Eco Buildings

Eco Buildings Group plc (formerly Fox Marble Holdings Group plc)

Annual Report & Financial Statements 2022

Index

Index 1
Introduction 3
Chairman's statement 4
Strategic Report 6
Directors 29
Report of the Directors 33
Corporate Governance Report 36
Report of the Audit Committee 41
Statement of Directors' responsibilities in respect of the financial statements 44
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECO BUILDINGS GROUP PLC (FORMERLY FOX MARBLE HOLDINGS PLC) 45
Consolidated Statement of Comprehensive Income 52
Consolidated Statement of Financial Position 53
Consolidated Statement of Cash Flows 54
Consolidated Statement of Changes in Equity 55
Statement of Financial Position of the parent company 56
Statement of Changes in Equity of the parent company 57
Notes to the consolidated and parent company financial statements 58
Notice of Annual General Meeting 90

Introduction

Eco Buildings Group plc, formerly Fox Marble Holdings Plc, ('Eco Buildings' or 'Company') is an AIM listed company providing new solutions for the housing market. Following the transaction completed in 2023, The enlarged group comprises two divisions, Eco Buildings Operations Ltd which provides housing solutions based on Glass Fiber Reinforced Gypsum ("GFRG") technology, and Fox Marble which provides process marbled quarried in the Balkans for use in construction and development.

By combining the groundbreaking construction methods of Eco Buildings with the experience and market foothold of Fox Marble into a combined group Eco Buildings Group is able to provide the ultimate turnkey building solution that is ecologically and environmentally responsible while providing the highest standard of finishes.

Highlights for the year ended 2022

- Revenue for the year of €0.9 million (2021 - €0.6 million). Revenue from the sale of processed marble consistent with prior year at €0.6 million (2021 - €0.6 million) driven by processing contracts in Kosovo.
- Operating loss for the year of €1.9 million (2021 -loss of €1.7 million). Loss for the year of €1.9 million (2021 – loss of €1.9million). Adjusted LBITDA of €1.1 million (2021 – LBITDA of €1.2 million) helped by strict measures to control cost.
- In April 2022 the company shares were suspended following the announcement of the planned reverse takeover transaction with Eco Buildings Group Ltd.
- In November 2022 the company was notified that the London Court of International Arbitration had found in its favour in its arbitration against OM enterprises a former client. The Company was awarded €454,584 in costs and €383,177 in damages. The Company is currently pursuing collection of these amounts from OM Enterprises.

Highlights since year end

- Acquisition of Eco Buildings Group Ltd completed on the 2 June 2023 following the general meeting held on the 26 May 2023. The acquisition was classified as a Reverse Takeover under the AIM rules and as such required approval from shareholders at a General Meeting.
- Share reorganisation completed on the 2 June 2023, with the share of Fox Marble Holdings Plc. readmitted to AIM under a new ticker symbol ECOB. Fox Marble Holdings plc name was changed to Eco Buildings Group Plc.
- Placing completed raising £2.7 million before expenses via the issue of shares in Eco Buildings Group Plc at 55p per share.
- 8,232,857 preference shares issued to holders of record in Fox Marble Holdings Plc on the 1 June 2023, which will allow them to participate in the net proceeds arising from a successful conclusion to the current arbitration case being pursued against the republic of Kosovo.
- Commissioning of the Eco Buildings Group factory producing GFRG panelling significantly underway in Durres. The factory is expected to be commissioned during Q4 2023, with commercial production beginning shortly after.

Chairman's statement

Dear Shareholders,

It has been a very busy period for Eco Buildings Group Plc, with major changes in the company and its future direction.

In May 2023 Fox Marble Holdings Plc entered into an agreement to acquire Eco Buildings Group Ltd, a company with the technology and process for the construction of glass fibre reinforced gypsum ("GFRG") and walling systems. GFRG is an alternative construction method which can be leveraged to achieve faster and more economic construction of residential commercial and industrial dwellings. By placing GFRG technology at the centre of the construction approach Eco Buildings captures many inherent advantages compared to conventional construction and other 'smart' buildings technologies.

Eco Buildings intends to offer a turnkey solution to large- and small-scale developers with standard frame two and three bedroom residential units constructed with all utilities installed ready for the developers to make finishing decorative touches. Establishing Eco Buildings operations in Albania will allow our connection to a growing market with low costs and a skilled workforce, greater customer accessibility and shorter supply chains.

Fox Marble will be able to supply and process dimensional stone for use within housing projects, while the development of Eco Buildings product worldwide will help expand the reach of Fox Marble's dimensional stone project.

The primary objective of the acquisition and reorganization is to create long-term value for shareholders. The company aims to meet its key milestones, drive revenue growth, and maximize profitability. The acquisition and reorganization can enable the company to diversify its business portfolio, reducing its dependence on the marble market.

The Board recognises that especially in the early stages of development of Eco Buildings it is important to focus on key priorities. Accordingly the Board has agreed five important objectives as follows:-

1. Monitoring and rigorous focus on delivering key milestones including completion of the factory and commencing operations.
2. Close review of cash flow and cash position.
3. Best practice corporate governance and effective internal controls and risk management process.
4. Strong HSE culture.
5. Monitoring performance and development of Fox Marble including the Arbitration proceedings.

There is much to do in achieving these objectives, and we will continue to update the market on our progress in the coming year.

In March 2023 we said goodbye to Sir Colin Terry who has served as a Non-Executive Director since the company's IPO in 2012. He has provided significant advice and a steady hand as Chair of the audit committee and we are very grateful for all his help over the years.

In June 2023, in conjunction with the completion of the RTO, we welcomed to the Board Dr Ahmet Shala and Dr Etrur Albani as Non-Executive Directors. Sanjay Bowry joined the company as CEO, replacing Chris Gilbert, who will stay on as an advisor to the Board for the foreseeable future to ensure a smooth transition. In addition Dominic Redfern, the founder of Gulf Walling has joined the Board as Executive Vice Chairman. Lastly Roy Harrison stepped down as Non-Executive Director. Roy has also been with us since the initial IPO of the company and has provided invaluable support and advice to the company for over ten years.

We extend our heartfelt gratitude to all our dedicated and hardworking employees who have wholeheartedly embraced our vision as we evolve into this new chapter.

We would also like to express our sincere gratitude to our valued shareholders for their unwavering patience and support during the prolonged duration of the recent transaction. We understand that the extended timeline may have tested your patience, and we truly appreciate your understanding and steadfastness throughout the process.

Your continued trust and commitment to our organization are truly appreciated. We remain dedicated to maintaining transparency and open communication as we move forward. We are confident that the results of this transaction will prove worthwhile and bring long-term benefits to our shareholders.

Andrew Allner

Non-Executive Chairman

Reports

Pages 6-29 comprise the Strategic report, pages 33-35 the Report of the Directors and pages 36-40 the Corporate Governance Report, all of which are presented in accordance with the UK Companies Act. The liabilities of the Directors in connection with these reports shall be subject to the limitations and restrictions provided by such law. These reports are intended to provide information to shareholders and are not designed to be relied upon by any other party for any other purpose.

Disclaimer

This Annual Report and Financial Statements may contain certain statements about the future outlook for Eco Buildings Group Plc and its subsidiaries. Although we believe our expectations are based on reasonable assumptions, any statement about the outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

Strategic Report

Eco Buildings Group Acquisition and Reverse Takeover

On the 2 June 2023 the Company completed the acquisition of the entire share capital of Eco Buildings Group Limited, a company that will operate in the prefabricated modular housing sector.

Eco Buildings Group Ltd had acquired proven and innovative prefabricated modular technology which has been in development and commercial use since 2006. Based on this technology, Eco Buildings' management team has utilised its network, in the Balkans and initially secured two contracts in Albania that are expected to generate sales revenue of up to €114 million in total for the first three years following the commissioning of the factory. Eco Buildings' technology system is not subject to patent protection and embodies know how and process innovations that have been developed using its system.

The Directors believe Eco Buildings' range of modular housing products provide a solution for the construction of both affordable and high-end housing, with Eco Buildings' products being up to 50% cheaper, two-thirds lighter and five times faster to build than conventionally built homes. Eco Buildings' vision is to alleviate the global housing deficit in a sustainable and profitable way.

The Directors believe that the Company's existing building products and operations should deliver revenue synergies when combined with Eco Buildings. These include the supply of processed dimensional marble from its existing quarries for use within Eco Buildings' modular housing projects.

The Acquisition constituted a reverse takeover by the Company under the AIM Rules and was, therefore, subject to the approval of shareholders at a General Meeting held on the 23 May 2023..

Share Reorganisation

At close of business on 11 April 2022, the date prior to which trading in its Existing Ordinary Shares on AIM was suspended, the Company had 417,333,753 Existing Ordinary Shares which had a mid-market closing price of 1.085 pence per share.

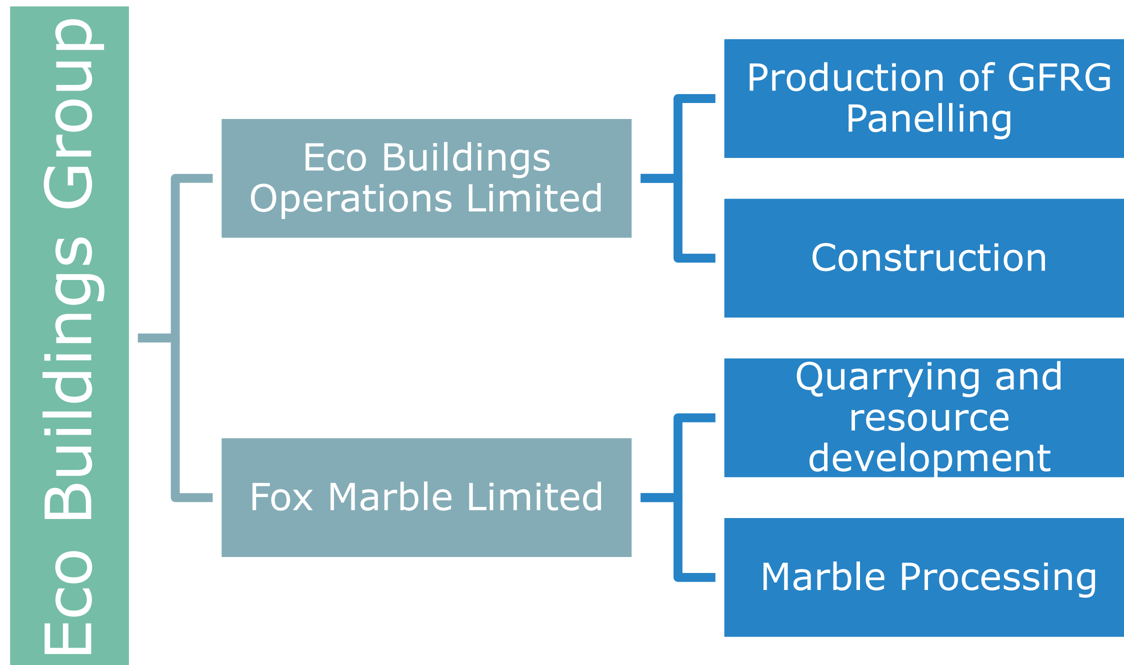
On the 2 June 2023 each Ordinary Share in the issued share capital of the Company at the 1 June 2023 was sub-divided into 13 Sub-divided Shares, following which 113,974 Sub-divided Shares were issued at nominal value. Following the Sub-divided Share Issuance, every 659 Sub-divided Shares was consolidated into one Post-Consolidation Ordinary Share and then each Post-Consolidation Share was sub-divided into one New Ordinary Share with a nominal value of 1p and one New Deferred Share with a nominal value of 50p.

The New Ordinary Shares have the same rights as the previous Ordinary Shares including voting, dividend, return of capital and other rights.

The New Deferred Shares do not have any voting rights and do not carry any entitlement to attend general meetings of the Company; nor will they be admitted to AIM or any other market.

The Share Reorganisation resulted in the Company having 8,232,857 New Ordinary Shares and 8,232,857 New Deferred Shares being in issue immediately following the Share Reorganisation.

Operational structure following acquisition



Eco Business Operations

History and Background

Eco Buildings Group Ltd was established to acquire the business and assets of Gulf Walling FZCO in Dubai; the main assets being the manufacturing plant and equipment (which produces its glass fibre reinforced gypsum walling and slab system), its know-how and its inventory. These assets were relocated to Durres, the principal port of Albania, where a new manufacturing facility has been built in the industrial zone adjacent to the port to satisfy Eco Buildings' two existing sales contracts. In order for the facility to become operational, the plant and equipment is in the process of being re-assembled.

Durres is well connected with transport links to Eastern Europe and hosts a deep-water port. By establishing Eco Buildings' operations in Albania, the Directors believe that this will allow for greater customer accessibility, shorter supply chains and a lower cost manufacturing environment which will reduce costs as the Group targets growth in the Balkan region.

GFRG is an alternative construction method to achieve faster and more economical construction of residential, commercial and industrial dwellings. Over $6 million was invested in the technology since 2006 to date to establish a high quality, low cost and environmentally friendly product.

Eco Buildings has developed a sales approach which the Directors believe will better exploit the proven potential of GFRG based construction. Through this approach and its network in the Balkans region, Eco Buildings has been successful in securing two sales contracts with major construction companies, one in Albania, the other in Kosovo, which are expected to generate gross sales revenue of up to €114 million in total over the first three years of operation.

Coupled with the Group's initial focus on the Balkans region, the Group has entered into a manufacturing and licence agreement with North Eco, a third-party company proposing to build modular housing in the United

Kingdom utilising the intellectual property of Eco Buildings. Under the terms of the agreement with North Eco, Eco Buildings will receive 30% of the gross receipts of each unit sold by North Eco.

As part of its medium-term strategy, the Group will target geographies with appropriate new housing demand as well as historic housing deficits. It intends to develop locally deployed mobile manufacturing plants globally for "just in time, on site" production for large-scale housing developments, thereby reducing transportation costs and emissions.

Eco Buildings' Product Offering

Eco Buildings' large format construction panels will be formed from GFRG. This building method is designed to achieve faster, more cost effective and sustainable construction of residential, commercial and industrial dwellings. The Directors believe that with its integration of design, construction and manufacturing capability, Eco Buildings will represent an attractive development partner for affordable, high quality construction projects which can be delivered faster, cheaper and cleaner than traditional building methods for the following sectors:

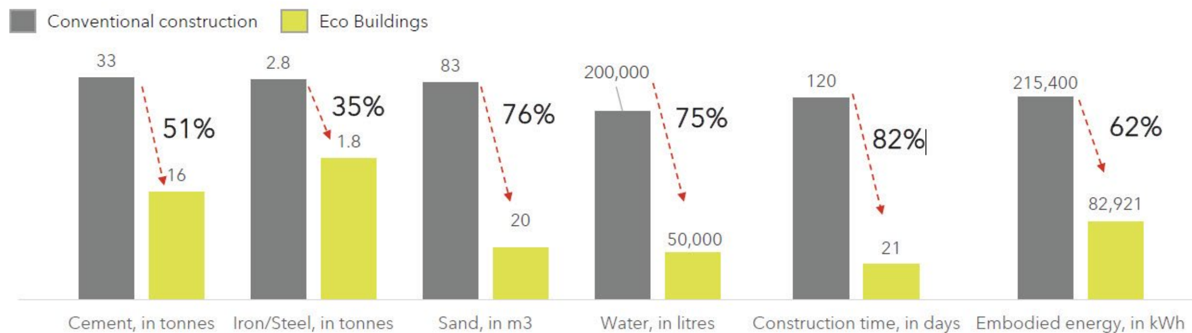
- Public Social: large scale projects, multi-storey housing, social, entry-level and key worker housing
- Private Residential: town homes, duplexes, apartments, semi- and highly-customisable homes
- Commercial: hotels & hospitality, business centres, retail, other leisure centres
- Other: workforce housing, senior housing, crisis housing, coastal

The Directors believe the advantages of Eco Buildings' products include the following:

- Factory controlled precision fabrication with added quality assurance reducing material wastage and onsite storage requirements;
- The main raw material for the production of GFRG walling and decking is gypsum powder which is cheaper and lighter than alternative building materials whilst providing good structural integrity. It can either be used alone or reinforced sparingly with steel and concrete as the structural design requires. As well as being an inherently inexpensive material, the weight advantage of GFRG construction reduces the use of expensive inputs such as steel and cement as well as transportation and on site costs like labour and craneage. When combined, these savings and efficiencies can cut building costs by as much as 50 percent when compared with conventionally built dwellings;
- Eco Buildings' GFRG walling and decking system delivers equivalent or superior levels of noise-resistance, termite/mould resistance and fireproofing as conventional building materials at lower cost and environmental impact. The Eco Buildings' GFRG walling system has been certified under intense fire test conditions to internationally accepted standards by the Australian CSIRO for structural integrity and insulation performance with fire resistant properties, achieving a 4 hour fire rating in load bearing structures (concrete filled);
- GFRG panelling is a green product that helps save energy and protect the environment as it has a lower embodied energy (EE) coefficient and uses less CO_2 gas emission to produce and install (from the manufacturing of panels to the completion of construction) when compared with other traditional

building construction materials, such as bricks, blocks, in situ poured concrete, and precast concrete panels.

- Simple on-site installation of large format panels significantly reduces building and labour time. The Directors anticipate that this will make Eco Buildings' solution five times faster to build than conventional building methods;
- A low carbon footprint compared to traditional buildings products as the materials are manufactured from less energy intensive raw materials, fully recyclable, inert and non toxic and less dependent on landfilling, making them more environmentally friendly; and
- GFRG engineered buildings have excellent cyclone and seismic resistance while the panels can be used for multi-storey buildings.



Walling System Manufacturing Process

Eco Buildings' panels are manufactured using a panel casting system. The process involves a Single Vertical Panel Casting Machine which automates the moulding process and uses a liquid mix of calcined plaster, water, fiberglass rovings, together with waterproofing agents and curing admixtures. A machine can produce 512m^2 of wall panels per day, working in two 8-hour shifts, which results in approximately 1.5 housing units.

Each panel is made up of the following key constituent materials:

- Calcined plaster: is the bulk material and is commonly known as gypsum plaster. It is a water containing calcium sulphate ($CaSO_4 \cdot 1/2\ H_2O$). when re-combined with water it recrystallises to become a hard, rock-like substance ($CaSO_4 \cdot 2\ H_2O$).
- Water: water is added to rehydrate the calcined plaster. It should have a relatively neutral pH of 6.5 to 8.5 and low dissolved mineral salt content.
- Strengthening: Glass fibre rovings are added into the liquid plaster mix and distributed evenly to create an integrated matrix of fibres throughout the product. These are 2.5 centimetres long shreds of glass filament treated to be antistatic (non-clumping), hydrophobic (resistant to moisture absorption) and with reduced splintering tendencies to improve the strength and integration properties of the product.
- Waterproofing: A waterproofing agent such as a silicon mineral oil is added into the liquid plaster which impregnates the product mass making it water resistant.
- Chemistry regulation: Curing admixtures are added into the liquid plaster mix to regulate the plaster chemistry during production usually by extending the setting time of the product.

After manufacturing, the twelve-metre walls are air cured in a vertical rack for drying that has a capacity to store 400 panels, then cut to the dimensions required by the customer using a computer numerically controlled (CNC) saw to maximise off-site fabrication. Panels are placed in a 40-metre saw frame which can accommodate three panels at a time and can operate continuously.

Spaces for doors and windows can also be pre-cut to further reduce personnel on site and increase the speed of construction. After cutting, Eco Buildings' walls are loaded onto stillages, ready for transport. Up to 500m$_2$ of Eco Buildings panels can be transported on each heavy goods vehicle which is the equivalent to 1.5 houses. Normal height walls of up to 1 metre in length can be installed manually, with longer panels of up to 3 metres requiring a forklift and those up to 12 metres requiring a crane.

