as provided for in Uncertificated Securities Regulations 2001. Shares held in certified form and those held in uncertificated form may be changed to certificated form.

- (j) A quorum for a general meeting is two members present in person or by proxy and entitled to attend and to vote on the business to be transacted. The chairman may, with the consent of a meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time.
- (k) Directors' meetings are called by giving notice to all Directors. Notice is treated as properly given if it is given personally, by word of mouth, in writing or by electronic means to the Directors' last known address given by him to the Company for this purpose. Any Director can waive his entitlement to notice of any Directors' meeting including one which has already taken place. The quorum necessary for the transaction of business may be determined by the board and until otherwise determined shall be two persons, each being a Director or an alternate Director. Matters to be decided at a Directors' meeting will be decided by a majority vote. In the case of an equality of votes the chairman of that meeting shall have a casting vote.
- (l) At each annual general meeting of the Company any Director then in office who has been appointed by the board since the previous annual general meeting or for whom it is the third annual general meeting following the annual general meeting at which he was elected or last re-elected shall retire from office but shall be eligible for re-appointment.
- (m) any Director can appoint any person (including another Director) to be his alternate and may at his discretion remove an alternate Director so appointed. Any appointment or removal of an alternate Director must be by written notice delivered to the Company's registered office or to an address specified by the Company.

## **9 Working capital**

- 9.1 The Company is of the opinion that, taking into account the Subscription Funds and CLN Funds, the working capital available to the Enlarged Group is, for at least the next twelve months from the date of this Document, sufficient for its present requirements.

## **10 Significant change**

- 10.1 The most recent information regarding the trends in financial performance and financial position of the Company and Hellenic Dynamics has been discussed in Part IV, Section A & B respectively of this Document.

There has been no significant change in the financial position or financial performance of either the Company or Hellenic Dynamics since 31 March 2022 and 30 June 2022 respectively, being the date to which the latest audited financial information of the Company and unaudited financial information of Hellenic Dynamics, as set out in Appendix I and Part VII Section C respectively of this Document, has been published.

## **11 Directors' and Proposed Directors'**

- 11.1 The respective function of each Director and Proposed Director each of the current Directors, Peter Jay, Nigel Brent Fitzpatrick and Simon Grant-Rennick will resign as Directors of the Company immediately on Admission and each Directors has signed a resignation letter with the Company to that effect.

<b>Name of Director or Proposed Director</b>	<b>Position / Function</b>	<b>Business Address</b>
Davinder Rai	Chief Executive Officer	Registered Office Address
Filippos Papadopoulos	Executive Director	Registered Office Address
Anthony Jolliffe	Non-executive Chairman	Registered Office Address
Joseph Colliver	Non-executive Director	Registered Office Address

11.2 In addition to their directorships of the Company, the Directors, the Proposed Directors are, or have been, members of the administrative, management or supervisory bodies or partners of the following companies, or partnerships at any time in the five years prior to the date of this Document:

<b>Name of Director</b>	<b>Current directorships and or partnerships</b>	<b>Previous directorships and or partnerships</b>
Peter Jay	<ul style="list-style-type: none"> <li>- Jalac Limited</li> <li>- Limitless Earth Plc.</li> </ul>	<ul style="list-style-type: none"> <li>- Bridge Bioresearch Plc</li> <li>- Bullion Bridge Limited</li> <li>- Illyrian Power Plc</li> <li>- Mountfield Land Limited</li> <li>- Zeme Limited</li> </ul>
Nigel Brent Fitzpatrick	<ul style="list-style-type: none"> <li>- Aboyne-Clyde Rubber Estates of Ceylon Limited</li> <li>- Dixons Academies Trust Ltd</li> <li>- Lombard Capital PLC</li> <li>- Low Wave Limited</li> <li>- National Governance Association</li> <li>- Ocean Park Developments Limited</li> <li>- Path Investments PLC</li> <li>- Path Investments USA Holdings Ltd</li> <li>- Pennine Academies Yorkshire</li> <li>- Pondermatters Limited</li> <li>- Shellhound Limited</li> <li>- SPV2020 Ltd</li> <li>- Waste and Recycling Solutions Ltd</li> <li>- U4EA Plc</li> <li>- Vela Technologies PLC</li> </ul>	<ul style="list-style-type: none"> <li>- Alpha Returns Group PLC</li> <li>- Forward Catering (Yorkshire) Ltd</li> <li>- J Burdon &amp; Partners Limited</li> <li>- LCP Financial Limited</li> <li>- N.B.S UK Holdings Limited Optometrics Corporation</li> <li>- Powerhouse Energy Group PLC</li> <li>- Powerhouse Energy UK Limited</li> <li>- Riskalliance Consulting Limited</li> <li>- Riskalliance Finance Ltd</li> <li>- Riskalliance Management Services Ltd</li> <li>- Tim (My Life Is Brilliant) Limited</li> <li>- Vordere Limited</li> <li>- Wakefield City Academies Trust</li> <li>- Wey Education Schools Trust</li> </ul>
Simon Grant-Rennick	<ul style="list-style-type: none"> <li>- African Tree Nuts Limited</li> <li>- All Active Asset Capital Limited</li> </ul>	<ul style="list-style-type: none"> <li>- Barnardo Capital Limited</li> <li>- Elk Investments Limited</li> </ul>

	<ul style="list-style-type: none"> <li>- ASP Corp Ltd</li> <li>- Elk Investments Limited</li> <li>- Evrima PLC</li> <li>- Igraine Plc</li> <li>- IMFH Limited</li> <li>- Langleycourt Properties Limited</li> <li>- Selection Mines Limited</li> <li>- Truvelo Corp Limited</li> <li>DOB Capital Ltd</li> </ul>	<ul style="list-style-type: none"> <li>- Force Commodities Ltd</li> <li>- Glynycastle PLC</li> <li>- Glynycastle Resource Limited</li> <li>- Gunmakers Hall Limited</li> <li>- IM Performance Minerals Limited</li> <li>- Jacoma Estates Limited</li> <li>- Just Bee Drinks Limited</li> <li>- Kardav Limited</li> <li>- Quetzal Capital PLC</li> </ul>
Davinder Rai	<ul style="list-style-type: none"> <li>- Campus Society Ltd.</li> <li>- Female Tribes Ltd.</li> <li>- Kanabi Ltd.</li> <li>- Kard Group Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>- Campus Worldwide Limited.</li> <li>- Connectt Ltd</li> <li>- Kanabex Ltd.</li> <li>- Oxford Cannabinoid Therapeutics Ltd.</li> </ul>
Filippos Papadopoulos		<ul style="list-style-type: none"> <li>- F. Papadopoulos &amp; Son</li> <li>- Oikistiki Ltd.</li> </ul>
Anthony Jolliffe	<ul style="list-style-type: none"> <li>- Eij Properties Ltd</li> <li>- General Mediterranean Holding SA, SPF</li> <li>- Management for Industry Holdings Ltd.</li> <li>- Management for Industry Ltd.</li> <li>- Rockfeller Property &amp; Investment Trust Ltd.</li> <li>- The Saints and Sinners Trust Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>- Cork Gully Foundation</li> <li>- Pall Mall Financial Services Limited</li> <li>- Seeba Limited</li> <li>- Smart Pension Ltd.</li> <li>- Spearhead Europe Limited</li> <li>- The Rix-Thompson Rothenberg Foundation</li> </ul>
Joseph Colliver	<ul style="list-style-type: none"> <li>- Colliver Advisory Ltd</li> <li>- Psych Capital Plc</li> <li>- Sativa Germany GmbH</li> </ul>	<ul style="list-style-type: none"> <li>- Borganic Consulting Inc.</li> <li>- Blood Matters Ltd.</li> <li>- Tessellate Collective Ltd.</li> <li>- George Botanicals Ltd.</li> <li>- Blood Matters Ltd.</li> <li>- Borganic Consulting Inc.</li> <li>- George Botanicals Ltd.</li> <li>- GoodBody and Blunt Ltd.</li> <li>- GoodBody Botanicals Ltd.</li> <li>- GoodBody Wellness Ltd.</li> <li>- Headlight Vision Ltd.</li> <li>- Henley Centre Headlight Vision Ltd.</li> <li>- Laboratories Ltd.</li> <li>- Olimax 196 tsp. z o.o</li> <li>- Phytovista</li> </ul>

		<ul style="list-style-type: none"> <li>- Sativa Cosmetics Ltd.</li> <li>- Sativa Cultivation and Extraction Ltd.</li> <li>- Sativa Group Ltd.</li> <li>- Sativa Investments Ltd.</li> <li>- Sativa Wellness Group Inc.</li> <li>- Sativa Wellness Ltd</li> <li>- Tessellate Collective Ltd.</li> </ul>
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## 12 Directors' and Proposed Directors Confirmations

12.1 Save as disclosed in paragraph 12.2 of this Document, none of the Directors, nor Proposed Directors has at any time within the last five years:

- 12.1.1 had any convictions in relation to fraudulent offences;
- 12.1.2 been declared bankrupt or been the subject of any individual voluntary arrangement;
- 12.1.3 been associated with any bankruptcy, receivership or liquidation in his or her capacity as director or senior manager;
- 12.1.4 been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies);
- 12.1.5 been disqualified by a court from acting as a director;
- 12.1.6 been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company;
- 12.1.7 been a partner or senior manager in a partnership which, while he or she was a partner or within twelve months of his or her ceasing to be a partner, was put into compulsory liquidation or administration or which entered into any partnership voluntary arrangement;
- 12.1.8 owned any assets which have been subject to a receivership or been a partner in a partnership subject to a receivership where he or she was a partner at that time or within the twelve months preceding such event; or
- 12.1.9 been a director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time during which he or she was a director or senior manager of that company or within twelve months of his or her ceasing to be an a director or senior manager.

12.2 The following matters are disclosed in connection with the statement set out at paragraph 12.1 of this Part:



*Davinder Rai*

12.2.1 Connectt Limited was placed into liquidation as part of a creditors' voluntary liquidation pursuant to resolutions passed by the members of Connectt Limited on 16 December 2019, with £3,151,750.77 of unsecured non-preferential claims against the company. Liquidators were duly appointed on 16 December 2019. The most recent development was the publication of a notice of final account prior to dissolution as part of the creditors voluntary liquidation on 1 February 2022. The company was dissolved on 7 May 2022.

12.2.2 Davinder Rai was a director of Campus Worldwide Limited from 17 December 2018 until 3 November 2020. The Company received notice for compulsory strike-off on the 10 March 2020 and was dissolved on 3 November 2020.

*Simon Grant-Rennick*

12.2.3 Simon Grant-Rennick was a director of Glyncastle plc (previously Unity Power plc) and two of its subsidiaries, Glyncastle Mining Limited (previously Horizon Mining Limited) and Glyncastle Resource Limited (previously Unity Mine Limited), when these three companies went into administration on 30 October 2013. Statements of affairs for each of these companies dated 13 December 2013 stated an aggregate estimated deficiency as regards creditors of £172,966,671. A Receiver was appointed to Glyncastle plc on 23 May 2018 and Mr Grant-Rennick ceased to be a director of this company on 27 January 2020. Glyncastle Mining Limited and Glyncastle Resource Limited both entered into Company Voluntary Arrangements on 7 October 2016 and Mr Grant-Rennick ceased to be a director of both companies on 24 January 2018.

12.2.4 Simon Grant-Rennick was a director of Oakland Investments (UK) Limited from 30 January 1995 until 8 August 1995. This company entered into voluntary creditors liquidation on 14 November 1995.

*Nigel Brent Fitzpatrick*

12.2.5 Nigel Brent Fitzpatrick was a director of Onyx Media Limited (Company Number 02661328), from 1 May 2003 until 15 June 2005. An administrative receiver of Onyx Media Limited was appointed on 20 July 2005 and the company was dissolved on 7 April 2011 with a deficiency with regards to creditors of £0.4 million.

12.2.6 Nigel Brent Fitzpatrick was a director of NIM Engineering Limited (Company Number 02921486), from 29 January 2004. An administrative receiver of NIM Engineering Limited was appointed on 20 March 2007 and the company was dissolved on 3 January 2014 with a deficiency with regards to creditors of £3.6 million.

12.2.7 Nigel Brent Fitzpatrick was a director of Conferacom Limited (Company Number 03952023), a subsidiary of Real Affinity plc, from 22 February 2008 to 14 August 2008. An administrative receiver was appointed on 28 May 2008. The Company was dissolved on 19 May 2015 with a deficiency with regards to creditors of £4.0 million.

12.2.8 Nigel Brent Fitzpatrick was a director of Holly Benson Communications Limited (Company Number 02546123), a subsidiary of Real Affinity plc, from 22 February 2008

until 1 October 2008. An administrative receiver of Holly Benson Communications Limited was appointed on 28 November 2008 and the company was subsequently dissolved on 15 November 2011 with a deficiency with regards to creditors of £1.3 million.

12.2.9 Nigel Brent Fitzpatrick was a director of Real Affinity plc (Company Number 03471448) from 14 March 2001 to 1 October 2008. An administrative receiver of Real Affinity plc was appointed on 28 November 2008 and the company was dissolved on 16 March 2010 with a deficiency to creditors of £1.3 million.

### **13 Directors' and Proposed Directors' service contracts and letters of appointment**

#### **13.1 Directors on Admission**

##### **13.1.1 Davinder Rai (Chief Executive Officer)**

On 10 November 2022, Davinder Rai entered into a service agreement with the Company, under the terms which Mr Rai has agreed to act as Chief Executive Director of the Company. The service agreement shall commence on the date on which Admission becomes effective and shall continue indefinitely unless and until terminated by either party giving to the other not less than three months' written notice. The fee payable is a gross salary at the rate of £150,000 per annum, which shall accrue day-to-day and be payable in monthly arrears (subject to all relevant statutory deductions). The remuneration committee will review the Salary at the 6-month anniversary of Admission.

##### **13.1.2 Dr . Filippos Papadopoulos (Executive Director)**

On 10 November 2022, Filippos Papadopoulos entered into a service agreement with the Company, under the terms which Dr Papadopoulos has agreed to act as Executive Director of the Company. The service agreement shall commence on the date on which Admission becomes effective and shall continue indefinitely unless and until terminated by either party giving to the other not less than three months' written notice. The fee payable is a gross salary at the rate of £22,500 per annum, which shall accrue day-to-day and be payable in monthly arrears (subject to all relevant statutory deductions).

