7 June 2021

Fox Marble Holdings plc
("Fox Marble" or the "Company")

Final Results for the year ended 31 December 2020 and Notice of General Meeting

Fox Marble, the AIM listed company focused on marble quarrying and finishing in Kosovo and the Balkans region, is pleased to announce its final results for the year ended 31 December 2020.

Highlights for the year ended 2020

- During the year the Group signed a number of significant new contracts to supply marble to large scale municipal and private projects in Kosovo. These included projects to supply stone to Suhareka and Podujeva town centres, as well as contracts to provide stone to large scale building projects such as C&C apartments. These projects are expected to be completed over 2021 and 2022.
- Significant increase in factory processing rates with 29,737 square metres of slabs processed (2019 – 10,349 square metres) and over 24,000 square metres of tile and cut to size material processed (2019 – 8,882 square metres).
- Total production of 6,060 tonnes of marble at the Prilep Alpha and Cervenillë quarries (2019 – 14,370 tonnes) following stoppages due to COVID-19. Production was restarted in September 2020 in Cervenillë quarry due to demand for Grigio Argento material for the processed marble contracts.
- Revenue for the year of €0.7 million (2019 - €1.4 million). Revenue from the sale of processed marble increased 224% to €0.6 million (2019 €0.1 million) driven by a number of large-scale contracts signed for projects in Kosovo. Revenue from the sale of block marble fell 87% to €0.1 million from €1.2 million as a result of the impact of the COVID-19 pandemic on the marble market.
- Operating loss for the year of €2.6 million (2019 – loss of €2.3 million). Loss for the year of €2.8 million (2019 – loss of €2.5 million). Adjusted LBITDA of €1.4 million (2019 – LBITDA of €1.6 million).
- In June 2020, the Company completed a placing raising £0.8m before expenses to provide working capital in the face of the unfolding COVID-19 pandemic. Furthermore, in June 2020 the Company reached agreement with the holders of £2.1 million of its CULNs. Under this agreement the Company has replaced the eight existing series of CULNs with a new single class of cumulative unsecured loan notes ("CULN") which have a maturity date of 1 December 2026 and are convertible at any date from 1 June 2020 at a conversion price of 5 pence per share. The interest rate of the new CULN is 2% per annum payable half yearly on 1 June and 1 December. The Company continues to carefully manage its working capital.

Highlights year to date 2021

- Contract signed for the next stage of the Podujeva project, and a new project in Kamenice and Mitrovice. The Company now has contracts in place to supply €1.6 million of processed material within Kosovo during 2021 and 2022.
- Appointment of Dentons Europe CS LLP and Samuel Wordsworth QC and funding secured to bring the €195 million arbitration case against the Republic of Kosovo to its conclusion.

Chris Gilbert, CEO, commented "As we emerge into a post-Covid world we face the future with optimism. We enjoy a strategic market position in a $20 billion global industry. The Company has an impressive marble quarrying and processing business with long term mineral rights to a number of quarries with significant reserves of desirable and attractive marble. We are vertically integrated, which is very unusual in the global marble market, meaning we can deliver block marble as well as higher margin processed marble. Along with low labour costs this makes us extremely competitive. We face the future with renewed confidence."

The Annual Report and Accounts for the year ended 31 December 2020 together with the Notice of Annual General Meeting ("AGM") and the associated form of proxy have been posted to shareholders.

The Annual Report, the Notice of AGM and related documents are available on Fox Marble's website and can be downloaded from: www.foxmarble.net/investors. The AGM will be held at 2.00 p.m. on 30 June 2021 at 160 Camden High Street, London NW1 0NE.

In light of the rapidly evolving situation and recent government guidance regarding the outbreak of Covid-19 (Coronavirus), the Company has taken the decision to alter the format of the Company's AGM to be held at 2.00 p.m. on 30 June 2021 at the registered offices of the Company. The safety and security of the Company's officers, shareholders, guests and service providers is of paramount importance. The formalities of the meeting shall continue, as required by the Companies Act 2006 and the Company's Articles of Association, but all shareholders are encouraged to vote by proxy, and, given the government guidance, not to attend the meeting in person. In the event that shareholders have a question for the Company, please contact the Company Secretary by email (please see the notes) or telephone, and we will arrange for a response to be provided to you.

The information communicated in this announcement is inside information for the purposes of Regulation 11 of the Market Abuse (amendment) (EU exit) Regulations 2019/310.

For further information please visit www.foxmarble.net.

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Notes to Editors:

Fox Marble (AIM: FOX), is a marble production, processing and distribution company in Kosovo and the Balkans region.

Its marble products, which includes Alexandrian Blue, Alexandrian White, Breccia Paradisea, Etruscan gold and Grigio Argento and are gaining sales globally both to international wholesale companies as well as being supplied directly into luxury residential properties. In the UK these include among others St George's Homes and Capital and Counties Plc's Lillie Square development. In Sydney, Australia Rosso

Cait, Alexandrian White and Breccia Paradisea marble have been used in what is expected to be Australia's most expensive residential property. These sales serve to demonstrate the desirability of Fox's premium marble products as the stone of choice in some of the most prestigious and expensive residential developments around the world.

Chairman's statement

It has been a very challenging year in exceptional circumstances, but I believe Fox Marble has demonstrated its resilience and agility, in protecting our employees and sustaining our operations. The marble industry, like many industries has been hit hard by the COVID-19 pandemic. The international block market which requires travel to physically inspect blocks, which formed the majority of our trade in 2019, suffered significant setbacks. In the face of these challenges Fox Marble has focused on securing working capital, restructuring its debt obligations, and growing its processed marble trade within Kosovo.

Our primary focus during this period has been ensuring the health and wellbeing of our employees, customers and suppliers through observing strict Covid 19 protocols, including social distancing, hygiene measures and closure of limited working of operations during peak periods of infections.

The factory capacity and sale of processed marble has been a significant highlight of this year. The Group has secured several large-scale municipal and non-municipal contracts within Kosovo. It has used targeted capital spending to increase rates of tile processing in the factory. Together, these have increased sales of processed marble by over 200%. Since year end, the Group has continued to win new contracts in the region and now has a solid order book for the factory expected to be realised through 2021 and 2022.

The sale of block marble has been significantly impeded by the COVID-19 pandemic and there continues to be significant downward pressure on pricing, as the industry deals with ongoing repercussions. Whilst we expect block sales to see some recovery in 2021 as travel opens up, we do not expect a return to pre-pandemic levels for some time. Lockdowns and travel restrictions put additional pressure on our operations as they went through the phases of temporary shutdowns and the subsequent re-opening and ramp-up of operations.

Operating losses for the year increased to €2.6 million (2019 - €2.3 million), driven by lower sales and a higher than usual stock provision recognised of €0.9 million (2019 - €0.3 million), driven by pressure on pricing.

Fox Marble continues to examine opportunities to grow its marble reserve base and is currently examining potential sites in Kosovo. COVID-19 restrictions as well as elections in Kosovo have slowed progress in assessing these sites, however the Group continues to keep an eye on its long-term development.

Our Arbitration case brought against the government of Kosovo has progressed since December 2020 with the appointment of Dentons CS LLP as solicitors and Sam Wordsworth as QC. We expect to announce the appointment of our Arbitrator within the next few months, which will be a significant step in proceedings.

The Stone Alliance project remains part of the Group's long term plan, but progress on this matter is currently dependent on the outcome of the arbitration proceedings.

Sales at the start of 2021 have continued to be affected by Covid-19 as well as recent elections in Kosovo that have delayed approval of municipal funds to projects, and have been lower than initial expectations. However, work on the municipal contracts announced so far began in earnest in May 2021 and we expect to see significant growth through the second half of the year. We have contracts for the supply of processed marble of €1.6 million in Kosovo alone, together with a strong pipeline of future opportunities. The Company will be carefully considering how capacity can be grown at the processing factory to allow us to take full advantage of these opportunities.