Eco Buildings' panels are cast with hollow, void channels oriented vertically and spaced regularly along the wall length. These reduce the weight of the product as well as providing conduits for electrical wiring to be concealed, reducing the time spent at site to channel, drill or groove out these services as in traditional installations. The same voids can be used to provide conduits for piping. Finally, by filling these cavities with concrete and steel reinforcement bars if required, internal reinforced columns are formed within the thickness of the wall. This allows the Eco Buildings panel to be used as an integral load bearing system of the structure, supporting multi-storey construction without incurring the loss of floor space which a conventional reinforced structural frame usually entails.

1. Casting

2. Drying

3. Cutting

4. Transportation

5. Installation

6. Filling

Factory

Eco Buildings' first production line was developed by its co-founder in the United Arab Emirates and consists of a vertical panel casting machine and supporting equipment. It was moved to a newly built facility in Albania for the sake of proximity to its contracted customers and is anticipated to be operational in 2023. A production line is capable of producing 11,264m^2 of panelling per month or the equivalent of 31 housing units (372 units annually). The 8,000m^2 factory site is located close to Albania's capital, Tirana, adjacent to the port of Duress, Albania's principal sea port. .

Eco Buildings Group Limited (ECOB) is pleased to confirm that the recommissioning of the plant and machinery from Dubai at the new factory in Durres is progressing according to plan.

The main components of the production line have now been assembled and fixed in place in the factory including

- the main press mould, its framework, its surrounding equipment platforms and gantries;
- the CNC saw table, the caddy on which the saw travels down the saw table and the multi-directional CNC saw unit itself;
- the gypsum powder bulk silo, the weighing hopper it loads into and the mixer hopper for the slurry which our wall product is moulded from; and
- the dust extraction towers and blower motors.

As contemplated in the initial relocation plan, ECOB made a significant number of improvements and upgrades to the plant while it was fully dismantled. Most of the components listed above were refurbished before being

reassembled and fixed in place. This will result in an extended useful life for these components. Also the normally inaccessible waterproof seals under the heavy mould walls have now been replaced entirely with a more reliable and maintenance-friendly sealing system. The rollers on which the mould wall moves in and out of its casting position have been entirely replaced. Modification and simplification to the press framework have restored its operability and accessibility for maintenance. Measures to improve the efficiency of dust extraction above the CNC saw and the plaster mixing station have also been designed anew and it is expected that this innovation will have a major impact on air quality in the factory. Water is a major raw material and cost input for the product. Bore holes have been drilled in the domain of the factory as part of a programme to meet the production and 'cleaning-in-process' water requirements of the factory with cheap self-extracted bore water rather than municipal industrial water which comes at a much higher cost.

Sales and Marketing

The Group has been successful in securing sales contracts with the following construction companies:

- Andrra Invest LLC A Kosovan company specialising in construction of residential and non-residential projects. Its activities include project management and development as well as marketing already finished construction sites. One of the best known completed projects is Andrra Residence in the capital Pristina, which is a high rise residential and business building complex.
- Egeu Stone LLC A well-recognised construction company in Albania, which has won 9 public tenders and has completed over 25 diverse construction projects in Albania, including multistorey residential dwellings, hotels and other commercial and industrial buildings, schools and public spaces.

Both sales agreements follow the same framework and involve the targeted production of between 350 and 450 residential units per year with sizes ranging from 120 square metres to 150 square metres.

The payment terms for Eco Buildings are structured as follows:

- a fixed price per square metre produced, of which: a. 65 percent will be paid to Eco Buildings in advance of the product shipment; and b. the remaining 35 percent will be paid to Eco Buildings on installation of the units.
- Eco Buildings will also receive a profit share from the unit sales of Andrra Invest LLC and Egeu Stone LLC to their end customers.

The Company has received details of the first project to be undertaken under the Andrra Invest contract. The construction of a model home on site is being completed using existing stock of walls shipped from the UAE site to the specifications laid out by Andrra, whilst the commissioning process at the factory is ongoing.

Fox Marble Operations

Sales and marketing

Sales for the year were €0.9 million (2021 - €0.6 million). Revenue from the sale of processed marble remained broadly flat for the year. During the year the company recognised €266,840 of revenue following the resolution of the arbitration against OM Enterprises which represented the balance of deferred revenue that had been prepaid by OM Enterprises.

Factory

The Company has successfully constructed a 5,400 square metre double-skinned steel factory on a 10-hectare site in Lipjan, Kosovo, which was acquired in 2013. Situated near Pristina airport, this facility specializes in the cutting and processing of blocks into polished slabs and tiles.

In June 2020, the Company announced its acquisition of two additional automatic CNC cutting machines, which have been installed in the Kosovo factory. These machines, manufactured by Simec Srl and Garcia Ramos SA, joined the existing Gravellona Machine Marmo CNC machine, effectively doubling the capacity for cutting tiles.

During 2022, the factory successfully processed 25,705 square metres of slabs (compared to 30,529 square metres in 2021) and over 20,400 square metres of tile and cut-to-size materials (compared to 20,184 square metres in 2021).

Throughout 2022, the Company maintained its focus on the local market, catering to the demand for processed materials and a diverse range of products. These offerings include cut and polished tiles, stair pieces, door and window lintels, as well as slabs.

Overall, the Company's factory expansion, augmented by the addition of new cutting machines in 2021, has allowed for increased processing capabilities and strengthened its position in the local market for various high-quality marble products.

Quarry Operations

Prilep

In 2013, the Company entered into a significant agreement to operate a quarry located in Prilep, North Macedonia. The initial agreement spanned 20 years, with an irrevocable option to extend the period for an additional 20 years. Situated in the Stara river valley, the Prilep quarry boasts sought-after white marbles known as Alexandrian White and Alexandrian Blue. It is part of a small cluster of quarries, overlooked by the Sivec pass.

As a consequence of the COVID-19 crisis, quarrying operations came to a halt in April 2020. However, in August 2020, the quarry was reopened, albeit at a limited capacity. Currently, the Company relies on existing stock to fulfill the requirements of its processing operations at the factory. Simultaneously, the block market is closely monitored, and quarrying operations will resume once there is a sufficient demand for block marble that cannot be met from the existing stock levels.

Under the terms of the agreement, a royalty of 35% of gross revenue is payable to the original license holder of the quarry, acknowledging their rights to the quarry's resources.

Additionally, the Company holds the rights to an adjacent quarry called Prilep Omega, which was acquired in 2014. Although the Company possesses the rights, development of this quarry has not been undertaken as of yet.

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.

At present the Company is using existing stock to supply its processing operations in the factory, whilst monitoring the block market and will restart quarrying operations when there is sufficient demand for block marble that cannot be satisfied from existing levels of stock.

Syriganë

The quarry at Syriganë is open across four benches with a significant block yard adjacent to the quarry site. 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).

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, the Company 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 the Company'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, the Company 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 the Company'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 the Company being prevented from operating the Maleshevë quarry. Since the dispute arose, the Company 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), the Company has been prevented from asserting its rights in these matters.

Despite the cumulative weight of evidence, the Company 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 the Company.

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 Eco Buildings to bring the Arbitration through to its conclusion.

The Company announced the appointment of the eminent British Barrister and Kings 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.

As announced on 11 April 2022 it has been agreed between the parties that any benefit derived from this litigation should be for the account of the Fox Marble shareholders on the register prior to completion of the proposed Acquisition of Eco Buildings and associated readmission. The Company considered a number of options for how best to achieve this and following receipt of advice from its lawyers and tax advisers has determined to carry out the Bonus Issue of New Preference Shares, such bonus issue being completed by capitalising £82,328.57 standing to the credit of the Company's share premium account.

On 28 April 2023, the Company entered into a deed of assignment with Fox Marble SPV, a wholly owned subsidiary of the Company pursuant to which the net proceeds arising from the Kosovo Dispute will be paid to Fox Marble SPV. The deed of assignment also includes an indemnity from Fox Marble SPV to the Company for all costs and liabilities that may arise in respect of the Kosovo Dispute. Pursuant to this deed, Fox Marble SPV issued 8,232,857 shares of £0.01 each to the Company

Pursuant to the Bonus Issue, every shareholder of the Company as at the 1 June 2023 will receive 1 New Preference Share. The New Preference Shares shall entitle the holders thereof to receive a preferential dividend equal to the net proceeds of any successful arbitration. In the event that the Arbitration is not successful, no amount shall be payable to the holders of the Preference Shares by the Company.

Financing

On the 2 June 2023 the Company raised approximately £2.7 million (before expenses) by issuing 4,946,313 shares at 55p per share.

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.

Demand for block marble fell significantly in January 2020 as a result of travel restrictions placed on China, the principal buyers of the Company's block marble. The spread of the virus into Europe and the resulting impact on cross border travel and trade magnified this effect through 2020 and 2021. As travel restrictions have lifted the market for block marble continues to show weakness as a result of increased transport and fuel costs, and continued uncertainty in China. 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 returned to normality. Production at the quarries continues to be tightly managed, with quarries in use solely to meet known demand for blocks.

Stone Alliance Project

In October 2016, Eco Buildings announced that Stone Alliance LLC, a new company formed and 59% owned by Eco Buildings, signed a non-binding Memorandum of Understanding with the Parliament of Kosovo with the aim of creating a world class new stone industry for Kosovo. The Company has been granted Commercial Advocacy by the Advocacy Centre of the United States Department of Commerce, ensuring the company benefits from the active support of the US Government. Through submission of exploration licences, Stone Alliance now has exclusive rights for a 40-year period to 40 quarry sites offering a variety of marble and dimension stone. Stone Alliance intends to raise a minimum €100m from external sources to facilitate the opening of 40 proposed marble quarries and factories over a five-year period in the region with a view to establishing Kosovo as a global presence in the stone industry, creating in excess of 2,000 jobs.

The Company's role, in addition to being a major shareholder within the Stone Alliance project, will be as follows:

- To provide expertise on technical matters, including quarry operations, gained from having been the sole marble quarry owner and operator in the region; in addition, Eco Buildings will provide management and strategic services to Stone Alliance in the initial phases of the operations allowing Stone Alliance to progress more quickly in its development. These services will be provided by Eco Buildings at cost plus an agreed margin.
- To provide the sales and marketing platform to sell Stone Alliance material. Eco Buildings will provide access to its customer database and use of the Eco Buildings brand to facilitate the entry of the Stone Alliance product to the market. Eco Buildings will act as a sales agent and in return it will earn a commission on sales of the Stone Alliance product.
- The Chairman and CEO of Eco Buildings Group Plc both sit on the board of Stone Alliance.

Progress on the Stone Alliance is on hold pending the resolution of the arbitration proceedings.

Materials

Alexandrian White is a predominantly white, fine-grained sculpture-grade dolomitic marble. Quarried at our Prilep Alpha quarry in North Macedonia, the grey marking on this stone can vary from largely linear stripes to an attractive dappling.

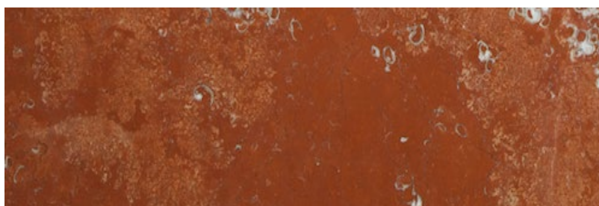
Grigio Argento ranges in colour from almost blue grey to a warmer tone. It has an impressive dense quality and attractive white to gold veining. It can be quarried and processed to maximise or minimise the presence and effect of fossils. This versatile stone comes from our Cervenillë quarry in Kosovo.

Alexandrian Blue This stone comes from the same Prilep quarry as the Alexandrian White in North Macedonia. The unusual and attractive blue grey banding is far denser than in any of the Alexandrian White but the white remains to establish the full tonal range on larger pieces.

Flora comes from the same quarry as the Grigio Argento and Rosso Cait, this is both technically similar to them and transitional between them in colour. The transitional character of the stone yields a broad colour and pattern range.

Breccia Paradisea is one of two fine and crystalline breccias from Syriganë in northern Kosovo. It has red as the highlight colour over the grey and white background it shares with its twin, Etrusco Dorato. The gold of the Etrusco lifts the other colours where it is present.

Etrusco Dorato exhibits a dominant gold colour over a grey and white field, complemented by the reds also to be found in the Breccia Paradisea. Single slabs are striking. Book matched they are stunning.



Rosso Cait is the red complement to Grigio Argento and Flora and comes from the same quarry, Cervenillë. This stone, which exhibits some colour and fossil marking variation, works well as a highlight or bold statement colour.

Results

Key Performance Indicators	2022	2021
Revenue	€888,137	€646,064
Average recorded selling processed (per sqm)	€24	€25
LBITDA[(1)]	(€1,660,731)	(€1,387,116)
Operating loss for the year	(€1,934,805)	(€1,650,693)
Loss for the year	(€1,935,248)	(€1,895,738)

1) Loss for the year before interest, tax, depreciation and amortisation.

The Group recorded revenues of €888,137 in the year ended 31 December 2022 (2021 - €646,064). Revenue for the sale of processed marble remained broadly flat for the year. During the year the company recognised €266,840 of revenue following the resolution of the arbitration against OM Enterprises which represented the balance of deferred revenue that had been prepaid by OM Enterprises.. The Group incurred an operating loss of €1,934,805 for the year ended 31 December 2022 (2021 - €1,650,693). The higher operating loss is due to the increase in the level of stock provision recognised in 2022 compared to 2021. The Company has recognised an additional provision of €470,714 (2021 - €118,137) on the stock held by the Group based on the anticipated net realisable value. The average recorded selling price per sqm for processed material remained consistent with the prior year.

The Group incurred a loss after tax for the year ended 31 December 2022 of €1,935,248 (2021 - €1,895,738).

Reconciliation of LBITDA to Loss for the year	Year to 31 December 2022 €	Year to 31 December 2021 €
Loss for the year before tax	(€1,935,248)	(€1,895,738)
Plus/(less):		
Net finance costs	443	245,045
Depreciation	230,720	219,213
Amortisation	43,354	44,364
LBITDA	(1,660,731)	(1,387,116)
Plus:		
Inventory Provision	470,715	118,137
Share option charge	11,658	19,444
Adjusted LBITDA	(€1,178,448)	(€1,249,535)

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

Sustainable development

Eco Buildings 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

Eco Buildings recognises that risk is inherent in its business activities. 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.

The following risk factors, which are not exhaustive, are particularly relevant to the Group's business activities:

Risks relating to the Group as a whole

Key personnel risk

Key personnel risk is the risk of losing either a member of the Board or one of the Group's key operational professionals. This could have an adverse effect on the ability of the business to complete its operational plans.

To mitigate this risk, the Group's management has put in place plans to ensure skills development and retention and proactive recruitment processes are in place.

Capital risk

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet, plus net debt.

Risks relating to Fox Marble

Operational risks

The activities of the Group are subject to the hazards and risks associated with natural resource companies. These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, geological problems, unanticipated changes in rock formation characteristics, encountering unanticipated ground or water conditions, land slips, flooding, levels of wastage, periodic interruptions due to the interruption of utilities, inclement or hazardous weather conditions and other acts of God or unfavourable operating conditions.

Should any of these risks and hazards affect the Group's operations, it may cause the cost of production to increase to a point where it would no longer be economic to extract stone from the Group's quarries, require the Group to write-down the carrying value of one or more quarries, cause delays or a stoppage of quarrying and processing, result in the destruction of mineral properties or processing facilities, cause death or personal injury and related legal liability, any and all of which may have a material adverse effect on the Group.

Risks to personnel are mitigated through the implementation of robust health and safety training and practices, supported by detailed procedures. Oversight of the Group's procedures lies with the Board of Directors. The Group has instilled a zero-tolerance attitude for safety incidents at all levels of operations, with rules incorporated into operational procedures, safety manuals and all communications on safety. All significant incidents on site are required to be reported to the Board of Directors. Other operational risks are mitigated using trained personnel, detailed monitoring of operations on a technical and geological basis to ensure that

issues are identified and addressed promptly. No significant incidents were reported in the current or previous year.

Quarry development risk

Several of the Group's quarries are at an early stage of development. As a result, there can be no assurance that the colour, texture, quality and other characteristics of the marble slabs processed, and blocks quarried from the quarries will be consistent with the material that has been quarried to date. In addition, the mineralogical and chemical composition, bulk density, hardness, water absorption and mechanical properties of marble quarried may change as the resource is further exploited. If the marble extracted is of a lower quality than expected, then demand for, and the realisable price of, the Group's marble may be lower than expected.

The Group mitigates these risks with the use of trained quarry personnel and geologists, and the detailed assessment of the resource including, where appropriate, drilling, technical surveys and third-party reviews. Further, the Group maintains a broad portfolio of quarry projects and prospects with enough potential in terms of inferred and indicated resources.

Mining licenses and contracts

The Group's current exploration and future mining and processing objectives are dependent upon the continuance, renewal and grant of appropriate leases, surface rights agreements, licenses, permits and regulatory approvals and consents which may be valid only for a defined time period, may be subject to limitations and may provide for withdrawal in certain circumstances. There can be no assurance that such leases, licenses, permits, regulatory approvals or consents would be granted, renewed or continue in force, or, if so, on what terms. This lack of certainty is exacerbated by Kosovo's still evolving legal system from which there may be difficulty in determining obligations and the authorities of overlapping governmental departments, particularly at the operational level. Furthermore, the Company's dispute with the Republic of Kosovo has already impacted upon the grant of additional licenses and this could also impact upon the renewal of existing licenses.

Withdrawal of licenses, termination of leases or surface rights agreements or failure to secure requisite licenses or the cessation thereof in respect of any of the Group's operations may have a material adverse impact on the Group's business, operating results and financial condition. Whilst the Group believes it has obtained all authorisations that are currently expected to be material in the context of the Group's business, there can be no assurance that it has every necessary or desirable authorisation, that the authorisations required to carry on the Group's operations will not change or that the Group will be able to successfully enforce its current authorisations.

Marble Prices

The profitability of the Group's operations will be dependent upon the market price of marble. Marble prices can fluctuate and are affected by numerous factors beyond the control of the Group. The level of interest rates, the rate of inflation, and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of marble may fluctuate, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Group's business, financial condition and results of operations. The prices of marble blocks and marble slabs are determined mainly by the quality and colour of the stone. The popularity of the Group's products could lapse due to customers' changing preference, leading to a fall in the price of the Group's products. In addition, imbalance in the supply of and demand for marble products in local, national and global markets could adversely affect the price of the Group's products. Government policies, macro-economic factors, global economic environment and other factors beyond the Group's control could significantly result in an oversupply or decreased demand for marble products, which in turn would result in fluctuations in the market price. There can be no assurance that the market price of marble products will not decline in the future or that such prices will otherwise remain at sufficiently high levels to support the Group's profitability. A significant decline in the market prices of marble

products could materially and adversely affect the Group's business, financial condition and results of operations.

Environmental risks and hazards

The Group's operations are subject to local environmental regulation. Environmental legislation is evolving in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Group's business, financial condition and results of operations. Environmental hazards may exist on the properties on which the Group holds interests that are unknown to the Group at present and that have been caused by previous or existing owners or operators of the properties. If the Group is unable to remedy fully an environmental problem, it may be required to stop or suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Group. The Group has not purchased insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) as it is not generally available at a price which the Group regards as

reasonable. Government approvals and permits are currently, or may in the future be, required in connection with the Group's operations. To the extent such approvals are required and not obtained, the Group may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

There are visual and noise disturbances in the quarries which may impact the neighbouring communities. There is a risk of social opposition to developing the quarries fully which may have a material adverse effect on the Group's operations.

Governmental regulation of the mining industry

The activities of the Group are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, quarry safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Group believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Group's properties. Amendments to current laws and regulations governing the

operations and activities of the Group or more stringent implementation thereof could have a material adverse effect on the Group's business, financial condition and results of operations. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right application and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Group's operations or profitability.

