MINOAN GROUP PLC

31 July 2018

Interim Results Announcement
Minoan Group Plc
(the "Group" or the "Company" or "Minoan")
announces its unaudited interim results for the 6 months ended 30 April 2018

HIGHLIGHTS

- Activity in the tourism asset market in Greece is showing a substantial increase
- Discussions and negotiations with prospective partners and investors in Greece are increasing in momentum
- The Board has taken the decision to dispose of the Travel & Leisure division (subject to shareholder approval) partly in order to pay down group debt. The division has been treated as a non-current asset held for sale in the Financial Statements. Note 3 of the interim results sets out segmental information in a format shareholders will be familiar with
- Group total transaction value up by circa 19% to £47,395,000 from £39,729,000
- Travel and Leisure gross profit up by circa 15% to £4,678,000 from £4,052,000
- Loans classified as current liabilities increased to £6,832,000 (October 2017: £6,118,000). The directors believe that following the sale of Travel and Leisure the Group will be substantially debt free.

Christopher Egleton, Minoan Chairman, said:

"As previously stated, the completion of the sale of the Travel & Leisure Division will allow me and my fellow directors to concentrate our efforts to optimise the value for shareholders of the Group's project in Crete."

The Company's unaudited interim results for the 6 months ended 30 April 2018 can be viewed on Minoan's website, *www.minoangroup.com*, with effect from 31 July 2018.

For further information visit www.minoangroup.com or contact:

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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.

Chairman's Statement

Introduction

My statement will focus on the status of the Group's project in Greece (the "Project") and the position of and prospects for the Group after completion of the disposal of its Travel and Leisure ("T&L") business.

The results for the half year ended 30 April 2018 include as a single line "profit from discontinued operations", the trading results of the travel business together with the costs incurred in progressing the Project and accordingly cannot give a good guide to the Group's prospects for the coming period. In this coming period I believe that we will conclude the sale of the T&L business and thus take forward a substantially debt free Group that will deliver long awaited value to stakeholders by concentrating on maximising the value of the Project

Greece

From my previous statements and various announcements shareholders will be aware of the key points regarding the progress to date on the Project:

- We have an un-appealable outline planning consent for a development set on a 6,000 acre plot within a peninsula site with 28 kilometres of coastline on the island of Crete;
- The consent is for a "complex resorts" project comprising up to 108,000 square metres of built space which may be split between five main locations within a development that will be designed in such a manner that it will be largely invisible to the casual observer;
- It will be one of the most environmentally friendly and "soft" major projects in Europe with a build footprint of less than 0.5% of the Site that, through this and other criteria, will create a landmark for tourism in Greece;
- The steady improvement in the travel infrastructure of the area. The main road along the North Coast running from the capital, Heraklion to Sitia in the East has been significantly improved and journey times have been reduced considerably;
- Sitia International airport, which is adjacent to the Site, is fully operational taking flights from various European cities and experiencing a major increase in international flights; and
- Activity in the purchase and sale of tourism based assets including hotels in Greece continues to increase.

Chairman's Statement (continued)

Greece (continued)

The momentum of our discussions and negotiations with prospective partners and investors continues to increase, particularly in their depth. The current backdrop of positivity surrounding tourist assets in Greece gives the Board every reason to be encouraged when considering the value for shareholders and stakeholders. As I have explained previously, it is difficult to predict precisely the kind of transactions that are likely to be finalised but it remains true that one or more of the "partners" with whom we are working is likely to make significant financial contributions. The application of those "contributions" insofar as creating the optimum value for shareholders will be foremost in the Board's consideration as to the kind of partnership offer(s) to encourage.

Travel and Leisure ("T&L")

The Board has taken the decision to sell its T&L business (subject to shareholder approval) and, as previously stated, the division has been classified as a Discontinued Operation under IFRS 5. The impact of this on the Group's income statement is to present revenue and expenses associated with T&L's operations as a net line item. More granular information (as referred to in this section) may be found under note 3 Segmental information.

Total transaction value has increased in the period under review by approximately 19% from £39m to £47m and gross profit shows an increase of £626,000 (15%) to £4,678,000 (2017: £4,052,000) over the like period in 2017. Operating expenses have increased to £4,216,000 (2017: £3,832,000) resulting in an increase in operating profit to £462,000 (2016: £220,000).

Shareholders will be aware from my previous statements and other announcements that the decision to dispose of the travel business has not been taken lightly.

The two main drivers of this decision are that we were unable to expand the business as fast as we had intended for fear of diluting the Group's capital unnecessarily and, with the granting to us of outline planning consent in Greece, the need to concentrate our efforts on creating value without a significant debt overhang with its concomitant costs and other less obvious burdens.