##### **13.1.3 Anthony Jolliffe (Non-Executive Chairman)**

A letter of appointment with Anthony Jolliffe was entered into on 10 November 2022 under the terms of which he has agreed to act as a Non-Executive Chairman of the Company. The letter of appointment will be for an initial period of one year effective from Admission and shall continue thereafter unless and until terminated by either party giving to the other three months' prior written notice, such notice not to be given before 12 months after the date of Admission. The fee is £25,000 per annum.

##### **13.1.4 Joseph Colliver (Non-Executive Director)**

A letter of appointment with Joseph Colliver was entered into on 10 November 2022 under the terms of which he has agreed to act as a Non-Executive Director of the Company. The letter of appointment will be for an initial period of one year effective from Admission and shall continue thereafter unless and until terminated by either

party giving to the other three months' prior written notice, such notice not to be given before 12 months after the date of Admission. The fee payable is £22,500 per annum.

The Director's fees will be reviewed on the first anniversary of Admission.

#### **14 Premises**

##### *U.K. SPAC Plc*

14.1 U.K. SPAC Plc is registered in England and Wales at registered address 80 Cheapside, London EC2V 6EE. This is a service address only.

##### *Hellenic Dynamics*

14.2 Hellenic Dynamics has a lease for premises and agricultural plots at Chorigi, Kilkis, 61100. This has an annual cost of €50,000 which increases annually in accordance with the Consumer Price Index published by the National Statistics Service in Greece but not less than 1%. This lease expires on 2 April 2031 and has a notice requirement of 3 months for termination.

14.3 Hellenic Dynamics has also obtained the use of two additional plots of land at Chorigi, Kilkis under two land concession decisions, at an annual cost of €449. The use of the plots has been conceded for 25 years, which expire on 3 April 2045.

#### **15 Litigation**

15.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, a significant effect on the Company and or the Group's financial position or financial performance.

15.2 There are not and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on Hellenic Dynamics and or the Group's financial position or financial performance.

#### **16 Related party transactions**

16.1 Other than the following matters, there have been no related party transactions between the Company, the Proposed Directors and any Director:

16.1.1 the proposed grant of New Options, as well as the deeds of variation entered into pursuant to the Options, set out at paragraphs 18.2.55 and 5 of this Part;

16.1.2 the approval of appointment letters and service agreements between the Company and each of the Directors and Proposed Directors at paragraph 13 of this Part; and

16.1.3 subscription by the Directors.

16.2 The following information was included in the General Meeting notice sent to shareholder of Mountfield Group plc ("Mountfield") and held on 2 March 2021 for the purpose of considering amongst other proposals, the disposal of Connaught Access Flooring Holdings Limited ("Connaught") and Mountfield Building Group Limited ("MBG") to Andy Collins and Graham Read.

Both Andy Collins and Graham Read were Directors of Mountfield, Connaught and MBG. They were also both the beneficial owners of a substantial number of Ordinary Shares in Mountfield totalling, in aggregate, 115,8083,49 Ordinary Shares at the time of the proposed purchase. Andy Collins was also a director of, and shareholder in, Connaught Group and Graham Read was a director of, and shareholder in, Mountfield Holdings, their respective entities established for the purposes of the proposed purchase. As a result, Andy Collins was regarded as a related party of Mountfield regarding his proposed purchase of Connaught and Graham Read would be regarded a related party of Mountfield with regard to his proposed purchase of MBG (“**Proposed Sale**”).

The Proposed Sales therefore constituted a related party transactions for the purposes of AIM Rule 13 (the "Related Party Transactions"). Peter Jay was considered to be an independent director for the purposes of the Proposed Sales. Peter did not hold an executive position with the Company, had no interest or prospective interest in either of the Proposed Sale, in Connaught or MBG or in either of the corporate vehicles that will be used to acquire them. The Directors, with the exception of Graham Read and Andy Collins, considered, having consulted with the Company's nominated adviser, Cairn, that the terms of the Related Party Transactions are fair and reasonable insofar as Shareholders are concerned. Following completion of the Proposed Sale both Andy Collins and Graham Read resigned from the board of Mountfield (now UK SPAC) and are no longer directors.

## **17 Takeover Regulation, Squeeze Out and Sell Out**

### **17.1 Mandatory Bid**

The Company is subject to the Takeover Code. Under Rule 9 of the Takeover Code, any person who acquires an interest in shares which, taken together with shares in which he or persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights in the Company will normally be required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert is interested in shares which in aggregate carry 30 per cent. of the voting rights of the Company but which do not carry more than 50 per cent. of the voting rights in the Company, a general offer will normally be required to be made if he or any person acting in concert with him acquires an interest in any other shares in the Company. An offer under Rule 9 must be in cash, normally at the highest price paid within the preceding 12 months for any interest in shares of the same class acquired in the Company by the person required to make the offer or any person acting in concert with him.

### **17.2 Squeeze Out**

Under the Companies Law Act, if an offeror were to acquire or contract to acquire 90 per cent. of the shares to which the offer relates within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Companies Law Act must, in general, be the same as the consideration that was available under the takeover offer.

### **17.3 Sell Out**

The Companies Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who makes a takeover offer. If a takeover offer related to all the shares

and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the shares to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.

The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her right, the offeree is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed. There have been no public takeover bids by third parties in respect of the share capital of the Company in the last or current financial year.

## **18 Material contracts – U.K. SPAC Plc**

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation which (i) are, or may be, material to the Company; or (ii) contain obligations or entitlements which are, or may be, material to the Company as at the date of this Document.

### **18.1 Material Contracts**

#### **18.1.1 Acquisition of Hellenic Dynamics S.A.**

On 30 July 2021, the Company entered into a binding share purchase agreement (the “Agreement”) together with each of the Sellers (being, Kanabi Limited, Georgios Papadopoulos, Filippos Papadopoulos, Paraskevoula Moschokarfi and Keynes Ventures Limited) pursuant to which the Company had agreed to conditionally acquire the entire issued share capital of Hellenic Dynamics (the “Acquisition”).

The Company announced the initial terms of the transaction on 2 August 2021 (“SPA Announcement”). In particular, the consideration for the Acquisition was expected to be £45.2m which was to be satisfied by the issue and allotment of 9,578,937,499 in aggregate to the Sellers (such shares being issued at an implied issue price of 0.472 pence each) and with the Company having a minimum cash balance of £3.92m on completion. It is noted that the funding for the Transaction was anticipated to be raised in part from an exercise of warrants issued to investors as part of a previous fundraising activities; the warrants in question have since lapsed and, therefore, there is no requirement for any form of adjustment in the manner described within the SPA Announcement.

In the period following the execution of the Agreement, it was noted that market conditions have changed considerably. Reflecting a change in investor sentiment, the parties to the Agreement mutually agreed that Hellenic Dynamics was now valued at £31,243,342.59 and that the consideration for the transaction would be satisfied by the issue and allotment of a total of 10,414,447,530 Consideration Shares to the Sellers on completion (such shares having an implied issue price of £0.003).

On 14 November 2022, the parties entered into a deed of amendment for the purpose of formalising certain amendments to the Agreement including, inter alia, that the Company will have on Admission a minimum cash balance of £2,626,600.

The Agreement contains several conditions including, inter alia, the following:

- a) the Company having obtained a waiver from the Panel of the obligation that would otherwise arise on the members of the Kanabi Concert Party to make a general offer to the shareholders of the Company as a result of the issue of the Concert Party Shares and the exercise of the Concert Party Options and the Concert Party Warrants;
- b) no person (being a governmental or regulatory authority) having enacted any legislation (including any subordinate legislation) which would prohibit, materially restrict or materially delay of the implementation of the Transaction or the operations of the Company or the Buyer;
- c) the Company having obtained all relevant consents, approvals and authorisations that are required to ensure that the transactions shall not result in either the revocation, termination or modification of its licences;
- d) the passing of the resolutions proposed at the General Meeting;
- e) the execution by relevant parties of the lock-in agreements described in this Document, as it relates to the Sellers and the Directors;
- f) the allotment and issue of the Consideration Shares credited as fully paid subject only to Admission;
- g) Admission taking place on or 6 December 2022 (“Long Stop Date”).

The £50 million minimum market cap as referred to in the financial statements on page 219 is no longer applicable as the Agreement has subsequently been amended, as described in further detail above.

In accordance with the deed of amendment, Peterhouse will receive the Peterhouse Shares in satisfaction their fees related to Admission. The Peterhouse Shares forms part of the Consideration Shares and the aggregate number of Consideration Shares received by the shareholders of Hellenic Dynamics will be reduced by the number of Peterhouse Shares accordingly.

As at the date of the Agreement, Hellenic Dynamics holds an installation / Construction Licence (Phase 1) granted on 24/10/2019. It is a general warranty of the Agreement that the sale of the sale shares to the Company shall not violate any terms or provision of the Licence or cause any Licence to be suspended, revoked or terminated provided that the Company notifies the Directorate for Business Licensing and Business Parks of the General Secretariat of Industry in Greece of the new shareholding structure pursuant to Article 2 of the Joint Ministerial Decision 51483/700/Φ.15 (B’1692/2018).

In addition to the above, the Agreement contains market standard undertakings and warranties from both the Sellers and the Purchaser.

The Agreement is governed by the laws of England and Wales, and the English Courts have exclusive jurisdiction to resolve any disputes.

#### **18.1.2 Loan between the Company and Hellenic**

The Company agreed to provide a loan facility to Hellenic Dynamic of up to £450,000 pursuant to a term sheet signed by both parties on 9 February 2022 (the “Hellenic Loan”). Under the terms of the loan agreement, the Company made an initial advance of £150,000 on 24 February 2022 (“advance date”) and a further transfer of £150,000 on 25 May 2022.

Set out below is a summary of the key terms of the Loan: (a) Hellenic Dynamics may request a further drawdown of the Loan in a tranche of up to £150,000, and Hellenic Dynamics are only permitted to one drawdown during any four-week period; (b) the Loan will be immediately repayable in the event that the Admission does not occur; (c) Hellenic Loan will not accrue interest unless (i) Admission does not occur and or (ii) Admission does not occur within a period of 4 months from the date of the advance date, and in such circumstances interest will be deemed to have accrued at a rate of 12 per cent per annum from the relevant date of drawdown to repayment; and (d) the first drawdown was made on an unsecured basis, but the Company has the right to call for adequate and reasonable security prior to any subsequent drawdown of the Loan.

#### 18.1.3 Subscription Warrants

On 10 November 2022, the Company constituted a warrant instrument pursuant to which the Company had agreed to grant, subject to and conditional upon Admission, 250,000,000 Subscription Warrants to the Subscribers at an exercise price of £0.003 per Ordinary Share. The warrants are exercisable either in whole or in part and the warrants are non-transferrable. The warrants are capable of being exercised for a period of 2 years from Admission.

#### 18.1.4 CLN Warrants

On 10 November 2022, the Company constituted a warrant instrument pursuant to which the Company had agreed to grant, subject to and conditional upon Admission, 125,000,000 CLN Warrants at an exercise price of £0.003 per Ordinary Share to the CLN Holder. The warrants are exercisable either in whole or in part. The warrants are non-transferrable and the warrants are capable of being exercised for a period of 2 years from Admission.

#### 18.1.5 Convertible Loan Notes Arrangement

The Company has constituted the £375,000 unsecured convertible loan note instrument, as part of fundraising activities to be undertaken by the Company in connection with Admission. Set out below is a brief summary of certain key terms:

- i. the CLNs have a nominal value of £1.00 each;
- ii. the CLNs are unsecured;
- iii. the CLNs do not attract interest;
- iv. the proceeds raised from the issue of the CLNs are to be applied towards the general working capital requirement of the Company;
- v. the CLNs are non-transferable;
- vi. the CLNs are convertible, as more particularly explained below; and
- vii. the CLNs are required to be redeemed on the second anniversary of Admission, unless an event arises requiring the immediate redemption of the notes, as further described below.

The CLNs will convert at a conversion price of £0.003 per Share. The conversion of the CLNs will therefore result in the issue and allotment of 125,000,000 new Ordinary Shares, if converted. The CLNs are capable of being converted by the CLN Holder by serving written notice on the Company in accordance with the terms of the Instrument up to the second anniversary of Admission. In respect of a conversion, the Company must receive a notice of conversion at least 5 business days prior to the final date for conversion. If the holder of the CLNs elects to convert their CLNs on or before the nine-month anniversary of Admission, the CLN Holder will be entitled to receive an additional 125,000,000 (the “**Top Up Shares**”).

The Top Up Shares will be transferred to the CLN Holder by certain existing shareholders of Hellenic

Dynamics. The relevant shareholders of Hellenic Dynamics will enter into an agreement together with the Company and Peterhouse Capital Limited for the purposes of giving effect to this arrangement.

Redemption of the CLNs may occur prior to the maturity date (being the second anniversary of Admission) where a significant corporate event occurs, for example, there is a change of control event, or the Company enters into an insolvency type event.

The Instrument is governed by English law.

#### **18.1.6 Peterhouse Warrants – March 2021**

Pursuant to a warrant instrument dated 3 March 2021, the Company granted Peterhouse warrants to subscribe for 62,784,810 Ordinary Shares at an exercise price of £0.003 per Ordinary Share. The warrants are exercisable from the date of the warrant instrument until 3 March 2024.

### **18.2 Documents relating to Admission**

#### **18.2.1 Peterhouse Engagement Letter – Financial Adviser**

Pursuant to an engagement letter dated 5 April 2022 between the Company (1) and Peterhouse (2), Peterhouse agreed to act as financial adviser to the Company for the purposes of the Acquisition and Admission. In consideration of its services, Peterhouse shall be paid a transaction fee of £100,000, payable on Admission. Either the Company or Peterhouse may terminate this Agreement at any time by giving the other party 12 months' notice in writing subject to payment of all outstanding fees.

#### **18.2.2 Peterhouse Engagement Letter – Broker**

Pursuant to an engagement letter dated 5 April 2022 between the Company (1) and Peterhouse (2), Peterhouse has been appointed as broker to the Company from the date of this letter.

In consideration of its services, Peterhouse shall be paid the following fees: (a) a commission at 5 per cent. of the gross amount of any funds raised by Peterhouse pursuant to any fundraising undertaken; (b) Warrants to be granted to Peterhouse equal to 5 per cent. of any new shares issued at the time of a fundraise; and (c) an annual retainer fee of £25,000.

