

MINOAN GROUP PLC

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.

29 July 2022

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

Minoan Group Plc, the AIM listed resort development company presents its unaudited interim results for the six months ended 30 April 2022.

KEY POINTS

- Appointment of George Mergos as a Director of Minoan and as Chairman of Loyalward Limited, the owner of the Group’s Project in Greece.
- Significant progress in discussions with Public Welfare Ecclesiastical Foundation Panagia Akrotiriani ("the Foundation") in relation to the Master contract.
- Repayment date of Group’s only secured debt extended to 31 December 2022.
- Reduced loss for the period to £542,000 (2020/21: £788,000).

Christopher Egleton, Chairman of Minoan, said:

“As our discussions with the Foundation move towards a definitive agreement, George Mergos and I look forward to updating shareholders as we progress these and the commercial discussions over the coming months.”

The Company’s unaudited interim results for the six months ended 30 April 2022 can be viewed on Minoan’s website, www.minoangroup.com, with effect from 29 July 2022.

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

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Statement of the Chairman of Loyalward Limited, the Project Owner

Since taking over as Chairman of Loyalward in March of this year, I have been delighted with the constructive nature of my discussions with our partners in the Itanos Gaia development, the Ecclesiastical Foundation Panagia Akrotiriani (the "Foundation"), who are the ultimate owners of the land on which the development will take place.

The discussions with the Foundation have centred on the Project Masterplan, the Business Plans and the opportunities that the relatively new legal framework of Epifania brings to both parties as well as to our future commercial partners, including banks and other financial institutions. I am pleased with the way in which the discussions are being conducted concerning the adjustments to the agreements which necessarily follow the revised Masterplan. The Masterplan itself sets out the vision of the Project in terms of its extremely high quality, environmental credentials, overall design, and an ability to meet current as well as the expected future demands of discerning travellers and residential users.

The pace of the discussions themselves has accelerated in the last months and once they are concluded I expect the Project to move forward at some pace, as we make agreements with contractors, hotel brands, development partners and others toward project activation and an actual start of development.

In parallel with all the work on the Masterplan, Business Plans and the Contract discussions, our environmental team is working towards the completion of the detailed Environmental Assessment. As shareholders will be aware from previous statements, the Presidential Decree which gave what is approximately equivalent to outline planning consent in the UK, set out the various detailed conditions, including environmental as well as other rules that the final development should follow. The whole Project team has been and is working to ensure that all the rules are observed in order to achieve the best result.

I look forward to keeping shareholders updated as to progress over the coming months with additional emphasis on the physical form of the Project as well as the discussions with the Foundation and their conclusion.

George Mergos

Chairman, Loyalward Limited
29 July 2022

Chairman's Statement

Introduction

Further to the statement from George Mergos, I would also like to note my pleasure with the progress that has been made over the period, building on the work commissioned from the design team in Greece and the UK and Deloitte. This work has enabled the Masterplan and business plans to be updated in a manner which has greatly assisted the progress of the discussions with the Foundation led by George.

Once complete, the adjustments to the Contract will allow us to finally crystallise our banking, commercial, and other discussions. With partners, the development of the Project can then commence.

Building on the revised Masterplan, the wider Minoan team has been and is working, with input from the Foundation, on every aspect of the Project, from the technical elements, including designs, building locations and detail on infrastructure, moving to the legal and financial terms. We and the Foundation believe that the granting of Epifania will deliver the best financial outcome for both parties. Epifania will also help to ensure the quality of the end product, built to the highest environmental standards, and with the certainty based on the updated contract will speed the process towards first revenues.

The updated and agreed business plan and master agreement will form the basis of discussions with commercial and other partners.

I would like to thank all parties and particularly the Foundation for the constructive dialogue which is now picking up speed.

Financial Review

The Board is pleased to note the reduction in the loss for the six months period to 30 April 2022. The loss before taxation was further reduced to £542,000 compared to £788,000 in the same period last year. The Company continues to focus on the key activities necessary to drive the Project forward.

As announced on 18 July 2022, Minoan extended its only secured borrowing to 31 December 2022 to cover the period during which the Board expects the Company's Project in Crete to reach a definitive stage in its development.

Total assets at 30 April 2022 totalled £50,907,000 (2021: £50,575,000).

Outlook

As we draw our discussions with the Foundation to a successful conclusion and a definitive agreement, George Mergos and I look forward to updating shareholders as we progress with our commercial discussions, which we expect will be forthcoming over the coming months.