Our cash position as at the 30 May 2021 was €0.8 million, including €0.4 million of litigation funding. Through what has been a very tough year we continue to monitor and control working capital. The Board has carefully considered its responsibilities around assessment of going concern, and consider the going concern assumption is appropriate. In doing so the Board has considered its forecasts, the pipeline of sales and its ability to raise further funds if necessary. We note that the Company has a loan note of €1.8 million due by 8 August 2021 and to which the Company is currently in the process of negotiatiing an extension. We are confident that we can secure this concession, and that if such an extension cannot be secured we have sufficient alternative options available to us to ensure that our obligations are met. Further details on the judgments involved can be found later in this document.

I would like to thank all our employees who are very committed and hardworking, and, importantly have embraced our vision to establish Kosovo and the Balkans as a major supplier of high-quality marble worldwide.

Andrew Allner

Non-Executive Chairman

Strategic Report

Processed marble sales

Sales of processed marble have increased to €0.6 million from €0.2 million in 2019, of which €0.45 million occurred in H2 2020. A number of new contracts were signed for processing services and processed marble which formed the backbone of sales through the end of 2020 and are expected to continue into 2021.

- The Suhareka square in Kosovo contract, announced on 14 April 2020, to supply up to 20,000 square metres of paving. Material already specified and contracted under the first two stages of the project has a total value in excess of €400,000, and once all 20,000 square metres have been supplied the project is expected to be worth in excess of €750,000, as announced on 13 May 2020. Fox Marble has supplied over 10,000 square metres of material since June 2020. To date, the Company has supplied in excess of €0.3 million of material on this project.
- A contract to supply 20,000 square metres of cut and finished paving tiles for installation in the town square for the Municipality of Podujeva in Kosovo, announced on 30 July 2020. Fox Marble began supplying material for this project in August 2020 and has supplied over 4,000 square metres of material to date. The Company received confirmation of Phase II of the project in January 2021, and the total value of this contract is around €700,000 over 2020 and 2021, as announced on 30 July 2020 and a further update announcement released by the Company on 4 February 2021.
- A contract to supply 35,000 square metres of cut and polished tiles to CC Apartments LLC was announced on 23 June 2020. CC Apartments LLC is engaged in developing several prestigious projects including apartments in Kosovo, as well as Albania and surrounding countries. Fox Marble will be processing blocks of a range of marble from its own quarries for this project and supplying this material from its factory in Kosovo over the course of 2021. The total value of the contract is in excess of €700,000.
- A contract to supply 6,500 square metres of cut and finished paving tiles for installation in the town square for the Municipality of Kamenica in Kosovo. Fox Marble will be processing blocks of a range of marble from its own quarries for this project and supplying this material from its factory in Kosovo over the course of 2021. The total value of the contract is in excess of €160,000.

Block sales

Sales of block marble have fallen significantly in 2020 from €1.2 million in 2019 to €0.1 million in 2020 due to the impact of COVID-19 on block marble sales.

The prominence of China in the block marble market meant that sales of block marble showed a sharp drop from the start of 2020. As international borders were closed and the outbreak spread through Europe, the decision was made to temporarily close the quarry at Prilep for the safety of staff and to preserve working capital.

The Prilep quarry was reopened in August 2020 and the board will continue to watch the progress on the block market closely.

As travel restrictions lift in 2021, the Group expects to see growth in block sales. However, the impact of the COVID-19 pandemic has caused significant pressure on pricing, as marble companies try to offload excess stock and raise working capital. Furthermore, the disruption to global shipping, which has significantly increased the cost of shipping, has dampened the demand for marble blocks. As such, whilst we expect to see growth in the sales of block marble in 2021, we do not expect a return to normality for some time.

Factory

A 5,400 square metre double skinned steel factory for the cutting and processing of blocks into polished slabs and tiles has been erected on a 10-hectare site that the Company acquired in Lipjan in 2013, close to Pristina airport in Kosovo.

In 2020, Fox Marble has focused on developing the local market for its processed material and range of products from cut and polished tiles to stair pieces, door and window lintels to slabs, which is driving increased production at the factory.

In June 2020, the Company announced that it had acquired two additional automatic CNC cutting machines to be installed in its factory in Kosovo. The two machines were manufactured by Simec Srl and Garcia Ramos SA and with the existing Gravellona Machine Marmo CNC machine has doubled the capacity to cut tiles. The machines have been installed and are now fully operational. This will help underpin the 3-year factory expansion plan currently being developed by the COO/GM Sales.

The machines, and procedural improvements implemented have helped drive an increase in processing volumes from 2019 to 2020. The factory processed 29,737 square metres of slabs in 2020 (2019 – 10,349 square metres) and over 24,000 square metres of tile and cut to size material processed (2019 – 8,882 square metres).

We continue to examine ways to increase levels of production and operating efficiency through 2021, despite COVID-19 related restrictions.

Quarry Operations

Prilep

The Company entered into an agreement to operate a quarry in Prilep, North Macedonia in 2013. The agreement was for a period of 20 years with an irrevocable option to extend the period for a further 20 years thereafter. The Prilep quarry contains highly desirable white marble, Alexandrian White and Alexandrian Blue. This is one of a small cluster of quarries, in the Stara river valley, overlooked by the Sivec pass. Quarrying operations were stopped in April 2020 as a result of the unfolding COVID 19 crisis. Production in 2020 was 4,955 tonnes (2019 – 11,520 tonnes).

A royalty of 35% of gross revenue is payable to the original licence holder of the quarry.

Quarrying was suspended at Prilep in April 2020 as a result of the un-folding COVID-19 crisis. It was re-opened in August 2020, though to a limited level.

The Company also has the rights to an additional adjacent quarry, Prilep Omega, which it acquired in 2014. The Company has not yet developed this quarry.

Cervenillë

This site was the first of our quarries to be opened in November 2012. It is being exploited across three separate locations (Cervenillë A, B & C) from which red (Rosso Cait), red tinged grey (Flora) and light and darker grey (Grigio Argento) marble is being produced in significant quantities. The polished slabs from this quarry have sold well. The most noteworthy sales included those to St George PLC (Berkeley Homes) for the prestigious Thames riverside Chelsea Creek development in London.

In 2016, the decision was made to focus quarry resources at the nearby Maleshevë quarry to accelerate development to address expected demand. Quarry staff and equipment were therefore re allocated from this quarry. Production was re-started in September 2020 to address the anticipated upcoming demand for Grigio Argento from existing and future contracts. Production in 2020 was 1,112 tonnes (2019 – Nil).

Syriganë

The quarry at Syriganë is open across four benches. The site contains a variety of the multi-tonal breccia and Calacatta-type marble and produces significant volumes of breccia marble in large compact blocks. Output is marketed as Breccia Paradisea (predominantly grey and pink) and Etrusco Dorato (predominantly gold and grey).

Growing marble reserves base and the opening of new quarries in Kosovo

The foundation of a successful and growing natural stone company is its reserves base. Fox Marble's strategy is to seek to grow this over the medium term, finding and aiming to open on average at least one new quarry a year in opportunity rich Kosovo. For 2020, two new potential quarries were identified and after initial examination of the resource the Company secured the licence over one new quarry site. Progress on developing the quarry is expected to start in 2021, subject to an initial drilling programme. This will provide the opportunity to increase both block sales and processed marble from the factory from the end of 2021 onwards.

Maleshevë

In October 2015, the Company acquired the rights to a 300-hectare site close to the Company's existing licence resource in Maleshevë from a local company. By November 2015, this quarry had been opened and the first blocks extracted and sent for testing. The quarry was operated subject to an agreement with the licence holder, Green Power Sh.P.K ("Green Power"), a company incorporated in Kosovo, which granted Fox Marble's Kosovan subsidiary the rights to develop and operate the quarry, in return for a royalty arrangement.

