**26 July 2017**

# 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 2017

**HIGHLIGHTS**

- Group total transaction value up by circa 20% to £39,729,000 from £33,106,000
- Travel and Leisure gross profit up by circa 14% to £4,052,000 from £3,544,000
- Travel and Leisure profit at EBITDA level increased by circa 35% to £449,000 from £332,000

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

"Following the dismissal of the Appeals against the Presidential Decree granting Outline Planning Consent for its Project in Crete, and the continued increase in the profitability of its travel business, the Group is about to enter the most rewarding period in its history."

The Company's unaudited interim results for the 6 months ended 30 April 2017 can be viewed on Minoan's website, *www.minoangroup.com*, with effect from 26 July 2017.

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

**Minoan Group Plc**

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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

The Group is poised for what is likely to be the most rewarding period in its history. As indicated in my last Chairman's Statement the dismissal of the Appeals against the Presidential Decree ("PD") is a transformational event which will, finally, allow the Group to crystallise the significant value of the Itanos Gaia project in Crete (the "Project").

We now have an un-appealable PD which, in effect, gives Outline Planning Consent for what is probably the most significant foreign investment project in the tourism sector that has been approved by the Greek Government. It puts the Group in a strong position in terms of negotiating with potential partners and investors to ensure that shareholders receive the best value in any transaction.

In addition, I am pleased to report that the Group has enjoyed a strong period of trading in its Travel and Leisure business, with total transaction value up by circa 20%, gross profit up by circa 14% and profit at EBITDA level up by circa 35% - all compared with the same period last year.

### Greece

With the dismissal of the Appeals against the PD, the Group is now in position to move towards the completion of a number of ongoing negotiations with potential partners and investors. It is also likely that, with the announcement of the dismissals, a number of previously silent observers will wish to become involved, as has already occurred.

The key partners in a Project of this nature are divided into two main sectors: operating partners such as hotel groups etc. and financial/investor partners. Although both are required, from a developer's point of view the key players at this stage are usually those investors who are themselves experienced in the tourism and leisure sector and, as you would expect, this is where we have been concentrating our efforts to date. Simultaneously, the next steps for the development and operation of the Project are continuing so as to enable it to progress as soon as possible.

Now that we have obtained Outline Planning Consent it is worth re-stating some of the key facts related to the Group's hotel and leisure Project and its site. The combination of the site itself and the Project is unique. With the Project's inherent sustainability, a build footprint of less than 0.5% and more than 90% of the landscape being left in its natural state, the Group intends to ensure that Itanos Gaia will be one of the "softest", most environmentally friendly major projects in Europe and a landmark for tourism in Greece.

The site comprises around 6,000 acres and is set on a peninsula. It has 28 kilometres of coastline with numerous coves and bays, spectacular cliffs and, as you would expect, stunning views in all directions. The areas for development within the site, with outline consent for 108,000 square metres, are spread over approximately 2,000 acres.

**Chairman's Statement (continued)**

**Greece (continued)**

In terms of local infrastructure, Sitia Municipality, the Regional Government of Crete and the Central Government in Athens have worked together to improve the access to the area by means of major improvements to the East - West main road network linking the area to the Centre and West of Crete. The local authorities in Crete have also dramatically improved the local road network and the Project is now less than 30 minutes from Sitia International Airport which is fully operational.

The granting of Outline Planning Consent, the negotiations in progress and the improvements in local infrastructure provide a secure base for the realisation of the Group's ambitions in Greece.

**Travel and Leisure ("T&L")**

The T&L division continues to be the Group's main operating driver with its network of specialist, corporate and award-winning travel agencies, spanning all aspects of worldwide travel and delivering another period of strong growth.

Total transaction value was up by circa 15% in the 6 months ended 30 April 2016 to £33,106,000 and has continued to rise, being up circa 20% to £39,729,000 in the 6 months ended 30 April 2017.

Gross profit has also continued to rise. Following a 19% increase in the 6 months ended 30 April 2016 to £3,544,000 it was up a further 14% in the current period to £4,052,000. In similar fashion, profit at EBITDA level is up 35% on the comparable period last year i.e. up from £332,000 to £449,000.

Another positive has been the recent announcement of the acquisition of Morningside Travel Limited, an independent travel agent based in Edinburgh and an ideal fit for the Stewart Travel retail business, which will make a full contribution to the Group's figures in the forthcoming year. With a successful track record of travel agency acquisitions the Group is still looking for further suitable opportunities to acquire other leading, specialist travel agencies to help further enhance the T&L division's performance.

