

*The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

**17 August 2020**

**Interim Results Announcement  
Minoan Group Plc  
(the “Group” or the “Company” or “Minoan”)**

Minoan Group Plc, the AIM listed resort development company announces its unaudited interim results for the six months ended 30 April 2020.

**HIGHLIGHTS**

- Like-for-like net loss reduced substantially for the six-month period
- Successful reorganisation of finances
- Partnership and other Project discussions to be accelerated
- Greek government has enacted, and continues to enact, specific legislation designed to improve the quality of its tourism offering and to encourage retirees to settle in Greece
- Post Covid 19 demands will add to the attractiveness of the development

**Christopher Egleton, Minoan Chairman, said:**

Over the last few months, we have issued a number of updates in order to keep shareholders informed of progress. We will continue this practice as we move towards delivery of the Project and its value.

The Company’s unaudited interim results for the 6 months ended 30 April 2020 can be viewed on Minoan’s website, [www.minoangroup.com](http://www.minoangroup.com), with effect from 17 August 2020.

*For further information visit [www.minoangroup.com](http://www.minoangroup.com) or contact:*

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## **Chairman's Statement**

### **Introduction**

When we entered the period under review we were hopeful of being able to refine and select potential partners and to be able to move ahead toward the next stages in the delivery of the Project. However, the effects of the Covid 19 pandemic have delayed that process, which has meant much of the time has been spent on replacing our loan agreements and in sorting out our short term financing. We have used this time effectively and have continued discussions with a number of parties, continued to refine the 'offer' with our designers, engaged in constructive dialogue with the Foundation, launched a new website (completed after the period end) and reduced on-going costs

### **Greece**

While Greece has not escaped the effects of Covid, particularly on the 2020 summer season, the Greek Government has been proactive in attempting to mitigate the effects on inward investment by building on its more investor friendly approach. This has included simplifying the framework of the planning process in order to improve the quality of Greece's tourism offering. In addition, the recent enactment of legislation to encourage retirees to settle in Greece through a very low flat tax rate of 7% is likely to have an extremely positive effect on the residential tourism market as a whole.

### **The Project**

The nature of the Company's Project in Crete, covering over 25sq km with its 28km of coastline and unending sea views, is such that it is able to accommodate the spatial demands that appear to be emerging within the tourism industry as it adapts to a post Covid world. Taken together with the fact that the Project's flexibility, as highlighted in the outline planning consent and overall plan, has always been to create space for its visitors, using under 0.05% of the land for building, we believe the post Covid demands add to the attractiveness of the development as a whole.

In addition, it should be borne in mind that the timescales of projects like ours are such that the impact of events like Covid are less likely to affect the Project realisation process on the ground other than a short delay in the assembly of the 'Partnership Team'. In this latter context, together with the easing of restrictions, I now expect a number of discussions to accelerate towards beneficial solutions for all stakeholders.

### **Financial Review**

The loss before taxation was reduced to £901,000 compared to £1,144,000 in the same period last year mainly as a result of substantially reduced finance costs. This reduction would have been significantly increased had it not been for a substantial jump of over £200,000 in the non-cash share based payment charge related to warrants.

A part of the Refinancing exercise was the removal of the future dilutive effect of the previous arrangements regarding warrant issues and this, in turn, will reduce the future share based payments charge. Other than in respect of direct project costs, with the actions taken during and after the period end we move forward with significantly reduced running costs that will be reflected in a lower cash burn.

### **Outlook**

As Covid restrictions begin to relax, we look forward to updating shareholders in the coming period as we progress discussions with partners and prospective partners toward beneficial conclusions.