The quarry contained a mixture of Illirico Bianco, Illirico Superiore and the silver-grey marble Illirico Selene. The initial market response to both the Illirico Selene and Illirico Bianco was significant and to address this anticipated demand the Company has invested significant resources and effort since 2016 to accelerate the development of these quarries to produce multiple open high-volume benches capable of producing blocks in the quantities to meet demand. The Company quarried 2,850 tonnes during 2019 (2018 – 7,278 tonnes).

On 4 April 2019, Fox Marble announced it had conditionally acquired the entire share capital of Green Power, for a consideration of £1,000,000 to be satisfied by the issue of 13,000,000 new ordinary shares in the Company at a price that equates to 7.69 pence per share. However, prior to approval of the issue of shares at the Company's AGM in June 2019, Green Power announced their intention to breach the agreed acquisition contract and blocked Fox Marble's access to the quarry site.

Quarry production at the Maleshevë quarry in Kosovo was stopped in July 2019 as a result of the ongoing dispute with Green Power Sh.P.K.. The Company has filed civil claims in Kosovo against Green Power Sh.P.K. for breach of contract and damages, in addition to the wider Arbitration case launched against the Government of Kosovo, as announced in September 2019. Further details on the arbitration claim can be found below.

Arbitration Proceedings

On 4 September 2019, Fox Marble launched United National Commission on International Trade Law (UNCITRAL) arbitration proceedings, against the Republic of Kosovo for damages in excess of €195 million, as a result of the failure of the State to protect Fox Marble's rights over the Maleshevë quarry.

The Company believes the Kosovan Government to be in clear breach of its responsibilities towards the Company as a foreign investor in Kosovo and that this action is in the best interests of its shareholders and employees. The Company anticipates a fair and satisfactory resolution. All the Company's other operations, including the quarries and processing factory in Kosovo and the Prilep quarry in Northern Macedonia, are unaffected.

The background to the claim is the dispute arising with the former shareholders of Green Power Sh.P.K and Scope Sh.P.K, which has resulted in Fox Marble being prevented from operating the Maleshevë quarry. Since the dispute arose, Fox Marble has been working to resolve the matter with the appropriate Kosovan Government agencies, namely the Kosovo mining regulator, the Independent Commission of Mines and Mineral ("ICMM") and the Agjencia e Regjistrimit të Bizneseve ("ARBK"), the Kosovo business registration agency. However, in what is a clear breach of Kosovo Law 04/L-220 "On Foreign Investment" (2014), Fox Marble has been prevented from asserting its rights in these matters.

Despite the cumulative weight of evidence, Fox Marble was denied the right to appeal any decision relating to the Maleshevë quarry in direct contravention of the provisions of the Kosovo foreign investment law, Law 04 /L-220. As a direct consequence of the ARBK and ICMM decisions, the Company has brought arbitration proceedings against the Republic of Kosovo pursuant to Article 16 of the Kosovo foreign investment law (as above). The basis of the claim for damages is the investment made to date in the Maleshevë quarry, loss of future revenues associated with the site and future investment plans in Kosovo. Significant future investment plans are the subject of the MOU signed in October 2016 by the Government of Kosovo and Stone Alliance LLC which is majority owned by Fox Marble.

On 16 December 2020 the Company announced that it had engaged the services of Dentons CS Europe LLP to act on the Company's behalf in its circa €195 million claim against the Republic of Kosovo. Dentons have agreed a fee arrangement which enables Fox Marble to bring the Arbitration through to its conclusion.

The Company announced the appointment of the eminent British Barrister and Queens Counsel, Samuel Wordsworth QC of Essex Court Chambers on the 19 May 2021. He will work with Dentons Europe CS LLP, the world's largest law firm by number of lawyers, in support of the Company's €195M claim against the Republic of Kosovo.

Financing

Please refer to the Report of the Directors for the going concern assessment by the Directors.

COVID-19 Response

The spread of Coronavirus (COVID-19) continues to have a significant impact across industries worldwide, including the marble extraction and processing market, given the changeable international travel and working restrictions in place in many countries. The Board's highest priority is the continued wellbeing of its employees, customers and stakeholders both in the UK and Kosovo. Given the continued uncertainty on the potential impact and duration of the COVID-19 pandemic, the Board has taken pre-emptive steps not only to ensure the well-being of those affected, but also to best position the Company for future operations.

In line with many other nations, Kosovo introduced a number of measures to try and curb the further spread of COVID-19, including travel restrictions, school closures and closures of non-essential shops and venues. To date, some restrictions have been lifted, however travel continues to be tightly controlled.

Fox Marble's factory operations were permitted to continue, as it fell within a designated sector. The Company continued to operate the factory, though with scaled back operations. Extra distancing procedures to protect our workforce were implemented. Operations were slowly increased over the summer.

Demand for block marble fell significantly as a result of travel restrictions placed on China, the principal buyers of the Company's block marble, since January 2020. The spread of the virus into Europe and the resulting impact on cross border travel and trade has magnified this effect. The Company elected to suspend production at the quarries during 2020 in order to keep operational cash flow neutral until the international block marble market returns to normality. Operations at the Prilep quarry were re-started in August 2020, and at Cervenillë in September 2020, prior to the normal winter stoppage.

Whilst quarrying operations were temporarily suspended, the Company sought to eliminate all unnecessary expenditure and the Board offered to not take any salary or fees until operations resumed. Head Office staff in London were placed on furlough through to June 2020.

Results

Key Performance Indicators	2020	2019
Number of operational quarries	4	4
Quarry production (tonnes)	6,060	14,370
Revenue	€715,900	€1,422,872
Average recorded selling price (blocks per tonne)	€120	€217
Average recorded selling processed (per sqm)	€28	€28
EBITDA	(€2,435,315)	(€2,022,027)
ADJUSTED EBITDA	(€1,486,119)	(€1,629,615)
Operating loss for the year	(€2,637,872)	(€2,273,673)
Loss for the year	(€2,804,371)	(€2,533,540)
Expenditure on property, plant and equipment	€89,503	€649,015

The Group recorded revenues of €715,900 in the year ended 31 December 2020 (2019 - €1,422,872). Revenues for the year fell as a direct result of the Covid-19 pandemic's effect on block sales, partially offset by significant growth in the sale of processed marble. The Group incurred an operating loss of €2,637,872 for the year ended 31 December 2020 (2019 - €2,273,673). The operating loss reflects the fall in block revenues due to the impact of the COVID-19 pandemic. In addition, the Company has recognised an additional provision of €926,762 on the stock held by the Group due to the impact of the market disruption caused by the pandemic on block pricing. The average recorded selling price per sqm for processed material remained consistent with the prior year. The fall in the selling price per sqm for block material has been driven by the disruption of COVID 19 on the international block market.

The Group incurred a loss after tax for the year ended 31 December 2020 of €2,804,371 (2019 - €2,533,540).

Reconciliation of EBITDA to Loss for the year	Year to 31 December 2020 €	Year to 31 December 2019 €
Loss for the year before tax	(2,924,086)	(2,533,540)
Plus/(less):		
Net finance costs/(income)	286,214	259,867
Depreciation	*158,751*	207,850
Amortisation	*43,807*	43,796
EBITDA	(2,435,315)	(2,022,027)
Stock Provision	927,481	392,412
Share option charge	21,355	-
Adjusted EBITDA	(1,486,119)	(1,629,615)

The Company does not anticipate payment of dividends until its operations become significantly cash generative.

Sustainable development

Fox Marble aims to build and maintain relationships based on trust and mutual benefit with its stakeholders. Preventing and managing social and environmental risks, while seeking opportunities for improvement, are critical to maintaining the Group's competitiveness and capacity to grow.

Risk

Fox Marble recognises that risk is inherent in its business activities. Its risks can have a financial, operational or reputational impact. The Company's system of risk identification, supported by established governance controls, ensures that it effectively responds to such risks, whilst acting ethically and with integrity for the benefit of our stakeholders.