The risk of future conflict

The Group's quarries are in Kosovo and North Macedonia. Kosovo and the surrounding region have been relatively stable since the passing of UN Resolution 1244 in 1999. However, in the event that conflict was to start again in Kosovo, this could have an adverse effect on the Group's business, reputation, results of operations, financial condition and/or prospects.

Changes in royalty rates

The Group will be required to pay a royalty to the ICMM, which is currently set at €1 per cubic metre of marble extracted from its quarries in Kosovo. In the event that the ICMM royalty rates are increased in the future, this could have an adverse impact on the Group's business, financial condition and/or prospects. The royalty rate in

Macedonia is currently set at 1,170 MKD per cubic metre of material shipped from its quarries in Macedonia set by the Ministry of the Environment. In the event that the royalty rates are increased in the future, this could have an adverse impact on the Group's business, financial condition and/or prospects.

Taxation risk

The Groups Kosovan subsidiaries will be subject to Kosovan tax and any increases in the rates of tax or imposition of additional taxes could have an adverse effect on the Group's business. In addition, as the Kosovan tax system does not recognise grouping, it is possible that one Kosovan subsidiary could be paying tax on its profits, whilst another Kosovan subsidiary is incurring losses.

Production and sales risk

There can be no assurance that the Group will be profitable in the future. The Group expects to continue to incur losses unless and until such time as some or all the quarries are at a level of development which allows the production of commercially significant volumes of material and generation of sufficient revenues to fund continuing operations.

The Group is at an early stage in the development of its sales and customer base. The Group's level of historical sales is low, and the volume of sales is anticipated to grow significantly. The Group has invested in the development of its customer base through marketing initiatives to develop awareness of its brand and product.

To mitigate production risk, quarry operations have approved business plans and targets while working within strict working capital controls and robust budgeting and cost control processes.

Political and regulatory risk

The Group's operating activities are subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, quarry development, land and water use, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.

Kosovo has less developed legal systems than more established economies which could result in risks such as: (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters.

To mitigate this risk the Group takes an active role in industry and other stakeholder engagement processes with the local government.

In September 2019 Eco Buildings launched an Arbitration claim against the government of Kosovo. Further information on this action can be found in note 27.

Litigation risk

From time to time, the Company may be subject to complaints, litigation and/or arbitration arising out of its operations. Damages claimed under such proceedings may be material, and the outcome of any litigation or arbitration could materially and adversely affect the Company's reputation, business, results of operations and/or financial condition.

While the Company will assess the merits of each dispute and defend itself accordingly, it may be required to incur significant expenses in defending itself against any litigation or arbitration and there can be no assurance that a court or tribunal will find in its favour. If the Company is unsuccessful in any litigation or arbitration, it may be subject to declaratory or injunctive relief (rather than compensatory damages) that is intended to force behavioural change, including but not limited to:

- requirements to seek approvals (with the risk of not being able to obtain that approval or obtaining the approval on less favourable terms);
- revocation or suspension of, or modification to, licenses or approvals that have already been granted;
- the imposition of conditions relating to licenses or approvals;

- injunctions which prevent the commencement of activities or stop existing activities from proceeding; and
- disclosure of documents, including board papers, relating to the Company.

Such proceedings, even if successfully defended, could have a material and adverse effect on the Group's reputation, business, results of operations and/or financial condition, and may divert the attention of its management team. In addition, proceedings in which the Group is not directly subject may still impact its business and operations.

Litigation against the Republic of Kosovo

The Company is currently engaged in several disputes in the UK and in the Republic of Kosovo. In particular, in 2019 the Company began arbitration proceedings against the Republic of Kosovo for damages in excess of €195 million. This is a result of the alleged failure of the Republic of Kosovo to protect the Company's rights over its Maleshevë quarry. As a result of these proceedings, the ICMM has since refused to renew certain of Fox Marble's licenses in Kosovo and it is therefore currently unable to exploit the areas covered by these licenses. Whilst this litigation has been funded by third parties to date, in order for the Company to continue to pursue this litigation, significant additional litigation funding will need to be obtained. There can be no guarantee that the Company will be able to procure this funding. Whilst the Company is confident of its legal position and has had that position supported by a legal opinion from an eminent Barrister and King's Counsel, litigation is inherently uncertain and there can be no certainty of a positive outcome in the Company's favour. Should the dispute be protracted, this could have a detrimental impact on the financial position of the Company and its ability to conduct business in the Republic in Kosovo and additional challenges to the Company's existing licenses may arise, whether by the ICMM or other government agencies in the Republic of Kosovo.

The Group is entitled to 25% of the amounts remaining after the deduction of the items referred to under Preference Amount (a) – (f) as found in the Definitions of this document. This amount is in relation to the Company's continued management of the Kosovo Dispute. However there is no guarantee that the 25% share of the proceeds of a successful litigation outcome will cover the costs incurred by the Board to manage this claim, nor is there a guarantee that this claim will be successful.

The Directors will only continue to pursue the litigation, if in its reasonable opinion having taking appropriate legal advice as required the likelihood of achieving a successful outcome is probable and realistic.

Risks relating to Eco Buildings

Reliance on existing sales contracts

Eco Buildings is an early-stage company and only has two sales agreements in place. As it is yet to receive any revenue from the sale of prefabricated housing units, and performance of these agreements is yet to commence, there can be no guarantee that these agreements will be performed. The financial performance of the Group is dependent to a significant extent upon Eco Buildings being able to generate revenue pursuant to these contracts meaning that risk in the business is, to a large extent, concentrated. Accordingly, potential investors should be conscious that in the event that Eco Buildings is unable to exploit these contracts as envisaged, this could have a significant impact upon the prospects and financial position of the Group. Investors should therefore consider this when choosing whether or not to invest in the Group.

The Company has no trading history with its housing development customers to provide investors with comfort that the performance of these contracts will be as envisaged by board as to both the timing of and quantum of revenues that will be received. Eco Buildings technology is not subject to patent protection.

Third party credit risk

The Group may be exposed to third party credit risk through its contractual arrangements with its current or future customers and other parties. In the event such entities fail to meet their contractual obligations to the Group, such failures may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of customers may affect a customer's willingness to purchase products from the Group, potentially impacting the financial position of the Group. To the extent that any of such third parties go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in the Group being unable to collect all or portion of any money owing from such parties. Any of these factors could materially adversely affect the Group's financial and operational results.

The Group has a no operating history, with a history of losses and may not achieve or maintain profitability in the future.

The Group has operated at a loss since inception and historically relied on contributions from its owners to meet its growth needs. Further, Eco Buildings has yet to receive any revenue from the sale of pre-fabricated housing units, the Company's main intended product.

The Group's execution of its business plan will be dependent on the supply of materials

The Group is subject to inventory risks related to anticipating consumer demand for housebuilding and the availability and cost of materials, in particular gypsum which will be the primary material used in the construction of modular homes. Although the Group is in discussions with a number of suppliers of gypsum and other raw materials, at present no legally binding agreements for the supply of these products have been entered into. In order for the Group to execute its business place, it will need to directly obtain supplies of raw

materials. Increased costs or shortages of those raw materials could cause increases in operational costs and delays. Increases in the Group's product prices or delays in construction may result in potential customers being less willing or able to purchase the Group's products. If the Group is unable to pass on any increase in costs to the Group's customers or negotiate (or as the case may be, renegotiate improved terms with suppliers), the Group's margins may reduce, which could accordingly have an adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group may rely on third-party builders to construct the pre-fabricated housing units on site.

The failure of those builders to properly construct homes could damage Eco Buildings' reputation, result in costly litigation and materially impact the Group's ability to succeed. The Group does not currently intend to use third-party builders. However, should this change and third party suppliers are used, the Company may discover that builders are engaging in improper construction practices, negatively impacting the reliability of the modular housing units.

If an unknown defect was detected in the Group's pre-fabricated housing unit designs, the business would suffer and Eco Buildings may not be able to stay in business.

In the ordinary course of business, Eco Buildings could be subject to home warranty and construction defect claims. Defect claims may arise a significant period of time after a building with the Group's modular housing units have been completed. Although the Group maintains general liability insurance believed to be adequate and may be reimbursed for losses by subcontractors that are engaged to assemble the homes, an increase in the number of warranty and construction defect claims could have a material adverse effect on the result of operations.

Furthermore, any design defect in components may require a correction to the defect in all of the projects sold up until that time. Depending on the nature of the defect, the Group may not have the financial resources to implement such corrections and would not be able to stay in business. Even a defect that is relatively minor could be extremely costly to correct in every home and could impair Eco Buildings' ability to operate profitably.

The Group may require additional capital outside the working capital period through equity and/or debt offerings to support working capital requirements and operating losses.

In order to fund future growth and development, the Group may need to raise additional funds outside the working capital period in the future through offering equity, debt or debt that converts into equity, which would dilute the ownership percentage of investors in this offering following conversion. Furthermore, if the Group raises capital through debt, the holders of the company's debt would have priority over holders of equity, including the note holders following conversion, and the Company may be required to accept terms that restrict Eco Buildings' ability to incur more debt. The Group cannot guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds if raised, would be sufficient. The level and timing of future expenditures will depend on a number of factors, many of which are outside the Company's control. If Eco Buildings is not able to obtain additional capital on acceptable terms, or at all, the Group may be

forced to curtail or abandon growth plans, which could adversely impact the Company's business, development, financial condition, operating results or prospects.

There can be no guarantee that the Group will have access to additional financing

The Company has been in discussions with prospective funders regarding the making available of additional debt facilities to the Group to supplement the funding made available to the Company pursuant to the Placing. However, this would enable the Group to accelerate its proposed operational expansion There can be no guarantee that this funding will be made available to the Company which would mean that the Group cannot accelerate its operational expansion as quickly as it may wish to do so. Furthermore, in the event that the Group requires additional financing in the future in order to further advance and execute its proposed operational expansion (as such operations develop and grow), such financing may not be available when needed. If this were to occur, it could result in a delay or indefinite postponement of activities and or expansion which may impact the financial position of the Group.

Risks relating to the markets in which the business operates

The Group may not be able to effectively manage growth, and any failure to do so may have an adverse effect on Eco Buildings' business and operating results.

Eco Buildings has received substantial interest in the product offering and will strive to meet that demand. This will require significant scaling up of operations, including maximising facility space, and skilled labour. If the Group is unable to effectively manage the scaling up in operations, the Company could face unanticipated slowdowns, problems and costs that harm its ability to meet production demands.

Decreased demand in the housing industry would adversely affect the Group's business.

Demand for new housing construction is tied to the broader economy and factors outside the Company's control. Should factors such as the COVID-19 pandemic, inflation or a recession result in continued loss of general economic activity, the Group could experience a slower growth in demand for modular housing.

The Group has not yet built a modular house product

The Group's product has not yet been built, its performance in real world situations may therefore vary due to environmental factors and circumstances. This may impact the Group's ability to sell products and services and its reputation.

Reliance on generating revenue through intellectual property licences

The Group anticipates receiving income from third party companies granted licenses to use the IP and know-how of the Company to manufacture, assemble, market, sell and distribute the Group's products. The consideration for the grant of these licences will predominantly consist of royalties payable by licensees on products sold. Accordingly, in order for the Group to benefit from these arrangements, it will be reliant on the ability of the licensees to construct and sell products and to receive income as a result of such activity. Should the third-party licensees be unable to sell products at an acceptable price or on acceptable terms, then the Group's revenues and margins could be materially adversely affected. Additionally, the Group will be reliant on the ability of licensee to collect payment from their customers.

The Group will face financial risk should the Licensee fail to collect payment, which will be required in order for them to pay the royalties due to the Company.

Intellectual property

The Group's success could depend in part on its ability to maintain adequate protection of its intellectual property, which primarily consists of knowhow. The Company acquired all tangible and intangible assets and rights of Gulf Walling pursuant to the Business Development Deed and APA. A patent had previously been applied for in respect of the intellectual property owned by Eco Buildings, but that application lapsed and there is no longer any opportunity to restore or reinstate that patent application. There is no residual existing right to the physical equipment or derivative thereof going forward, meaning that no assurance can be given that others will not independently develop or otherwise acquire substantially equivalent techniques or otherwise gain

access to the Company's unpatented proprietary technology or disclose such technology or that the Company can ultimately protect meaningful rights to such unpatented technology.

If others develop technologies using, or in competition with, the Group's intellectual property, this could impact the financial position of the Group or prevent the Group from being able to meaningfully benefit from the granting of licences of its intellectual property. Others have already developed similar products to the Group, and there can be no guarantee that parties may duplicate any of the Group's products or designs. Others may also, in time, hold or receive patents or intellectual property rights which contain claims having a scope that covers products developed by the Group (whether or not patents are issued to the Group).

A substantial cost may be incurred if the Group is required to assert its intellectual property rights against third parties, or otherwise if a third-party were to asset infringements claims against the Group. Litigation is costly and time consuming and there can be no assurance that the Group will have, or will be able to devote, sufficient resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit the Group's intellectual property rights and activities. There is no assurance that obligations to maintain the Group's know-how would not be breached or otherwise become known in a manner which provides the Group with no recourse.

Product recalls might be necessary

The Group may be faced with the necessity of recalling one or more products or batches of products. This may occur even if no product default is evidenced, but rather if a defect is suspected of being present. A recall of the Group's modular housing product may result in loss of revenue and damage to the Group's reputation. In the event that products are no longer be able to be sold there would be a material adverse effect on the Group's financial performance and options for refinancing on the capital market could be negatively affected or even excluded.

Change in the cost of labour

An increase in labour and employee benefit costs in certain low-cost countries in which the Group operates may adversely affect the Group's operating costs and compromise its competitiveness. A shortage in the labour pool or other general inflationary pressures or changes will also increase the Group's labour costs. Any increases in labour costs could have a material adverse effect on the Group's prospects, operating results and financial condition.

The housing industry is highly competitive, and many competitors have greater financial resources than Eco Buildings

Increased competition may make it difficult for the Group to operate and grow the business. The housing industry is highly competitive, and the Group competes with traditional custom builders, manufacturers, other modular home builders, and innovative entrants. In addition, Eco Buildings competes with existing homes that are offered for sale, which can reduce the interest in new construction. Many of Eco Buildings' competitors have significantly greater resources, a greater ability to obtain financing and the ability to accept more risk than the Group can prudently manage. If Eco Buildings was unable to compete effectively in this environment, it will become more challenging to continue to operate its business and/or achieve and maintain profitability.

Government regulations may cause project delay, increase expenses, or increase the costs to customers which could have a negative impact on operations.

The Group is subject to state modular home building codes, and projects are subject to permitting processes at the local level. In Albania, the Group will need to apply for a building permit through the portal of the Integrated Registry Territory in order to be able to complete the construction of homes. That application will then be reviewed by the responsible authorities, and it is expected that approvals will be granted either expressly or by the passage of time within 60 days of its application. At present, the regulatory system in Albania appears to be nonobstructive, however there can be no guarantee that additional regulations or permit requirements could be introduced. If Eco Buildings encounters difficulties with obtaining further modular home approvals, it could

experience increased costs. Until such approvals are obtained, Eco Buildings would be limited in its ability to access that market. Further, modular home codes may change over

time, potentially increasing the Group's costs, which it may not be able to pass on to customers, which may in turn negatively impact sales and profitability.

Economic, political and market factors beyond the Group's control may adversely affect the Group

The foreign exchange market is directly affected by many national and international factors that are beyond its control. A substantial decline in the foreign exchange market could be caused by one or more of many external factors including, for instance, economic, stock market and political conditions, including monetary policy in the UK and elsewhere; market concerns about inflation; consumer confidence levels; legislative and regulatory changes including the impact of the UK leaving the European Union; natural disasters and epidemics, including the ongoing impact of COVID-19; and concerns about terrorism and war.

Uncertain economic prospects or a decline in the financial markets could adversely affect the performance of the Group with a failure to attract new business and a reduction in the overall level of business with existing clients resulting in a deterioration of the Group's economic position.

Currency risk

A significant proportion of the Group's revenue is denominated in euros and a significant portion of its costs in euros and pound sterling. Further a significant portion of the group's debt is denominated in United states dollar and Pound sterling. Fluctuations in rates of exchange between the Euro and pound sterling may have a material adverse effect on the Group's results. The Group does not currently engage in any currency hedging transactions intended to reduce the effect of fluctuations in foreign currency exchange rates on its results of operations. If the Group were to determine that it was in its best interests to enter into any currency hedging transactions in the future, there can be no assurance that it will be able to do so or that such transactions, if entered into, would materially reduce the effect of fluctuations in foreign currency exchange rates on its results of operations. In addition, if, for any reason, exchange or price controls or other restrictions on the conversion of one currency into another currency were imposed, the Group's business could be adversely affected.

Expansion into new territories

The Group may decide, in future, to expand into new markets in order to aid the growth strategy and increase the overall global footprint of the business. Whilst the Group aims to take appropriate precautions when developing new markets, this may involve greater legal, regulatory and commercial risks than those associated with their current operations.

Technological change

There can be no guarantee that the Group's current competitors or new entrants to the market will not bring superior technologies, products or services to the market which, as a result, make the Group's offerings obsolete. The Group will accordingly need continually to enhance its existing products and services and will need promptly to respond to technological change as and when this occurs. If the Group is unable to do this, or encounters material delay in introducing new products or services, it may be at a significant disadvantage to its key competitors.

The conflict in Ukraine

The current hostilities in Ukraine and the resulting sanctions imposed on the Russian Federation by various countries around the world may have unforeseen, long term and far reaching consequences for the global economy and the individual economies of countries to which the Group may be directly or indirectly exposed. In particular, the interruption and/or limitation in the supply of certain natural resources (such as oil and gas) used in manufacturing processes and/or which form a fundamental component in important industrial products could have an adverse impact on the construction and/or quarrying sectors globally, on the specific jurisdictions to which the Group is exposed and on individual third-party customers or suppliers that the Group contracts with. Such consequences such as rising energy costs and/or energy blackouts could have a material and adverse effect on the Group's business, financial condition and results of operations.

Specific risks of Albania, Kosovo and North Macedonia

Government regulation and political risk

The Group's operating activities are subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, quarry development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters. While the Group believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned development projects. Where required, obtaining necessary permits and licenses can be a complex, time consuming process and the Group cannot assure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all.

In relation to Fox Marble, the costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Group from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

The Group's quarries are located in Kosovo and North Macedonia. The Group's activities may be affected in varying degrees by political stability and governmental regulations. Any changes in regulations or shifts in political attitudes in Kosovo or North Macedonia are beyond the control of the Group and may adversely affect its operations.

Legal systems

Albania, Kosovo and North Macedonia have less developed legal systems than more established economies which could result in risks such as: (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities resulting in an inconsistent application of legislation; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's licenses and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

The risk of corruption

The Group seeks to comply fully with anti-corruption legislation such as the UK Bribery Act 2010 and has put in place internal control policies and external due diligence and compliance policies. However, there can be no assurance that such procedures and established internal controls will adequately protect it against corrupt activity and such activity were it to occur could have an adverse effect on the Group's business, reputation, results of operations, financial condition and/or prospects.

Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,

- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Company continues to progress the development of its existing projects in Kosovo and North Macedonia. The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during 2019:

- Evaluating the feasibility of the Eco Bu
- Continuing evaluation of existing licence areas and assessment of potential new licence areas;
- Undertaking feasibility studies as part of the assessment of new projects or significant capital expenditure; and
- Continued assessment of corporate overheads, expenditure levels and wider market conditions.

As a mining and construction Group operating in Albania, Kosovo and North Macedonia, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption & bribery. Wherever possible, local communities are engaged in the geological operations & support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practise on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we maintain our social licence to operate from the communities with which we interact. The interests of our employees are a primary consideration for the Board. Personal development opportunities are supported and a health and security support network is in place to assist with any issues that may arise on our quarries.