Peterhouse has decided to waive the warrants it was due to receive as well as its annual retainer.

Either the Company or Peterhouse may terminate this Agreement at any time by giving the other party 12 months' notice in writing subject to payment of all outstanding fees.

#### **18.2.3 Cairn Financial Advisers Engagement Letter**

Pursuant to an engagement letter dated 31 July 2021 between the Company (1) and Cairn (2), Cairn agreed to act as rule 3 adviser to the Company in respect of the proposed Reverse Takeover of Hellenic Dynamics and in connection with a potential waiver of Rule 9 of the Takeover Code. Cairn's fee will be £80,000 in total of which £40,000 is payable in cash and £40,000 payable in shares at the IPO Share Price.

#### **18.2.4 Lock-in and orderly market agreements**



### ***Continuing Directors Lock-in Agreement***

Pursuant to a lock-in agreement dated 10 November 2022, between: (1) the Company (2) Locked-in Directors and (3) Cairn, the Locked-in Directors have agreed that (subject to certain exceptions) they will not for a period of 12 months from Admission (“**Locked-in Period**”) dispose of, or agree to dispose of, any interest in Ordinary Shares held by them. For a further period of 12 months after the Locked-in Period each Locked-in Director has agreed that they will not will not dispose or agree to dispose of any interest in the Ordinary Shares held by them without written consent of the Company (such consent not to be unreasonably withheld), and such proposed disposal shall be in such a manner as the Company requires with a view to maintaining an orderly market in the shares of the Company.

### ***Shareholder Lock-in Agreements***

Pursuant to an orderly market agreement dated 10 November 2022, between: (1) the Company, (2) certain shareholders in Hellenic Dynamics holding more than 3% on Admission (the “**Above 3% Shareholders**”) and (3) Cairn, the Above 3% Shareholders have agreed that (subject to certain exceptions) they will not for a period of 6 months from Admission (“**Locked-in Period**”) dispose of, or agree to dispose of, any interest in Ordinary Shares held by them. For a further period of 6 months after the Locked-in Period each of the Above 3% Shareholders has agreed that they will not will not dispose or agree to dispose of any interest in the Ordinary Shares held by them without written consent of the Cairn (such consent to be given in certain circumstances), and such proposed disposal shall be in such a manner as the Company requires with a view to maintaining an orderly market in the shares of the Company.

Pursuant to a lock-in agreement dated 10 November 2022, between: (1) the Company, (2) certain shareholders in Hellenic Dynamics holding less than 3% on Admission (the “**Below 3% Shareholders**”) and (3) Cairn, each of the Below 3% Shareholders have agreed that they will not, for period of 6 months following Admission, dispose or agree to dispose of any interest in the Ordinary Shares held by them without written consent of the Cairn (such consent to be given in certain circumstances), and such proposed disposal shall be in such a manner as Cairn requires with a view to maintaining an orderly market in the shares of the Enlarged Group.

Pursuant to a lock-in agreement dated 14 November 2022, between: (1) the Company, (2) the CLN Holder and (3) Cairn, the CLN Holder has agreed that he will not, for period of 6 months following Admission, dispose or agree to dispose of any interest in certain Ordinary Shares held by him without written consent of the Cairn (such consent to be given in certain circumstances), and such proposed disposal shall be in such a manner as Cairn requires with a view to maintaining an orderly market in the shares of the Enlarged Group. This restriction only applies to the 282,532,726 Ordinary Shares held by him as a result of his shareholding in Hellenic Dynamics. Any additional Ordinary Shares or any interest in any additional Ordinary Shares (including, inter alia, Subscription Shares, convertible loan notes, options or warrants) held by the CLN Holder are not subject to the terms of this lock-in agreement.

64.02% of the enlarged share capital will be locked in on Admission.

#### **18.2.5 Option Deeds**

The Company entered into a deed of option grant together with each of the persons set out in the Table set out at paragraph 5 (above) of this Part and for the total number of options specified in that Table. The Options are granted subject to and conditional upon Admission.

Vesting of the Options is subject to the satisfaction of certain Performance Conditions more particularly described below (together the **Performance Conditions**):

### The First Performance Condition

The Company being issued a Production Licence and EOF approval for export, as evidenced by the completion of the following steps:

- Completion of all remaining construction works
- Installation of all cultivation equipment
- Submission of all supporting documents to the Ministry of Economy and Development, Health and Rural Development and Food.
- Formal issuance of the Facility Operational License
- Completion of all required documents for EOF approval
- Site visit from EOF (*National Organization of Medicine in Greece*)
- Granting of export permit
- Approval of domestic products
- Issued by Specialist Scientific Committee on Medicinal Cannabis End-Products (part of the EOF)

### The Second Performance Condition

- The Issuance of EU-GMP certification for the post-harvest area
- Issuance of GACP certification for all cultivation areas
- First harvest of commercial THC dried Medical Cannabis flowers
- Drying and packaging
- Full lab tests to ensure adherence to German import requirements
- Completion of due diligence prior to drafting of SPA
- Signed SPA with buyer
- Products to pass secondary tests in Germany
- Products released to authorized Medical Cannabis distributor

Subject to the achievement of the first Performance Condition (as summarised below), the option holder will be able to exercise 50 per cent of their total options, subject to the Company confirming that the performance condition has been satisfied and the option holder paying the relevant exercise price, being, £0.001975 per option (the **Option Exercise Price**). The option holder will be able to exercise 50 per cent. of their total options if the second Performance Condition (as summarised below) is satisfied, subject to the payment of the Option Exercise Price. The Performance Conditions are required to be satisfied by not later than the second anniversary of Admission (the **Performance Period**). If any circumstances arise such that the Board considers that the Performance Conditions are no longer appropriate, the Board may vary or waive the Performance Conditions in such manner as is reasonable and produces a fairer measure of performance.

Option holders will be able to exercise their vested options at any time from Admission (being the date of grant) and the fifth anniversary of Admission. The options are subject to typical good and bad leaver provisions and standard provisions providing for the adjustment of the options in circumstances where, by way of illustration, the share capital structure of the Company is restructured.

#### 18.2.6 EMI Option Arrangements

On 3 March 2021, the Company granted options to each of the existing directors, Simon Grant-Rennick, Peter Jay and Brent Fitzpatrick, pursuant to an EMI option scheme. The Company entered into an option agreement with each of the option holders. The key terms of the option grants are further summarised at paragraph 5.2 of this Part.

The existing options are capable of being exercised at a price of 0.1975 pence per share. The options are capable of being exercised immediately following the grant and, pursuant to deeds of variation dated 10 November 2022, must be exercised before 30 September 2025. Only the optionholder can exercise this option and they may not transfer any of their rights under the option.

If the optionholder gives or receives notice of termination of the optionholder's employment with the Company, or ceases to hold employment within the Company, for any reason other than a good reason then this option shall immediately lapse and cease to be exercisable. A good reason means (a) the death of the optionholder; (b) disability, injury or ill-health of the optionholder (evidenced to the satisfaction of the Directors); (c) redundancy (as defined for the purposes of the Employment Rights Act 1996); (d) dismissal (whether or not on notice) otherwise than for good cause. For the purposes of point (d) above the question of whether or not termination of the optionholder's employment is 'for good cause' shall be determined by the Directors whose decision shall be binding on the optionholder but dismissing an optionholder following or in anticipation of a successful reverse takeover shall for these purposes not be for a good cause.

### 18.3 Historic Disposals

Set out below is a summary of recent disposals undertaken by the Company. The Company completed the disposal of its interest in Connaught Access Flooring Holdings Limited and the Company completed its disposal of its interest in Mountford Building Group Limited on 3 March 2021.

#### 18.3.1 Connaught Access Flooring Holdings Limited

On 15 February 2021, the Company entered into a binding Sale Purchase Agreement (the "**Agreement**") with Connaught Access Flooring Group Limited (the "**Purchaser**") in relation to the disposal by the Company of 100 per cent. of the issued shares of Connaught Access Flooring Holdings Limited (the "**Disposal**"). The aggregate consideration for the Disposal was £2,300,000 which was satisfied by the payment of £842,188 and by the Purchaser assuming the inter-group loan on completion, which at the date of the agreement was £1,457,812.

The Agreement contains a number of conditions including, inter alia, the successful placing of the Company on AIM (being the March 2021 Placing), the simultaneous completion of the Mountfield Building Group Limited disposal and the release of Peter Jay and Graham Read from their personal guarantees in respect of a supplier's credit facility.

The Agreement contains market standard warranties from both the Company and the Purchaser.

#### 18.3.2 Disposal Document – Mountfield Building Group Limited

On 15 February 2021, the Company entered into a binding Sale Purchase Agreement (the "**Agreement**") with Mountfield Holdings Limited (the "**Purchaser**") in relation to the disposal by the Company of 100 per cent. of the issued shares of Mountford Building Group Limited (the "**Disposal**"). The aggregate consideration for the Disposal was £1,633,000 which was satisfied by the payment of £113,334 and by the Purchaser assuming two inter-group loans and a loan note on completion, which at the date of the agreement was £1,549,666 in aggregate.

The Agreement contains a number of conditions including, inter alia, the successful placing of the Company on AIM (being the March 2021 Placing), the simultaneous completion of the Connaught Access Flooring Holdings Limited disposal and the release of Peter Jay, Andrew Collins and Graham Read from their personal guarantees in respect of a supplier's credit facility.

The Agreement contains market standard warranties from both the Company and the Purchaser.

## **19 Material contracts – Hellenic Dynamics**

The following are the only contracts (not being contracts entered into in the ordinary cause of business) which have been entered into by Hellenic Dynamics since the incorporation of the Company which (i) are, or may be, material to the Company; or (ii) contain obligations or entitlements which are, or may be, material to the Company as at the date of this Document.

### **19.1 Key Commercial Operating Arrangements**

#### **19.1.1 Lease Agreement**

Hellenic Dynamics entered into the lease agreement on 2 April 2019 with Efpalinos S.A. The amount of rent due under the lease is €50,000 and is payable annually. The rent is subject to annual increases in accordance with the published Consumer Price Index of not less than 1% per annum. The lease term expires on 2 April 2031, unless Hellenic Dynamics action the purchase option described below, or a further lease term can be agreed between the parties.

Under the Lease Agreement Hellenic Dynamics had an option to purchase the leased property for the amount of €750,000, provided that such option was exercised within the first 3 years of the term of the lease, i.e. by 2 April 2022. The Directors are currently in negotiations with the landlord to extend this option. Hellenic Dynamics also has a right of first refusal to purchase the leased property in the event that the lessor wishes to sell the property. Hellenic Dynamics and Efpalinos S.A. are currently in negotiations to extend the option of purchase period.

#### **19.1.2 First Land Concession Decision no. 166587(6331)**

Hellenic Dynamics has obtained the use of agricultural plot no. 1003 measuring 13,858 sqm and located in Chorigi, from the Municipality of Kilkis, under the terms of Land Concession Decision no. 166587(6331). The amount of annual rent due under the First Land Concession Decision is €278, together with a guarantee letter equal to 10% of the annual rent. The rent is constant for the first two years. The rent is subject to annual adjustment thereafter, which amounts to a percentage equal to the change of the published Consumer Price Index.

The use of the plot has been conceded for a term of 25 years, ending on 3 April 2045.

#### **19.1.3 Second Land Concession Decision no. 166585(6329)**

Hellenic Dynamics has obtained the use of agricultural plot no. 1010 measuring 8,520 sqm and located in Chorigi, from the Municipality of Kilkis, under the terms of Land Concession Decision no. 166585(6329). The amount of annual rent due under the Second Land Concession Decision is €171, together with a guarantee letter equal to 10% of the annual rent. The rent is constant for the first two years. The rent is subject to annual adjustment thereafter, which amounts to a percentage equal to the change of the published Consumer Price Index.

The use of the plot has been conceded for a term of 25 years, ending on 3 April 2045.

#### **19.1.4 Term sheet for offtake agreement made between Hellenic Dynamics S.A. and Cansativa GmbH – Initial term sheet signed on 14 May 2020 and updated on 5 May 2021**

The term sheet sets out the terms on which the parties would enter into a binding offtake agreement, being an agreement for the sale and purchase of agreed quotas of cannabis flowers and cannabis oils.

The parties acknowledge that the supplier may nominate a nominee to supply the goods under the binding offtake agreement and become the party to the offtake agreement, provided in all cases a nominee is permitted to supply under applicable law and approvals into the territory.

The term sheet envisaged that the offtake agreement would be signed by 1 December 2021 (or such later date as the parties agree in writing) failing which either party may terminate the term sheet. Neither party had terminated the term sheet and the Directors are confident that the offtake agreement will be entered into following Admission.

The conclusion of a binding offtake agreement is subject to the following conditions precedent:

- a. the target obtaining EU GMP certification and all other approvals to supply the goods to Germany; and
- b. the target successfully exporting and the offtaker successfully importing at least 2 trial shipments comprising each of the cannabis flower goods and cannabis oil goods meeting the specifications to the offtaker's receipt point in Germany;
- c. The offtaker obtains all approvals required to import, store, handle and distribute the goods in the agreed quantity;
- d. The offtaker receives sufficient and valid stability data for all goods of at least six months. state of the art stability data according to the ICH guidelines will be created and supplied by the target. The stability study shall be designed according to the ICH Guidelines and any other criteria offtaker might impose in its sole discretion. The Germany 10573192.3 stability study shall be designed, operated and supervised by the target and shall require offtaker's approval prior to the start of the stability study.

The term sheet provides that the above conditions should be satisfied by 1 December 2021 (or such later date as the parties may agree in writing) failing which either party may terminate the offtake agreement with immediate effect by notice to the other and upon termination, the offtake agreement shall have no further effect and the parties will have no liability to each other in respect of the offtake agreement.

The term sheet stipulates that the goods shall be delivered on DAP terms (per the 2010 edition of the Incoterms). The title to the goods passes upon payment of 90% of the value of the shipment or when supplier provides a copy of the Air Waybill to offtaker. Risk in the goods passes in accordance with the Incoterms. The payment terms will be agreed in the offtake agreement.

The term sheet provides that the parties will be under an obligation to obtain and maintain all necessary approvals and adequate liability insurance. The term sheet will terminate automatically upon execution of the binding offtake agreement. The term of the offtake agreement shall be one (1) year beginning from the moment of first receipt of goods.