Christopher W Egleton
Chairman
29 July 2022

Unaudited Consolidated Statement of Comprehensive Income
Six months ended 30 April 2022

	6 months ended 30.04.22 £'000	6 months ended 30.04.21 £'000	Year ended 31.10.21 £'000
Revenue	-	-	-
Cost of sales	-	-	-
Gross profit	-	-	-
Operating expenses	(264)	(272)	(511)
Operating loss	(264)	(272)	(511)
Finance costs	(278)	(516)	(238)
Loss before taxation	(542)	(788)	(749)
Taxation	-	-	-
Loss for period attributable to equity holders of the Company	(542)	(788)	(749)
Loss per share attributable to equity holders of the Company: Basic and diluted	(0.09)p	(0.15)p	(0.14)p

Unaudited Consolidated Statement of Changes in Equity
Six months ended 30 April 2022

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2021	19,021	36,583	9,349	2,571	(25,118)	42,406
Loss for the period	-	-	-	-	(542)	(542)
Issue of ordinary shares	150	-	-	-	-	150
Share based payments	-	-	-	47	-	47
Balance at 30 April 2022	19,171	36,583	9,349	2,618	(25,660)	42,061

Six months ended 30 April 2021

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2020	17,959	36,476	9,349	2,527	(24,369)	41,942
Loss for the period	-	-	-	-	(788)	(788)
Issue of ordinary shares	653	65	-	-	-	718
Share based payments	-	-	-	450	-	450
Balance at 30 April 2021	18,612	36,541	9,349	2,977	(25,157)	42,322

Year ended 31 October 2021

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2020	17,959	36,476	9,349	2,527	(24,369)	41,942
Loss for the year	-	-	-	-	(749)	(749)
Issue of ordinary shares	1,062	107	-	-	-	1,169
Share based payments	-	-	-	44	-	44
Balance at 31 October 2021	19,021	36,583	9,349	2,571	(25,118)	42,406

Unaudited Consolidated Statement of Financial Position as at 30 April 2022

	As at 30.04.22 £'000	As at 30.04.21 £'000	As at 31.10.21 £'000
Assets			
Non-current assets			
Intangible assets	3,583	3,583	3,583
Property, plant and equipment	157	157	157
Total non-current assets	3,740	3,740	3,740
Current assets			
Inventories	47,004	46,631	46,758
Receivables	158	165	162
Cash and cash equivalents	5	39	20
Total current assets	47,167	46,835	46,940
Total assets	50,907	50,575	50,680
Equity			
Share capital	19,171	18,612	19,021
Share premium account	36,583	36,541	36,583
Merger reserve account	9,349	9,349	9,349
Warrant reserve	2,618	2,977	2,571
Retained earnings	(25,660)	(25,157)	(25,118)
Total equity	42,061	42,322	42,406
Liabilities			
Current liabilities	8,846	8,253	8,274
Total equity and liabilities	50,907	50,575	50,680

**Unaudited Consolidated Cash Flow Statement
Six months ended 30 April 2022**

	6 months ended 30.04.22 £'000	6 months ended 30.04.21 £'000	Year ended 31.10.21 £'000
Loss before taxation	(542)	(788)	(749)
Finance costs	278	516	238
Increase in inventories	(246)	(200)	(327)
Decrease in receivables	4	60	63
Increase / (decrease) in current liabilities	418	(32)	(514)
Net cash (outflow) from operations	(88)	(444)	(1,289)
Finance costs	(231)	(66)	(194)
Net cash used in operating activities	(319)	(510)	(1,483)
Cash flows from investing activities			
Purchase of property, plant and equipment	-	-	-
Purchase of intangible assets	-	-	-
Net cash used in investing activities	-	-	-
Cash flows from financing activities			
Net proceeds from the issue of ordinary shares	150	718	1,169
Loans received / (repaid)	154	(175)	328
	304	543	1,497
Net (decrease) / increase in cash	(15)	33	14
Cash at beginning of period	20	6	6
Cash at end of period	5	39	20

Notes to the Unaudited Financial Statements

Six months ended 30 April 2022

1. General information

The Company is a public limited company incorporated in England and Wales. 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 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 2021 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.

These interim financial statements for the six months ended 30 April 2022 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 2021.

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 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.

MINOAN GROUP PLC

3. 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 six months ended 30 April 2022 was 612,627,502. (Six months ended 30 April 2021: 519,320,281; Year ended 31 October 2021: 550,510,460).

4. 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 Comprehensive Income.