*Christopher W Egleton*

Chairman

17 August 2020

**Unaudited Consolidated Statement of Profit and Loss and Other Comprehensive Income**  
**6 months ended 30 April 2020**

	<b>6 months ended</b> <b>30.04.20</b> <b>£'000</b>	6 months ended 30.04.19 £'000	Year ended 31.10.19 £'000
<b>Revenue</b>	-	-	-
Cost of sales	-	-	-
<b>Gross profit</b>	-	-	-
Operating expenses	<b>(352)</b>	(281)	(799)
Other operating expenses		-	-
<b>Operating loss</b>	<b>(352)</b>	(281)	(799)
Finance costs	<b>(549)</b>	(863)	(1,278)
<b>Loss before taxation</b>	<b>(901)</b>	(1,144)	(2,077)
Taxation	-	-	-
<b>Loss for period attributable to equity holders of the Company</b>	<b>(901)</b>	(1,144)	(2,077)
<b>Loss per share attributable to equity holders of the Company: Basic and diluted</b>	<b>(0.21)p</b>	(0.42)p	(0.61p)

**Unaudited Consolidated Statement of Changes in Equity**  
**6 months ended 30 April 2020**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 November 2019</b>	<b>17,188</b>	<b>36,119</b>	<b>9,349</b>	<b>3,094</b>	<b>(23,493)</b>	<b>42,257</b>
<b>Loss for the period</b>	-	-	-	-	<b>(901)</b>	<b>(901)</b>
<b>Issue of ordinary shares at a premium</b>	<b>185</b>	<b>324</b>	-	-	-	<b>509</b>
<b>Share based payments</b>	-	-	-	<b>369</b>	-	<b>369</b>
<b>Extension of warrant expiry date</b>	-	-	-	-	-	-
<b>Balance at 30 April 2020</b>	<b>17,373</b>	<b>36,443</b>	<b>9,349</b>	<b>3,463</b>	<b>(24,394)</b>	<b>42,234</b>

6 months ended 30 April 2019

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2018	15,460	34,373	9,349	2,830	(21,416)	40,596
Loss for the period	-	-	-	-	(1,144)	(1,144)
Issue of ordinary shares at a premium	1,270	471	-	-	-	1,741
Share based payments	-	-	-	160	-	160
Extension of warrant expiry date	-	-	-	-	-	-
Balance at 30 April 2019	16,730	34,844	9,349	2,990	(22,560)	41,353

Year ended 31 October 2019

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2018	15,460	34,373	9,349	2,830	(21,416)	40,596
Loss for the period	-	-	-	-	(2,077)	(2,077)
Issue of ordinary shares at a premium	1,728	1,746	-	-	-	3,474
Share based payments	-	-	-	-	-	-
Extension of warrant expiry date	-	-	-	264	-	264
Balance at 31 October 2019	17,188	36,119	9,349	3,094	(23,493)	42,257

**Unaudited Consolidated Statement of Financial Position as at 30 April 2020**

	As at 30.04.20 £'000	As at 30.04.19 £'000	As at 31.10.19 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	3,583	3,583	3,583
Property, plant and equipment	158	160	157
Non-current assets held for sale	-	-	-
<b>Total non-current assets</b>	<b>3,741</b>	<b>3,743</b>	<b>3,740</b>
<b>Current assets</b>			
Inventories	46,009	45,758	45,848
Receivables	207	228	211
Cash and cash equivalents	5	23	24
<b>Total current assets</b>	<b>46,221</b>	<b>46,009</b>	<b>46,083</b>
<b>Total assets</b>	<b>49,962</b>	<b>49,752</b>	<b>49,823</b>
<b>Equity</b>			
Share capital	17,373	16,730	17,188
Share premium account	36,443	34,844	36,119
Merger reserve account	9,349	9,349	9,349
Warrant reserve	3,463	2,990	3,094
Retained earnings	(24,394)	(22,560)	(23,493)
<b>Total equity</b>	<b>42,234</b>	<b>41,353</b>	<b>42,257</b>
<b>Liabilities</b>			
Current liabilities	7,728	8,399	7,566
<b>Total liabilities</b>	<b>7,728</b>	<b>8,399</b>	<b>7,566</b>
<b>Total equity and liabilities</b>	<b>49,962</b>	<b>49,752</b>	<b>49,823</b>