The term sheet is governed by German law and has submitted to the exclusive jurisdiction of the courts of Berlin.

#### **19.1.5 Term sheet for offtake agreement made between Hellenic Dynamics S.A. and Nimbus Health – Initial Term Sheet signed on 13 May 2020 and updated on 13 April 2021**

The term sheet sets out the terms on which the parties would enter into a binding offtake agreement, being an agreement for the sale and purchase of agreed quotas of cannabis flowers and cannabis oils.

The parties acknowledge that the Supplier may nominate a nominee to supply the goods under the binding offtake agreement and become the party to the offtake agreement, provided in all cases a nominee is permitted to supply under applicable law and approvals into the territory.

The term sheet envisaged that the offtake agreement would be signed by 1 December 2021 (or such later date as the parties agree in writing) failing which either party may terminate the term sheet. Neither party had terminated the term sheet and the Directors are confident that the offtake agreement will be entered into following Admission.

The conclusion of a binding offtake agreement is subject to the following conditions precedent:

- a. the supplier obtaining EU GMP certification and all other approvals to supply the goods to Germany; and
- b. the Supplier successfully exporting and the offtaker successfully importing at least 2 trial shipments comprising each of the cannabis flower goods and cannabis oil goods meeting the specifications to the offtaker's receipt point in Germany;
- c. The offtaker obtains all approvals required to import, store, handle and distribute the goods in the agreed quantity;
- d. The offtaker receives sufficient and valid stability data for all goods of at least six months. state of the art stability data according to the ICH Guidelines will be created and supplied by the supplier. The stability study shall be designed according to the ICH guidelines and any other criteria offtaker might impose in its sole discretion. The Germany 10573192.3 stability study shall be designed, operated and supervised by the supplier and shall require offtaker's approval prior to the start of the stability study.

The term sheet provides that the above conditions should be satisfied by 1 December 2021 (or such later date as the parties may agree in writing) failing which either party may terminate the offtake agreement with immediate effect by notice to the other and upon termination, the offtake agreement shall have no further effect and the parties will have no liability to each other in respect of the offtake agreement.

The term sheet stipulates that the goods shall be delivered on CPT terms (per the 2010 edition of the incoterms). The title to the goods passes upon payment of 90% of the value of the shipment or when supplier provides a copy of the air waybill to offtaker. Risk in the goods passes in accordance with the incoterms. The payment terms will be agreed in the offtake agreement.

The term sheet provides that the parties will be under an obligation to obtain and maintain all necessary approvals and adequate liability insurance.

The term sheet will terminate automatically upon execution of the binding offtake agreement. The term of the offtake agreement shall be one (1) year beginning from the moment of first receipt of goods.

#### **19.1.6 Memorandum of Understanding made between Hellenic Dynamics S.A. and Kanabo Group Plc – Initial Term Sheet signed on 19<sup>th</sup> May 2021**

Letter of intent setting out mutual interests of a business relationship between the two parties for cooperating with cannabis flowers.

The intent of Kanabo Group Plc is to purchase an amount up to 1,000 kilograms per year on pre-defined THC/CBD value buds starting after release and approval has been passed by UK and German

authorities. The parties intend to start this transaction after EU-GMP-Certificate has been received by the Company, with possible trial deliveries before this.

The price for the goods will be defined by the kilo for cannabis flower goods. The price will be negotiated between the parties based on the specifications, products and quantities received.

#### **19.1.7 Memorandum of Understanding made between Hellenic Dynamics S.A. and American Farm School – executed on 18 December 2020**

It is a non-binding agreement between American Farm School and Hellenic Dynamics, which provides advice for the advancement of plant production and for the optimisation of cannabis farming methods.

The purpose of this MoU is the undertaking and promotion of common activities such as research and development, the promotion of research and scientific products, the training of researchers and young scientists and pursuing development through synergies of common interests.

The duration of the MoU is five (5) years at the end of which the parties are free to agree the renewal of the contract.

#### **19.1.8 Private Agreement between Kakanopoulos Dim. Konstantinos and Hellenic Dynamics S.A. – 3 August 2020**

A contract between Kakanopoulos Dim. Konstantinos and Hellenic Dynamics for the supply and installation of security and alarm systems, fire detection systems, surveillance systems and access control as well as supply and installation of two servers and internet distribution network. Governed by the laws of Greece.

## **20 Employees**

20.1 Including the Directors, the Company has 3 employees since incorporation.

20.2 Following Admission, in addition to the Directors and the Proposed Directors, the Enlarged Group shall have 9 employees and 4 consultants.

## **21 Accounts and Annual General Meeting**

21.1 The Company's annual report and accounts are made up to 31 March in each year, with the first annual report and account of the Company, which will consolidate the results of the Enlarged Group following Acquisition and Admission, covering the period from Acquisition. The Company's annual report and accounts for the year ended 31 March 2022 were published on 30 June 2022.

21.2 It is expected that the Company will make public its annual report and accounts within four months of each financial year end (or earlier if possible) and that copies of the annual report and accounts will be sent to Shareholders within six months of each financial year end (or earlier if possible). The Company will prepare its unaudited report for each six-month period ending 30 June. It is expected that the Company will make public its unaudited interim reports within two months of the end of each interim financial year.

21.3 The Company will hold its next annual general meeting approximately on or before 29 September 2023.

## **22 Other Information**

- 22.1 The auditor of the Company is Adler Shine LLP, whose registered address is at Aston House, Cornwall Avenue London N3 1LF. The auditor of Hellenic Dynamics is PKF Littlejohn LLP, whose registered address is at 15 Westferry Circus, Canary Wharf, London, E14 4HD. Adler Shine LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and PKF Littlejohn, whose component auditor is registered to carry out audit work by the Institute of Public Accountants of Greece .
- 22.2 No exceptional factors have influenced the Company's or Hellenic Dynamics's activities.
- 22.3 The expenses of Admission are estimated at £607,356 plus VAT and are payable by the Company (£182,898.49 will be deferred up to 18 months post Admission), excluding amounts to be satisfied by the issue of New Ordinary Shares. The estimated available cash resources for the project, after deducting Transaction Costs in connect with Admission are approximately £2,626,600.
- 22.4 PKF Littlejohn LLP has given and not withdrawn its written consent to the inclusion, in the Document, of its accountants' reports on the historical financial information of Hellenic Dynamics set out in Part VII Section A of this Document and its accountants' report on the unaudited pro forma statement of net assets of the Company set out in Part IX of this Document and has authorised the contents of these reports for the purposes of item 1.3 of Annex 1 of the PR Regulation. In addition, Adler Shine LLP has given and not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name and PKF Euroauditing has given and not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name.
- 22.5 Peterhouse has given and not withdrawn its written consent to the inclusion in this Document of references to its name.
- 22.6 Cairn has given and not withdrawn its written consent to the inclusion in this Document of references to its name.
- 22.7 Where information contained in this Document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 22.8 In respect of their respective interests and duties as directors, the Directors and the Proposed Directors and members of the management and key personnel of the Company as applicable, none of the Directors, Proposed Directors or members of the management and key personnel of the Company has any actual or potential conflicts of interest between their duties to the Company as applicable and their private interests or other duties.
- 22.9 Unless otherwise stated, statements made in this Document are based on the law and practice currently in force in England and Wales and are subject to changes in relation thereto.

## **23 Availability of this Document**

- 23.1 Following Admission, copies of this Document may be collected, free of charge during normal business hours, from the registered office of the Company.
- 23.2 In addition, this Document will be published in electronic form and be available on the Company's website at [www.hellenicdynamics.com](http://www.hellenicdynamics.com), subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.



## 24 Documents available for inspection

Copies of the following documents may be inspected at the registered office of the Company at 3rd Floor 80 Cheapside, London, United Kingdom, EC2V 6EE during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this Document:

- 24.1 this Document;
- 24.2 the Memorandum of Association of the Company;
- 24.3 the directors letters of appointment and service contracts referred to at paragraph 13 of this Part;
- 24.4 the material contracts referred to above in paragraph 18 of this Part;
- 24.5 the report and financial statement for the Company for the period ended 31 March 2021, report and financial statement for the Company for the period ended 31 December 2019 and report and financial statement for the Company for the period ended 31 December 2018, incorporated into this document by reference at Part VI of this Document;
- 24.6 the unaudited interim historical financial information for the Company for the six months ended on 30 September 2021, located at section B of Part V of this Document;
- 24.7 the accountant's report prepared by PKF Littlejohn LLP on the historical financial information of Hellenic Dynamics S.A. for the year ended 31 December 2021, 2020 and for the nine-month period to 31 December 2019 set out at Section A of Part VII, and the historical financial information of Hellenic Dynamics S.A. for the year ended 31 December 2021, 2020 and for the nine-month period to 31 December 2019 set out at Section B of Part VI;
- 24.8 the accountant's report issued by PKF Littlejohn LLP on the pro-forma financial information for the Company as at 31 March 2022, as set out at Part IX, and the unaudited pro forma statement of the net assets as at 31 March 2022 for the Company set out at Part VIII;

In addition, this Document will be published in electronic form and be available and free to download from the Company's website at [www.ukspacplc.com](http://www.ukspacplc.com) from the date of publication.

Dated: 14 November 2022

## **PART XIII DEFINITIONS**

References to a “company” in this document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

The following definitions apply throughout this Document unless the context requires otherwise:

<b>Acquisition</b>	means the acquisition of up to 100 per cent. of the issued share capital of Hellenic Dynamics S.A. by the Company in accordance with the terms of the SPA further details of which are set out at Part 18.1.1 section XII (Additional Information) of this Document;
<b>Admission</b>	means admission of the Enlarged Issued Share Capital to the standard segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange;
<b>Advisory Board</b>	Means the advisory board to the Company, as more particularly described in Part III of this Document;
<b>AIM</b>	means the Alternative Investment Market operated by the London Stock Exchange;
<b>AIM Rules</b>	means the AIM Rules for companies published by the London Stock Exchange from time to time;
<b>Articles of Association or Articles</b>	means the articles of association of the Company in force from time to time;
<b>BfArM</b>	Federal Institute for Drugs and Medical Devices;
<b>Bunker 1 or Bunker 2</b>	means an underground bunker (300 metres square) at the Facility in Northern Greece;
<b>Bunker 3 or Bunker 4 or Bunker 5</b>	means an underground bunker (133 metres square) at the Facility in Northern Greece;
<b>business day</b>	means a day (other than a Saturday or a Sunday) on which banks are open for business in London;
<b>Cairn</b>	means Cairn Financial Advisers LLP, the Company’s former nominated adviser;
<b>Cash Resources</b>	means the available funds of the Enlarged Group following Admission, net of Transaction Costs and taking into account the Subscription Funds and CLN Funds;
<b>certificated or in certificated form</b>	means in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST);

<b>CESR</b>	Committee of European Securities Regulators, predecessor to the European Securities and Markets Authority (ESMA);
<b>change of control</b>	means the acquisition of Control of the Company by any person or party (or by any group of persons or parties who are acting in concert);
<b>CLN Funds or Convertible Loan Note Funds</b>	means net proceeds of £375,000 raised pursuant to the CLNs subject to and conditional upon Admission, as more particularly described at paragraph 18.1.5 of Part XII (“Additional Information”) of this Document;
<b>CLN Holder</b>	means the individual, Rami Ajami, a member of the Kanabi Concert Party, who is subscribing for the £375,000 worth of CLNs;
<b>CLN or Convertible Loan Note</b>	means the unsecured convertible loan notes in the Company subscribed for by the CLN Holder in the amount of £375,000;
<b>CLN Warrants</b>	means the 125,000,000 Warrants issued with an exercise price of £0.003 for a period of 2 years from the date of Admission , as more particularly described in paragraph 18.1.4 of Part XII (“Additional Information”) of this Document;
<b>Companies Act</b>	means the Companies Act 2006, as amended;
<b>Company or U.K. SPAC</b>	means U.K. SPAC Plc, a company incorporated in England and Wales with company registration number 06374598;
<b>Concert Party or Kanabi Concert Party</b>	the members of the Kanabi Concert Party set out in paragraph 6 of Part XI of this Document;
<b>Concert Party Options</b>	375,900,000 options over Ordinary Shares to be issued, on Admission, to members of the Kanabi Concert Party in connection with the issue of the New Options as set out in in Section XII Part 5.4;
<b>Concert Party Shares</b>	5,393,441,895 Ordinary Shares held or may be held by members of the Kanabi Concert Party on Admission comprising, in aggregate, the 5,088,653,039 Ordinary Shares in respect of the Consideration Shares, 125,000,000 Ordinary Shares in respect of the Subscription Shares, 125,000,000 Conversion Shares and 54,788,856 Ordinary Shares as a result of the net movement in Top-Up Shares;
<b>Concert Party Warrants</b>	250,000,000 warrants over Ordinary Shares due to member of the Kanabi Concert Party on Admission comprising, in aggregate, 125,000,000 warrants in respect of the Subscription Warrants and 125,000,000 CLN Warrants;
<b>Consideration Shares</b>	the 10,414,447,530 Ordinary Shares to be issued to the Sellers in connection with the Acquisition as set out in the SPA;