Once identified, risks are evaluated to establish root causes, financial and non-financial impacts, and likelihood of occurrence. Consideration of risk impact and likelihood is considered to create a prioritised risk register and to determine which of the risks should be considered as a principal risk. The effectiveness and adequacy of mitigating controls are assessed. If additional controls are required, these will be identified, and responsibilities assigned.

The Group's management is responsible for monitoring the progress of actions to mitigate key risks. The risk management process is continuous; key risks are reported to the Audit Committee and at least once a year to the full Board.

Going Concern

The Directors have reviewed detailed projected cash flow forecasts and are of the opinion that it is appropriate to prepare this report on a going concern basis. In making this assessment they have considered:

(a) the current working capital position and operational requirements;

(b) the timing of expected sales receipts and completion of existing orders;

(c) the sensitivities of forecast sales figures over the next two years;

(d) the timing and magnitude of planned capital expenditure; and

(e) the level of indebtedness of the company and timing of when such liabilities may fall due, and accordingly the working capital position over the next 18 months.

In August 2021 the Company is due to repay the existing €1.8 million Gulf Loan Note. The Company is already in discussion as to securing an extension to this loan note and is confident that it can secure such a concession, however at this point the arrangements have not yet been finalised.

The forecasts assume that production at the Prilep and Cervenillë quarries will continue, which were reopened respectively in August and September 2020. It further assumes that production at the factory will continue to operate and that recently installed machinery will drive an increase in the rate of production. The forecast assumes existing contracts held by the Company will be fulfilled on a timely basis. Furthermore the forecasts assume that sales of block marble will resume during 2021, in line with the reopening of international borders. Further the Company is anticipating significant growth in revenue through the realisation of existing sale contracts and offtake agreements as well as from newly generated sales.

There are several scenarios which management have considered that could impact the financial performance of the Company. These include:

(a) The Company may not be able to secure an extension to the Gulf Marble Loan note, and the loan note may become payable in full or in part in August 2021.
(b) levels of production at Cervenillë and Prilep can be impacted by unforeseen delays due to inclement weather or equipment failure; lower than expected quality of material being produced by the quarries;
(c) Fulfilment of the Company's order book could be delayed, or the payment of amounts due under such contracts could be delayed.
(d) The continued progression of the Covid-19 may have a further detrimental impact on sales or on operations, and
(e) The resumption of block sales to the international block market may be slower than expected.

As at 31 May 2021 the Company had €0.8 million in cash including €0.4 million of restricted funds related to litigation funding.

If the cash receipts from sales are lower than anticipated the Company has identified that it has available to it a number of other contingent actions, in addition to those noted above, that it can take to mitigate the impact of potential downside scenarios. These include seeking additional financing, leveraging existing sale agreements, reviewing planned capital expenditure, reducing overheads and further renegotiation of the terms on its existing debt obligations. On 1 May 2021, the Company entered into a facility arrangement of £1,000,000 at an interest rate of 9% per annum arranged by Brandon Hill Capital Limited, which may be drawn down at the Company's request. This facility expires on 31 May 2022, and is undrawn at 31 May 2021. In addition to this Company has agreed a further facility of £700,000 with a non related party high net worth individual that can be used if required.

In conclusion having regard to the existing and future working capital position and projected sales, the Directors are of the opinion that the application of the going concern basis is appropriate.
Signed, on behalf of the Board of Directors

Chris Gilbert

Chief Executive Officer

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2020

	Note	2020 €	2019 €
Revenue		715,900	1,422,872
Cost of sales		(559,358)	(814,626)
Gross profit		156,542	608,246
Administrative and other operating expenses		(2,794,414)	(2,881,919)
Operating loss		(2,637,872)	(2,273,673)
Finance costs		(456,785)	(517,638)
Finance income		170,572	257,771
Loss before taxation		(2,924,086)	(2,533,540)
Taxation credit		119,715	-
Loss for the year		(2,804,371)	(2,533,540)
Other comprehensive income		-	-
Total comprehensive loss for the year		(2,804,371)	(2,533,540)

attributable to owners of the parent company

Earnings per share

Basic earnings per share	(0.01)	(0.01)
Diluted earnings per share	(0.01)	(0.01)

Consolidated Statement of Financial Position
As at 31 December 2020

	Note	As at 31 December 2020	As at 31 December 2019
		€	€
Assets			
Non-current assets			
Intangible assets		2,793,135	2,836,942
Property, plant and equipment		4,818,716	5,088,344
Total non-current assets		7,611,851	7,925,286
Current assets			
Trade and other receivables		1,152,317	1,182,685
Inventories		3,041,278	3,928,397
Cash and cash equivalents		337,741	578,417
Restricted cash		39,937	-
Total current assets		4,521,273	5,689,499
Total assets		**12,133,124**	**13,614,785**
Current liabilities			
Trade and other payables		1,560,865	1,199,376
Borrowings		1,841,493	1,929,696
Total current liabilities		3,402,358	3,129,072
Non-current liabilities			
Deferred tax liability		84,504	84,504
Lease Commitments		260,481	220,721
Borrowings		2,799,128	2,524,721
Total non-current liabilities		3,144,113	2,829,946
Total liabilities		**6,546,471**	**5,959,018**
Net assets		**5,636,653**	**7,655,767**
Equity			
Called up share capital		3,721,007	3,220,221
Share premium		32,056,986	31,793,870
Accumulated losses		(30,283,485)	(27,479,114)
Share based payment reserve		106,602	85,247
Other reserve		35,543	35,543
Total equity		**5,636,653**	**7,655,767**

Consolidated Statement of Cash Flows
For the year ended 31 December 2020

	2020	2019
	€	€
Cash flows from operating activities		
Loss before taxation	(2,924,086)	(2,533,540)
Adjustment for:		
Finance costs	456,786	517,638
Finance income	(170,572)	(257,771)
Operating loss for the year	(2,637,872)	(2,273,673)
Adjustment for:		
Amortisation	43,807	43,796
Depreciation	420,693	648,133
Equity settled transactions	21,355	-
Disposal of PPE	28,571	-
Provision for impairment of receivables	14,359	162,578
Provision for inventory	927,841	392,412
Changes in working capital:		
Decrease/(increase) in trade and other receivables	135,723	(455,965)
Increase in inventories	(40,721)	(513,669)
(Decrease)/increase in accruals	(46,807)	124,116
Increase/(decrease) in trade and other payables	424,324	(109,593)
Net cash used in operating activities	(708,727)	(1,981,865)
Cash flow from investing activities		
Expenditure on property, plant & equipment	(179,635)	(649,715)
Expenditure on rights of use assets	-	(23,736)
Interest on bank deposits	189	1,437
Net cash used in investing activities	(179,446)	(672,014)
Cash flows from financing activities		
Proceeds from issue of shares (net of issue costs)	763,902	2,371,425
Proceeds from the issue of long-term debt (net of issue costs)	-	609,696
Interest paid on loan note instrument	(76,470)	(187,096)
Net cash generated from financing activities	687,434	2,794,026
Net increase/(decrease) in cash and cash equivalents	**(200,739)**	**140,147**
Cash and cash equivalents at beginning of year	578,417	438,270
Cash and cash equivalents at end of year	**377,678**	**578,417**

Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

	Note	Share Capital	Share Premium	Share based payment reserve	Other Reserve	Accumulated losses	Total equity

	€	€	€	€	€	€
Balance at 1 January 2019	2,700,688	29,941,977	85,247	35,543	(24,945,574)	7,817,881
Loss and total comprehensive loss for the year					(2,533,540)	(2,533,540)
Transactions with owners						
Share capital issued	519,533	1,851,893	-	-	-	2,371,426
Balance at 31 December 2019 and at 1 January 2020	3,220,221	31,793,870	85,247	35,543	(27,479,114)	7,655,767
Loss and total comprehensive loss for the year					(2,804,371)	(2,804,371)
Transactions with owners						
Share options charge			21,355			21,355
Share capital issued	500,786	263,116	-	-		763,902
Balance at 31 December 2020	3,721,007	32,056,986	106,602	35,543	(30,283,485)	5,636,653

Notes to the Consolidated Financial Statements

1. General information

The principal activity of Fox Marble Holdings plc and its subsidiary and associate companies (collectively “Fox Marble Group” or “Group”) is the exploitation of quarry reserves in the Republic of Kosovo and the Republic of North Macedonia.