Finally, I would like to thank all our staff and our Board colleagues for their unstinting efforts on behalf of Eco Buildings.

On behalf of the board

Sanjay Bowry

Chief Executive Officer

17 October 2023

Directors

Andrew Allner, Non-Executive Chairman

Andrew is currently Non-Executive Chairman of Shepherd Building Group ltd and SIG plc. He was Non-Executive Chairman of Marshalls plc, and Go-Ahead Group plc and Non-Executive Director and Chairman of the Audit Committee of CSR plc and Northgate plc and Senior Independent Director and Chairman of the Audit Committee of AZ Electronic Materials SA. Previously Andrew was Group Finance Director of RHM plc, taking a lead role in its flotation on the London Stock Exchange and its subsequent sale to Premier Foods plc. He was CEO of Enodis plc and also served in senior executive positions with Dalgety plc, Amersham International plc and Guinness plc. He was a partner at PricewaterhouseCoopers LLP and is a graduate of Oxford University. Andrew has been Non-Executive Chairman since 2012 and also chairs the nomination committee and sits on the remuneration committee.

Chris Gilbert, CEO (resigned 2 June 2023)

In 1992, Chris co-founded Infectious Records, an independent record company which grew to be one of the most successful independent record companies in the UK. Following this he founded Auriga Networks, a satellite transmission company which numbered among its clients NATO, the British and US Army, BBC, Fox Television and CBS News. In addition, Chris co-founded DarkStar Technologies, a high tech start up providing internet security and data management services to the entertainment industry. Chris co-founded Crosstown Songs, a buy and build music publishing venture funded by Cargill which became a major independent music publishing company which was sold to KKR / Bertelsmann. Chris has been CEO since the formation of the Company in 2011.

Fiona Hadfield, Finance Director

Fiona Hadfield is a chartered accountant. She previously worked with Deloitte LLP. Fiona joined Crosstown Songs as Chief Financial Officer, overseeing all financial aspects of the company's disposal of assets to KKR and Bertelsmann, before joining Fox Marble in 2011. Fiona is a graduate of Oxford University. Fiona joined Eco Buildings as Finance Director in 2011.

Roy Harrison OBE, Non-Executive Director (resigned 2 June 2023)

A former Chief Executive of the Tarmac Group, Senior Non-Executive Director at the BSS Group and President of the Construction Products Association, Roy also served as Non-Executive Chairman of the AIM listed Renew Holdings plc and has held Non-Executive roles in a number of private construction products companies. Roy is Chairman of the Thomas Telford Multi Academy Trust having spent 25 years establishing and running new or rescued Schools under the Thomas Telford Banner. Roy has been a Non-Executive Director of Eco Buildings since 2012 and also chairs the remuneration committee and sits on the audit and nomination committees.

Sir Mark Lyall Grant, Non-Executive Director

Sir Mark is one of the United Kingdom's most senior public servants, with more than 30 years of experience in leadership, policy making, negotiation and public presentation. He has held diplomatic postings on four continents, including High Commissioner to Pakistan and Ambassador to the United Nations. He was National Security Adviser to the Prime Minister from 2015 to 2017. He is currently a visiting professor at King's College London, and a Consultancy Adviser on National and International Security. He is a qualified barrister and was appointed to the Bench of Middle Temple in 2011.

Sir Colin Terry KBE CB DL FREng, Non-Executive Director (resigned 14 March 2023)

Sir Colin spent 37 years in the Royal Air Force reaching the rank of Air Marshal. He was Chief of Staff at RAF Logistics Command, Chief Engineer (RAF) and Air Officer Commanding-in-Chief at RAF Logistics Command, and RAF Board member for logistics. He was Group Managing Director at Inflite Engineering and Chair of the Engineering Council (UK) in addition to being a senior advisor to both Safran and Alenia Aermacchi for several years. In addition, Sir Colin was Non-Executive Chairman of Meggit plc, and AviaMediaTech Ltd. Sir Colin is currently a Non-Executive Chairman of Boxarr Ltd. He is the former Executive Chairman of Centronic Group Ltd and former Non-Executive Chairman of Centronic Ltd and a Non-Executive director of Aveillant Limited. He is also a Fellow of the Royal Academy of Engineering and of Imperial College, and a Deputy Lieutenant in Buckinghamshire. Sir Colin has been a Non-Executive Director of Fox Marble since 2012 and also chairs the audit committee and sits on the remuneration and nomination committees.

Sanjay Bowry, CEO (appointed 2 June 2023)

Sanjay attended the University of Liverpool where he read Engineering Science and Industrial Management.
His engineering foundation enabled him to build a successful career developing and growing technology and construction-based businesses, which he plans to utilise in order to grow Eco Buildings.
He spent 32 years, working for corporations including Air Products, BT, Digital Equipment Corporation, GE, Prebon Yamane, Dulas and Sun Edison. He has successfully and profitably developed businesses across Europe, Asia and the USA in IT, banking (commercial finance) and renewable energy. Over half of his working career was spent with General Electric USA. Sanjay held his first Board position at GEIS and has worked at C-Suite for organisations including GE; Sun Edison, Dulas and Prebon Yamane.
He subsequently set up his own consulting company, Claygate Management Services which supported boards and executive teams of organisations to deliver profitable growth. Sectors included renewable energy, social Housing, IT services and consulting.

Dominic Redfern, Executive Director (appointed 2 June 2023)

Dominic went into the City in 1987 and spent 17 years working in the debt and equity corporate finance and advisory business, proprietary investment and trading in public and private equities and hedge fund investment, first at Morgan Grenfell & Co. Limited in London and Tokyo and at Deutsche Morgan Grenfell in London. In 1999 he established a highly successful equity special situations investment group ESSG which managed funds of over US$1 billion dollars for Deutsche and its institutional clients. In 2004 he co-founded Altima Partners LLP and built one of Europe's largest and most successful hedge and private equity fund managers with over US$4.5 billion under management. In 2011 he co-founded Mandala Capital Limited, a leading Asian development capital company focusing on the Agribusiness sector with nearly US$500 million under management until he sold his interest in that business in 2016. Dominic has provided executive expertise and Board level leadership to a broad range of companies in sectors such as real estate investment and construction, development, building materials, agribusiness, healthcare and telecoms.

Dr Ahmet Shala, Non-Executive Director (appointed 2 June 2023)

Ahmet is currently the founder and president of the Board of Directors for the Leadership Foundation (LF) and is the global ambassador of James Madison University in Virginia, USA. Ahmet has worked in academia since 1988 where he was a lecturer in the University of Prishtina (Kosovo). Following this, he lectured and held positions across various institutions within the Balkans, including the University of Tetova (Macedonia), University of Prizen (Kosovo) and the Agna Leadership Academy (Albania). In addition, Ahmet has previously been a member of the Government of Kosovo. Between 2012 to 2015 he was the Kosovo Ambassador to Japan, and prior to this between 2008 and 2011 he acted as the Minister of Economy and Finance of Kosovo. Ahmet has a PhD degree in Leadership and Organisational Science from the James Madison University in Virginia, a PhD (ABT) in Strategic Management and Economic Development and a BA in Business Administration and Organizational Science from the University of Prishtina.

Etrur Albani, Non-Executive Director (appointed 2 June 2023)

Etrur is a serial entrepreneur who has held many leadership roles in start-ups and large scale businesses, including CEO of PTK Kosovo. He co-founded and was Managing Director of Fox Marble Holdings PLC, the first AIM listed dimension stone company. He founded Eco Buildings Group Ltd and has a large network of contacts in Southern Europe.
Etrur is currently Vice Chairman of Zenova Group Plc.
Etrur holds a Ph.D. and has completed the Oxford Strategic Leadership Course at Said Business School. Etrur received his PhD from London South Bank University, with an emphasis in 'High-Speed Communication Devices Using Microstrips'. Prior to this, he received a Bachelor of Electronic Engineering from North London University, with an emphasis on Electronic and Telecommunication Engineering.

Advisers

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Report of the Directors

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2022.

Change of Name

On the 2nd June 2023, the name of the Company was changed to Eco Buildings Group plc from Fox Marble Holdings Plc. The Directors believe that the proposed new name better encapsulates the Group's new business activity. It is the Board's intention that the trading names of the Group's subsidiaries will not change. The Company's AIM symbol was changed to ECOB and its website address was changed to www.eco-buildingsplc.com.

Principal Activities

Until the 2 June 2023, the principal activity of the Company and its subsidiary and associate companies (the 'Group') was the exploitation of marble quarry reserves in the Republic of Kosovo and the Republic of North Macedonia. On the 2 June 2023 the Company acquired Eco Buildings Group Ltd via a Reverse Take Over and changed its name from Fox Marble Holdings Plc to Eco Buildings Group Plc. Going forward the principal activity of the company will include the production of GFRG panels and their installation within housing and commercial developments. .A detailed business review of the year and future developments is included in the Chairman's statement and Strategic Report on pages 6-29.

Results and Dividends

The Group's results are set out in the consolidated statement of comprehensive income on page 52. The audited financial statements for the year ended 31 December 2022 are set out on pages 52-90.

The Group incurred an operating loss €1,833,490 for the year ended 31 December 2022 (2021 - €1,650,693). The Group incurred a loss after tax for the year ended 31 December 2022 of €1,714,690 (2021 - €1,895,738). The Company does not anticipate payment of dividends until the group has sufficient distributable reserves and operations become significantly cash generative. Further detail is included in the Strategic Report on pages 6-30.

Directors

The Directors of Eco Buildings Group plc who served during the year and up to the date of signing the financial statements, unless otherwise indicated, were:

Andrew Allner
Chris Gilbert (resigned 2 June 2023)
Fiona Hadfield
Roy Harrison OBE (resigned 2 June 2023)
Sir Mark Lyall Grant KCMG (appointed 3 April 2022)
Sir Colin Terry (resigned 14 March 2023)
Etrur Albani (appointed 2 June 2023)
Dominic Redfern (appointed 2 June 2023)
Ahmet Shala (appointed 2 June 2023)

Directors' interests in the share capital of the Company

The interests of the directors who held office during the year ended 31 December 2022 in the shares of the Company are given below.

Director	*As at 31 December 2022*	*As at the date of this report (1)*
Andrew Allner	2,518,997	49,693
Chris Gilbert	21,384,456	421,857
Fiona Hadfield	-	-
Roy Harrison	10,088,554	653,535

Sir Colin Terry	959,587	18,930
Sir Mark Lyall Grant	-	-

(1) Share numbers are given following share reorganisation described more detail in note 29. The share reorganisation resulted in a consolidation in the ration of 13/659.

Significant Shareholders

Eco Buildings Group plc has been notified as of 16 October 2023 of the following interests in excess of 3% of its issued share capital:

	Number of ordinary shares	% of issued share capital
Dominic Redfern	11,444,745	16.33%
Etrur Albani	16,806,953	23.99%
Linden Holdings (Malta) Limited	11,181,818	15.96%
Genard Kadiu	11,454,545	16.35%
Thomas Jackson	2,454,545	3.50%
Max Gustav Kapp	2,181,818	3.11%

The Group does not provide any third-party qualifying indemnity provisions or qualifying pension scheme indemnity provisions.

Strategic Report

The Company has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information in the Strategic Report which would otherwise be required to be contained in the Directors' Report:

- Financial risk management objectives;
- Indication of exposure to principal risks;
- Disclosures required by s172 of the Companies Act 2006;
- Future developments of the business.

The Impact of COVID-19 on the Group

Since March 2020, the Board has made preparations to mitigate the impact of COVID-19 on the business through several action plans and mitigation strategies. These will continue to be monitored and updated as required. Covid had a significant impact on the marble market, including the direct impacts of the travel restrictions, increased energy and shipping costs. These continue to have ongoing negative impact on the sector.

The Impact of Brexit on the Group

The Board has considered the extent of challenges to our business model and operations arising from the withdrawal of the United Kingdom from the European Union ('Brexit'). The Board does not envisage Brexit having a significant impact on the Group, based on the location of its operations and most of its customer base being located outside the EU. The Board will continue to evaluate the impact on the Group accordingly.

Corporate Governance

The Board of Directors is committed to developing and applying high standards of corporate governance appropriate to the Company's size and stage of development. The Board of Directors seeks to apply the QCA Code, revised in April 2019 as devised by the Quoted Companies Alliance. These disclosures can be found in the Corporate Governance Report.

Internal controls and financial risk management

The Board acknowledges its responsibility for maintaining appropriate internal control systems and procedures to safeguard the Group's assets, employees and the business of the Group. The directors have recognised the

changing requirements of the Group as it has developed from a private company start-up through re-registration as a public company and admission to trading on AIM, to a growing multi-asset operating Group.

The Board has established and operates a policy of continuous review and development of appropriate financial, operational, compliance and risk management controls, which cover expenditure approval, authorisation and treasury management, together with operating procedures consistent with the accounting policies of the Group.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable but not absolute assurance against material misstatement or loss. The Board has approved the Group's current operating and capital budget, and performance against budget is monitored and reported to the Board on a monthly basis. The directors confirm that the effectiveness of the internal control system during the accounting year has been reviewed by the Board. Steps are underway to reinforce as needed all processes and systems as the Company grows. The Board does not consider it necessary to establish an internal audit function considering the current size of the Group.

Environmental policy

The Group is aware of the potential impact that its subsidiary companies may have on the environment. The Group ensures that it complies with all local regulatory requirements and seeks to implement a best practice approach to managing the environmental aspects of its operations based on ISO 14001.

Health and Safety

Quarrying, stone processing and construction will always carry risks. Protecting the safety of employees and contractors is of fundamental importance. A safe and healthy workforce contributes to an engaged, motivated and productive workforce that mitigates operational stoppages. Safety is also considered a principal risk. The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective the Group provides training and support to employees and sets demanding standards for workplace safety. There were no significant incidents or significant near misses in 2022. Throughout 2022, all operations continued to implement safety plans, with a focus on effective management required to manage significant safety risks, learning and identifying potential hazards, and promoting accountability. These will remain priorities in 2023, with the aim of ensuring that each of our sites follows a consistent approach.

Independent Auditors

Each of the Directors at the date of the approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

PKF Littlejohn LLP have indicated their willingness to be reappointed at the Annual General Meeting.

Going Concern

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

Sanjay Bowry, Director

17 October 2023

Corporate Governance Report

The Board of Eco Buildings Group plc has adopted the QCA Corporate Governance Code ('the Code') as its code of corporate governance. The Code is published by the Quoted Companies Alliance ('QCA') and is available at www.theqca.com. The key governance related matter that occurred during the financial year ended 31 December 2022 was the completion of the acquisition of Eco Buildings Group Limited via an Reverse Take Over transaction in accordance with AIM rules, share reorganization and associated fundraising.

Corporate Governance Report

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

Principle One

Business Model and Strategy

The Board has concluded that the highest medium and long-term value can be delivered to its shareholders by the adoption of a single strategy for the Company. For the year ended 31 December 2022, the principal activity of the Group was the exploitation of marble quarry reserves in the Republic of Kosovo and the Republic of North Macedonia.

The Board have considered the long-term strategic plan for the Company and believe that the proposed acquisition of Eco Buildings Group Limited is of significant benefit to the shareholders of Eco Buildings Group Plc and provides for the long-term future of the Group, through diversification into a new area of business that could provide significant growth, as well as opportunities for the existing elements of the business.

The Board implements this strategy by meeting on a regular basis to discuss the strategic direction of the Company, and progress in achieving against its aims. Details on the Company's strategy can be found in the strategic report on page 6-29.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Eco Buildings has a Board of Directors with experience in understanding the needs and expectations of its shareholder base. It supplements this Board with professional advisers in the form of Public Relations company, NOMAD, Broker and Company Secretary who provide advice and recommendations in various areas of its communications with shareholders. Eco Buildings engages with shareholders in the following ways:

- The Company website has been designed as a hub to provide information to shareholders and communicate with them. The website is regularly reviewed to ensure the information is up to date and relevant. The website contains copies of all Company communications and public documents.
- The Company provides regular updates to the market via the Regulatory News Service.
- The Company's Annual Report provides required information regarding historical performance, strategy and objectives of the Company. An Annual General Meeting is held to which all shareholders are invited and may engage with the Board of Directors.
- Contact details for the Company are provided on the Company website along with public documents.

Principle Three

Considering Wider Stakeholder and Social Responsibilities

The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. For example, employees are encouraged to raise any concerns they may have with relevant management and are also provided with independent contact should they not want to engage directly with their managers. The mechanisms for feedback from shareholders have been considered under point (2) above. Feedback from customers is at present informal. Sales agents will contact customers on an ad hoc basis following completion of a sale or project and provide verbal feedback where necessary to senior management.

Feedback from regulators is provided via the regular framework of reporting and inspections that are carried out.

These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of the Company.

Principle Four

Risk Management

Eco Buildings recognises that risk is inherent in all of 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 all 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 taken into account 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 Company'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.

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive Directors. However, the Board will continue to monitor the need for an internal audit function.

Principle Five

A Well-Functioning Board of Directors

At the start of the year 31 December 2022 the Board had five Directors, three of whom were non-executive. In April 2022, Sir Mark Lyall Grant joined the board as an independent non-executive director. The Board is responsible for the management of the business of the Company, setting its strategic direction and establishing appropriate policies. It is the Directors' responsibility to oversee the financial position of the Company and monitor its business and affairs, on behalf of the shareholders, to whom they are accountable. The primary duty of the Board is to act in the best interests of the Company and stakeholders at all times. The Board also addresses issues relating to internal controls and risk management.

The Non-Executive Directors, Andrew Allner, Sir Colin Terry, Roy Harrison and Sir Mark Lyall Grant, brought a wide range of skills and experience to the Company, as well as independent judgment on strategy, risk and performance.

On the 14 March 2023, Sir Colin Terry resigned from the board due to ill health.

On the 2 June 2023, following completion of the RTO, Etrur Albani, Ahmet Shala joined the board as non executive directors, and Roy Harrison stepped down. Dominic Redfern joined as an Executive Director.

The independence of each Non-Executive Director is assessed at least annually, and two of the Non-Executive Directors are considered to be independent at the date of this report, Ahmet Shala and Sir Mark Lyall Grant.

It is the Group's policy that the roles of the Chairman and CEO are separate, with their roles and responsibilities clearly divided and recorded. A summary of their roles is as follows:

- The Chairman is responsible for leadership of the Board, ensuring its effectiveness and setting its agenda. The Chairman facilitates the effective contribution and performance of all Board members whilst identifying any development needs of the Board. He also ensures that there is enough and effective communication with shareholders to understand their issues and concerns.
- The CEO is responsible for executing the strategy agreed by the Board and developing the Group objectives through leadership of the senior executive team. He will recommend to the Board any investment or new business opportunities which meet this strategy. He also ensures that the Group's risks are adequately addressed, and appropriate internal controls are in place. The CEO is responsible for meeting with shareholders and ensuring effective communication.

- The CEO is responsible for the day-to-day management of the Company, and for maintaining the highest ethical standards and integrity in the interest of the shareholders, employees, customers and the wider community.

The following table shows the directors' attendance at scheduled Board meetings, which they were eligible to attend during the 2022 financial year:

Director	*Attendance at Board Meetings*	*Attendance at Audit Committee Meetings*
Andrew Allner	8/8	2/2
Chris Gilbert	8/8	2/2
Fiona Hadfield	8/8	2/2
Roy Harrison OBE	8/8	2/2
Sir Colin Terry	7/8	2/2
Sir Mark Lyall Grant	6/6	1/1

As at the date hereof the Board comprised, the Non-Executive Chairman Andrew Allner, the CEO Sanjay Bowry, the Finance Director Fiona Hadfield, Executive Director Dominic Redfern and three Non-Executive Directors, Etrur Albani, Ahmet Shala and Sir Mark Lyall Grant. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

Principle Six

Appropriate Skills and Experience of the Directors

The Board of Eco Buildings has been assembled to allow each Director to contribute the necessary mix of experience, skills and personal qualities to deliver the strategy of the company for the benefit of the shareholders over the medium to long term. Full details of the Board Members and their experience and skills can be found on pages 29-32 of these financial statements.