<b>Control</b>	means: (i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of, more than 50 per cent. Of the maximum number of votes that might be cast at a general meeting of the Company; or (b) appoint or remove all, or the majority, of the Directors or other equivalent officers of the Company; or (c) give directions with respect to the operating and financial policies of the Company with which the Directors or other equivalent officers of the Company are obliged to comply; and/or (ii) the holding beneficially of more than 50 per cent. Of the issued shares of the Company (excluding any issued shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital);
<b>Conversion Shares</b>	means the 125,000,000 Ordinary Shares to be issued on conversion of the CLNs;
<b>CREST or CREST System</b>	means the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
<b>CREST Regulations</b>	means The Uncertified Securities Regulations 2001 (SI 2001 No. 3755), as amended;
<b>Directors or Board or Board of Directors</b>	means the directors and, if the context requires, the Proposed Directors of the Company, whose names appear at page 36 or the board of directors from time to time of the Company, as the context requires, and “Director” is to be construed accordingly;
<b>Disclosure Guidance and Transparency Rules</b>	means the disclosure guidance and transparency rules of the Financial Conduct Authority made in accordance with section 73A of FSMA as amended from time to time;
<b>Disposal</b>	means the Company’s disposal of assets and reclassification as a cash shell under AIM Rule 15, as announced on 3 March 2021;
<b>Document</b>	this prospectus;
<b>EEA</b>	means the European Economic Area;
<b>EEA States</b>	means the member states of the European Union and the European Economic Area, each an “EEA State”;
<b>Enlarged Group or Group</b>	means the Company and its subsidiary undertakings from time to time and Hellenic Dynamics and its subsidiary undertakings from time to time;
<b>Enlarged Issued Share Capital</b>	means the ordinary share capital of the Company as enlarged by the issue and allotment of the New Ordinary Shares on Admission;
<b>Enlarged Fully Diluted Share Capital</b>	means 14,375,472,958 Ordinary Shares, representing the Existing Ordinary Share Capital as would be enlarged by the issue and

	allotment of the New Ordinary Shares and from the further issue and allotment of shares resulting from the conversion of the CLNs and the exercise of all Options & Warrants expected to be in issue on Admission;
<b>Existing Options</b>	means 111,133,148 options over Ordinary Shares in issue as at the date of this Document;
<b>EU</b>	means the Member States of the European Union;
<b>Euroclear</b>	means Euroclear UK & Ireland Limited;
<b>EUWA</b>	European Union (Withdrawal Agreement) Act 2020
<b>Existing Ordinary Share Capital or Existing Ordinary Shares</b>	means the 1,852,219,137 Ordinary Shares in issue immediately preceding Admission;
<b>Existing Warrants</b>	means a total of 62,784,810 warrants over Ordinary Shares in issue as at the date of this Document;
<b>Extracts</b>	means extracted oils of THC-dominant strains of medicinal <i>Cannabis</i> flowers;
<b>Facility</b>	the 195,506 square meter facility leased and partially owned by Hellenic Dynamics near the town of Kilkis in Northern Greece;
<b>FCA</b>	means the Financial Conduct Authority;
<b>Fee Shares</b>	means 13,333,333 Ordinary Shares to be issued and allotted to Cairn Financial Advisers LLP in satisfaction of part of their fees related to Admission;
<b>Flowers</b>	means THC-dominant strains of dried medicinal <i>Cannabis</i> flowers;
<b>Form of Proxy</b>	means the form of proxy which is enclosed with this Document for use by existing Shareholders in connection with the General Meeting;
<b>Founder Shares</b>	means the class of share in the Company incorporated by Special Resolution on 29 June 2016 and then altered by Special Resolution on 02 March 2021. Further detail set out at paragraph 4.9;
<b>FSMA</b>	means the Financial Services and Markets Act 2000, as amended;
<b>General Meeting</b>	means the general meeting of the Company proposed to be held at the offices of Hill Dickinson LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 1 December 2022 for the purpose of approving the Resolutions set out in the Notice;
<b>Hellenic Concert Party</b>	members of Hellenic Dynamics who are deemed to be acting in concert for the purposes of the Code, further details of whom are

	included in paragraph 6 of Part XI of this Document, which is different to the Kanabi Concert Party;
<b>Hellenic Dynamics</b>	means the company incorporated under the laws of Greece (company number: 149608035000), having its address at Chorigi-Kilkis, P.C. 61100, Greece;
<b>IFRS</b>	means International Financial Reporting Standards, as adopted by the European Union;
<b>Independent Non-executive Director</b>	means the non-executive directors of the Board from time to time considered by the Board to be independent;
<b>Independent Shareholders</b>	means those shareholders independent of the Acquisition who are capable of voting on the Rule 9 Waiver Resolution pursuant to the Takeover Code, being all of the shareholders of the Company;
<b>Installation / Construction Licence</b>	means a licence relating to the proposed construction and installation of a facility in Kilkis, Greece for the purpose of cultivating, processing, altering and producing medicinal cannabis end-products;
<b>Interested Party</b>	means, in relation to the Company, (i) a person holding 5% or more of that Company's issued share capital or the voting rights therein; (ii) a person with the power to appoint one or more directors or the general manager of that Company; or (iii) a person who serves in the Company as a director or general manager;
<b>IPO Admission</b>	means the admission of the Company to AIM in 30 October 2008;
<b>IPO Share Price</b>	means £0.003 per Ordinary Share;
<b>Issued Share Capital</b>	means the total number of Ordinary Shares in issue from time to time;
<b>Kanabi Concert Party</b>	members of Hellenic Dynamics who are presumed to be acting in concert for the purposes of the Code, further details of whom are included in paragraph 6 of Part XI of this Document;
<b>Last Practicable Date</b>	11 November 2022;
<b>Listing Rules</b>	means the listing rules made by the FCA under section 73A of FSMA as amended from time to time;
<b>Locked-in Directors</b>	means the Proposed Directors and for the avoidance of doubt, excluding the existing directors;
<b>London Stock Exchange</b>	means London Stock Exchange Plc;
<b>Long Stop Date</b>	means the long stop date of 6 December 2022, (unless extended by the mutual consent of the parties to the SPA for a period of not longer than six-months), under the SPA;

<b>Main Market</b>	means the regulated market of the London Stock Exchange for listed securities;
<b>Market Abuse Regulation</b>	means Regulation No 596 (2014 of the European Parliament and of the Counsel on market abuse);
<b>Minimum Cash Balance</b>	means the cash balance required to be held on completion by UK SPAC of £2,626,600 million, net of transaction costs. Of this total amount, £1,125,000, is available as a result of the Subscription Funds and CLN Funds received by the Company;
<b>New Ordinary Shares</b>	means the Consideration Shares, the Fee Shares and the Subscription Shares;
<b>New Options</b>	means the new options being issued to the persons listed in the table in Section XII 'Additional Information' Part 5.4 on Admission;
<b>New Option Holders</b>	means the parties listed in the table in Section XII 'Additional Information' Part 5.4;
<b>Notice</b>	the notice of General Meeting, as set out in the Appendix of this Document;
<b>Official List</b>	means the official list of the Financial Conduct Authority;
<b>Existing Option Holders</b>	means Peter Jay, Brent Fitzpatrick, and Simon Grant-Rennick, the holders of Options granted under the terms as announced by the Company on 3 March 2021;
<b>Existing Options</b>	means the 111,133,148 options to acquire Ordinary Shares at an exercise price of £0.001975 per option, exercised prior to (and including) the day falling on the first anniversary of grant, granted to Option Holders;
<b>Ordinary Shares</b>	means the ordinary shares of £0.001 each in the capital of the Company including, if the context requires, the New Ordinary Shares;
<b>Options</b>	means the Existing Options and New Options over Ordinary Shares of the Company;
<b>Panel</b>	the Panel on Takeovers and Mergers;
<b>Peterhouse</b>	means Peterhouse Capital Limited, Financial Adviser to the Company, which is authorised and regulated by the FCA;
<b>Peterhouse Shares</b>	means 166,666,658 Consideration Shares to be transferred pro-rata from certain existing Hellenic shareholders immediately on Admission to Peterhouse Capital in satisfaction their fees related to Admission;
<b>PR Regulation</b>	the UK version of Regulation number 2019/980 of the European Commission, which is part of UK law by virtue of the EUWA;

<b>Premium Listing</b>	means a premium listing under Chapter 6 of the Listing Rules;
<b>Project Costs</b>	means the activities that the Enlarged Group intends to undertake which will amount to approximately £2,626,600;
<b>Proposals</b>	the Acquisition, the Rule 9 Waiver, the change of the Company's name to "Hellenic Dynamics plc", and the passing of the Resolutions and Admission;
<b>Proposed Directors</b>	means each of Davinder Rai, Filippos Papadopoulos, Anthony Jolliffe and Joseph Colliver, all of whom are to be appointed as Directors of the Company with effect from Admission;
<b>Prospectus Regulation</b>	the UK version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the EUWA;
<b>Prospectus Regulation Rules</b>	means the prospectus regulation rules of the FCA made in accordance with section 73A of FSMA;
<b>Prospectus RTS Regulation</b>	the UK version of Commission Delegated Regulation (EU) 2019/979, which is part of UK law by virtue of the EUWA;
<b>Record Date Of The General Meeting</b>	means the 29 November 2022;
<b>Resolutions</b>	the shareholder resolutions as set out in the Notice;
<b>Retained Advisers</b>	means certain individuals who have agreed to advise the Board on potential acquisitions on a discretionary part-time consultancy basis;
<b>Reverse Takeover</b>	means a transaction defined as a reverse takeover under Listing Rule 5.6.4 (1) and (2);
<b>Rule 9 Waiver</b>	means the waiver of the obligations of the members of the Kanabi Concert Party to make a general offer for the Enlarged Group under Rule 9 of the Takeover Code which may otherwise arise as a consequence of the issue of the Concert Party Shares to the Kanabi Concert Party or the exercise of the Concert Party Options or the Concert Party Warrants by members of the Kanabi Concert Party, granted by the Panel conditional upon approval of the Independent Shareholders voting on a poll, further details of which are set out in Part I of this Document;
<b>Rule 9 Waiver Resolution</b>	means the resolution to be put to Independent Shareholders, on a poll for the approval for the Rule 9 Waiver;
<b>Securities Act</b>	means the U.S. Securities Act of 1933, as amended;



<b>Sellers</b>	means the selling shareholders of Hellenic Dynamics pursuant to the SPA, and “Seller” is to be construed accordingly;
<b>Shareholders</b>	means the holders of the Ordinary Shares and/or New Ordinary Shares, as the context requires;
<b>Significant Shareholder</b>	means Shareholders holding 3.0% or more of the Company’s Ordinary Shares at Admission;
<b>SPA or Share Purchase Agreement</b>	means the share purchase agreement dated 30 July 2021 and entered into between (1) the Company; (2) Hellenic Dynamics; and (3) the Sellers and as amended, as more particularly described at paragraph 18.1.1 of Part XII of this Document;
<b>Standard Listing</b>	means a standard listing under Chapter 14 of the Listing Rules on the Main Market of the London Stock Exchange;
<b>Subscription</b>	means the proposed subscription of 250,000,000 new Ordinary Shares raising £750,000 on behalf of the Company and on the terms and subject to the conditions set out in this Document;
<b>Subscription Funds</b>	means gross proceeds of £750,000 and net proceeds of £750,000 raised pursuant to the Subscription subject to and conditional upon Admission;
<b>Subscription Shares</b>	means 250,000,000 Ordinary Shares subscribed for by Subscribers at a subscription price of £0.003 per Ordinary Share to be issued and allotted pursuant to the Subscription;
<b>Subscribers</b>	means the investors participating in the Subscription;
<b>Subscription Warrants</b>	means the 250,000,000 Warrants issued with an exercise price of £0.003 for a period of 2 years from the date of Admission, as more particularly described in paragraph 18.1.3 of Part XII (“Additional Information”);
<b>Subsidiary or Subsidiaries</b>	means as defined in the Companies Act;
<b>Suspension</b>	means the suspension of trading in the Company’s Ordinary Shares effective as at 8.00 a.m. on 2 August 2021 pending publication of a prospectus relating to the Reverse Takeover;
<b>Takeover Code</b>	means the City Code on Takeovers and Mergers;
<b>Top-Up Shares</b>	means the 125,000,000 Ordinary Shares to be redistributed from certain existing shareholders of Hellenic Dynamics, including members of the Kanabi Concert Party, that will be transferred to the CLN Holder in the event of conversion of his CLNs within 9 months of Admission and which has the effect of a net increase in the holding of the Kanabi Concert Party of 54,788,856 Ordinary Shares, further details of which are included in paragraph 6 of Part XI of this Document;

<b>Transaction Costs</b>	meaning £607,356, representing the transaction costs and expenses incurred by the Company in connection with Admission;
<b>UK Corporate Governance Code</b>	means the Corporate Governance Code issued by the Financial Reporting Counsel from time to time;
<b>UK Prospectus Regulation</b>	means the UK equivalent of the Prospectus Regulation, as transposed into the laws of England and Wales by the European Union (Withdrawal) Act 2018, following the conclusion of the Brexit transition period on 31 December 2020;
<b>uncertificated form</b>	means, in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
<b>United Kingdom or U.K.</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>United States</b>	means the United States of America;
<b>VAT</b>	means (i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition; and
<b>Warrants</b>	means warrants over Ordinary Shares of the Company.

References to a “company” in this document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

## PART XIV

### GLOSSARY OF TECHNICAL TERMS

The following definitions apply throughout this Document unless the context requires otherwise:

<b>Cannabis</b>	means the <i>Cannabis</i> plant
<b>CBD</b>	means Cannabidiol a cannabinoid compound found in the <i>cannabis</i> plant
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>EU GMP</b>	Good Manufacturing Processes
<b>THC</b>	means Tetrahydrocannabidol, a cannabinoid compound found in the <i>Cannabis</i> plant;
<b>ELISA</b>	Enzyme linked immunosorbent assay
<b>ICP-MS</b>	Inductively coupled plasma mass spectrometry
<b>QPCR</b>	Quantitative polymerase chain reaction
<b>HPLC</b>	High performance liquid chromatography
<b>GACP</b>	Good Agricultural and Collection Practice
<b>GDP</b>	Good Distribution Practice
<b>LC-MS-MS</b>	Liquid chromatography - mass spectrometry
<b>WHO</b>	World Health Organization

## PART XV

### NOTICE OF GENERAL MEETING

U.K. SPAC PLC

(the “Company”)

*Company number: 06374598*

Notice is hereby given that a general meeting of the Company will be held at 10 a.m on 1 December 2022 at the offices of Hill Dickinson LLP at The Broadgate Tower, 20 Primrose Street, EC2A 2EW, London, United Kingdom, to consider and, if thought fit, pass resolutions 1, 2, and 3 as Ordinary Resolutions and resolutions 4, 5, and 6 as Special Resolutions, as set out below.

Please note that this notice relates to a prospectus published by the Company on the date of this notice (the “Prospectus”), of which this notice forms part and, unless the context specifically requires a different interpretation be applied, capitalised terms referred to in the resolutions (below) are set out in Part XIII of the Prospectus.