**Finance**

Since the period end, prior to the dismissal of the Appeals, we completed a small placing, raising £450,000 before expenses, to help with our working capital position.

The most significant financial event has been the recently announced extension from 30 June 2017 to 31 December 2017 of the £5million 8% Loan Facility dated 16 October 2013 from Hillside International Holdings Limited. This bolsters the Group's financial position and will greatly help the Board as it continues its negotiations with parties interested in the Project.

**Chairman's Statement (continued)**

**Outlook**

Clearly, the Board's main goal is to move forward with the realisation of the Project and the prospects for this have never looked better. With regard to the T&L business, its organic growth remains healthy and we will work to continue to improve its operational profitability whilst reviewing suitable opportunites and strategies to increase its rate of growth. This may involve bringing in a suitable partner or investor.

**Conclusion**

The past six months have been a landmark period for the Group with the profitability of the T&L business reaching new heights, while the dismissal of the Appeals against the PD promises to be the catalyst for the joint development of one of the premier resorts in the Mediterranean and a world-class tourist destination.

The forthcoming year looks set to be a transformational period for the Group. I would like to thank all our shareholders for their patience and forbearance to date and to reassure them that the Board's overriding objective is to achieve maximum value for them.

*Christopher W Egleton*

Chairman
26 July 2017

# Unaudited Consolidated Statement of Comprehensive Income
# 6 months ended 30 April 2017

| | **6 months ended 30.04.17** | 6 months ended 30.04.16 | Year ended 31.10.16 |
|---|---|---|---|
| | **£'000** | £'000 | £'000 |
| **Total transaction value** | **39,729** | 33,106 | 67,820 |
| Revenue | **4,223** | 3,544 | 7,317 |
| Cost of sales | **(171)** | - | (273) |
| **Gross profit** | **4,052** | 3,544 | 7,044 |
| Operating expenses | **(4,084)** | (3,618) | (7,261) |
| Other operating expenses | | | |
| Corporate development costs | **(238)** | (222) | (595) |
| (Charge)/credit in respect of share based payments | **-** | (14) | 24 |
| **Operating loss** | **(270)** | (310) | (788) |
| Finance costs | **(637)** | (746) | (1,484) |
| **Loss before taxation** | **(907)** | (1,056) | (2,272) |
| Taxation | **-** | - | - |
| **Loss for period attributable to equity holders of the Company** | **(907)** | (1,056) | (2,272) |
| **Loss per share attributable to equity holders of the Company: Basic and diluted** | **(0.46)p** | (0.56)p | (1.19p) |

# Unaudited Consolidated Statement of Changes in Equity
# 6 months ended 30 April 2017

**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** |

6 months ended 30 April 2016

| | Share capital £'000 | Share premium £'000 | Merger reserve £'000 | Warrant reserve £000 | Retained earnings £'000 | Total equity £'000 |
|---|---|---|---|---|---|---|
| Balance at 1 November 2015 | 14,975 | 31,435 | 9,349 | 1,904 | (13,831) | 43,832 |
| Loss for the period | - | - | - | - | (1,056) | (1,056) |
| Issue of ordinary shares at a premium | 82 | 800 | - | - | - | 882 |
| Share based payments | - | - | - | - | 14 | 14 |
| Balance at 30 April 2016 | 15,057 | 32,235 | 9,349 | 1,904 | (14,873) | 43,672 |

Year ended 31 October 2016

| | Share capital £'000 | Share premium £'000 | Merger reserve £'000 | Warrant reserve £000 | Retained earnings £'000 | Total equity £'000 |
|---|---|---|---|---|---|---|
| Balance at 1 November 2015 | 14,975 | 31,435 | 9,349 | 1,904 | (13,831) | 43,832 |
| Loss for the period | - | - | - | - | (2,272) | (2,272) |
| Issue of ordinary shares at a premium | 144 | 1,150 | - | - | - | 1,294 |
| Share based payments | - | - | - | - | (24) | (24) |
| Extension of warrant expiry date | - | - | - | 215 | | 215 |
| Balance at 31 October 2016 | 15,119 | 32,585 | 9,349 | 2,119 | (16,127) | 43,045 |