Together the Board of Directors provide relevant quarrying, construction and quarrying sector skills, the skills associated with running large public companies, technical skills, country experience and technical and financial qualifications to assist the Company in achieving its stated aims.

The Directors keep their skillsets up to date through as required through the range of roles they perform and consideration of technical and industry updates.

The Board has sought external advice in regard to Arbitration against the government of Kosovo and the transaction to acquire Eco Buildings Group Limited. Other than this matter the Board has not sought advice on any significant matter, apart from advice sought in the normal course of business from our auditors, lawyers and tax compliance advice. No external advisers have been engaged by the Board of Directors. The key advisers to the Company are listed on page 32 of these financial statements.

The role of Company Secretary is fulfilled by Ben Harber and supports and advises the Board in its function.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Principle Seven

Evaluation of Board Performance

Eco Buildings has yet to carry out a formal assessment of Board effectiveness, given its stage of development as an entity. The Board are considering how this first assessment will be carried out. The Board will keep this under consideration and put in place procedures when it is felt appropriate.

The Company's policy is to maintain levels of compensation for the Group that are comparable and competitive with peer group companies, so as to attract and retain individuals of the highest calibre, by rewarding them as appropriate for their contribution to the Group's performance. The Company may take independent advice in structuring remuneration packages of directors and employees.

The terms of each Executive Director's appointment are set out in their service agreements which are effective for an indefinite period but may be terminated in accordance with specified notice periods of between six and twelve months. Each service agreement sets out details of basic salary, fees, benefits-in-kind and share option grants. The Directors do not participate in any group pension scheme and their remuneration is not pensionable.

The executive directors are eligible to participate in discretionary bonus arrangements. Bonuses are payable in cash and are awarded by the Board, upon recommendations by the Remuneration Committee. Details of the Directors' compensation are set out in the notes to the financial statements.

The terms of appointment of the Non-Executive Directors are set out in their letters of appointment which are effective for renewable three-year terms but may be terminated in accordance with specified notice periods. The Non-Executive Directors do not participate in any group pension scheme and their remuneration is not pensionable. Details of Non-Executive Directors' compensation are set out below.

The basic salary of each Executive Director is established by reference to their responsibilities. The fees paid to Non-Executive Directors are determined by the Board and reviewed periodically to reflect current rates and practice commensurate with the size of the Company and their roles.

Principle Eight

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders.

Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

The terms of reference of the board committees are reviewed regularly and are available on the Company's website www.eco-buildingsplc.com

Remuneration Committee

The Remuneration Committee consisted of Andrew Allner, Sir Colin Terry and Roy Harrison (Committee Chairman) for the year ended 31 December 2022. It is responsible for reviewing the performance of the senior executives and for determining their levels of remuneration. The Committee makes recommendations to the Board, within agreed terms of reference regarding the levels of remuneration and benefits. On the 2 June 2023 Roy Harrison and Sir Colin Terry stepped down and were replaced on the Committee by Sir Mark Lyall Grant (as the new Committee Chairman), Ahmet Shala, and Dominic Redfern.

Nomination Committee

The Nomination Committee meets as required to consider the composition of and succession planning for the Board, and to lead the process of appointments to the Board. The Committee Chairman is Andrew Allner. The other members of the Committee are Chris Gilbert, Roy Harrison and Sir Colin Terry for the year ended 31 December 2022. On the 2 June 2023 Chris Gilbert, Roy Harrison and Sir Colin Terry stepped down and were replaced on the Committee by Sir Mark Lyall Grant, Ahmet Shala, Etrur Albani and Dominic Redfern.

Audit Committee

The Audit Committee consisted of two Non-Executive Directors: Roy Harrison and Sir Colin Terry (Committee Chairman) for the year ended 31 December 2022. On 2 June 2023 Roy Harrison and Sir Colin Terry stepped down and were replaced by Sir Mark Lyall Grant and Ahmet Shala (as the new Committee Chairman). Andrew Allner attends the Committee meetings by invitation. The Audit Committee meets at least three times a year to consider the annual and interim financial statements and the audit plan. The Audit Committee is responsible for ensuring that appropriate financial reporting procedures are properly maintained and reported upon, reviewing accounting policies and for meeting the auditors and reviewing their reports relating to the financial statements and internal control systems. The report of the Audit Committee can be found on page 41.

Non-Executive Directors

The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Historical annual reports and other governance-related material, notices of all general meetings over the last five years can be found on the website.

There have been no votes where a significant proportion of votes (e.g. 20% of independent votes) have been cast against a resolution at any general meeting.

Report of the Audit Committee

This report details how the Audit Committee has met its responsibilities under its Terms of Reference in the last twelve months. The Audit Committee focused particularly on the appropriateness of the Group's financial statements. The Committee has satisfied itself, and has advised the Board accordingly, that the 2022 Annual Report and Financial Statements are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group's performance, business model and strategy. The significant issues that the Committee considered in relation to the financial statements and how these issues were addressed are set out in this Report.

One of the Audit Committee's key responsibilities is to review the Group's risk management and internal controls systems, including in particular internal financial controls. During the year, the Committee carried out a robust assessment of the principal risks facing the company and monitored the risk management and internal control system on an on-going basis. The Committee also reviewed the effectiveness of both the external audit process as part of the continuous improvement of financial reporting and risk management across the Group.

The Board has established an Audit Committee to monitor the integrity of the Company's financial statements and the effectiveness of the Group's internal financial controls. The Committee's role and responsibilities are set out in the Committee's terms of reference which are available from the Company and are displayed on the Group's website. The Terms of Reference are reviewed annually and amended where appropriate. During the year, the Committee worked with management, the external auditors, and other members of the Board in fulfilling these responsibilities.

Committee membership and meetings

The Audit Committee consists of two non-executive Directors: Roy Harrison and Sir Colin Terry (Committee Chairman) served during the year ended 31 December 2022. Following completion of the RTO on the 2 June 2023, Roy Harrison and Sir Colin Terry stepped down from the committee and were replaced by Sir Mark Lyall Grant and Ahmet Shala (as new committee chairman). Andrew Allner attends the committee meetings by invitation. The biographies of each can be found on pages 29-33. The Board considers that the Committee as a whole has an appropriate and experienced blend of commercial, financial and industry expertise to enable it to fulfil its duties. The Committee met two times during the year ended 31 December 2022 and all members of the Committee attended each meeting.

Each committee meeting was attended by the Group CEO and the Group Financial Director. The external auditors may also attend these meetings as required. The Company Secretary is the secretary of the Audit Committee.

The Chairman of the Audit Committee also met with the external audit lead partner outside of committee meetings as required throughout the year.

The Audit Committee report deals with the key areas in which the Audit Committee plays an active role and has responsibility. These areas are as follows:

1) Financial Reporting and related primary areas of judgement;
2) The External Audit process; and
3) Risk Management and Internal controls.

Financial Reporting and related primary areas of judgement

The Committee is responsible for monitoring the integrity of the Group's financial statements and reviewing the financial reporting judgements contained therein. The financial statements are prepared by a finance team with the appropriate qualifications and expertise.

The Committee confirmed to the Board that the Annual Report and Financial Statements, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

In respect of the year to 31 December 2022, the Committee reviewed:

- the Group' s Interim Report for the six months to 30 June 2022; and
- the Final Results Announcement and Annual Report and Financial Statements to 31 December 2022.

In carrying out these reviews, the Committee:

- reviewed the appropriateness of Group accounting policies and monitored changes to and compliance with accounting standards on an on-going basis;
- discussed with management and the external auditors the critical accounting policies and judgements that had been applied;
- discussed a report from the external auditors at that meeting identifying the significant accounting and judgemental issues that arose in the course of the audit;
- considered the management representation letter requested by the auditors for any non-standard issues;
- discussed with management future accounting developments which are likely to affect the financial statements; and
- considered key areas in which estimates, and judgement had been applied in preparation of the financial statements.

The primary areas of judgement considered by the committee in relation to the Group's 2021 financial statements, and how they were addressed by the committee are set out below.

Significant risks considered by the Committee in relation to the financial statements	**Corresponding actions taken by the Committee to address the issues**
Impairment Assessment of tangible and intangible assets	The Committee reviewed the key judgements, operating and economic assumptions which underlie the assessment of whether there are indications that assets may be impaired. The external auditor reviewed management's assessment and discussed this review with the Committee.
Group's ability to continue as a going concern	The Committee reviewed the Group's going concern statement set out in the Report of the Directors. In considering the assessments made, the Committee paid attention to the robustness of the stress testing scenarios. The external auditor reviewed management's assessment and discussed this review with the Committee.
Valuation of Inventory	The Committee reviewed the calculations and assumptions provided by management which support the valuation of inventory. The Committee reviewed the judgements around the expected net realisable value of the inventory in conjunction with forecast sales. The Committee is comfortable with the carrying value of inventory.

External Audit Process

The Audit Committee has responsibility for overseeing the Group's relationship with the external auditor including reviewing the quality and effectiveness of their performance, their external audit plan and process, their independence from the Group, their appointment and their audit fee proposals. Prior to commencement of the 2022 year-end audit, the Committee approved the external auditor's work plan and resources and agreed with the auditor's various key areas of focus, including impairment, inventory and going concern. During the year the Committee met with the external auditor without management being present. This meeting provided the opportunity for direct dialogue and feedback between the Committee and the auditor. The Audit Committee considers the requirements and guidance for auditor rotation on an annual basis and makes recommendations as appropriate to the Company.

The Committee is responsible for ensuring that the external auditor is objective and independent. PKF Littlejohn LLP was appointed in 2019, following a formal tender process in which several leading global firms submitted tenders and presentations. This was the last formal tender process carried out by the Group. The Committee received confirmation from the auditor that they are independent of the Group under the requirements of the Financial Reporting Council's Ethical Standards for Auditors. The auditors also confirmed that they were not aware of any relationships between the Group and the firm or between the firm and any persons in financial reporting oversight roles in the Group that may affect their independence.

In order to further ensure independence, the Committee has a policy on the provision of non-audit services by the external auditor that seeks to ensure that the services provided by the external auditor are not, or are not perceived to be, in conflict with auditor independence. By obtaining an account of all relationships between the external auditor and the Group, and by reviewing the economic importance of the Group to the external auditor, the committee ensured that the independence of the external audit was not compromised. During the year the committee reviewed and updated its policy on the engagement of external auditors and the provision of non-audit services in order to bring it into full compliance with audit reform legislation. An analysis of fees paid to the external auditor, including non-audit fees, is set out in Note 6 to the 2022 Annual Report.

Risk Management and Internal controls

The Audit Committee has been delegated the responsibility for monitoring the effectiveness of the Group's system of risk management and internal control by the Board. The Audit Committee monitors the Group's risk management and internal control processes through detailed discussions with management and executive Directors, and the external audit reports, as part of both the year-end audit, all of which highlight the key areas of control weakness in the Group. All weaknesses identified by the external audit are discussed by the Committee with Group management and an implementation plan for the targeted improvements to these systems is put in place. As part of its standing schedule of business, the Committee carries out an annual risk assessment of the business to formally identify the key risks facing the Group

This report was approved by the Board of Directors and signed on its behalf by:

Ahmet Shala

Chairman of the Audit Committee

17 October 2023

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group and parent company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The Directors are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Sanjay Bowry,

Director

17 October 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECO BUILDINGS GROUP PLC (FORMERLY FOX MARBLE HOLDINGS PLC)

Opinion

We have audited the financial statements of Eco Buildings Group plc (formerly Fox Marble Holdings plc) (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of changes in Equity, Parent Company Statement of Financial Position, Parent Company Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining, reviewing, checking mathematical accuracy and challenging management's cash flow forecasts for the going concern period of at least twelve months from the date the financial statements were approved;
- Obtaining and reviewing management application of sensitivities in respect of production line commencement dates and creditor payments;
- Reviewing evidence of factory commissioning readiness in respect of project timelines, prepared by internal project managers;
- Obtained corroborating contractual evidence and obtaining confirmation from the Directors on their review of the collectability with respect to the placing of ordinary shares post year end;
- Agreed the opening cash position of management's forecast presented to bank statements;

- Assessed the reasonableness of management's expected revenues with reference to underlying signed agreements;
- Identifying and evaluating events subsequent to the year-end, particularly the impact of the reverse takeover transaction in relation to Eco Buildings Group plc, to ensure that they had been factored into management's assessment.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The materiality applied to the group financial statements as a whole was €76,000 (2021: €90,000) based on thresholds of 2.0% (2021: 1.5%) of net assets. The net asset benchmark was concluded as most relevant to shareholders and investors for a mining group with projects in different stages of development and with external borrowings. The performance materiality for the group was €45,600 (2021: €54,000), representing 60% of overall materiality, which was considered an accurate reflection of the risk of misstatements within the accounting systems of the Group and Parent. The threshold used for reporting unadjusted differences to the audit committee was €3,800 (2021: €4,500).

The materiality applied to the Parent Company financial statements was €30,400 (2021: €81,000) based on a threshold of 2% (2021: 1.5%) of net assets but capped at 40% of group materiality to ensure adequate audit evidence was obtained over the Parent Company financial statements in relation to the Group. The net asset benchmark was concluded as most relevant to shareholders and investors for a non-trading parent undertaking. The performance materiality of the Parent Company was €18,240 (2021: €48,600), representing a consistent approach in percentage allocation with that of the Group.

For each significant component in the scope of our audit, including the parent company, we allocated a materiality based on the maximum aggregate component materiality. The range of materiality allocated across components was between €60,800 and €30,400. Performance materiality was set at 60% for the significant components equating to figures between €36,480 and €18,240 respectively.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors, which are borne out in our key audit matters, and considered future events that are inherently uncertain, including those as outlined in the going concern section above. The key audit matters that we considered to include significant accounting estimates and judgements were:

- Valuation of inventory
- Carrying value of intangible assets
- Carrying value of net investment in subsidiaries

We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The accounting records of the Parent Company and all subsidiary undertakings are centrally located and audited by us based upon materiality or risk. The key audit matters addressed, and how these were addressed are outlined below. Stock counts were attended by a member firm with direction from the central audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Valuation of inventory (Notes 3 and 15)	
Inventory has a carrying amount of €2.3m (2021: €2.9m) in the financial statements as at 31 December 2022. **The recoverability of inventory is reliant on the net realisable value which reflects future demand and market trends which are difficult to anticipate. There is a risk that the carrying value of inventory is materially misstated with regards to valuation. We consider this to be a key audit matter given the financial significance (Inventory represents 22.9% of the Group's total assets at 31 December 2022) and that management use judgement and estimation in arriving at the valuation.**	Our work included: ▪ Arranging attendance by a PKF network firm at an inventory count in significant quarries in Kosovo and North Macedonia post year end and reconciling the movements within inventory back to the year-end closing balance. This excludes the Maleshevë quarry which is currently embargoed by the Kosovan government; ▪ Reviewing and testing the weighted average cost of inventory and challenging management on the estimations and judgements inherent in the calculation; ▪ Reviewing management's methodologies of valuing inventory to ensure these methodologies are consistent across the Group and are in line with IAS 2 ▪ Comparing the net realisable value (NRV) (e.g., the post year-end sales price) to the cost price on a sample of inventory items to ensure that inventory is valued at the lower of cost and NRV; ▪ Reviewing management's sales order book to determine whether the demand for the inventory exists; and ▪ Assessing management's provisioning methodology and re-performing the assessment to ensure the provision is not understated. .

Carrying value of intangible assets (Note 12)	
Intangible assets have a carrying amount of €2.7m in the financial statements as at 31 December 2022. **Intangible assets relate predominantly to mining rights and licences in respect of the Prilep Alpha and Omega quarries in North Macedonia. The recoverability of these assets is determined with reference to the Group's ability to successfully operate the quarries.** **Management undertake an impairment review which involves preparing a discounted cashflow model. The inputs to this model require management to make key assumptions and estimations such as future production rates, sales prices and operating costs.** **There is a risk that the valuation of intangible assets is materially misstated with regards to valuation. We consider this to be a key audit matter because of the financial significance (intangible assets represent 26.3% of the Group's total assets at 31 December 2022) and that management use judgement and estimation in arriving at the valuation.**	Our work included: ▪ Obtaining management's impairment assessment and challenging the key assumptions made; ▪ Obtained sensitivity analysis and scenario modelling to test the reliance of the cash flow forecasts upon management's estimation and judgement and checked mathematical accuracy of the models; ▪ Considering whether there are any indicators of impairment as set out under IFRS 6 and IAS 36; ▪ Comparing the expected resource to be extracted in the models to the indicated and inferred reserves included in the independent Competent Person's report and in addition performing procedures to assess their independence and competence. ▪ Assessing the amortisation of intangible assets in accordance with the relevant standard; ▪ Reviewing available information regarding progress at the quarries for evidence of indicators of impairment; and ▪ Reviewing of disclosures in the financial statements for accuracy.
Carrying value of net investment in subsidiaries (refer Note 25)	
The Parent Company's net investment in subsidiaries at 31 December 2022 is €17.4m **The carrying value of the net investment in subsidiaries is ultimately dependent on the value of the underlying assets. Many of the underlying assets are at an early stage of their lifecycle making it difficult to determine their value. Valuations for these sites are therefore based on judgments and estimates made by the Directors - which leads to a risk of misstatement.**	Our work included: ▪ Reviewing the impairment indicators listed in IFRS 6 and IAS 36 and challenging management's assessment of the value of the underlying assets; ▪ Checking mathematical accuracy of value-in-use calculations prepared by the management, and reviewing and challenging the assumptions used. ▪ Comparing the carrying value of the investment to the NAV of the subsidiaries for indicators of impairment; ▪ Challenging management to understand the performance of the subsidiary and its underlying value; and ▪ Discussing with management the basis for impairment of investments in subsidiaries and loans receivable from subsidiaries, and critically assessing their key assumptions.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the Group and Parent Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the Group and Parent Company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Parent Company financial statements, the directors are responsible for assessing the Group and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and Parent Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of audit knowledge and experience of the sector.
- Our audit procedures were designed to ensure the audit team considered whether there were any indications of non-compliance by the Group and Parent Company with those laws and regulations. The Group and Parent Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, mining legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- In addition, the Group and Parent Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety; various regulation around the mining and general environmental protection legislation; fraud; bribery and corruption; export control; Consumer Rights Act; and employment law recognising the nature of the group and Parent Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the recognition of revenue, posting of unusual journals and manipulating the group's alternative performance profit measures and other key performance indicators to meet externally communicated targets.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Timothy Harris (Senior Statutory Auditor) 15 Westferry Circus

For and on behalf of PKF Littlejohn LLP Canary Wharf

Statutory Auditor London E14 4HD

17 October 2023

Consolidated Statement of Comprehensive Income

For the year ended 31 December

	Note	2022 €	2021 €
Revenue	5	888,137	646,064
Cost of sales	6	(482,422)	(530,295)
Gross profit		405,715	115,769
Administrative and other operating expenses	6	(2,340,520)	(1,766,462)
Operating loss	6	(1,934,805)	(1,650,693)
Finance costs	8	(181,062)	(386,198)
Finance income	9	180,618	141,153
Loss before taxation		(1,935,248)	(1,895,738)
Taxation credit	10	-	-
Loss for the year		(1,935,248)	(1,895,738)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to owners of the parent company		(1,935,248)	(1,895,738)
Earnings per share			
Basic earnings per share	11	(0.235)	(0.256)
Diluted earnings per share	11	(0.235)	(0.256)

The notes on pages 58 to 90 are an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December	Note	2022	2021
		€	€
Assets			
Non-current assets			
Intangible assets	12	2,705,417	2,748,771
Property, plant and equipment	13	4,200,839	4,429,161
Total non-current assets		6,906,256	7,177,932
Current assets			
Trade and other receivables	14	992,219	1,134,487
Inventories	15	2,344,839	2,986,621
Cash and cash equivalents	21	13,025	558,282
Total current assets		3,350,083	4,679,390
Total assets		**10,256,339**	**11,857,322**
Current liabilities			
Trade and other payables	16	1,779,853	1,407,650
Borrowings	17	2,104,968	1,997,852
Total current liabilities		3,884,822	3,405,502
Non-current liabilities			
Deferred tax liability	10	84,504	84,504
Lease Commitments	18	100,152	146,206
Borrowings	17	2,594,258	2,704,916
Total non-current liabilities		2,778,913	2,935,626
Total liabilities		**6,663,735**	**6,341,128**
Net assets		**3,592,604**	**5,516,194**
Equity			
Called up share capital	19	4,958,386	4,958,386
Share premium	19	32,575,443	32,575,443
Accumulated losses		(34,114,471)	(32,179,224)
Share based payment reserve	20	137,704	126,046
Other reserve		35,543	35,543
Total equity		**3,592,604**	**5,516,194**

The notes on pages 58-90 are an integral part of these financial statements. The financial statements on pages 52 to 90 were approved and authorised for issue by the Board on 17 October 2023 and are signed on its behalf.