#### ORDINARY RESOLUTIONS

1. **THAT** the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise for the members of the Kanabi Concert Party to make a general offer to shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers arising from (i) the issue of the Concert Party Shares on Admission; and (ii) the exercise of the Concert Party Options or the Concert Party Warrants granted in connection with Admission be and is hereby approved.
2. **THAT** subject to passing of Resolution 1, the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (“CA 2006”), to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (“Rights”) up to an aggregate nominal amount of £15,000,000, in connection with: (a) the issue and allotment of 10,677,780,863 New Ordinary Shares (representing, the Consideration Shares, the Fee Shares and the Subscription Shares) on Admission; (b) the grant of 1,171,555,000 New Options; (c) the grant of the unsecured Convertible Loan Notes valued at £375,000 capable of being converted into a total of 125,000,000 Ordinary Shares; (d) the grant of 125,000,000 CLN Warrants; and (e) the grant of 250,000,000 Subscription Warrants, which shall expire on the fifth anniversary of Admission, save that the Company may before such expiry make an offer or agreement which would or might require the equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
3. **THAT** subject to passing of Resolution 1 and Resolution 2, and strictly conditional upon the occurrence of Admission, the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (“CA 2006”), to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (“Rights”) up to an aggregate nominal amount representing 33 per cent. of the nominal value of the Company’s entire

issued share capital on Admission, provided that this authority shall, unless renewed, varied or revoked by the Company expire on the date of the Company's first annual general meeting following Admission or otherwise, the date falling eighteen months from the date of the approval of this Resolution, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuant of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

#### **SPECIAL RESOLUTIONS**

4. **THAT** subject to the passing of Resolution 2 above and in accordance with section 571 of the Companies Act 2006, the Directors be and are hereby given the power to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by Resolution 2 above as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that the power granted by this resolution shall (unless previously revoked, varied or renewed) expire when the authority conferred by Resolution 2 (above) shall expire, save that the Company may before such expiry make an offer or agreement which would or might require the equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuant of such an offer or agreement as if the power conferred hereby had not been revoked.
5. **THAT**, subject to the passing of Resolution 3, the Directors of the Company be and they are hereby empowered pursuant to allot equity securities for cash (as defined in section 560 of the CA 2006) pursuant to the authorities conferred by Resolution 3 as if section 561 of the CA 2006 did not apply to any such allotment, save that this power shall:
  - a. be limited to the allotment of equity securities or otherwise and grant rights to subscribe for or to convert any security into shares of the Company up to a nominal amount representing 10 per cent of the Company's entire issued share capital on Admission; and
  - b. will expire when the authority conferred by Resolution 3 (above) shall expire, save that the Company may before such expiry make an offer or agreement which would or might require the equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuant of such an offer or agreement as if the power conferred hereby had not been revoked.
6. **THAT** conditional upon Admission, the name of the Company be changed to "**HELLENIC DYNAMICS PLC**" and that the Company's memorandum and articles of association be amended to reflect such change of name.

BY ORDER OF THE BOARD  
Registered Office Address:  
80 Cheapside  
London  
EC2V 6EE

**Yours sincerely**

A handwritten signature in black ink, appearing to read 'Peter Jay', with a stylized flourish at the end.

**Peter Jay**  
*Executive Chairman*

### Notes to the Notice of the General Meeting:

1. A member of the Company entitled to attend, speak and vote at the meeting convened by this notice may appoint one or more proxies to attend, speak and vote in his place. A proxy need not be a member of the Company. A form of proxy is enclosed for use at this meeting.
2. Completing and returning a form of proxy does not preclude a member from attending and voting at the Meeting.
3. You can register your vote(s) for the General Meeting either:
  - a. by post or by hand to SLC Registrars, P.O. Box 5222, Lancing, BN99 9FG using the proxy form accompanying this notice;
  - b. by scanning a signed copy and emailing this to [proxy@slcregistrars.com](mailto:proxy@slcregistrars.com);
  - c. in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in notes 4-8 below.

In order for a proxy appointment to be valid the proxy must be received by Share Registrars Limited by 10 a.m. on 29 November 2022.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the general meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and International Limited's ('Euroclear') specifications and must contain the information required for such instructions, as described in the CREST Manual.
6. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of the general meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary

to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. For the purposes of determining who is entitled to attend or vote (whether on a show of hands or a poll) at the meeting a person must be entered on the register of members not later than 6.30pm on 29 November 2022, or if the meeting is adjourned, you must be entered on the register at 6.30pm on the date which is two days prior to the date of any adjourned meeting.
10. In the case of joint holders of shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
11. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together.
12. As at the close of business on 11 November 2022 (the last business day prior to the publication of this notice), the Company's issued ordinary share capital comprised 1,852,219,137 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the time and date given above is 1,852,219,137.



## APPENDIX I

### ANNUAL REPORT AND FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2022

#### STRATEGIC REPORT

#### FOR THE YEAR ENDED 31 MARCH 2022

#### CHAIRMAN'S REPORT

The Board of U.K. SPAC Plc ("the Company") presents its report on the accounts for the year ended 31 March 2022.

#### Key Features

- **Net loss before tax for the year was £613,696 (2021: £3,903,180)**
- **Acquisition of Hellenic Dynamic S. A. still in progress**
- **Net cash position: £2,095,682 (2021: £2,858,775)**

#### Overview

The financial statements cover the year to 31 March 2022 and the prior period comparatives cover the 15 months to 31 March 2021. In the previous year and following the disposal on 3 March 2021 of the Company's two trading subsidiaries, Mountfield Building Group Limited and Connaught Access Flooring Holdings Limited, the Company became an AIM Rule 15 cash shell.

Immediately following the sales, the Board was reconstituted with the resignations of Andy Collins and Graham Read (who have each acquired one of the trading subsidiaries) and by the appointments of Nigel Fitzpatrick and Simon Grant-Rennick, who both have had considerable experience of being members of boards of cash shells, joining me on the Board of the Company. Our job was twofold, to manage the affairs of the then non-trading Company and to source a business or asset that could, following a reverse take-over, provide shareholders with value and liquidity.

The sourcing referred to above involved discussions with a number of entrepreneurs who were looking for a suitable cash shell to reverse their businesses into and also with Peterhouse Capital Limited who had been appointed as the Company's broker and who had raised over £3m in the prior period for the Company in order to re-position it as a cash shell.

By the end of May 2021, the Directors had been introduced to, and were in extensive discussions with, a company whose business, although nascent, contained not only the assets and business model required to create a substantial operation but also an experienced management team. The Company, Hellenic Dynamics S.A., ("Hellenic") is company that has been set up in order to become a medical cannabis cultivation business. Based in Northern Greece and with the infrastructure required to undertake a substantial business operation in that sector, Hellenic aims to become a leading grower of medicinal cannabis in Europe within the next few years.

After further negotiation, a binding sale and purchase agreement ("Agreement"), subject to certain conditions including admission to the Standard segment of the Official List of the London Stock Exchange's ("LSE") main market for listed securities ("Standard Listing"), was entered into between the Company and Hellenic on 2 August 2021. The Agreement valued the Company at a minimum of £11.76m for the purposes of the transaction and Hellenic at £45.2m. As a result of the Agreement, trading in the shares of the Company were suspended in accordance with the AIM Rules. A long stop date ("Long Stop Date") for completion of the sale and purchase and for admission to the Standard List ("Admission") of the Company's enlarged share capital of 31 October 2021 was originally agreed and also on 2 August the Company that day submitted a first draft of the prospectus in connection with an application for a Standard Listing.

The Board of the Company and its advisers had expected the transaction to be completed and Admission to have occurred by 31 October 2021. However, the process of obtaining the FCA's approval has taken considerably longer than the Directors or the Company's advisers had anticipated.

The delay is not the result of any problems with the transaction or concerns raised by the FCA but from the fact that Hellenic's business will be undertaken in the German and Greek markets and this has substantially increased the due diligence requirements of the transaction and the Company has had to obtain opinions in various jurisdictions. In addition, as Hellenic will be one of the first medicinal cannabis cultivators to undertake a London listing, the FCA, understandably and appropriately, requires an extended period to consider and review such an application due to the nature of Hellenic's product and to review the Company's systems, procedures and controls and licenses.

As both the Company and Hellenic have expressed in a number of announcements they are both committed to completing the Agreement at the earliest possible date.

## **Financial performance**

Until an acquisition is made the Company does not have any key performance indicators that are used to monitor the business.

The Company made a loss for the period of £613,696 (*period to 31 March 2021 - £3,903,180 which includes losses on disposal of the subsidiaries*). The loss is due to expenses of operating the Company and of the costs involved in the acquisition of Hellenic. The losses are larger than anticipated as until an acquisition is made the company has no source of income.

Whilst the acquisition has been delayed as described above, the Company still has a significant cash balance of £2.1m (*2021 - £2.86m*) at the year-end meaning that it has the resources to complete this acquisition or to seek a new opportunity if necessary.

## **Outlook for the Company**

It is now hoped that the acquisition of Hellenic will complete by the final quarter of 2022.

The Board currently comprises:

**Peter Jay - Executive Chairman** - in addition to being Chairman, Peter also manages the Company's relationships with its nomad, brokers and professional advisers. Peter was formerly a corporate lawyer and a partner in DAC Beachcroft LLP.

**Simon Grant-Rennick - Non-Executive Director** - Simon Grant-Rennick graduated from the Camborne school of mines and has been actively involved with mining, metal trading and agriculture for over 35 years. During this time has served on both private companies and public companies listed in the UK, Australia and America

**Nigel Fitzpatrick - Non-Executive Director** - Nigel Fitzpatrick has had over 20 years' experience as a corporate finance consultant and brings with him considerable quoted company experience, with current directorships including Lombard Capital Plc, Path Investments Plc and Vela Technologies Plc. He has been instrumental in advising a number of companies on their acquisitions, funding and subsequent flotations.

## **Group Companies**

As from 3 March 2021 the Company has not had any subsidiaries.

## **Finance**

The Company had no finance facilities in place at 31 March 2022, however it had significant cash resources at its disposal.

## **Company's strategy**

The Company's share capital was traded on AIM, part of the London Stock Exchange. Having disposed of its trading businesses on 3 March 2021 the Company became an AIM Rule 15 cash shell following a placing of £3.1m of its Ordinary Shares that was undertaken by its brokers, Peterhouse Capital Limited.

As a cash shell the Company was required to make an acquisition or acquisitions which together constitute a reverse takeover under AIM Rule 14 within six months of 3 March 2021 or be re-admitted to trading on AIM as an investing company under the AIM Rules (which would require the raising of at least £6m), However as this did not take place the Company's shares are no longer traded on AIM.

The Directors of the Company are currently looking to a Standard Listing to coincide with the completion of the reverse acquisition of Hellenic Dynamics S.A.

### **Section 172(1) statement**

The Board has a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the Company's success for the benefit of its members as a whole and to have regard to:

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Company.

Information on how the directors have regard to the requirements of section 172(1) can be found throughout the Strategic Report and as more specifically detailed below.

As disclosed in the Directors' Report the Company complies with the QCA Corporate Governance Code and based on its principals they develop and adapt the Company's strategy with the aim of promoting long-term value to shareholders.

The strategy of the Company is to acquire a new business with the aim of delivering value for the Company's shareholders.

The Board keeps the Company's shareholders updated about developments relating to the Company through announcements on its website.

In addition to its shareholders the key stakeholders include suppliers and local communities in which our business resides.

Whatever sector the Company makes an acquisition in, it will insist on regular communication with stakeholders, customers, suppliers and staff, both formal and informal, and will provide managers with the input they require on a daily basis and allows them to respond to the feedback in similar manner.

### **Principal risks**

The principal risks and uncertainties that faced the Company during the period relate to:

#### *Economic downturn and other macroeconomic factors*

The Company is currently in a strong position with its substantial cash resources to deal with any economic downturn.

#### *Attraction and retention of key employees*

The Company's future success is substantially dependent on the continued services and performance of its Directors.

#### *Acquisition of subsidiaries*

The Company has invested a significant amount of time and resources in respect of the proposed acquisition of Hellenic. Should this not occur for any reason the Company has significant cash resources to enable it to make such acquisition or acquisitions.

#### **Key performance indicators**

The previous key performance indicators are no longer relevant following the disposal of the subsidiaries or the acquisition of a new one.

#### **Financial instruments**

Details of the Company's financial risk management objectives and policies are included in note 13 to the financial statements.



**Peter Jay**

Executive Chairman:

Date: 28 July 2022

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

The Directors present their annual report and audited financial statements for the year ended 31 March 2022.

**Principal activity**

The principal activity of the Company is to identify and manage investment opportunities.

**Review of business**

A detailed review of the development of the business is contained in the Strategic Report.

**Results**

The Company made a pre-tax operating loss of £613,696 (Period ended 31 March 2021: £3,903,180) for the year to 31 March 2022.

At 31 March 2022 the Company had net assets of £2,264,192 (31 March 2021: £2,765,310).

**Dividends**

The Directors do not propose payment of any dividends for the year ended 31 March 2022.

**Directors**

The Directors who served during the year were:

P H Jay

S R Grant-Rennick

N B Fitzpatrick

**Charitable Donations**

During the period, the Company made charitable donations totalling £Nil (Period ended 31 March 2021: £Nil).

**Substantial Shareholdings and Directors Shareholdings**

So far as the Directors are aware the parties who are directly or indirectly interested in 3% or more of the nominal value of the Company's share capital at 6 July 2022 are as follows:

	Number of shares issued	% Ordinary share capital
Hargreaves Lansdown Nominees Ltd	326,429,118	17.64%
Interactive Investor Services Nominees Ltd	243,977,045	13.18%
JIM Nominees Ltd	197,190,476	10.64%
Pershing Nominees Ltd	99,408,502	5.37%
HSDL Nominees Limited	96,975,562	5.24%
Vestra Nominees Ltd	83,520,000	4.51%
Lawshare Nominees Limited	81,388,429	4.39%
Vidacos Nominees Ltd	79,982,782	4.31%
Barclays Direct Investing Nominees Ltd	71,452,758	3.86%
Cantor Fitzgerald Europe	59,210,862	3.20%

As at 31 March 2022 the following directors held the following EMI Share Options over the ordinary shares of 0.1p each:

	Date of Grant	Exercise price (p)	Last Exercise Date	Number of shares at 31 March 2022
P Jay	03/03/2021	0.1975	30/09/2023	46,305,478
S R Grant-Rennick	03/03/2021	0.1975	30/09/2023	32,413,835
N B Fitzpatrick	03/03/2021	0.1975	30/09/2023	32,413,835

The directors, who held office at 31 March 2022, had the following interests in the ordinary shares in the capital of the Company:

	2022	2021
N B Fitzpatrick*	17,721,519	17,721,519
Peter Jay	18,664,557	18,664,557

\*A family company, of which N B Fitzpatrick is a minority shareholder, owns 17,721,519 (2021: 17,721,519) shares in the Company.