# Unaudited Consolidated Balance Sheet as at 30 April 2017

| | **As at 30.04.17 £'000** | As at 30.04.16 £'000 | As at 31.10.16 £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | **9,892** | 9,818 | 9,771 |
| Property, plant and equipment | **743** | 688 | 728 |
| **Total non-current assets** | **10,635** | 10,506 | 10,499 |
| **Current assets** | | | |
| Inventories | **43,458** | 41,781 | 42,562 |
| Receivables | **2,947** | 2,683 | 2,610 |
| Cash and cash equivalents | **88** | 67 | 104 |
| **Total current assets** | **46,493** | 44,531 | 45,276 |
| **Total assets** | **57,128** | 55,037 | 55,775 |
| **Equity** | | | |
| Share capital | **15,228** | 15,057 | 15,119 |
| Share premium account | **33,093** | 32,235 | 32,585 |
| Merger reserve account | **9,349** | 9,349 | 9,349 |
| Warrant reserve | **2,412** | 1,904 | 2,119 |
| Retained earnings | **(17,034)** | (14,873) | (16,127) |
| **Total equity** | **43,048** | 43,672 | 43,045 |
| **Liabilities** | | | |
| Current liabilities | **14,080** | 11,365 | 12,730 |
| **Total liabilities** | **14,080** | 11,365 | 12,730 |
| **Total equity and liabilities** | **57,128** | 55,037 | 55,775 |

# Unaudited Consolidated Cash Flow Statement
# 6 months ended 30 April 2017

| | **6 months ended 30.04.17** | 6 months ended 30.04.16 | Year ended 31.10.16 |
|---|---|---|---|
| | **£'000** | £'000 | £'000 |
| **Cash flows from operating activities** | | | |
| Net cash inflow/(outflow) from continuing operations (note 1) | **(650)** | (490) | 458 |
| Finance costs | **(96)** | (265) | (255) |
| **Net cash (used in)/generated from operating activities** | **(746)** | (755) | 203 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | **(78)** | (24) | (103) |
| Purchase of intangible assets: | | | |
| Goodwill- deferred consideration | **(25)** | - | (130) |
| IT Project | **(5)** | (51) | (140) |
| **Net cash used in investing activities** | **(108)** | (75) | (373) |
| **Cash flows from financing activities** | | | |
| Net proceeds from the issue of ordinary shares | **-** | - | - |
| Loans received | **838** | 752 | 129 |
| **Net cash generated from financing activities** | **838** | 752 | 129 |
| **Net decrease in cash** | **(16)** | (78) | (41) |
| Cash at beginning of period | **104** | 145 | 145 |
| **Cash at end of period** | **88** | 67 | 104 |

## Notes to the Unaudited Consolidated Cash Flow Statement
## 6 months ended 30 April 2017

### 1 Cash flows from operating activities

| | **6 months ended 30.04.17** | 6 months ended 30.04.16 | Year ended 31.10.16 |
|---|---|---|---|
| | **£'000** | £'000 | £'000 |
| Loss before taxation | **(907)** | (1,056) | (2,272) |
| Finance costs | **637** | 746 | 1,484 |
| Depreciation | **57** | 51 | 122 |
| Amortisation | **172** | 158 | 334 |
| Exchange gain/(loss) relevant to property, plant and equipment | **9** | 6 | (36) |
| Increase in inventories | **(896)** | (515) | (1,296) |
| Share based payments | **-** | 14 | (24) |
| Increase in receivables | **(337)** | (512) | (439) |
| Increase in current liabilities | **498** | 593 | 1,291 |
| Non cash movement in equity | **117** | 25 | 1,294 |
| **Net cash inflow/(outflow) from continuing operations** | **(650)** | (490) | 458 |

## Notes to the unaudited interim results
## 6 months ended 30 April 2017

### 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 2016 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 2016 were approved by the Board on 31 March 2017.

The interim financial statements for the 6 months ended 30 April 2017 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 2016.

**Going concern**

The interim unaudited financial statements have been prepared on the going concern basis.

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 dismissal, in June, of the Appeals against the Presidential Decree granting land use approval for the Project, the Company now has an un-appealable Presidential Decree which, in effect, gives outline planning consent for the Project.

The directors consider it relevant that having completed financial joint venture agreements prior to the above, and any other consents, 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 raise capital in order to meet its existing working capital requirements and the directors consider that any necessary funds will be raised as required.

## Notes to the unaudited interim results (continued)
## 6 months ended 30 April 2017

### 2. Basis of preparation (continued)

**Going concern (continued)**

With a number of acquisitions in the planned expansion of its Travel and Leisure business having been completed over a period of time, the Group is now generating profits and cash flow within this sector of its activities.

