

**Fox Marble Holdings plc**  
**(“Fox Marble” or the “Company”)**

**Interim Results for the six months ended 30 June 2019**

Fox Marble Holdings plc (AIM: FOX), the dimension stone company focused on marble quarrying and finishing in Kosovo and the Balkans, announces its interim results for the six months ended 30 June 2019.

**Operational Highlights**

- Revenue from the sale of marble products for the six months to 30 June 2019 increased 63 % to €1.0 million (H1 2018: €615k), driven by an increase in sales of block material from the Prilep quarry in Macedonia. Sales of Alexandrian White and Alexandria Blue blocks increased to €0.6 million from €0.2 million in the same period in 2018, to a range of block wholesalers across Europe and further afield.
- Production in the six months to 30 June 2019 rose 74% to 9,529 tonnes from 5,473 tonnes in 2018. This significant increase in the production over this period reflects capital investment made in the quarries to date.
- Capital investment of €550k made in the Prilep Alpha quarry, to drive increased levels of production and to support the delivery of material under the new sales contracts, has proved successful. The production at the Prilep Alpha Quarry was 8,433 tonnes in the eight months to 31 August 2019 an increase of 225 % on the prior year (31 August 2018: 2,592 tonnes).
- The factory continues to operate successfully without interruption producing slabs, tiles, steps and other bespoke materials with increasing sales expected within the second half of the year.
- Appointment of two new members of the senior leadership team - Don Nicolson, as Senior Advisor and Francisco Espinosa as Chief Operating Officer. Both individuals bring a wealth of experience to the Company, particularly in the marble sector, to help navigate the next period of growth.
- Launched €195 million arbitration claim against the Republic of Kosovo pursuant to Article 16 of the Kosovo foreign investment law.

**Financial Highlights**

- Operating loss for the six months to 30 June 2019 of €0.7 million (six months to 30 June 2018: €1.0 million)
- Loss for the six months to 30 June 2019 of €0.8 million (six months to 30 June 2018: €0.8 million)
- Cash balance as at 30 June 2019 of €0.7 million (31 December 2018: €0.4 million). Cash balance as at 26 September 2019 of €0.6 million.

**Chris Gilbert, CEO, commented:** “The first half year has seen a significant increase in sales of our material from the first half of 2018 with the emphasis on our white marble from the quarry in Macedonia producing sustainable revenues as production increases.

“The impact of the suspension of operations in the M3 quarry in Kosovo is being mitigated by our increased focus on the sales of processed material from our factory. We are seeing an encouraging pipeline of sales from around the world and demand for our marble in projects in places such as Cyprus, Dubai and domestically in the Balkans. We expect to see an increase in sales of our processed marble from our factory in the second half of this year.”

“The appointment of Don Nicolson and Francisco Espinosa will significantly add to the senior management team’s capability and Francisco’s remit, which includes his role as Head of Sales, will contribute directly to our bottom line. Their expertise and ability is a welcome addition to the Fox team and will be reflected in the Company’s growth moving forwards.”

## **Operational Update**

### **Sales and Marketing**

Sales for the six months to 30 June 2019 increased by 63% to €1.0 million from €0.6 million in the same period in 2018. The increase in sales has been driven by an increase in block marble sales.

In the first half of the year the Company saw the continuation of large volume block sales to wholesalers primarily in China, Turkey and Europe.

Sales of Alexandrian White and Alexandrian Blue block marble saw a significant increase through the first half of the year to a varied customer base across Europe and further overseas, with revenues from this quarry increasing from €0.2 million in 2018 to €0.6 million in 2019.

As previously announced, the Company secured its biggest single order for its prized Alexandrian White marble. This order has been placed by the Swaminarayan Hindu religious order who are building a temple in Abu Dhabi on land donated by the Royal family of the UAE.

Fox Marble is providing bespoke cut to size marble varying in size from small blocks to large beams which will be shipped by the temple to India to be hand carved and shipped to the temple site and has received the schedule for the first shipment to be shaped and sent to India.