Fox Marble Holdings plc is the Group’s ultimate Parent Company (“the parent company”). It is incorporated in England and Wales and domiciled in England. The address of its registered office is 160 Camden High Street, London, NW1 0NE. Fox Marble Holdings plc shares are admitted to trading on the London Stock Exchange’s AIM market.

2. Basis of Preparation

The financial information set out herein does not constitute the Group's statutory financial statements for the year ended 31 December 2020, but is derived from the Group's audited full financial statements. The auditors have reported on the 2020 financial statements and their report was unqualified and did not contain statements under s498(2) or (3) Companies Act 2006. The 2020 Annual Report was approved by the Board of Directors on 4 June 2021, and was mailed to shareholders on 5 June 2021. The financial information in this statement is audited but does not have the status of statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The Group's consolidated financial statements, which form part of the 2019 Annual Report, have been prepared in accordance with interational accounting standards in conformity with the requirements of the Companies Act 2006 and the requirements of the Companies Act applicable to companies reporting under IFRS. IFRS includes Interpretations issued by the IFRS Interpretations Committee (formerly – IFRIC).

The consolidated financial statements have been prepared under the historical cost convention, apart from financial assets and financial liabilities (including derivative instruments) which are recorded at fair value through the profit and loss. The preparation of consolidated financial statements under IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

3. Critical accounting estimates and areas of judgement

Critical accounting estimates and areas of judgement

The preparation of consolidated financial statements under IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The key areas of judgement and critical accounting estimates are explained below.

Impairment assessment

The Group assesses at each reporting date whether there are any indicators that its assets and cash generating units (CGUs) may be impaired. Operating and economic assumptions, which could affect the valuation of assets using discounted cash flows, are updated regularly as part of the Group's planning and forecasting processes. Judgement is therefore required to determine whether the updates represent significant changes in the service potential of an asset or CGU and are therefore indicators of impairment or impairment reversal.

In performing the impairment reviews, the Group assesses the recoverable amount of its operating assets principally with reference to fair value less costs of disposal, assessed using discounted cash flow models. These models are subject to estimation uncertainty and there is judgement in determining the assumptions that are considered to be reasonable and consistent with those that would be applied by market participants as outlined below.

Going concern

The Group assesses at each reporting date whether it is a going concern for the foreseeable future. In making this assessment management considers:

(a) the current working capital position and operational requirements;

(b) the timing of expected sales receipts and completion of existing orders;

(c) the sensitivities of forecast sales figures over the next two years;

(d) the timing and magnitude of planned capital expenditure; and

(e) the level of indebtedness of the company and timing of when such liabilities may fall due, and accordingly the working capital position over the next 18 months.

Management considers in detail the going concern assessment, including the underlying assumptions, risks and mitigating actions to support the assessment. The assessment is subject to estimation uncertainty and there is judgement in determining underlying assumptions.

Quarry reserves

Engineering estimates of the Group's quarry reserves are inherently imprecise and represent only approximate amounts because of the significant judgments involved in developing such information. There are authoritative guidelines regarding the engineering criteria that must be met before estimated quarry reserves can be designated as ''proved'' and ''probable''. Proved and probable quarry reserve estimates are updated at regular intervals considering recent production and technical information about each quarry. In addition, as prices and cost levels change from year to year, the value of proved and probable quarry reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in depreciation and amortisation rates calculated on units of production ("UOP") basis.

Changes in the estimate of quarry reserves are also considered in impairment assessments of non-current assets.

Treatment of convertible loan notes

The convertible loan notes have been accounted for as a liability held at amortised cost. At the date of issue, the fair value of the liability component was estimated using the prevailing market interest rate for similar non-convertible debt.

The conversion option results in the Company repaying a GBP denominated liability in return for issuing a fixed number of shares and as such has been classified as a derivative liability. The liability is held at fair value and any changes in fair value over the period are recognised in profit or loss.

The Company has fair valued the identified embedded derivatives included within the contract using a Black Scholes methodology, which has resulted in the recording of a liability of €159,222 at 31 December 2020 (2019 - €6.125). The main assumptions used in the valuation of the derivative conversion option as at 31 December 2020 were: underlying share price of £0.0250 (31 December 2019: £0.0245), EUR/GBP spot rate of 1.1053 (31 December 2019: 1.1815), historic volatility of 34% (31 December 2019: 53%) and risk free rate of 0.3% (31 December 2019: 1.9%).

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined based on weighted average costs and comprises direct materials and direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

In calculating the net realisable value of the inventory management has to make a judgment about the expected sales price of the material. Management makes this judgment based on its historical experience of the sale of similar material and taking into account the quality or age of the inventory concerned.

4. Going concern

The Directors have reviewed detailed projected cash flow forecasts and are of the opinion that it is appropriate to prepare this report on a going concern basis. In making this assessment they have considered:

(a) the current working capital position and operational requirements;

(b) the timing of expected sales receipts and completion of existing orders;

(c) the sensitivities of forecast sales figures over the next two years;

(d) the timing and magnitude of planned capital expenditure; and

(e) the level of indebtedness of the company and timing of when such liabilities may fall due, and accordingly the working capital position over the next 18 months.

In August 2021 the Company is due to repay the existing €1.8 million Gulf Loan Note. The Company is already in discussion as to securing an extension to this loan note and is confident that it can secure such a concession, however at this point the arrangements have not yet been finalised.

The forecasts assume that production at the Prilep and Cervenillë quarries will continue, which were reopened respectively in August and September 2020. It further assumes that production at the factory will continue to operate and that recently installed machinery will drive an increase in the rate of production. The forecast assumes existing contracts held by the Company will be fulfilled on a timely basis. Furthermore the forecasts assume that sales of block marble will resume during 2021, in line with the reopening of international borders. Further the Company is anticipating significant growth in revenue through the realisation of existing sale contracts and offtake agreements as well as from newly generated sales.

There are scearios which management have considered that could impact the financial performance of the Company. These include:

(a) The Company may not be able to secure an extension to the Gulf Marble Loan note, and the loan note may become payable in full or in part in August 2021.

(b) levels of production at Cervenillë and Prilep can be impacted by unforeseen delays due to inclement weather or equipment failure; lower than expected quality of material being produced by the quarries;

(c) Fulfilment of the Company's order book could be delayed, or the payment of amounts due under such contracts could be delayed.
(d) The continued progression of the Covid-19 may have a further detrimental impact on sales or on operations, and
(e) The resumption of block sales to the international block market may be slower than expected.

As at 31 May 2021 the Company had €0.8 million in cash including €0.4 million of restricted funds related to litigation funding.

If the cash receipts from sales are lower than anticipated the Company has identified that it has available to it a number of other contingent actions, in addition to those noted above, that it can take to mitigate the impact of potential downside scenarios. These include seeking additional financing, leveraging existing sale agreements, reviewing planned capital expenditure, reducing overheads and further renegotiation of the terms on its existing debt obligations. On 1 May 2021, the Company entered into a facility arrangement of £1,000,000 at an interest rate of 9% per annum arranged by Brandon Hill Capital Limited, which may be drawn down at the Company's request. This facility expires on 31 May 2022, and is undrawn at 31 May 2021. In addition to this Company has agreed a further facility of £700,000 with a non related party high net worth individual that can be used if required.

In conclusion having regard to the existing and future working capital position and projected sales, the Directors are of the opinion that the application of the going concern basis is appropriate.

