# SPAC deal to bring medical cannabis firm Hellenic Dynamics to London

An AIM-listed cash shell is to bring medical cannabis producer Hellenic Dynamics to London in a sign of activity after the UK relaxed rules on special purpose acquisition companies (SPACs).

U.K. SPAC is to acquire 100% of the Greek company, which is building a 200,000 square metre growing facility near Thessaloniki and has pre-sold crops to ship later this year, for £45.2 million in a reverse takeover deal.

Trading in U.K. SPAC was suspended on Monday morning, with plans for later readmission to London's main market.

U.K. SPAC's chairman, Peter Jay, said he was "delighted" to acquire Hellenic, and said the company has "the ambition and the potential to become one of the major growers of medicinal cannabis in Europe".

Hellenic VP, Davinder Rai, said the move is a "major step forward".

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A string of firms in the cannabis space have opted for a UK listing this year after regulator the Financial Conduct Authority gave them permission to float. Analysts have predicted the European medical cannabis market will grow to nearly £27 billion by 2027. Hellenic’s main export market is Germany – currently Europe’s largest medical cannabis market.

The deal comes after the UK eased rules for SPACs in a bid to lure more to list in London.

The “blank cheque” vehicles are a faster route to market than an IPO; SPACs raise cash by listing and then use proceeds to buy a private company within a set period of time.

The rule change, which comes into force on August 10, comes after a SPAC boom on Wall Street and in Amsterdam in recent months. The FCA will no longer require SPACs to suspend their shares after listing in London if they raise at least £100 million, allowing more flexibility for investors.

The move was made as enthusiasm for SPACs looks to be easing worldwide amid reports of scandals at some SPAC firms and some fears of an over-hyped market.