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21 July 2020

**Minoan Group Plc
("Minoan" or "the Company")**

**Reorganisation of funding arrangements, placing, update and
General Meeting**

The Board of Minoan is pleased to announce the successful reorganisation of its only secured borrowings (the "Existing Loan"), the cancellation of warrants and rights to future warrants and a small pre funded placing to provide further working capital.

Whilst the transaction is complicated and involves short term cost it will result in a significant reduction in the long term fully diluted capital for the benefit of all shareholders.

The refinancing is being undertaken by a group of existing shareholders in the Company through a special purpose vehicle DAGG LLP ("DAGG" or "New Lender"). As a result of agreements with the existing and new lenders, and subject to the approval of the shareholders at a General Meeting to be held on 6 August 2020, the terms of the loan, warrants, and the rights attached thereto will be as follows:

1. DAGG will effectively acquire the Existing Loan, amounting to circa £1.136m at today's date, from the existing lender ("Zachary");
2. the existing security and current interest rate of 10% per annum will remain in place and the Existing Loan will be extended to 31 July 2021;
3. the New Lender will receive 35 million warrants to subscribe for Ordinary Shares in the Company at 1.4p per share. The warrants are to expire on 31 May 2022, approximately 16 months earlier than the old warrants in 4 below;
4. the right of a company associated with the existing lender ("Silja") to receive warrants equal to 17% of the number of Ordinary Shares issued at any time by Minoan will be cancelled as will the existing 87,276,998

warrants exercisable at various prices. As compensation for this, and for giving up all other rights, the Company will pay Silja £250,000 which will be used to subscribe for 25,000,000 Ordinary Shares at par;

5. in addition, the Company will issue 626,427 zero coupon redeemable Preference Shares of 0.00001 pence each to Zachary, redeemable at £1 each when a distribution or return of capital is made to Minoan's Ordinary Shareholders.

The Company has also announced today that it is proposing to raise approximately £200,000 through the issue of new Ordinary Shares at a price of 1.1 pence per share. The Chairman, Christopher Egleton and two directors of subsidiary company Loyalward Limited, being David Raby and Nicholas Day, have indicated their intention to participate in this placing.

The Board welcomes the support of DAGG and its members as the Group will now move to accelerate the COVID delayed partnership discussions and, accordingly, the Project start.

The Directors believe that the arrangements set out above will achieve a strengthening of the Company's balance sheet and significantly reduce the long term fully diluted share capital.

This will benefit existing Shareholders whilst also make it easier for the Company to attract external investment in the future, should it be required, by removing the need to grant warrants amounting to 17% of any equity issue to the warrant holder.

The transaction is complex and in order to facilitate the best commercial terms for the Company, including the removal of the warrants over new equity, necessitated a number of steps in order to ensure all parties were able to reach a mutually acceptable transaction, in terms of the commercial aspects, accounting treatment, funding, taxation and legal protections. The more detailed steps are described below and within the circular being sent to shareholders today.

The various agreements relating to these proposals are conditional on the passing of the resolutions to be proposed at the General Meeting. Under the terms of the proposed arrangements:

1. the Company's subsidiary, Loyalward Leisure Plc, has conditionally agreed to acquire the Existing Loan due to Zachary,

amounting to circa £1.136m including interest, at its face value together with the Debenture, dated 16 October 2013, granted by the Company and now held by Zachary. The consideration will be payable as to £510,000 in cash on completion and the balance will be left outstanding under a convertible loan agreement which will not be interest bearing and will be repayable on 31 May 2021 unless it is capitalised earlier;