Sanjay Bowry,
Director
17 October 2023

Consolidated Statement of Cash Flows

For the year ended 31 December

	Note	2022	2021
		€	€
Cash flows from operating activities			
Loss before taxation		(1,935,248)	(1,895,738)
Adjustment for:			
Finance costs	8	181,062	386,198
Finance income	9	(180,618)	(141,153)
Operating loss for the year		(1,934,805)	(1,650,693)
Adjustment for:			
Amortisation	12	43,354	44,364
Depreciation	13	230,721	318,481
Disposal of PPE		-	42,311
Equity settled transactions	20	11,658	19,444
Provision for impairment of receivables	14	152,223	69,515
Provision for inventory	15	470,715	118,137
Changes in working capital:			
(Increase) in trade and other receivables	14	(9,955)	(51,685)
Decrease/(increase) in inventories	15	171,066	(63,481)
Increase/(decrease) in accruals	16	152,668	(129,408)
Increase/(decrease) in trade and other payables	16	219,534	(23,804)
Net cash used in operating activities		(492,822)	(1,306,819)
Cash flow from investing activities			
Expenditure on property, plant & equipment	13	(2,398)	(37,440)
Expenditure on rights of use assets	18	(57,708)	(62,556)
Interest on bank deposits	9	5	42
Net cash used in investing activities		(60,101)	(99,954)
Cash flows from financing activities			
Proceeds from issue of shares (net of issue costs)	19	-	1,755,836
Reclass from other creditors	17	40,261	-
Repayment of loan notes	17	(22,586)	(83,905)
Interest paid on loan note instrument	17	(50,608)	(84,554)
Net cash generated from financing activities		(32,933)	1,587,377
Net (decrease)/increase in cash and cash equivalents		**(585,856)**	**180,604**
Cash and cash equivalents at beginning of year		558,282	377,678
Exchange losses on cash and cash equivalents			
Cash and cash equivalents at end of year	21	**(27,573)**	**558,282**
Cash at bank and in hand		**13,025**	**558,282**
Arranged overdraft		**(40,598)**	**-**
Cash and cash equivalents at end of year		**(27,573)**	**558,282**

The notes on pages 58 to 90 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Share based payment reserve	Other Reserve	Accumulated losses	Total equity
Note	19		20			
	€	€	€	€	€	€
Balance at 1 January 2021	3,721,007	32,056,986	106,602	35,543	(30,283,486)	5,636,654
Loss and total comprehensive loss for the year	-	-	-	-	(1,895,738)	(1,895,738)
Transactions with owners						
Share options charge	-	-	19,444	-	-	19,444
Share capital issued	1,237,379	518,457	-	-	-	1,755,836
Balance at 31 December 2021 and at 1 January 2022	4,958,386	32,575,443	126,046	35,543	(32,179,224)	5,516,194
Loss and total comprehensive loss for the year					(1,935,248)	(1,935,248)
Transactions with owners						-
Share options charge	-	-	11,658	-	-	11,658
Balance at 31 December 2022	4,958,386	32,575,443	137,704	35,543	(34,114,471)	3,592,604

The notes on pages 58-90 are an integral part of these financial statements.
Other reserves of €35,543 (2021 - €35,543) arose on acquisition of Fox Marble Limited by Fox Marble Holdings Plc, since renamed Eco Buildings Group Plc, in October 2011 which was accounted for as a Common Control transaction.

Statement of Financial Position of the parent company

As at 31 December

	Note	2022	2021
		€	€
Assets			
Non-current assets			
Investments	25	17,400,068	19,926,997
Property, plant and equipment	13	94,600	142,827
Total non-current assets		**17,494,668**	**20,069,824**
Current assets			
Trade and other receivables	14	77,127	147,542
Cash and cash equivalents	21	1,913	300,173
Restricted cash	21	-	189,265
Total current assets		79,040	636,980
Total assets		**17,573,708**	**20,706,804**
Current liabilities			
Trade and other payables	16	1,154,077	723,927
Borrowings	17	2,064,370	1,997,852
Total current liabilities		3,218,447	2,721,779
Non-current liabilities			
Borrowings	17	2,594,258	2,704,916
Lease Liability	18	100,152	146,202
Total non-current liabilities		2,694,409	2,851,118
Total liabilities		**5,912,856**	**5,572,897**
Net assets		**11,660,851**	**15,133,907**
Equity			
Share capital	19	4,958,386	4,958,386
Share premium	19	32,575,443	32,575,443
Accumulated losses		(26,010,681)	(22,525,968)
Share based payment reserve	20	137,704	126,046
Total equity		**11,660,851**	**15,133,907**

The notes on pages 58 to 90 are an integral part of these financial statements.
The Company has elected to take advantage of the exemption under section 408 of the Companies Act 2006 not to present the parent company statement of comprehensive income. The loss for the year for the Company is €3,365,471 (2021 – €946,191). The financial statements on pages 52 to 90 were approved and authorised for issue by the Board on 17 October 2023 and signed on its behalf.

Sanjay Bowry,
Director
17 October 2023
Company number: 07811256

Statement of Changes in Equity of the parent company

	Share Capital	Share Premium	Share based payment reserve	Accumulated losses	Total equity
Note	19	19	20		
	€	€	€	€	€
Balance at 1 January 2021	3,721,007	32,056,986	106,602	(21,579,777)	14,304,818
Loss and total comprehensive income for the year	-	-	-	(946,191)	(946,191)
Transactions with owners					
Share options charge	-	-	19,444	-	19,444
Share capital issued	1,237,379	518,457	-	-	1,755,836
Balance at 31 December 2021 and at 1 January 2022	**4,958,386**	**32,575,443**	**126,046**	**(22,525,968)**	**15,133,907**
Loss and total comprehensive income for the year	-	-	-	(3,484,713)	(3,484,713)
Transactions with owners					
Share options charge	-	-	11,658	-	11,658
Balance at 31 December 2022	**4,958,386**	**32,575,443**	**137,704**	**(26,010,681)**	**11,660,851**

Notes to the consolidated and parent company financial statements

1. General information

During the period the principal activity of Eco Buildings Group plc and its subsidiary and associate companies (collectively 'Eco Buildings Group' or 'Group') is the exploitation of quarry reserves in the Republic of Kosovo and the Republic of North Macedonia and the development of GFRG walling panels for use in construction. .

Eco Buildings Group plc (formerly 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. Eco Buildings Group plc shares are admitted to trading on the London Stock Exchange's AIM market on 2 June 2023.

2. Basis of Preparation

These consolidated financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. 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 financial assets and liabilities which are recorded at fair value through the profit and loss relate to the conversion option on the existing loan notes.

In publishing the parent company financial statements together with the Group financial statements, the Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these approved financial statements.

The parent company financial statements of Eco Buildings Group plc have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006, as applicable to Companies using FRS 101.

The preparation of the parent company's financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of the parent company financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of: (i) paragraph 79(a)(iv) of IAS 1; (ii) paragraph 73(e) of IAS 16 Property, plant and equipment; (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period);

- The following paragraphs of IAS 1, 'Presentation of financial statements': 10(d), (statement of cash flows) 16 (statement of compliance with all IFRS), 38A (requirement for minimum of two primary statements, including cash flow statements), 38B-D (additional comparative information), 111 (cash flow statement information), and 134-136 (capital management disclosures);
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

The accounting policies set out below have been applied consistently across the Group and to all periods presented in these financial statements.

3. Significant accounting policies

Basis of consolidation

The Group financial statements consolidate those of Eco Buildings Group plc (the Company) and its subsidiaries. The parent company financial statements present information about the Company as a separate entity and not about its group.

The consolidated financial statements incorporate the financial information of Eco Buildings Group plc and its subsidiaries Fox Marble Limited, Fox Marble Kosova Sh.P.K., H&P Sh.P.K., Rex Marble Sh.P.K., Fox Marble Asia Limited, Gulf Marble Investments Limited, Fox Marble FZC and Stone Alliance LLC.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. Further to this, subsidiaries are entities for which the Group has the power to govern the financial and operating policies and consistent accounting policies have been adopted across the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Associates and joint ventures are all entities over which the group has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides

evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Revenue Recognition

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.

Revenue is derived principally from the sale of block and processed marble and is measured at the fair value of consideration received or receivable, after deducting discounts, value added tax and other sales taxes. A sale is recognised when control has been transferred. This is usually when title and insurance risk have passed to the customer and the goods have been delivered to a contractually agreed location.

The identification of performance obligations includes a determination of whether the goods and services provided are distinct. Where the contract involves the provision of multiple elements, such as the provision of marble and processing services management applies a judgement in determining whether services are distinct. Where the provision of goods/services is distinct revenue is recognised separately for each element.

An assessment of the timing of revenue recognition is made for each performance obligation. Revenue is recognised at a point in time for all revenue transactions where control of goods provided is transferred to the customer. Revenue is also recognised at a point in time for all contracts that involve multiple elements when the agreed output is produced. The Group does not normally enter into contracts which involve the recognition of revenue over time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. The production cost of inventory includes direct materials, direct labour and an appropriate proportion of depreciation and production overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation of quarrying equipment and infrastructure for fully developed quarries is calculated using the Units of Production ('UOP') method to write off the cost of the assets proportionately to the extraction of material from the quarries. Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Depreciation of processing equipment and infrastructure is calculated using the UOP method to write off the cost of the assets proportionately to the production of processed slabs in the factory. Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Depreciation of items of property, plant and equipment, other than quarrying & processing equipment and infrastructure, is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life.

The estimated useful lives of property, plant and equipment are as follows:

- Quarry Plant and machinery - 5–15 years
- Factory Plant and Machinery - 5-20 years
- Leasehold improvements - Period of the lease
- Office equipment - 3-5 years
- Land - indefinite

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Land is not depreciated.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

The Group recognises a right-of-use asset and corresponding liability at the date at which a leased asset is made available for use by the Group, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities are measured at the present value of the future lease payments, excluding any payments relating to non-lease components. Future lease payments include fixed payments, in-substance fixed payments, and variable lease payments that are based on an index or a rate, less any lease incentives receivable. Lease liabilities also take into account amounts payable under residual value guarantees and payments to exercise options to the extent that it is reasonably certain that such payments will be made.

The payments are discounted at the rate implicit in the lease or, where that cannot be readily determined, at an incremental borrowing rate.

Right-of-use assets are measured initially at cost based on the value of the associate lease liability, adjusted for any payments made before inception, initial direct costs and an estimate of the dismantling, removal and restoration costs required in the terms of the lease.

The Group presents right-of-use assets in 'property, plant and equipment' in the consolidated statement of financial position. Subsequent to initial recognition, the lease liability is reduced for payments made and increased to reflect interest on the lease liability (using the effective interest method).

The related right-of-use asset is depreciated over the term of the lease or, if shorter, the useful economic life of the leased asset. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate. Leases for which the Group is a lessor are classified as finance or operating leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to the lessee and classified as an operating lease if it does not.

Intangible Assets

All costs associated with exploration and evaluation including the costs of acquiring exploration and exploitation licences, annual licence fees, rights to explore, topographical, geological and geophysical studies of extracting a dimensional stone resource, are capitalised as intangible exploration and evaluation assets until such time as when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. After initial recognition they are subsequently measured at cost.

The costs are allocated to quarry locations within a licence area. Each area is treated as a cash-generating unit ('CGU') because the underlying geology and risks and rewards of exploration within a quarry are similar.

If an exploration project is successful, the related expenditures will be transferred to intangible or tangible assets and be amortised over the estimated life of the reserves or life of the licence whichever is less on a straight-line basis. The asset is amortised once it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation is included within operating loss in the statement of comprehensive income. Where a project does not lead to the discovery of commercially viable quantities of dimensional stone resources and is relinquished, abandoned, or is of no further commercial value to the Group, the related costs are written off to profit or loss.

The recoverability of capitalised exploration costs is dependent upon the discovery of economically viable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the extraction thereof.

Intangible assets not related to exploration and evaluation are measured initially at fair value and amortised over their estimated useful lives. Intangible assets relating to quarries in operation are assessed annually for indicators of impairment in accordance with IAS 36.

Impairment of exploration and evaluation assets and property, plant and equipment

Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying value. Impairment losses are recognised in profit or loss.

Impairment reviews for intangible exploration and evaluation assets and property, plant and equipment are carried out based on quarry sites with each area representing a single CGU. An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances applies:

- unexpected geological occurrences that render the resources uneconomic;
- title to the asset is compromised;
- variations in dimensional stone prices that render the project uneconomic;
- variations in foreign currency rates; or
- the Group determines that it no longer wishes to continue to evaluate or develop the field.

Non-financial assets which have suffered impairment are reviewed for possible reversal of the impairment at each reporting period.

Investments

Investments in subsidiaries, associates and joint ventures are recorded at cost in the parent company's Statement of Financial Position. They are tested for impairment when there is objective evidence of impairment. Any impairment losses are recognised in profit or loss in the period in which they occur.

Financial instruments

Financial assets and financial liabilities are recognised when the Group has become a party to the contractual provisions of the instrument.

Financial assets

Trade and other receivables

Trade and other receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Financial liabilities and equity

Convertible loan notes

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Interest-bearing loans (including loan notes) are recorded initially at their fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement, redemption or conversion, are recognised in profit or loss over the term of the instrument using the effective rate of interest.

Instruments where the holder has the option to redeem for a variable amount of cash a pre-determined quantity of equity instruments are classified as a derivative liability. The derivative element is fair valued using the Black Scholes model at each period and any changes in fair value are recognised in profit or loss.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible loan note.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Equity settled transactions

The Group has applied the requirements of IFRS 2 Share-Based Payments for all grants of equity instruments.

The Group has entered into equity settled share-based payments as consideration for services received. Equity settled share-based payments are measured at fair value at the date of issue.

The Group has measured the fair value by reference to the equity instruments issued as it is not possible to measure reliably the fair value of the services received. In the absence of market prices, fair value has been based on the Directors' valuation of the Company as at the issue date.

Income tax

The tax expense represents the sum of the tax payable for the period and deferred tax.

The tax payable is based on taxable profit for the year. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based upon rates enacted and substantively enacted at the reporting date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Tax credits in respect of research and development are recognised in the period in which the receipt of the asset is considered to be probable.

Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euros (€) which is the Company's functional and the Group's presentation currency. The Euro/Sterling exchange rate at 31 December 2022 was 1.12932 (31 December 2021 – 1.1911). The average Euro/Sterling exchange rate for the year ended 31 December 2022 was 1.17329 (31 December 2021 – 1.1482).

Transactions in currencies other than the functional currency are initially recorded at the exchange rate prevailing on the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences on non-monetary assets and liabilities, which are recognised directly in other comprehensive income when the changes in fair value are recognised directly in other comprehensive income.

The Group's functional and presentational currency are the same.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity, on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity; and

The acquisition date fair value of any previous equity interest in the acquired entity, over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Acquisitions costs are included in the profit and loss unless they specifically relate to the issue of shares in connection with a business combination.

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.

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 €1,045 at 31 December 2022 (2021 - €17,920). The main assumptions used in the valuation of the derivative conversion option as at 31 December 2022 were: underlying share price of £0.01085 (31 December 2021: £0.0138), EUR/GBP spot rate of 1.12932 (31 December 2021: 1.1911),and historic volatility of 29% (31 December 2021 33%).

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.

New standards and interpretations not yet adopted

(a) New standards, amendments and interpretations

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(i) Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

(ii) Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

No other new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2020 have had a material impact on the group or parent company. At the date of authorisation of these financial statements, the following key standards and amendments were in issue but not yet effective. The Group has not applied these standards in the preparation of these financial statements.

- IFRS 17 Insurance Contracts
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 and IAS 8 Definition of material
- Amendments to IFRS 3 References to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020 Cycle Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The adoption of the above standards and interpretations is not expected to lead to any changes to the Group's accounting policies or have any other material impact on the financial position or performance of the Group.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

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 proposed business plan for the combined entity including commissioning of the new GFRG factory in Albania;
c) the timing and expected start of revenues under the contracts for construction secured by Eco Buildings with Andrra Invest LLC and Egeu Stone LLC.
d) the timing of expected sales receipts and completion of other existing orders, as well as collection of outstanding debtors;
e) the sensitivities of forecast sales figures over the next two years;
f) the timing and magnitude of planned capital expenditure including expansion of production facilities at the GFRG factory in Albania; and
g) 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.

The forecasts assume that the Company will execute a new business plan for the combined entity, as described in the strategic report. It further assumes that production at the Fox Marble factory will continue to operate in good order. 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 as the global effect of the pandemic recedes. 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 business plan for the combined entity, including planned capital and strategic expansions could be delayed or result in further losses for the group;
b) Receipts of outstanding amounts due under the placing completed in June 2023 could be delayed;
c) Commissioning of the new factory in Albania could be delayed; levels of production at the factory could be lower than expected;
d) Levels of production at the quarries can be impacted by unforeseen delays due to inclement weather or equipment failure; lower than expected quality of material being produced, and the continuing effects of the pandemic;
e) Costs of production and construction could be higher than planned, or there could be unforeseen additional costs;
f) Fulfilment of the Company's order book could be delayed, or the payment of amounts due under such contracts could be delayed; and
g) and
h) The resumption of block sales to the international block market may be slower than expected.

If the cash receipts from sales are lower than anticipated the Company has identified that it has available to it several other contingent actions, 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.

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 Eco Buildings Group plc for the year ended 31 December 2022 are in the Republic of Kosovo and the Republic of North Macedonia. All sales of the Group for this period 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 €6,906,256 (2021 – €7,177,932), €3,748,907 (2021 - €3,934,751) relates to Property, Plant and Machinery acquired for the exploitation of assets in Kosovo and €356,758 (2021 - €350,079) 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 €2,550,423 (2021 - €2,591,865) and exploration and evaluation expenditure incurred in Kosovo of €70,490 (2021 – €72,402).

	Kosovo 31 December 2022 €	Macedonia 31 December 2022 €	Other 31 December 2022 €	Total 31 December 2022 €
Property, Plant and Machinery	3,748,908	356,757	95,174	4,200,839
Intangible assets	70,490	2,550,423	84,504	2,705,417
Total non-current assets	**3,819,398**	**2,907,180**	**179,678**	**6,906,256**
	31 December 2021 €	31 December 2021 €	31 December 2021 €	31 December 2021 €
Property, Plant and Machinery	3,934,751	350,080	144,330	4,429,161
Intangible assets	72,402	2,591,865	84,504	2,748,771
Total non-current assets	**4,007,153**	**2,941,945**	**228,834**	**7,177,932**

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 €2,239,205 (2021 - €1,650,693) were costs incurred in the United Kingdom of €861,765 (2021 – €1, 022,251). Of the net interest cost of the Group of €118,800 (2021 – €245,045), €118,800 is incurred in the United Kingdom (2021 - €245,045).