Fox Marble has received a minimum firm commitment for this material to be supplied during 2019 and 2020. The minimum value of this order is expected to be \$2.4 million and of which Fox has recognized \$0.1 million to date in revenues, with further shipments expected over the remainder of the year.

### **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.

The Italian Gravellona Machine Marmo Computer Numerical Control (“CNC”) machine installed in 2018 and continues to produce tiles, steps and other bespoke cut to size products. Operating processes have been consistently refined and the factory is now operating two full shifts per day all year round.

The factory continues to operate in good order, and the local market for processed marble is developing. Over the last six months, the factory has operated efficiently producing slabs, tiles, steps and other bespoke materials with increasing sales expected within the second half of the year.

### **Quarries**

Quarry Operations at Prilep in Macedonia continue to develop strongly with production in the six months to 30 June 2019 of 6,562 tonnes (2018: 1,928 tonnes). The Prilep quarry produces Alexandrian White and Alexandrian Blue marble, both of which are proving popular within the international block

market. The quarry continues to develop well with signs of increasing quality and whiteness as the quarry depth increases, which will further improve margins.

Capital investment of €550k made in the Prilep Alpha quarry, primarily in the form of new equipment, to drive increased levels of production and to support the delivery of material under the new sales contracts has been successful. Production continues strongly in second half of the year with production of 8,433 tonnes in the eight months to 31 August 2019 an increase of 225 % on the prior year (31 August 2018: 2,592 tonnes).

The Cervenillë and Syriganë quarries are well developed quarries where significant volumes of high quality material have been extracted. The Cervenillë quarry is open across three separate locations (Cervenillë A, B & C) from which red (Rosso Cait), red tinged grey (Flora) light and darker grey (Grigio Argento) marble is produced.

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).

These materials have all been used in high end developments. 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 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 these marble products as the stone of choice in some of the most prestigious and expensive residential developments around the world. The Company will use existing quarried stock to develop the large volume block market in these materials.

Production at the Maleshevë quarry was suspended in July 2019 due to the ongoing dispute with the former shareholders Green Power Sh.p.k, and giving rise to the Arbitration claim discussed above.

## **Financing**

Fox Marble issued 13,263,161 new ordinary shares in the Company at 9.5p per share on 7 February 2019. Gross proceeds of this issue of equity amounts to £1,260,000. The New Ordinary Shares rank pari passu with the existing ordinary shares.

Fox Marble issued a further £700,000 in Convertible Loan Notes under the same terms as existing Loan Notes issued by the Company. The Convertible Loan Notes will carry an interest rate of 8%, per annum. The Convertible Loan Notes are due for conversion or repayment on 4 February 2021 with a conversion price set at 10.5p.

## **New Appointments**

Don Nicolson has been appointed to the role of Senior Advisor with immediate effect. He will provide advice on strategy, business planning and performance improvement. It is intended that Don will join the board of Fox Marble Holdings Plc as Vice Chairman and Non-Executive Director in due course providing increased capacity and capability to the business.

Don Nicholson is a senior business leader with over 35 years' experience in the extractive industries (oil, gas, mining and natural stone). He has held multiple Board and senior executive roles both in the UK and internationally. This included 26 years with BP where he ran oil and gas businesses in the UK, United States and Canada. Some of his key roles included being Director North Sea, Chief of Staff to BP CEO (E&P) and VP BP Alaska. He also has significant Board level experience in mining, both in the UK and South Africa including CEO and Executive Vice Chairman roles.

One of Don's most recent roles was that of Chairman, and interim CEO of Levantina – The Natural Stone Company, headquartered in Spain. Levantina is a world leader in the quarrying, processing and marketing of natural stone. It is one of the largest companies in the sector, operates several quarries including El Coto, believed to be the largest Crema Marfil quarry in the world. The company distributes and markets natural stone products to multiple countries around the world.

As announced on the 27 September 2019, Francisco Espinosa has been appointed to the role of Chief Operating Officer to the Company in a non-Board capacity from the 1 October 2019. His role will be the executive management of all the operations of Fox Marble with specific emphasis on sales as Head of Sales worldwide, as well as the operational efficiency of the quarries and the factory.