5. Segmental information

The chief operating decision maker is the Board of Directors. The Board of Directors reviews management accounts prepared for the Group as a whole when assessing performance.

All the operations of Fox Marble Holdings plc are in the Republic of Kosovo and the Republic of North Macedonia. All sales of the Group are as a result of the extraction and processing of marble. It is the opinion of the directors that the operations of the Company represent one segment and are treated as such when evaluating its performance.

Of the non-current assets held by the Group of €7,611,850 (2019 – €7,925,286), €4,309,546 (2019 - €4,262,651) relates to Property, Plant and Machinery acquired for the exploitation of assets in Kosovo and €433,702 (2019 - €588,902) relates to Property, Plant and Machinery acquired for the exploitation of assets in North Macedonia. Intangible assets held by the Group relate to intangible assets acquired in relation to mining rights and licences in North Macedonia of €2,633,424 (2019 - €2,674,866) and exploration and evaluation expenditure incurred in Kosovo of €75,207 (2019 – €77,572).

	Kosovo	Macedonia	Other	Total
	31 December 2020	31 December 2020	31 December 2020	31 December 2020
	€	€	€	€
Property, Plant and Machinery	4,309,546	433,072	75,492	4,818,716
Intangible assets	75,207	2,633,424	84,504	2,793,135
Total non-current assets				**7,611,851**
	31 December 2019	31 December 2019	31 December 2019	31 December 2019
	€	€	€	€
Property, Plant and Machinery	4,262,651	588,902	236,791	5,088,344
Intangible assets	77,572	2,674,866	84,504	2,836,942
Total non-current assets				**7,925,286**

The Group incurs certain costs in the United Kingdom in relation to head office expenses. In the year under review included in the operating costs for the year of €2,794,414 (2019 - €2,881,919) were costs incurred in the United Kingdom of €1,175,189 (2019 – €1,385,145). Of the net interest cost of the Group of €286,213 (2019 – €259,867) €279,002 is incurred in the United Kingdom (2019 - €25,867).

All revenue, which represents turnover, arises solely within Kosovo and North Macedonia and relates to external parties.

	Year ended 31 December 2020 €	Year ended 31 December 2019 €
Revenue by territory		
Europe	662,305	883,271
Middle East	-	148,976
China	53,595	390,625
Total revenue	**715,900**	**1,422,872**

Revenues from contracts with customers

The Group generates revenue through the sale of quarried marble as well as the processing of marble into slabs, tiles and bespoke cut to size items.

	Year ended 31 December 2020 €	Year ended 31 December 2019 €
Revenue by product		
Sale of block marble	154,606	1,219,618
Sale of processed marble	547,513	168,807
Provision of processing services	13,781	34,447
Total revenue	**715,900**	**1,422,872**

Revenue is recognised in a manner that depicts the pattern of the transfer of goods and services to customers. The amount recognised reflects the amount to which the Group expects to be entitled in exchange for those goods and services. Sales contracts are evaluated to determine the performance obligations, the transaction price and the point at which there is transfer of control. The transactional price is the amount of consideration due in exchange for transferring the promised goods or services to the customer, and is allocated against the performance obligations and recognised in accordance with whether control is recognised over a defined period or at a specific point in time.

Block marble may be sold under a sales agreement with a customer or on a non-contractual basis. Sales agreements for block marble generally contain agreed pricing and minimum volume, through which customers can gain exclusivity within a given region. Block marble may be sold on an ex-quarry basis or free on board (FOB) basis. Revenue is recognised on the sale of block marble when control of the block marble is transferred to the buyer as the transfer of legal title, customer acceptance and an unconditional requirement to pay. The group derives revenue from the sale of blocks at a point in time.

Processed marble may be sold on an as seen basis or may be cut to order. The Company may enter into contracts to supply a given volume of processed marble as specified by the client. Processed marble may be sold on ex-factory basis or may include transport to customers. Revenue in relation to larger projects may involve separately identifiable performance obligations. Such performance obligations may include the separate delivery of instalments of product in accordance with the contractual schedule. Where marble is cut to order the Group does not consider the provision of marble and the processing of marble as separate obligations, unless the client selects and takes title to specific block marble.

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

	Year ended 31 December 2020 €	Year ended 31 December 2019 €
Contractual basis	414,346	745,201
Non-contractual basis	301,554	677,671
Total revenue	**715,900**	**1,422,872**

The following table sets out financial assets and liabilities that relate to sales contracts the Group has entered into

	Year ended 31 December 2020 €	Year ended 31 December 2019 €
Trade receivables	189,448	142.216
Contract Liabilities (Advances received from customers)	293,360	313,582

6. Expenses by nature

	Year ended 31 December 2020 €	Year ended 31 December 2019 €
Operating loss is stated after charging/(crediting):		
Cost of materials sold	559,358	814,626
Inventory provision	927,841	392,412
Fees payable to the Company's auditors	73,979	76,050
Legal & professional fees	280,542	293,972
Consultancy fees and commissions	285,792	400,458
Staff costs	491,488	690,074
Operating lease rental	-	16,424
Other head office costs	116,947	147,304
Travelling, entertainment & subsistence costs	28,340	106,194
Depreciation	158,751	207,850
Amortisation	43,807	43,796
Quarry operating costs	279,615	172,564
Foreign exchange (loss)/ gain	16,802	(19,205)
Share option charge	21,355	-
Marketing & PR	3,807	47,690
Testing, storage, sampling and transportation of materials	59,671	94,858

Provision for bad debts	14,359	162,578
Sundry expenses	(8,682)	48,900
Cost of sales, administrative and other operational expenses	**3,353,773**	**3,696,545**

The analysis of auditors' remunerations is as follows:

	Year ended 31 December 2020 €	Year ended 31 December 2019 €
Fees payable to the Company's auditors and its associates for services to the group		
Audit of UK parent company	16,711	16,711
Audit of consolidated financial statements	42,763	44,834
Audit of overseas subsidiaries	14,505	14,505
Audit of UK subsidiaries		
Total audit services	**73,979**	**76,050**

7. Net finance costs

	2020 €	2019 €
Finance costs		
Interest expense on borrowings	279,956	343,952
Net foreign exchange loss on loan note instrument	-	171,235
Movement in the fair value of derivative (note 19)	153,096	-
Interest payable on lease liabilities	23,733	2,451
	456,785	**517,638**

8. Net finance income

	2020 €	2019 €
Finance income		
Movement in the fair value of derivative (note 19)	-	256,335
Net foreign exchange gain on loan note instrument	170,383	-
Interest income on bank deposits	189	1,436
	170,572	**257,771**

9. Loss per share

	2020 €	2019 €
Loss for the year used for the calculation of basic EPS	(2,804,371)	(2,533,540)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic EPS	287,591,514	230,948,303
Effect of potentially dilutive ordinary shares		-
Weighted average number of ordinary shares for the	287,591,514	230,948,303

purpose of diluted EPS

Earnings per share:

Basic	(0.01)	(0.01)
Diluted	(0.01)	(0.01)

Basic earnings per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

10. Intangible assets

	Goodwill €	Mining rights and licences €	Capitalised exploration and evaluation expenditure €	Total €
As at 31 December 2019 ,1 January 2020 and 31 December 2020	**84,504**	**2,725,840**	**92,866**	**2,903,210**
Accumulated amortisation				
As at 1 January 2019	**-**	**9,537**	**12,936**	**22,473**
Amortisation charge	-	41,438	2,358	43,796
As at 31 December 2019 and as at 1 January 2020	**-**	**50,975**	**15,294**	**66,269**
Charge for the year		41,442	2,365	43,807
As at 31 December 2020		**92,417**	**17,659**	**110,076**
Net Book Value				
As at 1 January 2019	84,504	2,716,304	79,930	2,880,738
As at 31 December 2019	84,504	2,674,866	77,572	2,836,942
As at 31 December 2020	**84,504**	**2,633,424**	**75,207**	**2,793,135**

Capitalised exploration and evaluation expenditure represent rights to the mining of decorative stone reserves in the Pejë, Syriganë and Cervenillë quarries in Kosovo. The Group was granted in 2011 rights of use by the local municipality for twenty years over land in the Syriganë and Rahovec region through acquisition of the issued share capital of Rex Marble SH.P.K and H&P SH.P.K.
On 16 August 2014 the Company entered into a sub-lease arrangement with New World Holdings (Malta) Limited in relation to the Omega Alexandrian White marble quarry at Prilep in North Macedonia. This new quarry site is adjacent to the Company's existing operations in Prilep. The consideration for the sub-lease was €1,256,376 (£1,000,000) and a subsequent 40% gross revenue royalty obligation. The sub-lease has an initial term of 20 years, which is extendable by the Company for a further twenty years. The sub-lease grants the Company the exclusive right to quarry, process, remove and sell marble from the quarry. The Company will pay for and provide all the equipment and staff required to operate this quarry. The quarry is not yet operational.