2. the convertible loan agreement provides that it may be novated to the Company and that immediately on such novation the loan is to be capitalised and Zachary will receive an equivalent number of Preference Shares at a price of £1 per share. It is the Group's intention to novate the convertible loan agreement to the Company so that the balance of the consideration is discharged by the issue of Preference Shares at, or as soon as possible following, completion. The rights attaching to the Preference Shares are described in paragraph 6 below;
3. DAGG has conditionally agreed to acquire the Existing Loan and the Debenture from Loyalward Leisure Plc for £510,000 payable in cash on completion. DAGG has also conditionally agreed to extend the date for repayment of the loan until 31 July 2021 and to soften the terms of the loan in a number of respects. The loan is not assignable other than to the current members of DAGG. The current interest rate of 10% per annum will remain in place. This results in the transaction being cash neutral to the Group at completion;
4. on completion, and in consideration for softening the terms of the loan, DAGG will receive warrants to subscribe for up to 35,000,000 Ordinary Shares in the Company at 1.4p per share. These warrants represent c. 6.54 per cent of the fully diluted ordinary share capital of the Company at the date hereof and expire on 31 May 2022, approximately 16 months earlier than the warrants currently held by Silja;
5. Silja currently holds warrants to subscribe for up to 87,276,998 Ordinary Shares at various prices between 2.5 and 9 pence per share. These warrants are exercisable at any time prior to 12 October 2023. It also has the right to receive further warrants equal to 17% of any equity issue made by the Company from time to time. Silja has conditionally agreed that on completion, both these warrants and the right to further warrants will be cancelled for the sum of £250,000 which will be settled by the Company

allotting and issuing 25,000,000 Ordinary Shares to Silja at par (representing 5.71 per cent. of the current issued share capital of the Company).

In the meantime, the Board has taken significant action in reducing the ongoing running costs of the Company, including directors deferring and/or foregoing fees, until the Group has moved forward with the Project.

Following the reorganisation of the loan, the Company will be better placed to manage its ongoing working capital requirements and will be on a more stable footing. Lock-down has delayed more detailed interactions with potential joint venturers and partners, especially in being able to hold face to face meetings and organising any site visits. With lock-down now easing, the support of DAGG and its members, and the financing behind it, the Company is able to move forward with confidence in taking the Project to success. The Company will update shareholders as these negotiations progress.

The transaction has a number of related parties involved. As mentioned, Christopher Eggleton, Minoan's Chairman, has indicated his intention to participate in the placing alongside David Raby (a substantial shareholder) and Nicholas Day (a significant shareholder) both of whom are directors of Loyalward. Nicholas Day is also a member of DAGG LLP with a 14.7% interest following a £75,000 investment.

The Independent Directors, having consulted with the Company's nominated adviser, WH Ireland Limited, consider that the terms of these related party transactions are fair and reasonable insofar as the Shareholders are concerned.

In particular, the Independent Directors believe that the reorganisation of the secured borrowings will result in more favourable terms for Minoan, with the repayment period extended until 31 July 2021, the terms improved and the cancellation of existing and rights to future warrants that have historically diluted shareholders and the placing provides working capital for the Company.

Shareholders' approval of the above Share and Warrant issues will be sought at a General Meeting of the Company, the Notice of which will be available on the Minoan's website today, and be mailed today to those

shareholders who have elected to receive a hard copy communication from the Company.

The General Meeting is to be held at 10.05a.m. on 6 August 2020 (or, if later, as soon thereafter as the reconvened Annual General Meeting convened for 10.00 a.m. on the same day has concluded) at St Dunstan's Church Hall, 80 London Road, Canterbury, CT2 8LS.

Please note that the evolving COVID-19 situation and the related Government guidelines have clearly impacted the ability of Shareholders to attend the General Meeting. The Company will therefore hold the meeting with the minimum quorum of Shareholders present to conduct the business of the meeting (being the Chairman and one other Shareholder). Social distancing measures will be in place. Shareholders should not travel to the venue as no other Shareholders will be permitted to physically attend the meeting and any Shareholder who attempts to attend the meeting in person will be refused entry. As Shareholders will not be able to attend the meeting, the Company requests that Shareholders submit their votes by proxy.

The Company will publish its interim results for the six months ended 30 April 2020 by the end of August 2020 at which time it will provide a further update on the Project.

Christopher Egleton, Minoan Chairman, said

I am delighted at the successful conclusion of the discussions with the existing lender and at the confidence shown in Minoan by the New Lender and its members. The refinancing allows the Company to move forward in its stated intention to generate value for shareholders through the Project. . At the same time, I am very pleased to announce the simultaneous launch of our new website which we hope will give shareholders a better idea of the scale and scope of the Project.

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

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