Francisco has already visited the quarrying operations in Kosovo and Macedonia and spent time in the factory identifying areas of improvement. He is preparing a thorough strategic review in conjunction with Fox Marble's recently appointed Senior Advisor Don Nicolson and will remain focussed on marketing sales and distribution.

Francisco has worked for Levantina Y Asociados de Minerales S.A.U., for 12 years, rising to the level of Chief Operating Officer. In this role Francisco was responsible for 600 employees and accountable for seven factories, including marble, granite and ceramic factories. He also holds an MBA from the European School of Business in Madrid. He has in previous times worked for Caterpillar, ITT Industries and ENEBE Sports Group.

### **Dispute and Arbitration Claim**

On 4 September 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.

The Company is represented by its legal advisers, Stephenson Harwood LLP, as well as its Kosovan lawyers.

This announcement contains inside information for the purposes of Article 7 of EU regulation 596/2014.

**For more information on Fox Marble please visit [www.foxmarble.net](http://www.foxmarble.net) or contact:**

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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, including Alexandrian White, Alexandrian Blue, produced from the Company's Prilep quarry in Macedonia, and Breccia Paridisea and Rosso Cait and Grigio Argento, produced from its quarries in Kosovo, are gaining traction 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.

Marble demand continues to grow with stable pricing and Fox is capitalising on this growth internationally.

**FOX MARBLE HOLDINGS PLC**

**Condensed unaudited consolidated income statement and statement of comprehensive income**

	Note	Six months ended 30 June 2019 Unaudited €'000s	Six months ended 30 June 2018 Unaudited €'000s	For the year ended 2018 Audited €'000s
<b>Revenue</b>		1,002	615	1,410
Cost of Sales		(542)	(421)	(887)
<b>Gross Profit</b>		<b>460</b>	<b>194</b>	<b>522</b>
Administrative and other operating expenses		(1,155)	(1,195)	(2,981)
<b>Operating loss</b>		<b>(695)</b>	<b>(1,001)</b>	<b>(2,458)</b>
Finance costs	4	(182)	(82)	(120)
Finance income	5	43	267	282
<b>Loss before taxation</b>		<b>(834)</b>	<b>(816)</b>	<b>(2,296)</b>
Taxation		-	-	-
<b>Loss for the period</b>		<b>(834)</b>	<b>(816)</b>	<b>(2,296)</b>
Other comprehensive income		-	-	-
<b>Total comprehensive loss for the period attributable to owners of the parent company</b>		<b>(834)</b>	<b>(816)</b>	<b>(2,296)</b>
<b>Loss per share</b>				
Basic loss per share	6	(0.003)	(0.01)	(0.01)
Diluted loss per share	6	(0.003)	(0.01)	(0.01)

FOX MARBLE HOLDINGS PLC

Condensed unaudited consolidated statement of financial position

	Notes	As at 30 June 2019 Unaudited	As at 31 December 2018 Audited	As at 30 June 2018 Unaudited
		€'000s	€'000s	€'000s
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		2,635	2,673	1,145
Property, plant and equipment	7	5,041	4,845	4,857
Receivables			-	111
<b>Total non-current assets</b>		<b>7,676</b>	<b>7,518</b>	<b>6,113</b>
<b>Current assets</b>				
Trade and other receivables	8	948	889	1,016
Inventories		4,180	3,807	3,713
Cash and cash equivalents		679	438	154
<b>Total current assets</b>		<b>5,807</b>	<b>5,134</b>	<b>4,883</b>
<b>Total assets</b>		<b>13,483</b>	<b>12,652</b>	<b>10,996</b>
<b>Current liabilities</b>				
Trade and other payables		1,091	1,185	1,037
Borrowings	9	87	89	-
<b>Total current liabilities</b>		<b>1,178</b>	<b>1,274</b>	<b>1,037</b>
<b>Non-current liabilities</b>				
Deferred tax liability		85	85	
Borrowings	9	3,986	3,683	861
<b>Total non-current liabilities</b>		<b>4,071</b>	<b>3,768</b>	<b>861</b>
<b>Total liabilities</b>		<b>5,249</b>	<b>5,042</b>	<b>1,898</b>
<b>Net assets</b>		<b>8,234</b>	<b>7,610</b>	<b>9,098</b>
<b>Equity</b>				
Share capital	10	2,851	2,701	2,669
Share premium		31,250	29,942	29,947
Retained loss		(25,988)	(25,154)	(23,639)
Share based payment reserve		85	85	85
Other reserves		36	36	36
<b>Total equity attributable to owners of the parent company</b>		<b>8,234</b>	<b>7,610</b>	<b>9,098</b>