I anticipate that we will be able to report in more detail on this transaction in the near future.

Financial Review

The operating loss for the half year has decreased by £103,000 but the reported net loss for the period has increased from £907,000 to £1,095,000 due to an increase in finance costs of £327,000.

On the 12 July 2018 the Company announced the extension of its loan facility. The repayment date for the facility has been extended to allow time for the sale of the T&L business to be completed and is now on demand with a long stop date for completion of the sale of 31 August 2018.

Chairman's Statement (continued)

Outlook

As I have made clear, following the sale of the T&L business, the Group's sole focus will be on optimising the value of the Project for shareholders. This is likely to result in a number of changes to the management structure of the Group about which I will be writing after the sale.

The Board continues to examine the cost structure of the Group in order to keep costs to a minimum during the period subsequent to the sale of T&L and until realisation of the Project. The Board intends that this period will be kept to a minimum.

Conclusion

Despite having to make the difficult decision to dispose of the T&L business, I remain confident that we are approaching a very rewarding period in the Company's history and that the latter part of 2018 will see major developments.

I hope to be making further announcements in the near future and wish to thank shareholders and all our stakeholders for their patience pending what I believe will be very welcome news over the coming months.

Christopher W Egleton

Chairman
31 July 2018

Unaudited Consolidated Statement of Comprehensive Income
6 months ended 30 April 2018

	6 months ended 30.04.18	6 months ended 30.04.17	Year ended 31.10.17
	£'000	£'000	£'000
Revenue	**-**	-	-
Cost of sales	**-**	-	-
Gross profit	**-**	-	-
Operating expenses	**(313)**	(252)	(480)
Other operating expenses			
Corporate development costs	**(192)**	(238)	(504)
Charge related to assets held for sale	**-**	-	(650)
Charge in respect of share based payments	**(88)**	-	(186)
Operating loss	**(593)**	(490)	(1,820)
Finance costs	**(957)**	(587)	(1,184)
Profit from discontinued operations	**455**	170	488
Loss before taxation	**(1,095)**	(907)	(2,516)
Taxation	**-**	-	-
Loss for period attributable to equity holders of the Company	**(1,095)**	(907)	(2,516)
Loss per share attributable to equity holders of the Company: Basic and diluted	**(0.51)p**	(0.46)p	(1.23p)

Unaudited Consolidated Statement of Changes in Equity
6 months ended 30 April 2018

6 months ended 30 April 2018

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2017	**15,297**	**33,659**	**9,349**	**2,441**	**(18,457)**	**42,289**
Loss for the period	**-**	**-**	**-**	**-**	**(1,095)**	**(1,095)**
Issue of ordinary shares at a premium	**58**	**195**	**-**	**-**	**-**	**253**
Share based payments	**-**	**-**	**-**	**-**	**88**	**88**
Extension of warrant expiry date	**-**	**-**	**-**	**293**	**-**	**293**
Balance at 30 April 2018	**15,355**	**33,854**	**9,349**	**2,734**	**(19,464)**	**41,828**

6 months ended 30 April 2017

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2016	15,119	32,585	9,349	2,119	(16,127)	43,045
Loss for the period	-	-	-	-	(907)	(907)
Issue of ordinary shares at a premium	109	508	-	-	-	617
Share based payments	-	-	-	293	-	293
Balance at 30 April 2017	15,228	33,093	9,349	2,412	(17,034)	43,048

Year ended 31 October 2017

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2016	15,119	32,585	9,349	2,119	(16,127)	43,045
Loss for the year	-	-	-	-	(2,516)	(2,516)
Issue of ordinary shares at a premium	178	1,074	-	-	-	1,252
Share based payments	-	-	-	-	186	186
Extension of warrant expiry date	-	-	-	322	-	322
Balance at 30 April 2017	15,297	33,659	9,349	2,441	(18,457)	42,289

Unaudited Consolidated Balance Sheet as at 30 April 2018

	As at 30.04.18 £'000	As at 30.04.17 £'000	As at 31.10.17 £'000
Assets			
Non-current assets			
Intangible assets	**3,583**	9,892	3,583
Property, plant and equipment	**159**	743	161
Non-current assets held for sale	**7,138**	-	6,882
Total non-current assets	**10,880**	10,635	10,626
Current assets			
Inventories	**44,817**	43,458	44,163
Receivables	**652**	2,947	326
Cash and cash equivalents	**22**	88	21
Total current assets	**45,491**	46,493	44,510
Total assets	**56,371**	57,128	55,136
Equity			
Share capital	**15,355**	15,228	15,297
Share premium account	**33,854**	33,093	33,659
Merger reserve account	**9,349**	9,349	9,349
Warrant reserve	**2,734**	2,412	2,441
Retained earnings	**(19,464)**	(17,034)	(18,457)
Total equity	**41,828**	43,048	42,289
Liabilities			
Current liabilities	**14,543**	14,080	12,847
Total liabilities	**14,543**	14,080	12,847
Total equity and liabilities	**56,371**	57,128	55,136