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;

- the Travel and Leisure division (UK), being the operation and management of the travel businesses; and

- the corporate development division (UK) as described above.

## Notes to the unaudited interim results (continued)
## 6 months ended 30 April 2017

### 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 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 |

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## Notes to the unaudited interim results (continued)
## 6 months ended 30 April 2017

### 3. Segmental information (continued)

| | 6 months ended 30 April 2016 | | | |
|---|---|---|---|---|
| | Luxury Resorts £'000 | Travel and Leisure £'000 | Corporate Development £'000 | Total £'000 |
| Total transaction value | - | 33,106 | - | 33,106 |
| | | | | |
| Revenue | - | 3,544 | - | 3,544 |
| Cost of sales | - | - | - | - |
| Gross profit | - | 3,544 | - | 3,544 |
| | | | | |
| Operating expenses | (197) | (3,421) | (222) | (3,840) |
| | (197) | 123 | (222) | (296) |
| Charge in respect of share based payments | (14) | - | - | (14) |
| Operating (loss)/profit | (211) | 123 | (222) | (310) |
| Finance costs | (680) | (66) | - | (746) |
| (Loss)/profit before taxation | (891) | 57 | (222) | (1,056) |
| | | | | |
| Operating expenses include: | | | | |
| Depreciation and amortisation | - | 209 | - | 209 |
| Operating leases - plant and equipment | - | 8 | - | 8 |
| | | | | |
| Assets/liabilities | | | | |
| Goodwill | 6,127 | 2,601 | - | 8,728 |
| Other non-current assets | 138 | 1,640 | - | 1,778 |
| Current assets | 42,638 | 1,893 | - | 44,531 |
| Total assets | 48,903 | 6,134 | - | 55,037 |
| | | | | |
| Total liabilities | 7,859 | 3,506 | - | 11,365 |

## Notes to the unaudited interim results (continued)
## 6 months ended 30 April 2017

### 3. Segmental information (continued)

| | Year ended 31 October 2016 | | | |
|---|---|---|---|---|
| | Luxury Resorts £'000 | Travel and Leisure £'000 | Corporate Development £'000 | Total £'000 |
| Total transaction value | - | 67,820 | - | 67,820 |
| | | | | |
| Revenue | - | 7,317 | - | 7,317 |
| Cost of sales | - | (273) | - | (273) |
| Gross profit | - | 7,044 | - | 7,044 |
| | | | | |
| Operating expenses | (489) | (6,772) | (595) | (7,856) |
| | (489) | 172 | (595) | (812) |
| Credit in respect of share-based payments | 24 | - | - | 24 |
| Operating (loss)/profit | (465) | 272 | (595) | (788) |
| Contribution to central costs | 100 | (100) | - | - |
| Finance costs | (1,341) | (143) | - | (1,484) |
| (Loss)/profit before taxation | (1,706) | 29 | (595) | (2,272) |
| Taxation | - | - | - | - |
| (Loss)/profit after taxation | (1,706) | 29 | (595) | (2,272) |
| | | | | |
| Operating expenses include: | | | | |
| Depreciation and amortisation | 13 | 443 | - | 456 |
| Operating leases - plant and equipment | - | 83 | - | 83 |
| | | | | |
| Assets/liabilities | | | | |
| Goodwill | 6,127 | 2,641 | - | 8,768 |
| Other non-current assets | 157 | 1,574 | - | 1,731 |
| Current assets | 43,491 | 1,785 | - | 45,276 |
| Total assets | 49,775 | 6,000 | - | 55,775 |
| | | | | |
| Total and current liabilities | 10,561 | 2,169 | - | 12,730 |

### 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.

The Group conducts an annual impairment test on the carrying value of goodwill based on the recoverable amount of two cash generating units: the Project and the Travel and Leisure business.

The directors consider that there have been no indicators of impairment of goodwill for either the Project or the Travel and Leisure CGU since the last annual review and therefore do not consider that an interim review is required.

## Notes to the unaudited interim results (continued)
## 6 months ended 30 April 2017

### 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 2017 was 197,769,617 (6 months ended 30 April 2016: 188,729,546, year ended 31 October 2016: 190,972,389).

### 6. Share based payments charge

| | **6 months ended 30.04.17** | 6 months ended 30.04.16 | Year ended 31.10.16 |
|---|---|---|---|
| | **£'000** | £'000 | £'000 |
| Share based payments - directors | **-** | 14 | 24 |
| Share based payments - warrants finance charges | **293** | 481 | 930 |
| | **293** | 495 | 954 |

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.