**FOX MARBLE HOLDINGS PLC**

**Condensed consolidated statement of cash flows**

	Notes	Six months ended 30 June 2019 Unaudited €'000s	Six months ended 30 June 2018 Unaudited €'000s	Year ended 31 December 2018 Audited €'000s
<b>Cash flows from operating activities</b>				
<b>Loss before taxation</b>		<b>(834)</b>	<b>(816)</b>	<b>(2,296)</b>
Adjustment for:				
Finance costs	4	182	82	120
Finance income	4	(43)	(267)	(282)
<b>Operating loss for the period</b>		<b>(695)</b>	<b>(1,001)</b>	<b>(2,458)</b>
Adjustment for:				
Amortisation		38	17	43
Depreciation	6	379	261	90
Foreign exchange losses / (gains) on operating Activities		23	2	6
Equity settled transactions		-	1	1
Provision for bad debts		42	37	124
Provision for inventory		-	-	251
Changes in working capital:				
Increase in receivables	7	(101)	(122)	(6)
Increase in inventories		(373)	(394)	(207)
Increase/(decrease) in accruals		238	(81)	(31)
Decrease in trade and other payables		(330)	(255)	(157)
<b>Net cash used in operating activities</b>		<b>(779)</b>	<b>(1,535)</b>	<b>(2,342)</b>
<b>Cash flow from investing activities</b>				
Expenditure on property, plant and equipment	6	(576)	(364)	(500)
Interests on bank deposits		-	1	1
<b>Net cash outflow from investing activities</b>		<b>(576)</b>	<b>(363)</b>	<b>(499)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares (net of issue costs)		1,458	3,908	3,137
Proceeds on issue of debt (net of issue costs)		222	84	1,314
Repayment of debt		-	(2,403)	(1,604)
Interest paid		(59)	(78)	(103)
<b>Net cash inflow from financing activities</b>		<b>1,621</b>	<b>1,511</b>	<b>2,744</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>266</b>	<b>(387)</b>	<b>(97)</b>
Cash and cash equivalents at beginning of Period		438	542	542
Exchange gains losses on cash and cash equivalents		(25)	(1)	(7)
<b>Cash and cash equivalents at end of period</b>		<b>679</b>	<b>154</b>	<b>438</b>



## FOX MARBLE HOLDINGS PLC

### Condensed consolidated statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Other reserve	Profit and loss reserve <sup>(1)</sup>	Total
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
<b>As at 31 December 2017 and 1 January 2018</b>	<b>2,284</b>	<b>26,424</b>	<b>84</b>	<b>36</b>	<b>(22,823)</b>	<b>6,005</b>
Adjustment on adoption of IFRS 9	-	-	-	-	(34)	(34)
<b>Adjusted at 1 January 2018</b>	<b>2,284</b>	<b>26,424</b>	<b>84</b>	<b>36</b>	<b>(22,857)</b>	<b>5,971</b>
Total comprehensive loss for the period	-	-	-	-	(816)	(816)
<b>Transactions with owners</b>						
Share options charge	-	-	1	-	-	1
Share capital issued	385	3,523	-	-	-	3,908
<b>As at 30 June 2018</b>	<b>2,669</b>	<b>29,947</b>	<b>85</b>	<b>36</b>	<b>(23,673)</b>	<b>9,064</b>
Total comprehensive loss for the period	-	-	-	-	(1,481)	(1,481)
<b>Transactions with owners</b>						
Share capital issued	32	(5)	-	-	-	27
<b>As at 31 December 2018</b>	<b>2,701</b>	<b>29,942</b>	<b>85</b>	<b>36</b>	<b>(25,154)</b>	<b>7,610</b>
Total comprehensive loss for the period	-	-	-	-	(834)	(834)
<b>Transactions with owners</b>						
Share capital issued	150	1,308	-	-	-	1,458
<b>As at 30 June 2019</b>	<b>2,851</b>	<b>31,250</b>	<b>85</b>	<b>36</b>	<b>(25,988)</b>	<b>8,234</b>