Unaudited Consolidated Cash Flow Statement
6 months ended 30 April 2018

	6 months ended 30.04.18 £'000	6 months ended 30.04.17 £'000	Year ended 31.10.17 £'000
Cash flows from operating activities			
Net cash outflow from continuing operations (note 1)	**(243)**	(650)	(1,041)
Net cash inflow/(outflow) from discontinued operations	**(50)**	-	518
Finance costs for continuing operations	**(386)**	-	(262)
Finance costs for discontinued operations	**(7)**	(96)	(75)
Net cash used in operating activities	**(686)**	(746)	(860)
Cash flows from investing activities			
Purchase of tangible assets:			
Continuing operations	**-**	(78)	-
Discontinued operations	**(31)**	-	(128)
Purchase of intangible assets:			
Continuing operations	**-**	(30)	-
Discontinued operations	**-**	-	(429)
Net cash used in investing activities	**(31)**	(108)	(557)
Cash flows from financing activities			
Net proceeds from the issue of ordinary shares	**17**	-	450
Loans received	**713**	838	895
Net cash generated from financing activities	**730**	838	1,345
Net increase/(decrease) in cash	**13**	(16)	(72)
Cash transferred to non-current assets held for sale	**(12)**	-	(11)
	1	(16)	(83)
Cash at beginning of period	**21**	104	104
Cash at end of period	**22**	88	21

Notes to the Unaudited Consolidated Cash Flow Statement
6 months ended 30 April 2018

1 Cash flows from operating activities

	6 months ended 30.04.18	6 months ended 30.04.17	Year ended 31.10.17
	£'000	£'000	£'000
Loss before taxation	**(1,095)**	(907)	(3,004)
Finance costs	**957**	637	1,184
Depreciation & Amortisation	**2**	229	8
Exchange gain/(loss) relevant to property, plant and equipment	**-**	9	(11)
Increase in inventories	**(654)**	(896)	(1,601)
Share based payments	**88**	-	186
(Increase)/decrease in receivables	**(326)**	(337)	122
Increase in current liabilities	**712**	498	623
Liabilities settled by the issue of ordinary shares	**236**	117	802
Non cash movement in assets held for sale	**(163)**	-	650
Net cash outflow from continuing operations	**(243)**	(650)	(1,041)

Notes to the unaudited interim results
6 months ended 30 April 2018

1. General information

The Company is a public limited company incorporated in England and Wales and quoted on AIM. The Company's principal activity in the period 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 and in the operation of independent travel businesses, through which the Group provides a broad range of services including, inter alia, transportation, hotel and other accommodation and leisure 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 2017 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 2017 were approved by the Board on 5 April 2018.

The interim financial statements for the 6 months ended 30 April 2018 comprise an Unaudited Consolidated Statement of Comprehensive Income, Unaudited Consolidated Statement of Changes in Equity, Unaudited Consolidated Balance Sheet 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 2017.

Going concern

The directors have considered the financial and commercial position of the Group in relation to its project in Crete (the "Project") and also in respect of its travel and leisure business. 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 now been rejected by the Greek Supreme Court.

Accordingly, the directors consider it relevant that having completed financial joint venture agreements prior to the above, 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.

Notes to the unaudited interim results (continued)
6 months ended 30 April 2018

2. Basis of preparation (continued)

Going concern (continued)
The Company has announced its intention to sell its travel business and to utilise the proceeds of sale in paying down the debt facility with Hillside International Holdings Limited ("Hillside"). The facility is now in the name of Zachary Asset Holdings Limited, a company related to Hillside. The repayment date for the Hillside facility has been extended to allow time for the sale of the travel business to be completed and is now on demand with a long stop date for completion of the sale of 31 August 2018.

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, the Group is organised into three divisions both by business segment and geographical location:

- 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 Travel and Leisure division (UK), being the operation and management of the travel businesses, which is a discontinued operation (see note below); and

- 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.

Notes to the unaudited interim results (continued)
6 months ended 30 April 2018

3. Segmental information (continued)

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.