**Unaudited Consolidated Cash Flow Statement**  
**6 months ended 30 April 2020**

	<b>6 months ended</b> <b>30.04.20</b> <b>£'000</b>	6 months ended 30.04.19 £'000	Year ended 31.10.19 £'000
<b>Cash flows from operating activities</b>			
Net cash outflow	(252)	(411)	(1,909)
Finance costs for continuing operations	(549)	(648)	(1,278)
<b>Net cash used in operating activities</b>	<b>(801)</b>	<b>(1,059)</b>	<b>(3,187)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(1)	-	-
Purchase of intangible assets	-	-	-
<b>Net cash used in investing activities</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Net proceeds from the issue of ordinary shares	878	1,741	3,738
Loans received/(repaid)	(95)	(679)	(547)
<b>Net cash generated from financing activities</b>	<b>783</b>	<b>1,062</b>	<b>(3,191)</b>
<b>Net increase/(decrease) in cash</b>	<b>(19)</b>	<b>3</b>	<b>4</b>
Cash at beginning of period	24	20	20
<b>Cash at end of period</b>	<b>5</b>	<b>23</b>	<b>24</b>

**1 Cash flows from operating activities**

	<b>6 months ended</b> <b>30.04.20</b> <b>£'000</b>	6 months ended 30.04.19 £'000	Year ended 31.10.19 £'000
Loss before taxation	(901)	(1,144)	(2,077)
Finance costs	549	863	1,278
Depreciation & Amortisation	-	1	-
Exchange gain relevant to property, plant and equipment	-	-	4
Increase in inventories	(161)	(377)	(467)
Share based payments	-	-	-
(Increase)/decrease in receivables	4	(13)	4
(Decrease)/Increase in current liabilities	257	259	(651)
Liabilities settled by the issue of ordinary shares	-	-	-
<b>Net cash outflow from continuing operations</b>	<b>(252)</b>	<b>(411)</b>	<b>(1,909)</b>

## **Notes to the Unaudited Consolidated Cash Flow Statement 6 months ended 30 April 2020**

### **1. General information**

The Company is a public limited company incorporated in England and Wales. The Company's principal activity in the year under review was that of a holding and management company of a Group involved in the design, creation, development and management of environmentally friendly luxury hotels and resorts plus the provision of general management services.

### **2. Basis of preparation**

The interim financial statements are unaudited and do not constitute statutory accounts as defined in Section 434(3) of the Companies Act 2006. A copy of the audited Report and Financial Statements for the year ended 31 October 2019 has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified and did not contain statements under s498(2) to s498(4) of the Companies Act 2006. The Report and Financial Statements for the year ended 31 October 2019 were approved by the Board on 14 May 2020.

The interim financial statements for the 6 months ended 30 April 2020 comprise an Unaudited Consolidated Statement of Profit and Loss and Other Comprehensive Income, Unaudited Consolidated Statement of Changes in Equity, Unaudited Consolidated Statement of Financial Position and Unaudited Consolidated Cash Flow statement plus relevant notes.

The interim financial statements are prepared in accordance with EU adopted International Financial Reporting Standards ("IFRS") and the International Financial Reporting Interpretations Committee ("IFRIC") interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies adopted in the preparation of the interim financial statements are consistent with those adopted in the Report and Financial Statements for the year ended 31 October 2019.

### **Going concern**

The directors have considered the financial and commercial position of the Group in relation to its project in Crete (the "Project"). In particular, the directors have reviewed the matters referred to below.

Following the unanimous approval of a Plenum of the Greek Council of State, the highest court in Greece, the Presidential Decree granting land use approval for the Project was issued on 11 March 2016 and was published in the Government Gazette. The planning rules for the Project are now enshrined in law. The appeals lodged against the Presidential Decree have been rejected by the Greek Supreme Court.

Accordingly, the directors consider that they will conclude further Project joint venture agreements in the near term. In addition, the directors are considering other options which would have a major beneficial impact on the Group's resources.

In addition to specific Project related matters as noted above, and as has been the case in the past, the Group continues to need to raise capital in order to meet its existing finance and working capital requirements. While the directors consider that any necessary funds will be raised as required, the ability of the Company to raise these funds is, by its nature, uncertain.