(1) Brought forward losses at 31 December 2017 includes a charge incurred following the admission of the Company to AIM on the 31 August 2012 when loan notes with a carrying value of €1,508,807 (£1,195,000) were converted into 29,875,000 shares at an issue price of 20 pence per share, with a total value of €7,544,035 (£5,975,000) resulting in a non-cash accounting charge of €6,035,228, reflecting the fair value loss being recognised, in the statement of comprehensive income in the period ended 31 December 2012.

### Notes to the condensed consolidated financial statements for the period ended 30 June 2017

#### 1) General information

The principal activity of Fox Marble Holdings plc and its subsidiary and associate companies Fox Marble Limited, H&P Sh.P.K, Granit Shala Sh.P.K, Rex Marble Sh.P.K, Fox Marble Asia Limited, Fox Marble FZC, Gulf Marble Investments Limited, Stone Alliance LLC and Fox Marble Kosova Sh.P.K (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 its registered office is 15 Kings Terrace, London, NW1 0JP.

Fox Marble Holdings plc shares are admitted to trading on the London Stock Exchange's AIM market.

#### 2) Basis of preparation

The results presented in this report are unaudited and they have been prepared in accordance with the principles of International Financial Reporting Standards ("IFRS") as adopted by the European Union that are expected to be applicable to the financial statements for the year ending 31 December 2019.

The accounting policies applied in these results are consistent with those applied in the Group's Annual Report and Accounts for the year ending 31 December 2018 and those expected to be applicable to the financial statements for the year ending 31 December 2019.

This half yearly report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for Fox Marble Holdings plc for the year ended 31 December 2018 were approved by the Board on 4 June 2019 and have been filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. These condensed interim financial statements for the six months ended 30 June 2018 have been prepared in accordance IAS 34, 'Interim financial reporting', as adopted by the European Union. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with IFRS as adopted by the European Union. The Annual Report and Accounts 2018 for the Group are available at [www.foxmarble.net](http://www.foxmarble.net).

### **3) Going concern**

The Directors have reviewed 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 management has 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 eighteen months;
- d) the timing and magnitude of planned capital expenditure;
- e) the level of indebtedness and timing of when such liabilities may fall due and the ability of the Company to secure additional financing; and
- f) the working capital position over the next 18 months

The Directors have considered the impact of the dispute at the Maleshevë and the Arbitration claim launched by the Company, which has resulted in a stoppage of quarrying operations at its Malaesheve quarry since July 2019, with a resulting impact on the Company's ability to generate revenue from that quarry. The Directors have made no assumption regarding satisfactory resolution of dispute or Arbitration claim within the forecast, or resumption of production at the Malaesheve quarry, in order to consider the most prudent position within the forecast. The dispute has not had a material effect on the Company's operations in Macedonia, its processing operations at the Company's factory, or operations in its other quarries in Kosovo. The Company has however reviewed the level of country risk with regard to operations in Kosovo and considered the impact of this increased risk on its forecast.

The forecasts make a number of operating assumptions around which there are risks and uncertainties. These include expected levels of production at the Prilep, Syriganë and Cervenillë quarries, satisfactory operation of the processing factory, sales forecasts and pipelines over the next 18 months and the ability to drawdown on existing debt facilities.

There are a number of key risks and uncertainties that could impact the Company operations and therefore the ability of the Company to operate as a going concern. These include:

- a) levels of production at the group's quarries can be impacted by unforeseen delays due to inclement weather, regulatory disputes, geological features or equipment failure;
- b) levels of production at processing factory;
- c) satisfactory operation of the Company's key operating agreements and licences;
- d) realisation of the forecast sales growth which could be impacted by issues with production or delays in fulfilment; and
- e) ability to draw down on existing debt facilities.