	6 months ended 30 April 2018			
	Luxury Resorts £'000	Travel and Leisure £'000	Corporate Development £'000	Total £'000
Total transaction value	**-**	**47,395**	**-**	**47,395**
Revenue	**-**	**4,865**	**-**	**4,865**
Cost of sales	**-**	**(187)**	**-**	**(187)**
Gross profit	**-**	**4,678**	**-**	**4,678**
Operating expenses	**(313)**	**(4,216)**	**(192)**	**(4,721)**
	(313)	**462**	**(192)**	**(43)**
Charge in respect of share based payments	**(88)**	**-**	**-**	**(88)**
Operating (loss)/profit	**(401)**	**462**	**(192)**	**(131)**
Finance costs	**(957)**	**(7)**	**-**	**(964)**
(Loss)/profit before taxation	**(1,358)**	**455**	**(192)**	**(1,095)**
Operating expenses include:				
Depreciation and amortisation	**2**	**208**	**-**	**210**
Assets/liabilities				
Goodwill	**3,583**	**5,610**	**-**	**9,193**
Other non-current assets	**160**	**1,060**	**-**	**1,220**
Current assets	**45,490**	**2,305**	**-**	**47,795**
Charge related to asset held for sale	**-**	**(250)**	**-**	**(250)**
Total assets	**49,233**	**8,725**	**-**	**57,958**
Total liabilities	**14,543**	**1,587**	**-**	**16,130**

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Notes to the unaudited interim results (continued)
6 months ended 30 April 2018

3. Segmental information (continued)

	6 months ended 30 April 2017			
	Luxury Resorts £'000	Travel and Leisure £'000	Corporate Development £'000	Total £'000
Total transaction value	-	39,729	-	39,729
Revenue	-	4,223	-	4,223
Cost of sales	-	(171)	-	(171)
Gross profit	-	4,052	-	4,052
Operating expenses	(252)	(3,832)	(238)	(4,322)
	(252)	220	(238)	(270)
Charge in respect of share based payments	-	-	-	-
Operating (loss)/profit	(252)	220	(238)	(270)
Finance costs	(587)	(50)	-	(637)
(Loss)/profit before taxation	(839)	170	(238)	(907)
Operating expenses include:				
Depreciation and amortisation	-	229	-	229
Assets/liabilities				
Goodwill	6,127	3,765	-	9,892
Other non-current assets	159	584	-	743
Current assets	44,513	1,980	-	46,493
Total assets	50,799	6,329	-	57,128
Total liabilities	11,710	2,370		14,080

Notes to the unaudited interim results (continued)
6 months ended 30 April 2018

3. Segmental information (continued)

	Year ended 31 October 2017			
	Luxury Resorts £'000	Travel and Leisure £'000	Corporate Development £'000	Total £'000
Total transaction value	-	80,320	-	80,320
Revenue	-	8,700	-	8,700
Cost of sales	-	(354)	-	(354)
Gross profit	-	8,346	-	8,346
Operating expenses	(480)	(7,783)	(504)	(8,767)
	(480)	563	(504)	(421)
Charge in respect of share-based payments	(186)	-	-	(186)
Charge related to assets held for sale	(650)	-	-	(650)
Operating (loss)/profit	(1,316)	563	(504)	(1,257)
Finance costs	(1,184)	(75)	-	(1,259)
(Loss)/profit before taxation	(2,500)	488	(595)	(2,516)
Taxation	-	-	-	-
(Loss)/profit after taxation	(2,500)	488	(595)	(2,516)
Operating expenses include:				
Depreciation and amortisation	2	468	-	470
Operating leases - plant and equipment	-	54	-	54
Assets/liabilities				
Goodwill	3,583	5,610	-	9,193
Other non-current assets	161	1,237	-	1,398
Current assets	44,510	1,889	-	46,399
Charge related to asset held for sale	-	(250)	-	(250)
Total assets	48,254	8,486	-	56,740
Total and current liabilities	12,847	1,604	-	14,451

The Group has announced its intention to sell the travel business and the results for the half year ended 30 April 2018 and the year ended 31 October 2017 have been presented in accordance with IFRS 5. As a consequence, the profit after taxation of the Travel and Leisure business in the amount of £455,000 (30 April 2017: £170,000, 31 October 2017: £488,000) appears in the Consolidated Statement of Comprehensive Income as Profit from discontinued operations. Similarly, the net assets of the Travel and Leisure business are shown as non-current assets held for sale in the Consolidated Balance Sheet at the lower of its fair value and carrying value.

Notes to the unaudited interim results (continued)
6 months ended 30 April 2018

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 2018 was 216,173,939 (6 months ended 30 April 2017: 197,769,617, year ended 31 October 2017: 204,548,735).

6. Share based payments charge

	6 months ended 30.04.18	6 months ended 30.04.17	Year ended 31.10.17
	£’000	£’000	£’000
Share based payments - directors	**41**	-	79
Share based payments - others	**47**	-	107
Share based payments - warrants finance charges	**293**	293	459
	381	293	645

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