Having taken these matters into account, the directors consider that the going concern basis of preparation of the financial statements is appropriate.

### 3. Segmental information

The Group strategy and growth objectives necessitate the building of an associated infrastructure. The Group considers it appropriate to identify separately the corporate development division together with costs related to acquisitions. Accordingly, following the sale of its travel business, the Group is now organised into two divisions:

- the luxury resorts division, currently being the development of a luxury resort in Crete, which includes the central administration costs of the Group and which is a continuing operation;
- the corporate development division (UK) as described above, which is a continuing operation.

The information presented below is consistent with how information is presented to the Board, with the Group's accounting policies and with the geographical location of the relevant divisions.

	<b>6 months ended 30 April 2020</b>		
	<b>Luxury Resorts £'000</b>	<b>Corporate Development £'000</b>	<b>Total £'000</b>
Operating expenses	(352)	-	(352)
Finance costs	(549)	-	(549)
<b>(Loss)/profit before taxation</b>	<b>(901)</b>	<b>-</b>	<b>(901)</b>
<b>Operating expenses include:</b>			
Depreciation and amortisation	-	-	-
<b>Assets/liabilities</b>			
Goodwill	3,583	-	3,583
Other non-current assets	158	-	158
Current assets	46,221	-	46,221
<b>Total assets</b>	<b>49,962</b>	<b>-</b>	<b>49,962</b>
<b>Total liabilities</b>	<b>7,728</b>	<b>-</b>	<b>7,728</b>



### 3. Segmental information (continued)

	6 months ended 30 April 2019		
	Luxury Resorts £'000	Corporate Development £'000	Total £'000
Operating expenses	(281)	-	(281)
Finance costs	(863)	-	(863)
(Loss)/profit before taxation	(1,144)	-	(1,144)
Operating expenses include:			
Depreciation and amortisation	1	-	1
Assets/liabilities			
Goodwill	3,583	-	3,583
Other non-current assets	160	-	160
Current assets	46,009	-	46,009
Charge related to asset held for sale	-	-	-
Total assets	49,752	-	49,752
Total liabilities	8,399	-	8,399

	Year ended 31 October 2019		
	Luxury Resorts £'000	Corporate Development £'000	Total £'000
Operating expenses	(799)	-	(799)
Finance costs	(1,278)	-	(1,278)
(Loss)/ before taxation	(2,077)	-	(2,077)
Taxation	-	-	-
(Loss) after taxation	(2,077)	-	(2,077)
Operating expenses include:			
Depreciation and amortisation	-	-	-
Assets/liabilities			
Goodwill	3,583	-	3,583
Other non-current assets	157	-	157
Current assets	46,083	-	46,083
Total assets	49,823	-	49,823
Total and current liabilities	7,566	-	7,566

#### **4. Goodwill**

Goodwill arising on acquisitions represents the difference between the fair value of the net assets acquired and the consideration paid and is recognised as an asset.

Goodwill arising on acquisition is allocated to cash-generating units. The recoverable amount of the cash-generating unit to which goodwill has been allocated is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired. Any impairment is recognised immediately as an expense and is not subsequently reversed.

#### **5. Loss per share attributable to equity holders of the Company**

Earnings per share are calculated by dividing the earnings attributable to the equity holders of a company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share are calculated by adjusting basic earnings per share to assume the conversion of all dilutive potential ordinary shares. There are no dilutive instruments in issue, therefore the basic loss per share and diluted loss per share are the same. The weighted average number of shares used in calculating basic and diluted loss per share for the 6 months ended 30 April 2020 was 426,618,435 (6 months ended 30 April 2019: 270,083,392, year ended 31 October 2019: 338,627,016).

#### **6. Share based payments charge**

In accordance with IAS 32, the share based payments charge in respect of warrants finance charges has been included in Finance costs in the Unaudited Consolidated Statement of Profit and Loss and Other Comprehensive Income.