In the event that the risks identified are realised the Company has available to it a number of other contingent actions, which it can take to mitigate the impact of potential downside scenarios. These include seeking

additional financing, leveraging existing sale agreements, reducing overheads, and renegotiation of the terms of its existing debt obligations.

In conclusion, having regard to the existing and future working capital position and projected sales, the Directors are of the opinion that the Group has adequate resources to enable it to undertake its planned activities for the next twelve months.

#### 4) Net finance costs

	<b>Six months ended 30 June 2019 €'000s</b>	Six months ended 30 June 2018 €'000s	Year ended 31 December 2018 €'000
<b>Finance Costs</b>			
Interest expense on borrowings	(165)	(59)	(120)
Net foreign exchange loss on loan note instrument	(17)	(23)	-
	<u>(182)</u>	<u>(82)</u>	<u>(120)</u>

#### 5) Net finance income

	<b>Six months ended 30 June 2019 €'000s</b>	Six months ended 30 June 2018 €'000s	Year ended 31 December 2018 €'000
<b>Finance Income</b>			
Movement in fair value of derivative	43	267	278
Net foreign exchange gain on loan note instrument	-	-	2
Interest income on bank deposits	-	-	1
	<u>43</u>	<u>267</u>	<u>282</u>

#### 6) Loss per share

	<b>Six months ended 30 June 2019 €'000s</b>	Six months ended 30 June 2018 €'000s	Year ended 31 December 2018 €'000
Loss for the year used for the calculation of basic LPS	834	862	2,296
<b>Number of shares</b>			
Weighted average number of ordinary shares for the purpose of basic LPS	229,909,530	210,773,990	214,022,550
Effect of potentially dilutive ordinary shares	-	-	-
Weighted average number of ordinary shares for the purpose of diluted LPS	229,909,530	210,773,990	214,022,550
<b>Loss per share:</b>			
Basic	<b>(0.003)</b>	<b>(0.004)</b>	<b>(0.01)</b>
Diluted	<b>(0.003)</b>	<b>(0.004)</b>	<b>(0.01)</b>

## 7) Property, plant and equipment

	Land	Factory Plant and machinery	Quarry Plant and machinery	Office equipment and leasehold improvements	Total
	€'000s	€'000s	€'000s	€'000s	€'000s
<b>Cost</b>					
<b>As at 31 December 2017</b>	<b>160</b>	<b>3,041</b>	<b>2,989</b>	<b>30</b>	<b>6,220</b>
Additions	-	218	146	-	364
<b>As at 30 June 2018</b>	<b>160</b>	<b>3,259</b>	<b>3,135</b>	<b>30</b>	<b>6,584</b>
Additions	-	172	176	-	348
<b>As at 31 December 2018</b>	<b>160</b>	<b>3,431</b>	<b>3,311</b>	<b>30</b>	<b>6,933</b>
Additions	-	4	573	-	576
<b>As at 30 June 2019</b>	<b>160</b>	<b>3,435</b>	<b>3,884</b>	<b>30</b>	<b>7,509</b>
<b>Depreciation</b>					
<b>As at 31 December 2017</b>	-	<b>45</b>	<b>1,394</b>	<b>27</b>	<b>1,466</b>
Charge for the period	-	39	220	2	261
<b>As at 30 June 2018</b>	-	<b>84</b>	<b>1,614</b>	<b>29</b>	<b>1,727</b>
Charge for the period	-	54	306	1	361
<b>As at 31 December 2018</b>	-	<b>138</b>	<b>1,920</b>	<b>30</b>	<b>2,089</b>
Charge for the period	-	52	328	-	379
<b>As at 30 June 2019</b>	-	<b>190</b>	<b>2,248</b>	<b>30</b>	<b>2,468</b>
<b>Net book value</b>					
<b>As at 30 June 2019</b>	<b>160</b>	<b>3,245</b>	<b>1,636</b>	<b>-</b>	<b>5,041</b>
As at 31 December 2018	<b>160</b>	<b>3,293</b>	<b>1,391</b>	<b>1</b>	<b>4,845</b>
As at 30 June 2018	<b>160</b>	<b>3,175</b>	<b>1,521</b>	<b>1</b>	<b>4,857</b>

