

9 December 2021

Minoan Group Plc
(“Minoan” or the “Company”)
Update on new Law on Strategic Investments

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (“MAR”). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Highlights

- Passing of long-awaited new legislation in Greece relating, inter-alia, to inward investment into the country, likely to have significant benefits for Minoan’s Itanos Gaia Project in Crete (the “Project”);
- Commercial, regulatory, and legal framework created as a result of the new legislation, designed to maximise attractiveness of Greece as a market for international investors, whilst minimising planning and administration timetables and procedures;
- The intention to create a new “investor-friendly” environment in which the Project will be advanced may be highlighted by this month’s sale of a large plot of land in Crete for future tourism and leisure development to an entity controlled by international investors.

Background

Further to its announcement of 1 December, the Company is pleased to provide further details relating to the new “Law on Strategic Investments” (the “Legislation”), which has recently passed through the Greek Parliament. Amongst its features, the Legislation creates new sets of incentives and assessment procedures with which the Greek government is trying not only to attract strategic investments, but to see them realised in a measurable and timely manner.

The Legislation is aimed at consolidating the perception that Greece is a reliable, transparent and attractive international investment destination and to formulate a modern investment strategy oriented to the challenges and transformations of the international economic environment through the creation of a single “Law on Strategic Investments”. This Legislation will be a reference point for anyone wishing to investigate and choose the country as an investment destination as set out by Alternate Minister of Development Nikos Papathanassis.

The Board of Minoan regards these developments as being of the utmost importance and relevance in terms of the Company’s immediate outlook. In particular, there are three areas where the changes provided for in the new Legislation are likely to have a direct, significant and beneficial effect on the progress of the Project.

These are:

- a) Strategic Investments planned on land owned by Ecclesiastical Foundations are now to be allowed to use “Epiphania”, a right which can most easily be described as akin to an English ground lease, and which provides a mechanism to achieve terms of up to 99 years. The use of Epiphania would enhance significantly the ability of investors to finance their investments through the banking system;

- b) The law provides for a procedure to allow for changes to business plans previously approved by the Government; and
- c) Building permit pre-approvals will be granted centrally rather than through the relevant local authority.

Minister of Development Adonis Georgiadis said, “The aim is for the interested investor to follow the development of his investment plan through his mobile phone. The main goal with the changes in these procedures is now to reduce to 60 days the settlement of applications (investment plans) and 100 days for the final submission for an investment law, something that previously needed up to two and a half years.”

The law provides for additional benefits for Strategic Investments, including tax incentives, grants, the use of coastal land and the adjacent sea bed, provisions for auxiliary infrastructure as well as other changes to ensure easier and faster progress through the bureaucracy.

Greece

In the last few months it has become clear that the Greek economy has rebounded strongly after the last financial crisis and the worst effects of the pandemic, recording growth of in excess of 13% in quarter 3 of 2021 (increased tourism). On a seasonally adjusted basis, Greece grew at 2.7% compared to the Eurozone average of 2.2%.

Most sectors of the Greek real estate market have become more active in the last 12 months. Residential property prices have shown significant growth of over 8% year on year after growth of over 10% in the previous year.

The Company notes also the recent announcement of the sale of an 85 acre plot of land on the North Coast of Crete near Heraklion for a sum of €40m. This plot carries the right to build approximately 59,000 m² the main use of which will be tourism and will include a casino, hotel and residential accommodation.

The Legislation referred to above will be followed by a new Development Law, which will set out the details of new and revised incentives for investors and investments. This is expected shortly.

Chairman’s Comment

“I am extremely pleased by the changes brought about by the new Law on Strategic Investments, which will be complemented by the new Development Law. Taken together with the numerous changes to planning laws, which Greece has enacted over the last few years, it means that current and future trends in tourism, including Minoan’s Itanos Gaia Project, will allow the Company to move forward with confidence ”

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