### Creditor payment policy

The Company's current policy concerning the payment of trade creditors is to:

- Pay in accordance with supplier payment terms,
- Pay in accordance with the Company's contractual and other legal obligations.

At the year end trade creditors represented 1 day's expenses.

### **Corporate Governance**

The Board is committed to good corporate governance and so far as appropriate, given the Company's size and constitution of the Board, intends to comply with the QCA guidelines on corporate governance. The Company adopted the QCA Corporate Governance Code ("QCA Code") on 28 September 2018 and the Company's Corporate Governance Statement is available to view on the Company's website at [www.ukspacplc.com](http://www.ukspacplc.com).

### **Greenhouse gas emissions, energy consumption and energy efficiency action**

In the current year and prior period the Company had no CO2 emissions resulting from the purchase of electricity, gas or fuel by the business for its own use.

In the current year and prior period the total annual quantity of energy consumed from activities for which the Company is involved amounted to Nil.

Based on the above no energy efficiency action is being considered.

### **Going Concern**

The Directors have prepared and reviewed the cash flow requirements to meet the Company's financial objectives. The Directors are satisfied that, taking into account the current cash resources and facilities available to the business and its future cash requirements, it is appropriate to prepare accounts on a going concern basis.

### **Disclosure of information to auditors**

Each of the Directors who are in office at the date when this report is approved has confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information.

### **Auditors**

A resolution proposing the re-appointment of Adler Shine LLP as auditor will be put to the members at the next Annual General Meeting.

On behalf of the Board



**Peter Jay**

Director

Date: 28 July 2022



## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Strategic and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors have chosen to prepare the financial statements for the Company in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

International Accounting Standards requires that financial statements present fairly for each financial period the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires directors to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statement on the going concern basis, unless it is inappropriate to presume the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Website publication**

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF U.K. SPAC PLC**

### **Opinion**

We have audited the financial statements of U.K. Spac Plc (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF U.K. SPAC PLC**

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we have:

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF U.K. SPAC PLC**

- We obtained an understanding of the legal and regulatory framework that the group and parent company operates in, focusing on those laws and regulations that had a direct effect on the financial statements. We obtained an understanding in this regard through discussions with management and the application of our cumulative audit knowledge and experience of this sector. The key laws and regulations we considered in this context included the Companies Act 2006, AIM regulations and applicable tax legislation.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Undertaken appropriate sample based testing of bank transactions;
- We considered the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for director's remuneration, bonus levels and performance targets.
- Discussing matters among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; enquiries of management, review of minutes and (RNS) announcements, reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for this work, for this report, or for the opinions we have formed.

### **Alexander Chrysaphiades FCA (Senior Statutory Auditor)**

for and on behalf of

Adler Shine LLP

Chartered Accountants and Statutory Auditor

Aston House

Cornwall Avenue

London N3 1LF

**Date:**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

		<b>Year to 31 March 2022</b>	<i>15 months to 31 March 2021</i>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Revenue</b>	<b>2</b>	-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses	<b>3</b>	<b>(613,511)</b>	<i>(414,048)</i>
Loss on disposal of subsidiaries	<b>16</b>	-	<i>(3,487,000)</i>
<b>Operating loss</b>		<b>(613,511)</b>	<i>(3,901,048)</i>
Net finance costs	<b>3</b>	<b>(185)</b>	<i>(2,132)</i>
<b>Loss before income tax</b>		<b>(613,696)</b>	<i>(3,903,180)</i>
Income tax expense	<b>5</b>	-	-
<b>Loss for the year and total comprehensive income</b>		<b>(613,696)</b>	<i>(3,903,180)</i>
<b>Earnings per share</b>	<b>6</b>		
<b>Basic earnings per share</b>		<b>(0.033)p</b>	<i>(1.082)p</i>

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

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	2022 £	2021 £
<b>ASSETS</b>			
<b>Current assets</b>			
Other receivables	7	216,871	35,617
Cash and cash equivalents	8	2,095,682	2,858,775
		<u>2,312,553</u>	<u>2,894,392</u>
<b>TOTAL ASSETS</b>		<u>2,312,553</u>	<u>2,894,392</u>
<b>EQUITY AND LIABILITIES</b>			
Issued share capital	9	4,122,400	4,122,400
Share premium		2,816,208	2,816,208
Capital redemption reserve		7,500	7,500
Retained losses		(4,681,916)	(4,180,798)
<b>TOTAL EQUITY</b>		<u>2,264,192</u>	<u>2,765,310</u>
<b>Current liabilities</b>			
Trade and other payables	10	48,361	129,082
		<u>48,361</u>	<u>129,082</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,312,553</u>	<u>2,894,392</u>

The financial statements were approved by the board on 28 July 2022.



Peter Jay

Director

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2022**

<b>Notes</b>	<b>Year to 31 March 2022</b>	<i>15 month period to 31 March 2021</i>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Operating loss	<b>(613,511)</b>	<i>(3,901,048)</i>
Adjusted for:		
Share based payment charge	<b>112,578</b>	<i>22,516</i>
Pre-acquisition costs	<b>197,510</b>	<i>-</i>
Loss on disposal of subsidiaries	<b>-</b>	<i>3,487,000</i>
Increase in trade and other receivables	<b>(181,254)</b>	<i>(26,808)</i>
(Increase)/decrease in trade and other payables	<b>(80,721)</b>	<i>63,904</i>
	<hr/>	<hr/>
Cash generated in operations	<b>(565,398)</b>	<i>(354,436)</i>
Corporation tax paid	<b>-</b>	<i>(11,662)</i>
Finance costs	<b>(185)</b>	<i>(2,132)</i>
	<hr/>	<hr/>
<b>Net cash outflow operating activities</b>	<b>(565,583)</b>	<i>(368,230)</i>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Pre-acquisition costs	<b>(197,510)</b>	<i>-</i>
	<hr/>	<hr/>
<b>Net cash flows used in from investing activities</b>	<b>(197,510)</b>	<i>-</i>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	<b>-</b>	<i>3,156,000</i>
Share issue costs	<b>-</b>	<i>(232,500)</i>
Proceeds from the sale of subsidiaries	<b>-</b>	<i>955,522</i>
Repayment of non-convertible loan notes	<b>-</b>	<i>(62,961)</i>

<b>Net cash flows used in from financing activities</b>		-	3,816,061
<b>Net cash (decrease)/increase in cash and cash equivalents</b>		<b>(763,093)</b>	3,447,831
Cash and cash equivalents brought forward		<b>2,858,775</b>	(589,056)
<b>Cash and cash equivalents carried forward</b>	8	<b>2,095,682</b>	2,858,775

During the prior period the Company disposed of its subsidiaries for a consideration of £3,963,000 of which £3,007,478 was settled by utilising the outstanding intercompany and loan note balances.

The notes on pages 17 to 32 form part of these financial statements.



**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Share capital	Share premium	Capital redempt'n reserve	Merger reserve	Retained earnings	Total
	£	£	£	£	£	£
<b>At 1 January 2020</b>	<u>2,524,426</u>	<u>1,490,682</u>	<u>7,500</u>	<u>1,579,436</u>	<u>(1,879,571)</u>	<u>3,722,473</u>
Issue of shares during the year	1,597,974	1,558,026	-	-	-	3,156,000
Share issue costs	-	(232,500)	-	-	-	(232,500)
Transfer of merger reserve	-	-	-	(1,579,436)	1,579,436	-
Share based payment charge	-	-	-	-	22,516	22,516
Total comprehensive loss for the year	-	-	-	-	(3,903,179)	(3,903,179)
<b>At 31 March 2021</b>	<u>4,122,400</u>	<u>2,816,208</u>	<u>7,500</u>	<u>-</u>	<u>(4,180,798)</u>	<u>2,765,310</u>
Share based payment charge	-	-	-	-	112,578	112,578
Total comprehensive loss for the year	-	-	-	-	(613,696)	(613,696)
<b>At 31 March 2022</b>	<u>4,122,400</u>	<u>2,816,208</u>	<u>7,500</u>	<u>-</u>	<u>(4,681,916)</u>	<u>2,264,192</u>

**Merger reserve**

The merger reserve existed as a result of the acquisitions of Mountfield Building Group Limited, MBG Construction Limited, Connaught Access Flooring Holdings Limited and Mountfield Land Limited where the consideration included the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 2006. The merger reserve represents the difference between the nominal value of the share capital issued by the Company and the fair value of those shares at the date of acquisition.

In the prior period a transfer was made from the merger reserve to retained earnings to reflect amounts that have become realised through impairment write downs in previous accounting periods and the disposal in the prior period.

**Share Capital**

Share capital represents the nominal value of shares that have been issued.

**Share premium**

Share premium represents the difference between the nominal value of shares issued and the total consideration received.

**Capital redemption reserve**

Capital redemption reserve represents amounts transferred following the purchase of own shares.

**Retained earnings**

Retained earnings represent cumulative profit or losses, net of dividends and other adjustments

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

### **1 Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below.

#### **1.1 General information**

U.K. SPAC Plc (“the Company”) is a public company limited by shares and incorporated and in England and Wales. The registered number of the Company is 06374598. The address of its registered office is 3<sup>rd</sup> Floor, 80 Cheapside, London, EC2V 6EE.

The financial statements are for the year to 31 March 2022 while the comparative period is for the 15 months to 31 March 2021. The prior accounting period was extended to 31 March 2021 in order to encompass the sale of all its former subsidiaries, which took place on 3 March 2021.

The principal activity of the Company is to identify and manage investment opportunities.

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis. The Company’s intention is to make an acquisition and currently has sufficient cash resources in order to maintain its proposed plans for at least twelve months from the date of approval of these financial statements. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and are confident that further funding would be obtainable if required.

#### **1.3 IFRS compliance and adoption**

##### **Statement of compliance with IFRS**

These financial statements have been prepared in accordance with 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 IFRS.

The adoption of these standards has not resulted in any changes to the Company’s accounting policies and has not affected amounts reported in prior years.

The financial statements have been prepared under the historical cost basis.

## Sources of estimation uncertainty

The preparation of financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis and any revision to estimates or assumptions are recognised in the period in which they are revised and in future periods affected.

### 1.3 IFRS compliance and adoption (continued)

#### Significant judgements

The material areas in which estimates, and judgements are applied are as follows:

##### *Share based payments*

Equity-settled share options are recognised as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated through the use of the Black-Scholes model which requires inputs such as the risk-free interest rate, expected volatility and the expected option life, and is expensed over the vesting period. Some of the inputs used are based on estimates derived from available data and the directors opinions. Using different input estimates or models could produce different option values, which would result in the recognition of a higher or lower expense.

#### Presentation and functional currency

The financial statements are presented in pounds sterling, which is the Company's functional currency. The financial statements are rounded to the nearest whole pound.

### 1.4 Standards and interpretations

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

		Effective Date
IAS 1	Amendments regarding the classification of liabilities	1 January 2023
IAS 16	Amendments prohibiting a company from deducting from the cost of property, plant and equipment amount received from selling items produced while the company is preparing the asset for its intended use.	1 January 2022

IAS 37	Amendments regarding the costs to include when assessing whether a contract is onerous	1 January 2022
IFRS 4	Amendments regarding the expiry date of the deferral approach	1 January 2023
IFRS 9	Amendments resulting from <i>Annual Improvements to IFRS Standards 2018-2020</i> (fees in the '10 per cent' test for derecognition of financial liabilities)	1 January 2022
IFRS 17	Insurance contracts	1 January 2023
IAS 1	Amendments regarding the disclosure of accounting policies	1 January 2023
IAS 8	Amendments regarding the definition of accounting estimates	1 January 2023
IAS 12	Amendments regarding deferred tax on leases and decommissioning obligations	1 January 2023
IFRS 1	Amendments resulting from <i>Annual Improvements to IFRS Standards 2018-2020 (subsidiary as a first-time adopter)</i>	1 January 2022
IFRS 3	Amendments updating a reference to the <i>Conceptual Framework</i>	1 January 2022
IAS 1	Amendments to defer the effective date of the January 2020 amendments	1 January 2023

The directors have forecast the future adoption of the above amendments will not have any significant or material impact on the financial statements.

## 1.5 Share-based payments

The Company makes equity-settled share-based payments to its employees and directors. The fair value of options and warrants granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options and warrants granted is measured based on the Black-Scholes framework, taking into account the terms and conditions upon which the instruments were granted. At each balance sheet date, the Company revises its estimate of the number of options and warrants that are expected to become exercisable.

## 1.6 Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## **1.7 Financial instruments**

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

The financial instruments, which excludes current receivables and payables, comprise cash or overdrafts and unsecured non-convertible loan notes. The Directors consider the fair value not to be materially different to the carrying value for the financial instruments. During the year under review, the Company did not enter into derivative transactions and did not undertake trading in any financial instruments.

## **1.8 Trade and other receivables**

Trade receivables are recognised at fair value less any provision for impairment. A provision for impairment is made when collection of the full amount is no longer probable. Bad debts are written off when identified. The fair value of trade and other receivables are equivalent to their book values as set out in the financial information.

## **1.9 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents net of outstanding bank overdrafts.

## **1.10 Financial liabilities and equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

## **1.11 Share capital**

The Company has one class of ordinary share, which carries no rights to fixed income. All ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Ordinary shares issued by the Company are classified as equity and recorded at fair value on initial recognition received, net of direct issue costs.

## **1.12 Share premium**

Share premium represents the difference between the nominal value of shares issued and the total consideration received, net of issue expenses incurred by the Company.

## **1.13 Trade and other payables**

Trade payables are initially recognised at fair value and subsequently at amortised cost. The fair value of the trade and other payables are equivalent to their book values as set out in the financial information.

#### **1.14 Taxation**

The taxation charge represents the sum of current tax and deferred tax.

The current tax charge is based on the taxable profit/loss for the period using the tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from the net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is provided using the liability method, in respect of temporary differences between the carrying amount of the assets and liabilities and their tax base. Deferred tax is recognised in the statement of comprehensive income, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised in equity.

Deferred tax assets are recognised only when it can be regarded as probable that there will be suitable taxable profits in the foreseeable future against which the deductible temporary difference can be utilised. Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

## 2 Segmental reporting

The Company only has one activity and therefore a single reportable segment.