## 8) Trade and other receivables

	30 June 2019 €'000s	31 December 2018 €'000s	30 June 2018 €'000s
<b>Non-current assets</b>			
Other receivables	-	-	111
	<u>-</u>	<u>-</u>	<u>111</u>
<b>Current assets</b>			
Trade receivables (net)	440	364	438
Deposits on capital equipment	149	149	269
Other deposits	55	55	55
Other receivables	150	166	31
Prepayments	77	89	124
VAT recoverable	77	66	99
	<u>948</u>	<u>889</u>	<u>1,016</u>

## 9) Borrowings

	<b>30 June 2019 €'000s</b>	31 December 2018 €'000s	30 June 2018 €'000s
<b>Current liabilities</b>			
Convertible loan note	86	85	-
Derivative over own equity at fair value	1	4	-
	<u>87</u>	<u>89</u>	<u>-</u>
<b>Non-Current liabilities</b>			
Convertible loan note	3,782	2,871	754
Other borrowings held at amortised cost	-	554	-
Derivative over own equity at fair value	217	259	107
	<u>3,986</u>	<u>3,684</u>	<u>861</u>

**a. Series 3 Loan Note**

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 has an interest rate of 8% per annum, in line with the Series 1 Loan Note issued to Amati Global Investors Limited. The Loan Note is due for conversion or repayment on 31 August 2020 with a conversion price set at 10p.

As at 30 June 2019, the Series 3 Loan Note held at amortised cost had a balance of €502,568 (31 December 2018 - €489,235). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 30 June 2019 the derivative had a value of €21,944 (31 December 2017 - €16,818). 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.

**b. Series 4 Loan Note**

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 has an interest rate of 8% per annum, in line with the Series 1 Loan Note issued to Amati Global Investors Limited. The Loan Note is due for conversion or repayment on 31 August 2020 with a conversion price set at 10.5p.

As at 30 June 2019, the Series 4 Loan Note held at amortised cost had a balance of €177,537 (31 December 2018 - €174,202). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 30 June 2019 the derivative had a value of €8,008 (31 December 2018 - €7,918). 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.

**c. Series 5 Loan Note**

On 3 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 is due for conversion or repayment on 31 December 2019 with a conversion price set at 10.5p.

As at 30 June 2019, the Series 5 Loan Note held at amortised cost had a balance of €85,857 (31 December 2018 - €85,258). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 30 June 2019, the derivative had a value of €829 (31 December 2018 - €3,711). 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.

**d. Series 6 Loan Note**

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 has an interest rate of 8% per annum. The Loan Note is due for conversion or repayment on 30 July 2020 with a conversion price set at 10.5p.

As at 30 June 2019, the Series 6 Loan Note held at amortised cost had a balance of €334,602 (31 December 2018 - €331,310). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 30 June 2019, the derivative had a value of €15,014 (31 December 2018 - €24,121). 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 7 Loan Note**

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 has an interest rate of 8% per annum. The Loan Note is due for conversion or repayment on 30 September 2020 with a conversion price set at 10.5p.

As at 30 June 2019, the Series 7 Loan Note held at amortised cost had a balance of €337,510 (31 December 2018 - €335,044). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 30 June 2019, the derivative had a value of €16,449 (31 December 2018 - €27,223). The fair value has been assessed using a Black Scholes methodology.

**f. Convertible Loan Notes 2020**

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.

As at 30 June 2019, the Gulf Loan Note held at amortised cost had a balance of €1,618,026 (31 December 2018 - €1,541,502). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 30 June 2019, the derivative had a value of €113,504 (31 December 2018 - €182,669). 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.

**g. Series 8-10 Loan Notes 2021**

On 4 February 2019, the Company issued a convertible loan notes with a value of £700,000 ("Series 8-10 Loan Note") to non related parties. This new Loan Note has an interest rate of 8% per annum. The Loan Note is due for conversion or repayment on 4 February 2021 with a conversion price set at 10.5p.