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

Group	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Revenue by territory		
Europe	598,639	646,064
Release of deferred revenue	289,498	-
Total revenue	**888,137**	**646,064**

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.

Group	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Revenue by product		
Release of deferred revenue	289,498	-
Sale of block marble	-	80,761

Sale of processed marble	474,825	516,275
Provision of processing services	123,814	49,028
Total revenue	**888,137**	**646,064**

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.

Group	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Contractual basis	289,498	318,163
Non-contractual basis	598,639	327,901
Total revenue	**888,137**	**646,064**

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

Group	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Trade receivables	192,396	273,234
Contract Liabilities (Advances received from customers)	46,317	310,981

6. Expenses by nature

Group	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Operating loss is stated after charging/(crediting):		
Cost of materials sold	482,422	530,295
Inventory provision	470,715	118,137
Fees payable to the Company's auditors	220,114	83,655
Legal & professional fees	257,279	50,346
Consultancy fees and commissions	82,846	342,648
Staff costs	446,289	472,609
Other head office costs	52,547	109,969
Rent and rates	21,911	-
Travelling, entertainment & subsistence costs	8,626	18,705
Depreciation	230,720	219,213
Amortisation	43,354	44,364
Quarry operating costs	116,878	69,476
Foreign exchange (loss)/ gain	103,914	(4,532)
Share option charge	11,658	19,444
Marketing & PR	-	-
Testing, storage, sampling and transportation of materials	81,642	85,319
Provision for bad debts	152,223	69,515
Sundry (income)/expenses	39,804	67,594
Cost of sales, administrative and other operational expenses	**2,822,942**	**2,296,757**

The analysis of auditors' remunerations is as follows:

Group	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Fees payable to the Company's auditors and its associates for services to the group		
Audit of UK parent company	18,546	16,711
Audit of consolidated financial statements	55,388	42,763
Audit of overseas subsidiaries	16,230	14,505
Provision of non-audit services	129,950	-
Total audit services	**220,114**	**73,979**

Since year end the Group has engaged the Company's auditors as reporting accountants as part of its planned acquisition of Eco Buildings Group Limited for a fee of €129,950 (2021 – nil)

7. Directors and Employees

The employee benefit expenses during the year were as follows:

Group	2022 €	2021 €
Wages and salaries	347,866	381,109
Social security costs	98,423	91,500
	446,289	**472,609**

Company	2022 €	2021 €
Wages and salaries	167,195	140,400
Social security costs	23,072	19,375
	190,267	**159,775**

The monthly average number employed during the year, including the Executive Directors, was:

Group	2022	2021
Directors	6	5
Administration	8	9
Quarry and factory operations	33	43
	47	**57**

Company	2022	2021
Directors	3	3
	3	**3**

Key management personnel, as defined by IAS 24 'Related Party Disclosures', have been identified as the Board of Directors. Detailed disclosures of Directors' individual remuneration, Directors' transactions and Directors' interests and share options, for those Directors who served during the year, are set out below. The aggregate amount of Directors' remuneration for the year was as follows:

Group	2022	2021
	€	€
Salary	381,321	396,031
Consultancy fees	26,399	-
Aggregate emoluments payable to directors	**407,720**	**396,031**

Company	2022	2021
	€	€
Salary	140,795	157,817
Consultancy fees	26,399	-
Aggregate emoluments payable to directors	**167,194**	**157,817**

The Board of Directors' remuneration is settled in GBP and is therefore subject to foreign exchange movements upon translation to EUR. None of the Company's directors exercised share options during the years ended 31 December 2022 and 2021.

The highest paid director's emoluments were as follows

Group	2022	2021
	€	€
Total amount of emoluments payable	146,662	157,817

Remuneration in respect of Directors was as follows:

Year ended 31 December 2022	Salary	Fees	Total
	€	€	€
Executive directors			
Chris Gilbert (2)(5)	146,662	-	146,662
Fiona Hadfield (2)	93,863	-	93,863
	240,525	**-**	**240,525**
Non-Executive directors			
Andrew Allner (3) (4)	70,398	-	70,398
Sir Colin Terry (3) (4)	35,199	-	35,199
Roy Harrison (3) (4)	35,199	-	35,199
Sir Mark Lyall Grant (3)	-	26,399	26,399
	140,796	**26,399**	**167,195**
	381,321	**26,399**	**407,720**

Year ended 31 December 2021	Salary	Fees	Total
	€	€	€
Executive directors			
Chris Gilbert	157,817	-	157,817
Fiona Hadfield	95,286	-	95,286
	253,103	**-**	**253,103**
Non-Executive directors			
Andrew Allner	71,464	-	71,464
Sir Colin Terry	35,732	-	35,732
Roy Harrison	35,732	-	35,732
	142,928	**-**	**142,928**
	396,031	**-**	**396,031**

(1) The Board of Directors' remuneration is settled in GBP and is therefore subject to foreign exchange movements upon translation to EUR.
(2) The Executive Directors agreed to defer the payment of their 100% of their salaries for the year ended 31 December 2022. These amounts remain accrued in the accounts as at 31 December 2022.
(3) The Non- Executive Directors agreed to defer the payment of their 58% of their salaries for the year ended 31 December 2022. These amounts remain accrued in the accounts as at 31 December 2022.
(4) The Non-Executive Directors of the Company agreed to utilise their fees (net of tax) to subscribe for Ordinary Shares in the Company. Remuneration for the period from 1 January 2021 to 31 December 2021 is accrued in the accounts and not yet paid.
(5) Executive Director Chris Gilbert agreed to utilise fifty per cent of his remuneration (net of tax) to subscribe for Ordinary Shares in the Company for the period from 1 January 2017 to 28 February 2018. The balance of €80,780 due from the 1 January 2017 to 28 February 2018 is accrued by the Company and not yet paid.

8. Net finance costs

	2022 €	2021 €
Finance costs		
Interest expense on borrowings	169,501	168,001
Net foreign exchange loss on loan note instrument	-	203,717
Interest payable on lease liabilities	11,561	14,480
	181,062	**386,198**

9. Net finance income

	2022 €	2021 €
Finance income		
Movement in the fair value of derivative	16,875	141,111
Movement in the fair value of debt	17,152	-
Net foreign exchange gain on loan note instrument	146,587	-
Interest income on bank deposits	5	42
	180,618	**141,153**

10. Taxation

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the Group as follows:

	2022 €	2021 €
Reconciliation of effective tax rate		
Loss before income tax	(1,935,248)	(1,895,738)
Tax calculated at domestic tax rates applicable to profits in the respective countries at a weighted average rate of 17.25% (2021 – 16,38%)	333,830	310,585
Tax effect of expenses that are not deductible in determining taxable profit	(23,214)	(17,226)
Deferred tax asset not recognised in respect of losses	310,616	(293,359)

Total tax credit for the year	-	-

The Company's losses for this accounting year are taxed at an effective rate of 19% (2021 – 19%). From the 1 April 2023 corporation tax rates will increase to 25%.

The tax computations of Eco Buildings Group plc Group show it has tax losses carried forward of €22,937,587 (2021 - €21,422,898). However due to the uncertainty of the timing of future profits, no deferred tax asset has been recognised in these financial statements.

The deferred tax asset not recognised by the Group at 31 December 2022 is €5,444,383(2021 - €5,181,814).

Group

	2022 €	2021 €
The balance comprises temporary differences attributable to:		
Intangible assets recognised on acquisition	84,504	84,504
	84,504	**84,504**

A deferred tax liability arose on the acquisition of Gulf Marble Limited (UAE) in the year ended 31 December 2018 as a result of the fair valuation of the intangible asset acquired as part of the business combination.

11. Earnings per share

	2022 €	2021 €
Loss for the year used for the calculation of basic EPS	(1,935,248)	(1,895,738)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic EPS	8,232,857	7,406,512
Effect of potentially dilutive ordinary shares		
Weighted average number of ordinary shares for the purpose of diluted EPS	8,232,857	7,406,512
Earnings per share:		
Basic	(0.235)	(0.256)
Diluted	(0.235)	(0.256)

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.

Pursuant to IAS 33.20 and in conjunction with IAS 33.64 the share consolidation that occurred in June 2023, as disclosed in note 29, changes the average number of shares without an concomitant change in the level of resources. The number of common shares in issue prior to the share reorganisation in June 2023 is adjusted in accordance with the change in the number of ordinary shares as if the share reorganisation had occurred at the beginning of the period under review.

12. Intangible assets

Group:	Goodwill €	Mining rights and licences €	Capitalised exploration and evaluation expenditure €	Total €
As at 31 December 2020, 1 January 2021 and 31 December 2021	**84,504**	**2,725,840**	**92,866**	**2,903,210**
Additions	-	-	-	-
As at 31 December 2022	**84,504**	**2,725,840**	**92,866**	**2,903,210**

Accumulated amortisation				
As at 1 January 2021	**-**	**92,416**	**17,659**	**110,075**
Amortisation charge	-	41,559	2,805	44,364
As at 31 December 2021 and as at 1 January 2022	**-**	**133,975**	**20,464**	**154,439**
Charge for the year	-	41,442	1,912	43,354
As at 31 December 2022	**-**	**175,417**	**22,376**	**197,793**
Net Book Value				
As at 1 January 2021	84,504	2,633,424	75,207	2,793,135
As at 31 December 2021	84,504	2,591,865	72,402	2,748,771
As at 31 December 2022	**84,504**	**2,550,423**	**70,490**	**2,705,417**

Capitalised exploration and evaluation expenditure represent rights to the quarrying 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. When assessing the fair value of the licences the Company considers the potential cash flows over the remaining period of the licence.

13. Property, plant and equipment

Group:	Quarry Plant & Machinery	Factory Plant & Machinery	Rights of use asset	Land and buildings	Office Equipment and Leasehold improvements	Total
	€	€	€	€	€	€
Cost						
As at 1 January 2021	**3,910,638**	**3,399,749**	**332,842**	**160,000**	**31,424**	**7,834,653**
Additions	-	35,241	-	-	2,198	37,439

Reclassification	(170,000)	170,000	-	-	-	-
Disposals	(86,148)	-	(90,132)	-	-	(176,280)
As at 31 December 2021 and as at 1 January 2022	**3,654,490**	**3,604,990**	**242,710**	**160,000**	**33,622**	**7,695,812**
Additions	-	2,398	-	-	-	2,398
As at 31 December 2022	**3,654,490**	**3,607,388**	**242,710**	**160,000**	**33,622**	**7,698,210**
Accumulated depreciation						
As at 1 January 2021	**2,676,321**	**240,678**	**67,871**	**-**	**31,066**	**3,015,936**
Depreciation charge [1]	97,664	172,730	47,034	-	1,053	318,481
Reclassification	(141,429)	141,429	-	-	-	-
Disposals	(52,744)	-	(15,022)	-	-	(67,766)
As at 31 December 2021 and as at 1 January 2022	**2,579,812**	**554,837**	**99,883**	**-**	**32,119**	**3,266,651**
Depreciation charge [1]	5,468	176,095	48,227	-	930	230,720
As at 31 December 2022	**2,585,280**	**730,932**	**148,110**	**-**	**33,049**	**3,497,371**
Net Book Value						
As at 1 January 2021	1,234,317	3,159,070	264,971	160,000	359	4,818,717
As at 31 December 2021	1,074,678	3,050,153	142,827	160,000	1,503	4,429,161
As at 31 December 2022	**1,069,210**	**2,876,456**	**94,600**	**160,000**	**573**	**4,200,839**

(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 2022 €19,846 of depreciation was included in the cost of inventory produced (2021 - €99,268).

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 27. 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.

Company:	Rights of use asset	Total
	€	€
Cost		
As at 1 January 2021	**242,710**	**242,710**
Additions	-	-
As at 31 December 2021	**242,710**	**242,710**
Additions	-	-
As at 31 December 2022	**242,710**	**242,710**
Accumulated depreciation		
As at 1 January 2021	**52,849**	**52,849**
Depreciation charge	47,034	47,034
As at 31 December 2021	**99,883**	**99,883**

Depreciation charge	48,227	48,227
As at 31 December 2022	**148,110**	**148,110**
Net Book Value		
As at 31 December 2021	142,827	142,827
As at 31 December 2022	**94,600**	**94,600**

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.

14. Trade and other receivables

Group:	2022 €	2021 €
Current assets		
Trade receivables	390,038	558,425
Less: provision for impairment in receivables	(197,642)	(170,210)
Trade receivables (net)	**192,396**	**388,215**
Deposits on capital equipment	148,750	148,750
Accrued Revenue	87,374	87,374
Deposits	55,000	55,000
Other receivables	253,125	155,217
Prepayments	148,922	42,193
VAT recoverable	12,936	62,707
Amounts due from related party	93,715	195,031
	992,219	**1,134,487**

Company:	2022 €	2021 €
Current assets		
Other receivables	56,353	96,358
VAT recoverable	20,774	51,184
	77,127	**147,542**

Included in other receivables as at 31 December 2022 are other receivables of €56,353 (2021 – €59,732) relating to the issue of share capital made by the Company on 31 August 2011. Included in this balance are amounts due from directors of nil (2021 - €26,694).

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group’s impairment policies and the calculation of the loss allowance are provided in note 21.

As at 31 December 2022 €93,715 (2021 – €195,090) is due from Fox Marble FZC, a company in which the Company holds 34% of the issued share capital.

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 21.

Trade receivables are disclosed net of a provision for bad and doubtful debts. The provision for bad and doubtful debts is based on specific risk assessment and reference to past default experience. Further details are included in note 21.

Included in receivables for the Group are receivables denominated in GBP of €127,639 (2021 - €147,542). There are nil receivables denominated in USD (2021 – nil). Included in receivables for the Company are receivables denominated in GBP of €77,127 (2021 - €147,542). All GBP denominated receivables have been translated to Euro at the exchange rate prevailing at 31 December 2022. All other receivables are Euro denominated. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Included in receivables for the Group are deposits on capital equipment of €148,750 (2021 - €148,750). These relate to additional equipment for the factory site which the Group expects to install within the next twelve months. The Company is currently planning further factory capacity expansion and expects this to include expansion of the gang saw capacity. To date the installation of the third gangsaw has been delayed till such point as the volume of sales at the factory necessitated its installation.

15. Inventories

Group:	2022 €	2021 €
Block Marble	2,208,855	2,688,840
Processed marble	135,984	297,781
	2,344,839	**2,986,621**

The cost of inventories recognised as an expense and included in cost of sales amounted to €482,422 (2021 - €530,295). In the current year the Group has recognised an additional provision of €470,715 (2021 - €118,137) in relation to inventory. The cumulative provision against inventory held in stock at 31 December 2022 is €2,553,715 (2021 - €2,083,000).

Included in inventories is €570,601 of block marble that is currently located at the Maleshevë quarry site. Access to the quarry site has been under dispute since July 2019, as disclosed further in Note 27. Due to the dispute with Green Power Sh.P.K the Company were unable to perform a stocktake as at 31 December 2022 year end. The stock was 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 the stock in any way. The Company is confident of its rights over this stock and the enforcement of those rights, and that the value of this stock is recoverable.

16. Trade and other payables

Group:	2022 €	2021 €
Trade payables	604,211	293,389
Contract Liabilities - Advances received from customers	46,317	310,901
Amounts due to related parties	673,730	486,594
Other payables	100,269	215,847
Accruals	299,953	63,910
Other tax and social security payable	55,373	37,009
	1,779,853	**1,407,650**

Company:	2022 €	2021 €
Trade payables	450,770	173,665
Amounts due to related parties	252,654	273,946
Accruals	224,427	75,692
Other payables	226,226	200,624
	1,154,077	**723,927**

Amounts due to related parties are considered further in note 23.

Included in trade and other payables of the Group are GBP denominated payables of €790,895 (2021- €686,513) and USD denominated payables of €46,317 (2021 - €310,901). All other trade and other payables are Euro denominated. All GBP denominated payables have been translated to Euro at the exchange rate prevailing at 31 December 2022.

All trade and other payables of the Company are GBP denominated and have been translated to Euro at the exchange rate prevailing at 31 December 2022. All trade and other payables at 31 December 2022 are due within one year and are non-interest bearing. The directors consider that the carrying amount of trade and other payables approximates their fair value.

17. Borrowings

Group	2022 €	2021 €
Current borrowings		
Convertible loan notes held at amortised cost	2,052,405	1,997,391
Other borrowings held at amortised cost	52,563	-
Derivative over own equity at fair value	-	461
	2,104,968	**1,997,852**
Non-current borrowings		
Convertible loan notes held at amortised cost	2,564,916	2,687,458
Other borrowings held at amortised cost	28,296	-
Derivative over own equity at fair value	1,045	17,458
	2,594,258	**2,704,916**

Company:	2022 €	2021 €
Current borrowings		
Convertible loan notes held at amortised cost	2,052,405	1,997,391
Other borrowings held at amortised cost	11,965	
Derivative over own equity at fair value	-	461
	2,064,370	**1,997,852**
Non-current borrowings		
Convertible loan notes held at amortised cost	2,564,917	2,687,458
Other borrowings held at amortised cost	28,296	-
Derivative over own equity at fair value	1,045	17,458
	2,594,258	**2,704,916**

a. Series 11 Loan Note

On 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 1 December 2026 with a conversion price of 5p.

As at 31 December 2022, the Series 11 Loan Note held at amortised cost had a balance of €2,564,916 (2021 - €2,687,458). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 31 December 2022, the derivative had a value of €1,045 (2021 - €17,459). 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 2022.

Subsequent to year end the term of the loan note was varied to change the conversion price to 80p per share based on the post consolidation share capital of the Company.

b. **Gulf Loan Note**

As consideration for the acquisition of Gulf Marble Investments Limited Eco Buildings 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 was repayable from 1 October 2020. The Loan Note carries an interest rate of Libor plus 1.5% payable annually in arrears.

As at 31 December 2022, the Gulf Loan Note held at amortised cost had a balance of €1,939,463 (31 December 2021 - €1,855,611). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 31 December 2022, the derivative had a value of €191 (31 December 2021 - €191). 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.

Subsequent to year end the term of the loan note was varied to extend the repayment date to 1 January 2026 in return for an increase in the principal of €100,000.

c. **Other Borrowings held at amortised cost**

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. On the 27 May 2020 holders of £225,000 of these borrowings agreed to exchange them with Series 11 Loan notes as described above. The term of the remaining borrowings amounting to £120,000 were varied to extend the repayment date to 30 September 2022. During the year £20,000 of these borrowings were repaid and the term of the remaining loan notes extended to 2 June 2023.

As at 31 December 2022, the carrying value of these loans was €112,932 (2020 - €141,780).

18. Leases

From 1 January 2019, the Group has adopted IFRS 16 Leases. Refer to Note 2 for the accounting policy. The lease liabilities recognised on adoption of the new leasing standard are reflected in long term liabilities. The Group also has certain leases with lease terms of 12 months or less and leases of assets with low values. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Set out below are the carrying amounts of lease liabilities and the movements during the period.