The Company comprises the following segment:

### Investment appraisal and Head office

Evaluation and professional costs of potential and proposed investment opportunities.

### Segmental operating performance

	Year to 31 March 2022		15 month period to 31 March 2021	
	Revenue	(Loss) before tax	Revenue	(Loss) before tax
	£'000	£'000	£'000	£'000
Investment appraisal and Head office	-	(614)	-	(3,903)

### Business segments assets and liabilities

	31 March 2022		31 March 2021	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Investment appraisal and Head office	2,313	48	2,894	129

### Segmental reporting by geographical destination

The above information is wholly attributable to, and arising in, the United Kingdom.



### 3 Operating Loss

#### Administrative expenses include:

	Year to 31 March 2022	15 month period to 31 March 2021
	£	£
Share based payment charge	112,578	22,516
Pre-acquisition expenditure	197,510	-
Legal and professional expenditure	164,025	324,481
Fees payable to the Company's auditor in respect of the audit of the financial statements	20,000	20,000

#### Finance costs:

	Year to 31 March 2022	15 month period to 31 March 2021
	£	£
<i>Finance expenses</i>		
Other interest	(185)	-
Bank interest	-	(2,132)
Interest paid	(185)	(2,132)

### 4 Employee numbers and costs

#### *Average number of employees*

The average number of employees (including executive Directors) was:

	<b>Year to 31 March 2022</b>	15 month period to 31 March 2021
	<b>No.</b>	<b>No.</b>
Management	<b>3</b>	<b>3</b>

*Wages and salaries*

	<b>Year to 31 March 2022</b>	15 month period to 31 March 2021
	<b>£</b>	<b>£</b>
Wages and salaries	<b>58,333</b>	-
Social security costs	<b>5,750</b>	-
Share based payments	<b>112,578</b>	22,516
	<b>176,661</b>	59,183

*Key management personnel compensation*

	<b>Year to 31 March 2022</b>	15 month period to 31 March 2021
	<b>£</b>	<b>£</b>
Short-term employee benefits	<b>58,333</b>	461,427
Post-employment benefits	-	10,000
Share based payments	<b>112,578</b>	22,516

*Directors' remuneration*

<b>Year to 31 March 2022</b>	15 month period to
--------------------------------------	-----------------------

31 March  
2021

	<b>Salaries and fees</b>	<b>Benefits in kind</b>	<b>Share based payment</b>	<b>Post- employment benefit</b>	<b>Total</b>	<b>Total</b>
	£	£	£	£	£	£
P Jay	37,200	-	46,910	-	<b>84,110</b>	46,049
N B Fitzpatrick	37,200	-	32,834	-	<b>70,034</b>	6,567
S R Grant-Rennick	37,200	-	32,834	-	<b>70,034</b>	6,567
	<u>111,600</u>	<u>-</u>	<u>112,578</u>	<u>-</u>	<u><b>224,178</b></u>	<u>59,183</u>

The number of Directors for whom retirement benefits were accruing under money purchase pension schemes was Nil (*Period ended 31 March 2021 - Nil*).

The number of directors for whom EMI Share options were granted during the year was 3.

## 5 Income tax expense

	<b>Year to 31 March 2022</b>	15 month period to 31 March 2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the period	-	-
<b>Total current tax</b>		
<b>Deferred tax</b>		
Deferred tax	-	-
<b>Income tax expense</b>	<u>-</u>	<u>-</u>
<b>Factors affecting tax charge</b>		
Loss before income tax	<b>(613,696)</b>	(416,180)

	<u>(116,602)</u>	<u>(79,074)</u>
Profit before income tax multiplied by effective rate of UK corporation tax of 19% (2021: 19%)		
Effects of:		
Disallowed expenditure	<b>60,231</b>	30,735
Tax losses not utilised and carried forward	<b>56,371</b>	48,339
Current tax charge	<u>-</u>	<u>-</u>

The company has carried forward losses amounting £347,759 (2021 - £51,257). A deferred tax asset of £86,940 (2021 - £9,738.83) has not been provided for on the basis that there is no certainty in respect of future profits being available to utilise the tax loss carried forward.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

## 6 Earnings per share

The basic earnings per share is calculated by dividing the earnings attributable to equity shareholders by the weighted average number of shares in issue. The diluted earnings per share is calculated by dividing the earnings attributable to equity shareholders by the weighted average number of shares in issue plus the number of warrants and share options.

	<b>2022</b>	2021
<b>Basic earnings per share</b>	<b>£</b>	<b>£</b>
Loss for the financial year	<b>(613,696)</b>	(3,903,180)
Weighted average number of shares	<u><b>1,852,219,137</b></u>	<u>360,776,100</u>
Earnings per share	<u><b>(0.033)p</b></u>	<u>(1.082)p</u>

The loss attributable to equity shareholders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of share options would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

## 7 Trade and other receivables

<b>2022</b>	2021
<b>£</b>	<b>£</b>

Other receivables	<b>153,193</b>	7,499
Other taxation and social security	<b>63,678</b>	28,118
<b>Total trade and other receivables</b>	<b>216,871</b>	35,617

No interest is charged on overdue receivables. There is no material difference between the fair value of receivables and their book value.

Included in other debtors is a loan of £150,000 to Hellenic Dynamics S.A,. The loan is interest free unless some conditions are not met in which case the loan is repayable immediately together with interest of 12% per annum. Should the company fail to relist within 4 months of the date of the loan then interest is also payable at 12% per annum. The loan will be repaid by reducing the completion monies required to purchase Hellenic Dynamics S.A by the amount of the outstanding loan. This loan is unsecured.

## 8 Cash and cash equivalents

	<b>2022</b>	2021
	£	£
Cash at bank and in hand	<b>2,095,682</b>	2,858,775

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

For the purpose of the cash flow statement, there was no overdraft facility included within cash and cash equivalents at 31 March 2022 and the comparative.

## 9 Share capital

	<b>2022</b>		2021	
	Number	£	Number	£
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 0.1p each	<b>1,852,219,137</b>	<b>1,852,218</b>	1,852,219,137	1,852,218
Founder shares of £1 each	<b>2,270,182</b>	<b>2,270,182</b>	2,270,182	2,270,182
		<b>4,122,400</b>		4,122,400

2,270,182 Founder shares were issued in 2016. The founder shares were never quoted and do not carry a right to vote or to receive a dividend.

On 3 March 2021, 1,597,974,683 0.1p ordinary shares were issued at a value of 0.1975p per share.

## Warrants

Details of the warrants outstanding during the period are as follows;

	Weighted average remaining contractual life (years)	Number	Weighted average exercise price £
Brought forward at 1 January 2020	-	-	-
Granted	0.92	1,647,594,936	0.003
Lapsed	-	-	-
Carried forward at 31 March 2021	0.92	1,647,594,936	0.003
Brought forward at 1 April 2021	0.92	1,647,594,936	0.003
Granted	-	-	-
Lapsed	-	-	-
Carried forward at 31 March 2022	0.19	1,647,594,936	0.003

Although the last day for exercising the warrants was extended to 10 June 2022, the Directors, having taken legal advice which confirms that the exercise period for the warrants may still be extended. The Directors have not yet made a final decision as to whether to make a further variation as to their terms.

## Share Options

Details of the equity settled EMI share options outstanding during the period are as follows:

	Number	Weighted average remaining contractual life (years)	Weighted average exercise price £
--	--------	--	---

Brought forward at 1 January 2020	-	-	-
Granted	111,133,148	1.5	0.002
Lapsed	-	-	-
Carried forward at 31 March 2021	<u>111,133,148</u>	<u>1.5</u>	<u>0.002</u>
Brought forward at 1 April 2021	<u>111,133,148</u>	<u>1.5</u>	<u>0.002</u>
Granted	-	-	-
Lapsed	-	-	-
Carried forward at 31 March 2022	<u>111,133,148</u>	<u>0.5</u>	<u>0.002</u>

The fair value of the remaining share options has been calculated using the Black-Scholes model. The assumptions used in the calculation of the fair value of the share options outstanding during the year are as follows:

Grant Date	3 March 2021
Exercise period	March 2021 – September 2022
Share price at date of grant	0.33p
Exercise price	0.1975p
Shares under option	111,133,148
Expected volatility	26%
Expected life (years)	1.5
Risk free rate	0.01%
Expected dividend yield	0%
Fair value per option	0.12p

Volatility was determined by reference to the standard deviation of expected share price returns based on a statistical analysis of the daily share value of the AIM All-Share Market over a 1 year period to grant date. All of the above options are equity settled and the charge for the year is £112,578 (2021: £22,516).

## 10 Trade and other payables (current)

	2022	2021
	£	£
Trade payables	8,001	106,574
Accruals	40,260	22,508
Corporation tax	100	-
	<u>48,361</u>	<u>129,082</u>

The directors consider that the carrying amount of trade payables approximate their fair value.

## 11 Capital commitments

On 2 August 2021, the Company has announced that it had signed a binding sale and purchase agreement with Hellenic in relation to the acquisition of 100 per cent of the issued share capital of Hellenic. Hellenic is a European medical cannabis cultivation company.

The proposed acquisition is classified as a reverse takeover pursuant to Rule 14 of the AIM Rules for Companies, albeit that the Company is no longer listed on AIM.

The agreed consideration of £45.2 million is to be fully satisfied by way of the issue of an expected maximum of 9,578,937,499 new ordinary shares in the Company at an expected minimum of 0.472 pence per ordinary share.

The transaction is subject to the following conditions; -

- a minimum cash balance held on completion by UK SPAC of £2.88 million, net of transaction costs;
- achievement of this minimum cash balance on completion will require the exercise of a proportion of the existing warrants (at 0.3 pence per ordinary share).
- proposed admission of enlarged group, at a market capitalisation of more than £50 million, to the standard segment of the Official List of the Financial Conduct Authority ("FCA") and to trading on the London Stock Exchange's main market for listed securities.



As a result of the necessity for the enhanced legal and due diligence work, the Company and Hellenic have agreed to extend the completion date. All other terms in the Agreement remain unchanged.

## 12 Operating lease commitments

There were no operating lease commitments at the year-end date.

## 13 Financial instruments

### Capital risk management

The Company manages its capital to ensure its ability to continue as a going concern and to maintain an optimal capital structure. The capital structure of the Company comprises equity attributable to equity holders of the Company consisting of issued ordinary share capital, reserves and retained earnings as disclosed in Consolidated Statement of Changes in Equity and cash and cash equivalents as disclosed in Note 8.

### Categories of financial instruments

	2022	2021
	£	£
<b>Financial assets</b>		
Cash and cash equivalents at fair value	<b>2,095,682</b>	2,858,775
Loans and receivables at amortised cost:		
Trade and other receivables	<b>216,871</b>	35,617
Total	<b>2,312,553</b>	2,894,392
<b>Financial liabilities</b>		
Trade and other payables at amortised cost	<b>(48,361)</b>	(129,082)
<b>Net</b>	<b>2,264,192</b>	2,765,310

### Cash and cash equivalents

This comprises cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.

### General risk management principles

The Company's exposure to market risk (interest rate risk) and credit risk is minimal at present, however there is exposure to liquidity risk. The Company manages these risks through an effective risk management programme and through this programme, the Board seeks to minimise potential adverse effects on the

Company's financial performance. The Directors have an overall responsibility for the establishment of the Company's risk management framework. A formal risk assessment and management framework for assessing, monitoring and managing the strategic operational and financial risks of the Company is in place to ensure appropriate risk management of its operations.

The following represent the key financial risks that the Company faced during the period.

### Liquidity risk

The Company closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet the obligations of the Company as they fall due.

#### *Fair value of financial assets and liabilities*

The Directors consider that there is no significant difference between the book value and fair value of the Company's financial assets and liabilities.

The tables below summarise the maturity profile of the combined Company's non-derivative financial liabilities at each financial year end based on contractual undiscounted payments:

<b>31 March 2022</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>
<b>Non-derivative financial liabilities</b>	<b>£</b>	<b>£</b>	<b>£</b>
Borrowings (current and non-current)	-	-	-
Trade payables	8,001	-	-
Other payables	100	-	-
Accruals	40,260	-	-
	<b>48,361</b>	<b>-</b>	<b>-</b>

<b>31 March 2021</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>
<b>Non-derivative financial liabilities</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade payables	106,574	-	-
Contract accruals and accruals	22,508	-	-
	<b>129,082</b>	<b>-</b>	<b>-</b>

## **14 Related party transactions**

Related party transactions are considered to be conducted at arm's length.

During the year, Zeme Limited invoiced £Nil (2021 - £8,333) for the services of P Jay as a director of U.K. SPAC Plc. As at 31 March 2022, £Nil (2021 - £Nil) was due to Zeme Limited, a company controlled by P Jay.

During the year, JALAC Limited invoiced £2,033 (2021 - £28,333) for the services of P Jay as a director of U.K. SPAC Plc.

During the year, JALAC Limited invoiced the Company £Nil (2021 - £26,000) for consultancy services provided by P Jay, a director. The amount of £26,000 was settled in the prior period by the issue of 13,164,557 ordinary shares to P Jay.

During the year, ASP Corp Ltd invoiced the Company £8,033 (2021 - £Nil) for consultancy services provided by S R Grant-Rennick, a director.

During the year, Ocean Park Developments Limited invoiced the Company £37,200 (2021 - £Nil) for consultancy services provided by N B Fitzpatrick, a Director.

During the prior period the Company disposed of its subsidiary Connaught Access Flooring Holdings Limited for £2.3m to A Collins, a Director at the time.

During the prior period the Company disposed of its subsidiary Mountfield Building Group Limited for £1.663m to G Read, a Director at the time.

## **15 Post Balance Sheet Event**

As set out in note 7, at the balance sheet date, the Company was owed £150,000 from Hellenic Dynamics S.A.

Following the year end the company loaned a further £150,000 to Hellenic Dynamics S.A. The loan is interest free unless some conditions are not met in which case the loan is repayable immediately together with interest of 12% per annum. Should the company fail to relist within 4 months of the date of the loan then interest is also payable at 12% per annum. The loan will be repaid by reducing the completion monies required to purchase Hellenic Dynamics S.A by the amount of the outstanding loan. This loan is secured.

## **16 Loss on disposal of investment undertakings**

In the prior period ended 31 March 2021, the Company disposed of its subsidiary undertakings, recognising a loss on their disposal.