As at 30 June 2019, the Loan Notes held at amortised cost had a balance of €798,183. The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 30 June 2019, the derivative had a value of €42,757. The fair value has been assessed using a Black Scholes methodology.

The Directors consider that the carrying amount of borrowings approximates their fair value at 30 June 2019

**10) Share capital**

Group and Company:	30 June 2019 Number	31 December 2018 Number	Share capital 30 June 2019 €'000	Share capital 31 December 2018 €'000	Share premium 30 June 2019 €'000	Share premium 31 December 2018 €'000
Issued, called up and fully paid Ordinary shares of £0.01 each						
At start of the period	<b>217,885,322</b>	<b>181,344,851</b>	2,701	2,284	29,942	26,424
Issued in the year	<b>13,263,121</b>	<b>36,540,471</b>	150	416	1,302	3,518
At end of the period	<b>231,148,443</b>	<b>217,885,322</b>	2,851	2,701	31,250	29,942

The Company has one class of ordinary share capital.

- a. On a resolution at a general meeting, every member (whether present in person, by proxy or authorised representative) has one vote in respect of each ordinary share held by him.
- b. All ordinary shares rank equally in the right to participate in any approved dividend distribution applicable to this class of share.
- c. Except as otherwise provided below, all dividends must be
  - i. Declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
  - ii. Apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid.
- d. If any share is issued in terms of providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly.
- e. In the event of any winding up all shares will rank equally in relation to distribution of capital.
- f. All shares are non-redeemable.

On 19 January 2018, following the passing of all authorities at a General Meeting held on that day, the Company issued 14,692,852 ordinary shares at 10.5p per share. On 29 January 2018, the Company issued 19,047,619 ordinary shares to Kesari Tours PVT Limited at a price of 10.5p per share.

On 14 August 2018, the Company issued 2,800,000 ordinary shares to consultants and employees in reflection of the work performed at the Company.

Fox Marble issued 13,263,161 new ordinary shares in the Company at 9.5p per share on 7 February 2019. Gross proceeds of this issue of equity amounts to £1,260,000. The New Ordinary Shares rank pari passu with the existing ordinary shares.

## **11) Acquisition**

On 4 April 2019 Fox Marble, announced that it had conditionally agreed to acquire Green Power Sh.p.k (“Green Power”) the licence holder of the Maleshevë quarry and Scope Sh.p.k. (“Scope”), a company through which Fox Marble has entered into two hire purchase agreements (the “Acquisitions” or “Transactions”).

The acquisitions give Fox Marble the direct rights to the Maleshevë quarry in their entirety, eliminate the annual royalty which would have been due under the operating agreement, and reduce monthly outgoings for equipment and maintenance at the factory.

Fox Marble has 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.

In the period since entering into the initial agreement with Green Power for nil consideration no royalty payment has been paid, due to the costs associated with development of the quarry. However with increasing production and expected sales of the materials it is anticipated that royalty payments over the remaining period of the agreement are expected to be paid and as such the Board believes that it is in the best interest of the Company to control the asset.

In 2018, Fox Marble entered into certain hire purchase arrangements with Scope, a company incorporated in Kosovo, to acquire and install in its factory certain equipment including a new CNC machine which was announced on 16 April 2018. The consideration paid for Scope is less than the value of the future payments due under the hire purchase agreements being acquired as part of its acquisition.

The Company has conditionally agreed to acquire the entire issued share capital of Scope for a consideration of £300,000 to be satisfied by the issue of 3,000,000 new ordinary shares in the Company at a price that equates to 10 pence per share.

On 26 June 2019 the Company announced that it had received notification from the legal representatives of Green Power and Scope, challenging the enforceability of the acquisition agreements relating to the proposed Acquisitions. The Company is seeking advice from its legal advisers in respect of these claims, which they believe to be wholly unfounded.

## **12) Events after the reporting period**

On 4 September 2019 Fox Marble launched United National Commission on International Trade Law international (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.