On 8 October 2018 the Company acquired Gulf Marble Investments Limited (UAE). As part of this acquisition the Group acquired the direct sub licence to the Prilep Alpha quarry and eliminated the 40% gross revenue royalty payable under the original agreements. The Group has recognised an intangible asset with a provisional fair value of €1,469,464 which will be amortised over the remaining period of the licence. Further detail on this acquisition can be found in note 28. The acquisition gave rise to a technical deferred tax liability and a corresponding entry to goodwill of €84,504 in accordance with IFRS 3.

Intangible assets relating to quarries not yet in operation are treated as exploration and evaluation assets and assessed for impairment in accordance with IFRS 6 Exploration and evaluation of mineral

resources. The Group has assessed intangible assets for indicators of impairment and performed a review for impairment and concluded that no such impairment exists. In considering the value in use the company made a number of judgments around anticipated production and sales, including judgments as to when block sales and pricing might recover from the impact of the Covid 19 pandemic.
Other intangible assets relating to quarries in operation include amounts spent by the Group acquiring licences. Where intangible assets are acquired through business combinations and no active market for the assets exists, the fair value of these assets is determined by discounting estimated future net cash flows generated by the asset. Intangible assets relating to quarries in operation are assessed annually for indicators of impairment in accordance with IAS 36.

11. Property, plant and equipment

	Quarry Plant & Machinery	Factory Plant & Machinery	Rights of use asset	Land and buildings	Office Equipment and Leasehold improvements	Total
	€	€	€	€	€	€
Cost						
As at 1 January 2019		3,431,312	-	160,000	30,488	6,933,293
Additions	597,773	50,306	242,710	-	936	891,725
As at 31 December 2019 and as at 1 January 2020	**3,909,266**	**3,481,618**	**242,710**	**160,000**	**31,424**	**7,825,018**
Additions	1,372	88,131	90,132	-	-	179,635
Disposals		(170,000)				(170,000)
As at 31 December 2020	**3,910,638**	**3,399,749**	**332,842**	**160,000**	**31,424**	**7,834,653**
Accumulated depreciation						
As at 1 January 2019	1,920,274	138,408	-	-	29,859	2,088,541
Depreciation charge (1)	530,593	110,056	6,827	-	657	648,133
As at 31 December 2019 and as at 1 January 2020	**2,450,867**	**248,464**	**6,827**	**-**	**30,516**	**2,736,674**
Depreciation charge (1)	225,454	133,643	61,044	-	527	385,744
Disposals	-	141,429	-		-	141,429-
As at 31 December 2020	**2,676,321**	**240,679**	**67,871**	**-**	**31,043**	**3,157,366**
Net Book Value						
As at 1 January 2019	1,391,219	3,292,904	-	160,000	629	4,844,752
As at 31 December 2019	1,458,399	3,233,154	235,883	160,000	908	5,088,344
As at 31 December 2020	**1,234,317**	**3,159,070**	**264,971**	**160,000**	**382**	**4,818,716**

(1) Depreciation on plant and machinery is included in in the cost of inventory to the extent it is directly related to production of that inventory. In the year ended 31 December 2020 €261,871 of depreciation was included in the cost of inventory produced (2019 €461,170).

The Group has assessed property, plant and equipment for indicators of impairment and concluded there are no indicators of impairment arising in the current year.

Included in property, plant and equipment is €161,000 of assets that are currently located at the Maleshevë quarry site. Access to the quarry site has been under dispute since July 2019, as disclosed further in Note 30. Due to the dispute with Green Power Sh.P.K the Company were unable to physically inspect the assets as at 31 December 2020 year end. The assets were counted by an independent assessor in October 2019 as part of ongoing civil litigation against Green Power Sh.P.K, and an injunction was granted to the Company stopping Green Power Sh.P.K or any other third party moving, selling or interfering with them in any way. The Company is confident of its rights over the assets and the enforcement of those rights, and that the value of the assets is not impaired.

Right-of-use assets
From 1 January 2019, the Group has adopted IFRS 16 Leases. Refer to notes 2 for the accounting policy. The right-of-use assets recognised on adoption of the new leasing standard are reflected in the underlying asset classes of property, plant and equipment.

12. Borrowings

	2019 €	2019 €
Current borrowings		
Convertible loan notes held at amortised cost	1,841,027	1,924,821
Derivative over own equity at fair value	466	4,875
	1,841,493	**1,929,696**
Non-current borrowings		
Convertible loan notes held at amortised cost	2,640,372	2,523,471
Derivative over own equity at fair value	158,756	1,250
	2,799,128	**2,524,721**

a. Series 3, 4, 6, 7, 8, 9 and 10 Loan Notes

The Company has previously issued the following loan notes:

- On 28 June 2017, the Company issued a convertible loan note with a value of £440,000 ("Series 3 Loan Note") to a non-related party. This new Series 3 Loan Note had an interest rate of 8% per annum. The Loan Note was due for conversion or repayment on 31 August 2020 with a conversion price set at 10p.
- On 28 December 2017, the Company issued a convertible loan note with a value of £160,000 ("Series 4 Loan Note") to a non-related party. This new Series 4 Loan Note had an interest rate of 8% per annum. The Loan Note was due for conversion or repayment on 31 August 2020 with a conversion price set at 10.5p.
- On 30 July 2018, the Company issued a convertible loan note with a value of £300,000 ("Series 6 Loan Note") to a non-related party. This new Series 6 Loan Note had an interest rate of 8% per annum. The Loan Note was due for conversion or repayment on 30 July 2020 with a conversion price set at 10.5p.
- On 30 September 2018, the Company issued a convertible loan note with a value of £300,000 ("Series 7 Loan Note") to a non-related party. This new Series 7 Loan Note had an interest rate of 8% per annum. The Loan Note was due for conversion or repayment on 30 September 2020 with a conversion price set at 10.5p.
- On 4 February 2019, the Company issued a convertible loan note with a value of £700,000 ("Series 8-10 Loan Note") to a non-related party. This new Series 8-10 Loan Note had an interest rate of 8% per annum. The Loan Note was due for conversion or repayment on 4 February 2021 with a conversion price set at 10.5p.

As at 31 December 2020, the above Loan Notes held at amortised cost had a balance of €2,265,553. The Stockholders' option to convert the loan was treated as an embedded derivative and measured at fair value. As at 31 December 2020 the derivative had a value of €2,243. The fair values were assessed using a Black Scholes methodology. The derivative was classified as a level 3 derivative on the basis that the valuation includes one or more significant inputs not based on observable market data.

On the 27 May 2020, the company reached agreement with the holders of the Series 3, 4, 6, 7, 8, 9 and 10 loan note holders to reschedule the terms of the loan notes. The loan note, together with any accrued interest at that date was exchanged for Series 11 Loan Note, whose terms are considered below.

b. Series 5 Loan Note

On 19 January 2018, the Company issued a convertible loan note with a value of £75,000 ("Series 5 Loan Note") to a non-related party. This new Series 5 Loan Note has an interest rate of 8% per annum. The Loan Note was due for conversion or repayment on 19 January 2020 with a conversion price set at 10.5p.