Group:

	Year ended 31 December 2022 €	Year ended 31 December 2021 €

At 1 January	**146,202**	260,481
Disposals	-	(86,242)
Interest expense	11,561	14,480
Foreign Exchange	(3,968)	20,040
Rent payments made in year	(53,643)	(62,557)
At 31 December	**100,152**	**146,202**

Company

	Year ended 31 December 2022 €	Year ended 31 December 2021 €
At 1 January	146,202	174,239
Interest expense	11,561	14,480
Foreign Exchange	(3,968)	20,040
Rent payments made in year	(53,643)	(62,557)
At 31 December	**100,152**	**146,202**

As at 31 December 2022	Carrying Amount €	Contractual cash flows €	6 months or less €	6 -12 months €	1-2 years €	2-5 years €
Lease Liability	100,152	98,343	26,821	26,821	44,701	-

As at 31 December 2021	Carrying Amount €	Contractual cash flows €	6 months or less €	6 -12 months €	1-2 years €	2-5 years €
Lease Liability	146,202	152,575	28,061	28,061	56,121	40,333

19. Share capital

Group and Company:	2022 Number	2021 Number	Share capital 2022 €	Share capital 2021 €	Share premium 2022 €	Share premium 2021 €
Issued, called up and fully paid Ordinary shares of £0.01 each						
At 1 January	**417,333,713**	**308,372,174**	4,958,386	3,721,006	32,575,443	32,056,986
Issued in the year	-	108,961,579	-	1,237,380	-	518,457

At 31 December	**417,333,713**	**417,333,753**	4,958,386	4,958,386	32,575,443	32,575,443

On 4 January 2021 the Company issued 65,500,000 new Ordinary shares at a price of 1.60 pence per share through their broker to raise £1,0 million before expenses. On the 12 February 2021 the Company issued 5,000,000 new Ordinary shares at a price of 1.60 pence per share in settlement of consultancy feed of £80,0000. On the 22 December 2021 the Company issued 38,461,579 shares at a price of 1.30 pence per share through their broker to raise £0.5 million before expenses. Expenses of nil were offset to share premium in the year ended 31 December 2022 (2021 - €85,887).

After the year end date the company undertook a share reorganisation and issue as part of the acquisition of Eco Buildings Group Limited. This is considered further in note 29.

20. Share based payment reserve

Group and Company:	Year ended 31 December 2022	Year ended 31 December 2021
	€	€
At 1 January	126,046	106,602
Equity settled share-based payment charge	11,658	19,444
At 31 December	**137,704**	**126,046**

	Date of Issue	Exercise price	Granted	Outstanding
Warrants				
Placing Warrants	15 December 2021	2p	19,230,769	19,230,769

On 15 December 2021 19,230,769 warrants were issued with an exercise price of 2p as part of the placing completed on that date. Warrants over new ordinary shares were issued on the basis of one for every two Placing Shares, exercisable at a price of 2 pence per share. The warrants have an exercise period of 3 years.

21. Capital and financial risk management

Capital risk management

The group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of equity attributable to equity holders comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital based on the gearing ratio and net debt/cash. This ratio is calculated as total borrowings divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus total borrowings.

The gearing ratios at 31 December 2022 and 31 December 2021 are as follows:

Group	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Total borrowings (note 17)	(4,699,226)	(4,702,768)
Less cash and cash equivalents	13,025	558,282
Net debt	**(4,686,201)**	**(4,144,486)**
Total equity	3,592,604	5,516,194
Total capital	8,291,830	10,218,962
Gearing ratio	**56.67%**	**46.0%**

Company	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Total borrowings (note 17)	(4,658,628)	(4,702,768)
Less cash and cash equivalents	1,913	489,438
Net debt	**(4,656,715)**	**(4,213,330)**
Total equity	11,660,851	15,656,907
Total capital	16,319,479	20,359,675
Gearing ratio	**28.55%**	**23.0%**

Reconciliation of movement in Net Debt

Group	Balance at 1 January 2022 €	Foreign Exchange Difference €	Non cash movements €	Cash Flow €	Balance at 31 December 2022 €
Cash and cash equivalents	558,282	-	-	(545,257)	13,025
Borrowings	(4,702,768)	146,587	(135,474)	(7,871)	(4,699,201)
Net debt	**(4,144,486)**	**146,587**	**(135,474)**	**(553,128)**	**(4686,201)**

Company	Balance at 1 January 2021 €	Foreign Exchange Difference €	Non cash movements €	Cash Flow €	Balance at 31 December 2021 €
Cash and cash equivalents	489,438	-	-	(487,525)	1,913
Borrowings	(4,702,768)	146,587	(135,474)	32,727	(4,658,628)
Net debt	**(4,213,330)**	**146,587**	**(135,474)**	**(454,798)**	**(4,656,715)**

Financial risk management

The Group is exposed to several financial risks through its normal operations, the most significant of which are credit, foreign exchange and liquidity risks.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. Risk management is carried out by the board of directors. The Board has established polices and principles for overall risk management covering specific areas such as foreign exchange risk, credit risk and investment of excess liquidity.

Credit risk

Credit risk is managed on a group basis. The Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For deposit banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If there is no independent rating, risk control assesses the credit quality of the customer, considering its financial position, past experience and other factors. Sales to retail customers are settled in cash. Management does not expect any losses from non-performance by these counterparties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was €1,093,623 (2021 - €1,650,575). Financial assets are assessed for impairment annually and a provision for bad debt of €50,908 has been recognised in 2022 (2021 – €69,515).

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of inventory
- cash and cash equivalents

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. While cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2022 or 1 January 2022 respectively and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows for both trade receivables:

31 December 2022	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	11%	16%	21%	48%	
Gross Carrying Amount	€24,444	€34,315	€11,543	€390,736	€461,038
Loss allowance	€2,672	€5,604	€2,480	€186,886	€197,642

31 December 2021	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	11%	16%	21%	33%	
Gross Carrying Amount	€15,861	€17,126	€49,144	€476,194	€558,425

Loss allowance	€1,734	€2,797	€10,551	€155,178	€170,210

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 31 December 2022 the Group holds €13,025 in cash and cash equivalents (2021 - €558,282). The Group mitigates banking sector credit risk through the use of banks with no lower than a single A rating for deposits.

As at 31 December 2022 the Company holds €1,913 in cash and cash equivalents (2021 - €489,438). The Company mitigates banking sector credit risk through the use of banks with no lower than a single A rating for deposits.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

There is exposure to movements in the GBP/EUR exchange rate as a portion of the cash held by the group is denominated in GBP and the Group's borrowing facilities are GBP denominated.

	31 December 2022	31 December 2021
Group	€	€
Cash denominated in EUR	7,998	38,645
Cash denominated in GBP	5,005	519,575
Cash denominated in USD	22	62
	13,025	**558,282**
Company		
Cash denominated in GBP	1,913	489,438
	1,913	**489,438**

As at 31 December 2022, if the currency has weakened/strengthened by 10% against the GBP with all other variables constant, post-tax profit would have been €453,938 (2021 - €232,191) higher/lower, mainly as a result of the foreign exchange gains/losses on translation of the GBP denominated convertible loan note and GBP denominated receivables and payables. Similarly, the Company has calculated the impact of a 10% increase or decrease in the GBP/EUR exchange rate would have a €453,938 (2021 – €232,191) impact on the net assets of the Company, with all other variables held constant. A 10% variation in the foreign exchange rate is considered appropriate as it reflects a maximum volatility in the exchange rates over the given period.

The Group manages foreign exchange risk through natural hedging of its cash deposits against existing GBP/EUR commitments and by monitoring exchange rate fluctuations and forecast cash flows to examine the need for any formal hedging arrangement.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to the group treasury.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The following are the contractual maturities of financial liabilities for the Group as at 31 December 2022 based upon contractual cash flows:

31 December 2021	Carrying Amount	Contractual cash flows	6 months or less	6 -12 months	1-2 years	2-5 years

	€	€	€	€	€	€
Borrowings	4,702,768	4,875,116	142,547	1,931,985	68,185	2,732,402
Trade and other payables	1,407,650	1,407,650	1,407,650	-	-	-

31 December 2022	Carrying Amount	Contractual cash flows	6 months or less	6 -12 months	1-2 years	2-5 years
	€	€	€	€	€	€
Borrowings	4,699,226	4,735,138	195,626	30,776	1,896,828	2,611,907
Trade and other payables	1,779,853	1,779,853	1,779,853	-	-	-

For the Company as at 31 December 2022 and 2021, contractual liabilities with regards to convertible loan notes are the same as for the Group. Trade and other payables contractual cash flows payable in 6 months or less as at 31 December 2022 are €1,154,077 (2021 – €796,044).

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium-, long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profiles of financial assets and liabilities.

Interest rate risk

As at 31 December 2022, the Company holds borrowings of €1,785,000 with variable interest rate (2021 – €1,785,000). The 2020 Convertible Loan Note carry an interest rate of Libor plus 1.5% payable annually in arrears. All other borrowings are under fixed interest rates. For each one hundred basis point rise in market interest rates at 31 December 2022 there would be an increase in loss before tax by approximately €17,850 (2021 – €17,850).

Fair Values

The directors have reviewed the financial statements and have concluded that, there are no significant differences

between the book values and the fair values of the financial assets and financial liabilities of the Group and Company as at 31 December 2022 and 2021.

22. Interests in other undertakings

	% Ownership	Date acquired/ Incorporated	Registered Office	Place of incorporation	Principal activity
Fox Marble Limited	100%	3 August 2012	160 Camden High Street, NW1 0NE	England & Wales	Operating Company
Fox Marble Kosova Sh.P.K	100%	11 December 2012	Garibaldi 1/2, Pristina:,	Kosovo	Operating Company
Rex Marble Sh.P.K	100%	3 August 2012	Bulevardl Ddshmoret e Kombit, Nr.72lA-7, Pristina	Kosovo	Holding of licences & rights
H&P Sh.P.K	100%	3 August 2012	Bill Klinton n36, Pristina	Kosovo	Holding of licences & rights
Fox Marble Asia Limited	51%	7 November 2016	160 Camden High Street, NW1 0NE	England & Wales	Dormant
Stone Alliance LLC	59%	13 April 2015	1209 Orange street, Wilmington, Delaware 19801	United States	Dormant
Gulf Marble Investments Limited	100%	8 October 2018	PO Box 37172, Dubai, UAE	United Arab Emirates	Holding of licences & rights
Gulf Marble Investments Limited	100%	8 October 2018	160 Camden High Street, NW1 0NE	England & Wales	Dormant
Fox Marble FZC	34%	2 September 2018	PO Box 932, Emirate of Ajman	United Arab Emirates	Dormant
Fox Marble India Private Limited	49%	18 October 2018	2A Floor, Grd Plot-759 A Jyoti Sadan, Sitaladevi Temple Road, Mahim	India	Sales activity
Fox Marble SPV Limited	100%	26 August 2022	160 Camden High Street, NW1 0NE	England & Wales	Dormant

All the shareholdings in subsidiary and associate undertakings comprise ordinary shares. Fox Marble Kosova Sh.P.K, Rex Marble Sh.P.K, H&P Sh.P.K and Granit Shala Sh.P.K are held via the Company's shareholding in Fox Marble

Limited. Interest in Gulf Marble Investments Limited (UK) is held via the Company's shareholding in Gulf Marble Investments Limited (UAE). All subsidiary undertakings are included in the consolidation.

There are no significant restrictions on the Company's ability to access or use the assets and settle the liabilities of the group, to transfer cash or assets from other entities within the group or other requirements that may restrict dividends and other capital distributions being paid, or loans and advances being made or repaid, to (or from) other entities within the Group.

Fox Marble Limited is exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Companies Act 2006 for the year ended 31 December 2022.

Non-controlling interests

There are no non-controlling interests in subsidiary undertakings that are considered material to the group in the year ended 31 December 2022 (2021 – nil), as the entities remain dormant. There were no transactions with non-controlling interests in the year ended 31 December 2022 (2021 – nil).

23. Related party transactions

The executive directors are also considered key management as defined by IAS 24 'Related Party Disclosures (revised 2009)'. The remuneration of key management is considered in note 7.

As at 31 December 2022 the Group has accrued €466,890 due to directors of the Company in respect of fees due to them (2021 - €360,790). As at 31 December 2022 the Company has accrued €243,864 due to directors of the Company in respect of fees due to them (2021 - €273,946). As at 31 December 2022 there is €38,478 payable (2021 - €42,429) to directors of the Company as repayment for corporate and travel expenses incurred on behalf of the Company and €67,740 payable to the directors for a loan provided to the Company.

The Company only financial statements of Eco Buildings Group plc include amounts receivable from its subsidiary undertaking Fox Marble Limited of €13,688,941 (2021 – €16,215,870). Amounts provided to Fox Marble Limited relate to the provision of funding for operations and capital expenditure.

The Company and Group have receivables from directors and former directors of the Company of €26,694 (2021 - €26,694) relating to the issue of share capital on the 31 August 2011. Included in trade and other receivables is €93,715 (2021 - €195,091) due from Fox Marble FZC, a related party in which Eco Buildings Group Plc owns 34% of the issued share capital.

Included in borrowings due to the Company is €86,479 due to Andrew Muir who is related party of the Company by virtue of his shareholding in the Company.

24. Commitments

(a) Capital commitments

Capital expenditure contracted for but not yet incurred at the end of the reporting year was nil (2021 – Nil).

As at 31 December 2022, the Group had capital equipment deposits of €148,750 (2021 - €148,750) which are expected to be capitalised into property plant and equipment in 2023.

(a) Lease commitments

The Group leases office space and warehousing showroom space under non-cancellable operating lease agreements. Lease terms are between one and five years. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
	€	€
Expiring within one year	-	-

Expiring within one to five years	98,343	152,575
	98,343	**152,575**

25. Investments

Company:	2022	2021
	€	€
Shares in subsidiary undertakings	3,711,127	3,711,127
Loans to subsidiary undertakings	13,688,941	16,215,870
	17,400,068	19,926,997

An impairment charge of €3,000,000 in the carrying value of the investment in Fox Marble Limited was recognised in the year ended 31 December 2022 (2021 – €523,000).

26. Controlling Parties

There is no controlling party. Dr Etrur Albani, Dominic Redfern, Genard Kadiu, Linden Holdings (Malta) Limited, Thomas Jackson, Max Gustav Kapp, Nigel Luckett, Forest Nominees, Nick Dark, Christopher Gilbert, Roy Harrison, Andrew Allner, Fiona Evans and Laurie Beevers are deemed to be acting in concert for the purposes of the City Code, and who as at 03 October 2023 control 84.91 % of the share capital of the Company.

27. 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 Eco Buildings 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 Eco Buildings' 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 Eco Buildings being prevented from operating the Maleshevë quarry. Since the dispute arose Eco Buildings 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), Eco Buildings has been prevented from asserting its rights in these matters.

Despite the cumulative weight of evidence, Eco Buildings 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 Eco Buildings.

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 Eco Buildings to bring the Arbitration through to its conclusion.

28. Contingent Asset

In November 2022 Fox Marble announced the results of its arbitration proceedings in the London Court of International Arbitration (" LCIA ") against a customer based in India. In 2017, Fox Marble signed an off-take agreement with the customer. The parties fell into dispute about their respective obligations under, and the performance of, that agreement. On 13 August 2020, commercial arbitration proceedings at the LCIA were initiated. Following a hearing, on 11 November 2022, the LCIA issued an award in favour of the Company with an award of 383,177 in damages plus £454,584 in costs. No other issues remain to be determined in the arbitration.

The company has not recognised an asset within its account in respect of this award till such point it has clear visibility as to when such an award may be collected.

29. Events after the reporting period

Acquisition of Eco Buildings Group Ltd

On 28 April 2023, the Company entered into an acquisition agreement pursuant to which it agreed to purchase the entire issued share capital of Eco Buildings in exchange for shares in the Company. The aggregate total consideration to be paid by the Company for the shares in Eco Buildings is to be satisfied at by the issue of 54,545,455 Shares in the enlarged group..

On the 2 June 2023 the Company completed the acquisition of 100% of the issued share capital of Eco Buildings Group Ltd.

The Acquisition constitutes a reverse takeover by the Company under the AIM Rules and was, therefore, subject to the approval of Shareholders at the General Meeting.

Eco Buildings Group Limited had issued £645,000 of convertible notes. Pursuant to the Novation Deeds, these Eco Buildings Group Limited CLNs were novated to the Company on 2 June 2023 and repaid by the issuance of the CLN Shares at a 50% discount to the Placing Price.

Following completion of the Acquisition, Eco Buildings will also be a direct, wholly owned subsidiary of the Company. Eco Buildings also has a direct, wholly owned subsidiary, Eco Buildings Group Albania Sh.P.K. Details of Eco Buildings and its subsidiary can be found in the below table:

	% Ownership	Date acquired/ Incorporated	Registered Office	Place of incorporation	Principal activity
Eco Buildings Group Limited	100%	3 August 2012	160 Camden High Street NW1 0NE	England & Wales	Operating Company
Eco Buildings Group Albania Sh.P.K	100%	11 December 2012	Rruga "Frosina Plaku", pall. 21, hyrja 13, Kati 1, Tirana	Albania	Operating Company

Share reorganisation

On the 2 June 2023 each Ordinary Share in the issued share capital of the Company at the 1 June 2023 was sub-divided into 13 Sub-divided Shares, following which 113,974 Sub-divided Shares were issued at nominal value. Following the Sub-divided Share Issuance, every 659 Sub-divided Shares was consolidated into one Post-Consolidation Ordinary Share and then each Post-Consolidation Share was sub-divided into one New Ordinary Share with a nominal value of 1p and one New Deferred Share with a nominal value of 50p.

The New Ordinary Shares have the same rights as the previous Ordinary Shares including voting, dividend, return of capital and other rights.

The New Deferred Shares do not have any voting rights and do not carry any entitlement to attend general meetings of the Company; nor will they be admitted to AIM or any other market.

The Share Reorganisation resulted in the Company having 8,232,857 New Ordinary Shares and 8,232,857 New Deferred Shares being in issue immediately following the Share Reorganisation.

Issue of Shares

On the 2 June 2023, following the share reorganisation described above the Company issued in aggregate 61,837,223 new ordinary shares representing the total of the Placing Shares, the Consideration Shares and the CLN Shares)

NAME	NUMBER OF ORDINARY SHARE	ISSUE PRICE	ISSUE DATE
PLACING SHARES	4,946,313	55p	2 June 2023
CONSIDERATION SHARES	54,545,455	55p	2 June 2023
CLN SHARES	2,345,455	27.5p	2 June 2023

- The Placing shares were issued as part of placing to raise £2.7 million prior to expense at a placing price of 55p.
- Consideration shares were issued in settlement of the consideration price for the acquisition of Eco Buildings Group Ltd .
- CLN Shares were issued as settlement of the Convertible Loan Notes totalling £645,000 novated into the Company as part of the Acquisition of Eco Buildings Group Limited as noted above

Issue of Options

On the 2 June 2023 , the Company granted 2,272,725 Options to certain current and proposed Directors of the Company as detailed below:

NAME	NUMBER OF ORDINARY SHARE UNDER OPTION	EXERCISE PRICE	FINAL EXERCISE DATE
ANDREW ALLNER	363,636	55p	3 years from admission
DR ETRUR ALBANI	363,636	55p	3 years from admission
SANJAY BOWRY	454,545	55p	3 years from admission
DOMINIC REDFERN	363,636	55p	3 years from admission
CHRISTOPHER GILBERT	363,636	55p	3 years from admission
FIONA EVANS	363,636	55p	3 years from admission

At 2 June 2023, the Company will have granted 1,748,017 Warrants to certain advisers of the Company, as detailed below:

NAME	NUMBER OF ORDINARY SHARE UNDER OPTION	EXERCISE PRICE	FINAL EXERCISE DATE
SPARK ADVISORY PARTNERS	700,701	1p	3 years from admission
TAVIRA FINANCIAL LIMITED	247,316	55p	3 years from admission
OLIVER STANSFIELD	800,000	30p	3 years from admission

Change of Directors

On the 2 June 2023 Sanjay Bowry, Dominic Redfern, Dr Etrur Albani and Dr Ahmet Shala were appointed as directors of the Company. Sanjay Bowry joins as new Chief Executive Officer and Dominic Redfern as Executive Vice Chairman. Dr Etrur Albani and Dr Ahmet Shala join as Non-executive directors. On the same date Christopher Gilbert and Roy Harrison resigned as directors of the Company.

Change of Name

On the 2 June 2023 the Company changed its name from Fox Marble Holdings Plc to Eco Buildings Group Plc.