As at 31 December 2020, the Series 5 Loan Note held at amortised cost had a balance of €83,567 (31 December 2019 – €91,073). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 31 December 2020, the derivative had a value of €52 (31 December 2019 - €84). The fair value has been assessed using a Black Scholes methodology. The derivative is classified as a level 3 derivative on the basis that the valuation includes one or more significant inputs not based on observable market data.

The Loan note was repaid in January 2021.

c. **Other Borrowings**

In September 2019, the Company entered a short-term borrowing arrangement with a value of £345,000. The interest rate was 1% per calendar month with a repayment date of the 31 March 2020. As at 31 December 2020 the carrying value of these loans was €407,618.

On the 27 May 2020 holders of £225,000 of these borrowings agreed to exchange them with Series 11 Loan notes as described below. The term of the remaining borrowings amounting to £120,000 were varied to extend the repayment date to 30 June 2023. As at 31 December 2020 these held at amortised cost had a balance €145,901.

d. Gulf Loan Note

As consideration for the acquisition of Gulf Marble Investments Limited Fox Marble has issued an Unsecured Convertible Loan Note ("Gulf Loan Note") in the amount of €1,785,000. Under the terms of the Loan Note, the holder may elect to convert at a conversion price of 130% of the 3-month volume weighted average share price. The Loan Note is repayable from 1 October 2020. The Loan Note carries an interest rate of Libor plus 1.5% payable annually in arrears.

The loan note is due for repayment on the 8 August 2020. The Company is currently in negotiation with the loan note holders to secure and extension fo the term of the loan note.

As at 31 December 2020, the Gulf Loan Note held at amortised cost had a balance of €1,757,740 (31 December 2019 - €1,676,062). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 31 December 2020, the derivative had a value of €181 (31 December 2019 - €382). The fair value has been assessed using a Black Scholes methodology. The derivative is classified as a level 3 derivative on the basis that the valuation includes one or more significant inputs not based on observable market data.

e. Series 11 Loan Note

On the 27 May 2020 the company reached agreement with the holders of the Series 3, 4, 6, 7, 8, 9 and 10 loan note holders to reschedule the terms of the loan notes.

The existing loan notes were cancelled and replaced by the Series 11 Loan Note. The Series 11 Loan Note has an interest rate of 2% per annum. The Loan note is due for conversion or repayment on the 30 June 2026 with a conversion price of 5p.

As at 31 December 2020, the Series 11 Loan Note held at amortised cost had a balance of €2,494,470. The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 31 December 2020, the derivative had a value of €155,188. The fair value has been assessed using a Black Scholes methodology. The derivative is classified as a level 3 derivative on the basis that the valuation includes one or more significant inputs not based on observable market data.

The Directors consider that the carrying amount of borrowings approximates their fair value at 31 December 2020.

13. Share capital

Group and Company:	2020 Number	2019 Number	Share capital 2020 €	Share capital 2019 €	Share premium 2020 €	Share premium 2019 €
Issued, called up and fully paid Ordinary shares of £0.01 each						
At 1 January	**262,657,882**	217,885,322	3,220,221	2,700,688	31,793,870	29,941,977
Issued in the year	45,714,292	44,772,560	500,786	519,532	263,116	1,851,893
At 31 December	**308,372,174**	262,657,882	3,721,006	3,220,221	32,056,986	31,793,870

On the 17 June 2020 the Company issued 45,714,292 new Ordinary Shares at a price of 1.75 pence per share through Allenby Capital and Brandon Hill Capital Limited to raise £0.8 million before expenses.

14. Contingent Liabilities

The Company has launched Civil Proceedings against the owners of Green Power Sh.P.K in Kosovo for breach of contract for the sale of Green Power and the pre-existing operating contract for the M3 quarry.

Should the Company be unsuccessful in asserting its rights over the M3 quarry it will incur a direct loss of €119,424, due to investments made in the power installation at the M3 quarry with a carrying value in the accounts of €64,424, and deposit paid for quarry reconditioning of €55,000.

On 4 September 2019 Fox Marble launched United National Commission on International Trade Law (UNCITRAL) arbitration proceedings, against the Republic of Kosovo for damages in excess of €195 million, as a result of the failure of the State to protect Fox Marble's rights over the Maleshevë quarry.

The Company believes the Kosovan Government to be in clear breach of its responsibilities towards the Company as a foreign investor in Kosovo and that this action is in the best interests of its shareholders and employees. The Company anticipates a fair and satisfactory resolution.

All the Company's other operations, including the quarries and processing factory in Kosovo and the Prilep quarry in Northern Macedonia, are unaffected.

The background to the claim is the dispute arising with the former shareholders of Green Power Sh.P.K and Scope Sh.P.K, which has resulted in Fox Marble being prevented from operating the Maleshevë quarry. Since the dispute arose Fox Marble has been working to resolve the matter with the appropriate Kosovan Government agencies, namely the Kosovo mining regulator, the Independent Commission of Mines and Mineral ("ICMM") and the Agjencia e Regjistrimit të Bizneseve ("ARBK"), the Kosovo business registration agency. However, in what is a clear breach of Kosovo Law 04/L-220 "On Foreign Investment" (2014), Fox Marble has been prevented from asserting its rights in these matters.

Despite the cumulative weight of evidence, Fox Marble was denied the right to appeal any decision relating to the Maleshevë quarry in direct contravention of the provisions of the Kosovo foreign investment law, Law 04 /L-220.

As a direct consequence of the ARBK and ICMM decisions, the Company has brought arbitration proceedings against the Republic of Kosovo pursuant to Article 16 of the Kosovo foreign investment law (as above). The basis of the claim for damages is the investment made to date in the Maleshevë quarry, loss of future revenues associated with the site and future investment plans in Kosovo.

Significant future investment plans are the subject of the MOU signed in October 2016 by the Government of Kosovo and Stone Alliance LLC which is majority owned by Fox Marble.

On the 16 December 2020 the Company announced that it had engaged the services of Dentons CS Europe LLP to act on the Company's behalf in its circa €195 million claim against the Republic of Kosovo. Dentons have agreed a fee arrangement which enables Fox Marble to bring the Arbitration through to its conclusion.

15. Events after the reporting period

On 16 December 2020, the Company announced a conditional placing of 65,500,000 new Ordinary Shares at a price of 1.6 pence per share through Brandon Hill Capital Limited, the Company's joint broker, to raise £1,048,000 million before expenses.

The Placing was conditional, inter alia, on shareholders giving the directors authorities to issue new ordinary shares on a non-pre-emptive basis. A General Meeting of shareholders was held. on 4 January 2021 to grant the Board authority to allot the Placing Shares for cash on a non pre-emptive basis, at which authority was granted.

Application was made for the 65,500,000 Placing Shares to be admitted to trading on AIM on the 5 January 2021 The Placing Shares rank pari passu with the existing ordinary shares of the Company.

On the 16 February 2021 The Company issued 5,000,000 new ordinary shares in the Company to five individuals in lieu of cash payments. The issue of shares reflects the contributions made to the Company by these individuals.

On the 1 May 2021 Fox Marble agreed a credit facility with Brandon Hill Capital Limited for £1,000,000. The repayment date of the facility is 31 May 2022 and any amounts drawn down would incur an interest reat of 9%. As at the date of the report no amounts had been drawn down on this facility.

16. Information

Copies of the Annual Report and Financial Statements will be posted to shareholders today. Further copies will be available from Fox Marble Holding plc's registered office at 160 Camden High Street, NW1 0NE or on the Company's website at www.foxmarble.net

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as ''believe'', ''could'', "should" ''envisage'', ''estimate'', ''intend'', ''may'', ''plan'', ''potentially'', "expect", ''will'' or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors