

28/06/2024

**Eco Buildings Group Plc**  
**("Eco Buildings" or the "Company")**

***Final Results for the year ended 31 December 2023***

Eco Buildings Group Plc, the AIM listed company is pleased to announce its final results for the year ended 31 December 2023.

***Highlights for the year ended 2023***

- 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 shares 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.
- The transaction to acquire Eco Buildings Group Ltd has been accounted for using the acquisition method of accounting in accordance with IFRS 3, which requires the identification of the acquirer and the acquiree for accounting purposes.. As a result, the financial statements of Eco Buildings Group Plc in subsequent filings will represent the historical financial statements of Eco Buildings Group Ltd.
- Machinery for the production of GFRG panels dismantled from its previous site in the UAE, shipped and re assembled in Albania in a purpose build site in Durres providing access to European market. The machinery was reconditioned, updated to increase both production speed and accuracy. The first walls were produced by the factory in December 2023.
- Contracts signed with Andra Invest LLC and Egeu stone for a total of €38 million per annum over the next three years, forming the cornerstone of a significant order book for the Eco Buildings business.
- Losses for the year were €2.5 million (2022: €0.4 million), due to costs incurred as part of the RTO process and the one off impact of the conversion of pre RTO convertible loan note instrument, offset by strict measures to control expenditure.

***Highlights since year end***

- Since producing our first wall in December 2023, the purchased machinery was subject to a significant process of innovation and upgrades to allow it to operate in a fully automated mode. This has led to 33% decrease in production time as well as reduction in operating costs going forward.
- As previously announced, commercial production began at the factory in June 2024 following the completion of this work. We have already begun to supply material for our first order, and have received a purchase order for the first rolling program of panels from AED Shpk for 25,000 sqm to be drawn down in accordance with a schedule of works. The sale of these panels will allow the company to generate revenue as we roll out the more complex complete dwellings.
- The group received official certification for Latin American Markets. The Group's walls have been approved for use under national building regulations in Chile, following a full range of stress tests carried out by the University of Chile in Santiago including revalidation of the fire safety certification. This certification can be utilised across a large proportion of Latin America.
- On 7 February 2024 Eco Buildings Group Plc raised £827,000 via a subscription for new ordinary shares. The Subscription was effected at a price of 12 pence per share.

**Sanjay Bowry, CEO, commented** "2023 was a highly eventful year for Eco Buildings, including the completion of our RTO and raising £2.7m, transferring plant and equipment from Dubai to Albania, constructing a new purpose-built factory and refurbishing and upgrading plant and equipment

With the upgrades installed, we can now project higher production volumes of the highest quality walls at lower costs. We are planning our production schedule over the next 12 months to fulfill two existing contracts expected to generate over €114m over the next three years, and we anticipate soon announcing the results of advanced discussions for contracts in other fast growing markets "

other fast-growing markets.

For more information on Eco Buildings please visit [www.eco-buildingsplc.com](http://www.eco-buildingsplc.com) or contact:

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***Chairman's statement***

Dear Shareholders,

The past year has been eventful and transformative for the Company, marked by significant changes and strategic advancements. With the acquisition of Eco Buildings Group Limited, our Group has successfully ventured into a new sector, broadening our horizons and opportunities. Over the last year, our primary focus has been on commissioning our new operations in Durres. This crucial step enables us to unlock and realize the full potential of our capabilities, paving the way for future success.

Housing is a fundamental human need, providing safety, stability, and a foundation for both individual and societal well-being. Beyond its basic necessity, housing is a powerful driver of economic development, creating jobs and bolstering local economies. It plays a vital role in fostering healthy, stable, and prosperous communities. However, despite its importance, housing deficits persist worldwide, posing ongoing challenges that need to be addressed.

Eco Buildings presents an innovative, cost-effective, and high-quality solution to the global housing demand. Our approach is characterized by a rapid and efficient construction process, essential for addressing both urgent housing needs and long-term projects. The flexibility and customization options of our materials allow for a diverse range of designs, accommodating various housing types and preferences. Furthermore, our GFRG based housing solutions contribute to environmental sustainability by minimizing waste, incorporating energy-efficient designs, and utilizing sustainable materials.

We believe that our unique construction methodology represents an underexploited opportunity with immense potential. Recent test results in Chile have underscored the superior quality of our products. The extensive work undertaken on our factory during its reinstallation and recommissioning has significantly upgraded the assets acquired. We have invested substantial time and resources into renewing and enhancing almost every aspect of our production machinery, resulting in improved production speeds and reduced operating costs.

The journey to achieve fully automated continuous production at our Durres facility has been both challenging and rewarding, made possible by the exceptional skills and innovation of our local teams. This milestone marks a substantial leap forward, enhancing our productivity, efficiency, and overall output. Moreover, it has fortified our intellectual property portfolio, further distinguishing us within our industry.

Significant advancements in our software systems are poised to drive even greater productivity and efficiency, extending the lifespan of our initial production line in Durres. These improvements will now serve as the benchmark for all future production lines, ensuring standardized excellence across our operations.

We extend our sincere appreciation to all stakeholders for their patience and support throughout this innovative transformation of our production capabilities to full automation. With these enhancements in place, we are eager to intensify our market presence, fulfilling current commitments and venturing into new markets that we have already identified.

We extend our deepest gratitude to all our dedicated and hardworking employees who have wholeheartedly embraced our vision. Your commitment and efforts are the cornerstone of our success as we embark on this new chapter. Over the past year, there have been substantial changes within our board, both as part of the transaction and in subsequent developments. I would like to extend particular thanks to Andrew Allner who retired as Non-Executive Chairman early this year and who has led the board since its inception in 2011. With the recent appointment of Etrur Albani as Executive Vice Chairman, we are confident that our board now possesses the focus and expertise necessary to steer the Company towards a prosperous future.

Your ongoing trust and commitment to our organization mean a great deal to us. We remain steadfast in our dedication to maintaining transparency and open communication as we move forward together.

Don Nicolson

Non-Executive Chairman

## **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 and Kosovo 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.

The transaction to acquire Eco Buildings Group Ltd has been accounted for using the acquisition method of accounting in accordance with IFRS 3, which requires the identification of the acquirer and the acquiree for accounting purposes. Based on the assessment of the indicators under IFRS 3 and consideration of all pertinent facts and circumstances, Eco Buildings' management determined that Eco Buildings Group Limited (since renamed Eco Buildings Operations Limited) is the acquirer for accounting purposes and as such, the transaction will be accounted for as a reverse acquisition under IFRS 3. As a result, the financial statements of Eco Buildings Group Plc in subsequent filings will represent the historical financial statements of Eco Buildings Group Ltd.

### ***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.

## ***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.

After a lengthy process of innovation and equipment and software upgrades, the company announces that it had achieved fully automated production at its Albanian facility in June 2024. The fully automated production line not only delivers walls of the highest quality and consistency, but equally, does so at significantly higher output per day than previously achieved.

A single production line is capable of producing over 177,000 sqm of GFRG (glass fibre reinforced gypsum) walls per year - enough to deliver 768 houses a year based on a standard 60 sqm two story flat roof detached house plan.

These improvements have been achieved through incorporating new technology into the production process and a rigorous engineering overhaul of every component. This has yielded a reduction in cycle-time to produce a wall, vastly improved panel quality standards and increased operational efficiency and cost reduction. This upgrade will improve revenue and profit projections for the current production line in Albania, now and into the future. It will also increase the Company's store of Intellectual Property.

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.

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 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 are 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 and the Chilean Government 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<sub>2</sub> 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<sup>2</sup> 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<sub>4</sub> \* 1/2 H<sub>2</sub>O). When re-combined with water it recrystallises to become a hard, rock-like substance (CaSO<sub>4</sub> \* 2 H<sub>2</sub>O).
- 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.
- 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.
- A waterproofing agent such as a silicon mineral oil is added into the liquid plaster which impregnates the product mass making it water resistant.
- 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, 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<sup>2</sup> 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.

#### ***Factory***

Eco Buildings' first production line was purchased from a business in the UAE 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 produced its first walls in late 2023. A production line is capable of producing 14,784m<sup>2</sup> of panelling per month or the equivalent of 66 housing units (60sqm footprint). The factory site is located close to Albania's capital, Tirana, adjacent to the port of Dures, 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 Dures is completed.

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.

The entire software system controlling the machinery has been rewritten allowing a fully automated process for the machine, software which is now the proprietary IP of Eco Buildings Group.

### ***Certification***

In April 2024, the government-approved testing department at the Catholic University of Chile in Santiago, has informed the Company that its wall panels, have successfully passed the government's rigorous testing program for use in its construction market.

This noteworthy development is the result of months of meticulous testing that began back in July 2023 where the Group's building materials were subjected to the most extensive evaluations for strength, durability, fire-resistance, sound insulation and structural integrity. The results from the Catholic University testing center surpassed their stringent standards on all test variables, demonstrating the reliability and adaptability required to meet the exacting building regulation standards governing the construction industry in the region.

As a result of this performance success in Chile, it is the Company's understanding that its walls will also be deemed compliant across a substantial number of Latin American markets, allowing for significant future growth prospects in Chile and across the wider region.

### ***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.

As previously announced, commercial production began at the factory in June 2024 following the completion of this work. We have already begun to supply material for our first order, and have received a purchase order for the first rolling program of panels from AED Shpk for 25,000 sqm to be drawn down in accordance with a schedule of works. The sale of these panels will allow the company to generate revenue as we roll out the more complex complete dwellings.

### ***Fox Marble Operations***

#### ***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.

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

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.

On 7 February 2024 Eco Buildings Group Plc raised £827,000 via a subscription for new ordinary. The Subscription was effected at a price of 12 pence per share.

### **Results**

Key Performance Indicators	2023	2022
Revenue	139,552	-
LBITDA <sup>(1)</sup>	(1,239,987)	(210,618)
Adjusted LBITDA	(1,032,326)	(210,618)
Operating loss for the year	(1,447,935)	(242,823)
Loss for the year	(2,540,093)	(334,513)

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

The Group recorded revenues of €139,552 in the year ended 31 December 2023 (2022 - nil). The Group incurred an operating loss of €1,447,935 for the year ended 31 December 2023 (2022 - €242,823). The Group incurred a loss after tax



for the year ended 31 December 2023 of €2,540,093 (2022 - €334,513), which includes €749,490 charge on conversion of Pre-RTO loan notes.

Reconciliation of LBITDA to Loss for the year	2023	2022
Loss for the year before tax	(2,540,093)	(334,513)
Plus/(less):		
Loss on conversion of Pre RTO Loan Notes	749,490	-
Net finance costs	342,668	91,690
Depreciation	179,782	32,205
Amortisation	28,166	-
LBITDA	(1,239,987)	(210,618)
Plus:		
Inventory Provision	200,714	-
Share option charge	6,947	-
Adjusted LBITDA	(1,032,326)	(210,618)

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

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

#### **Consolidated Statement of Comprehensive Income**

**For the year ended 31 December 2023**

	Note	2023 €	2022 €
<hr/>			
<b>Revenue</b>		139,552	-
Cost of sales		(117,834)	-
<b>Gross profit</b>		<u>21,718</u>	<u>-</u>
Administrative and other operating expenses	5	(1,469,653)	(242,823)
<b>Operating loss</b>		<u>(1,447,935)</u>	<u>(242,823)</u>
Finance costs	6	(342,668)	(91,690)
Charge on conversion of pre RTO Loan Notes	7	(749,490)	-
<b>Loss before taxation</b>		<u>(2,540,093)</u>	<u>(334,513)</u>
Taxation charge for the year		-	-
<b>Loss for the year</b>		<u>(2,540,093)</u>	<u>(334,513)</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>(2,540,093)</u>	<u>(334,513)</u>

attributable to owners of the parent company

#### Earnings per share

Basic earnings per share	8	(0.04)	(0.01)
Diluted earnings per share	8	(0.04)	(0.01)

#### Consolidated Statement of Financial Position

As at 31 December 2023

	Note	2023 €	2022 €
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9	10,002,299	-
Property, plant and equipment	10	5,411,829	1,341,421
<b>Total non-current assets</b>		<b>15,414,128</b>	<b>1,341,421</b>
<b>Current assets</b>			
Trade and other receivables		612,795	89,781
Inventories		2,085,237	-
Cash and cash equivalents		676,750	10,154
<b>Total current assets</b>		<b>3,374,782</b>	<b>99,936</b>
<b>Total assets</b>		<b>18,788,910</b>	<b>1,441,357</b>
<b>Current liabilities</b>			
Trade and other payables		2,280,786	14,698
Lease Commitments		-	64,150
Borrowings	11	58,280	728,398
<b>Total current liabilities</b>		<b>2,339,066</b>	<b>807,246</b>
<b>Non-current liabilities</b>			
Deferred tax liability		84,504	-
Lease Commitments		290,073	200,460
Borrowings	11	4,934,659	767,793
<b>Total non-current liabilities</b>		<b>5,309,236</b>	<b>968,253</b>
<b>Total liabilities</b>		<b>7,648,302</b>	<b>1,775,499</b>
<b>Net assets</b>		<b>11,140,608</b>	<b>(334,142)</b>
<b>Equity</b>			
Called up share capital	12	5,773,729	1,129
Share premium	12	9,106,574	-
Accumulated losses		(2,875,278)	(335,271)
Share based payment reserve		6,947	-
Other reserve		(871,364)	-
<b>Total equity</b>		<b>11,140,608</b>	<b>(334,142)</b>

#### Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 €	2022 €
<b>Cash flows from operating activities</b>			
<b>Loss before taxation</b>		<b>(2,540,093)</b>	<b>(334,513)</b>
Adjustment for:			
Finance costs	6	342,668	91,690
Charge on conversion of pre RTO Loan Notes	7	749,490	-
<b>Operating loss for the year</b>		<b>1,447,935</b>	<b>(242,823)</b>
Adjustment for:			

Amortisation	9	28,166	-
Depreciation	10	179,782	32,205
Equity settled transactions		6,947	-
Provision for inventory		200,714	-
Changes in working capital:			
Decrease/(Increase) in trade and other receivables		88,133	(88,652)
Decrease in inventories		41,124	-
Increase in accruals		268,086	-
Increase in trade and other payables		5,178	13,941
<b>Net cash used in operating activities</b>		<b>(629,805)</b>	<b>(285,329)</b>
<b>Cash flow from investing activities</b>			
Expenditure on property, plant & equipment	9	(464,677)	(372,009)
Expenditure on rights of use assets		(78,515)	(67,571)
<b>Net cash used in investing activities</b>		<b>(543,191)</b>	<b>(439,580)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares (net of issue costs)	12	2,587,039	-
Issue of convertible loan notes	11	-	728,399
Repayment of loan notes	11	(477,551)	-
Interest paid on loan note instrument	11	(268,647)	-
<b>Net cash generated from financing activities</b>		<b>1,840,842</b>	<b>728,399</b>
<b>Net increase in cash and cash equivalents</b>		<b>667,845</b>	<b>3,489</b>
Cash and cash equivalents at beginning of year		10,154	-
Exchange losses on cash and cash equivalents		(1,250)	6,665
<b>Cash and cash equivalents at end of year</b>		<b>676,750</b>	<b>10,154</b>

### Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Share Capital	Share Premium	Share based payment reserve	Other Reserve	Accumulated losses	Total equity
	€	€	€	€	€	€
<b>Balance at 1 January 2021</b>	1,129	-	-	-	(671)	458
Loss and total comprehensive loss for the year	-	-	-	-	(334,513)	(334,513)
<b>Transactions with owners</b>						
Share options charge	-	-	-	-	-	-
Share capital issued	-	-	-	-	-	-
<b>Balance at 31 December 2021 and at 1 January 2022</b>	1,129	-	-	-	-	(334,055)
Loss and total comprehensive loss for the year	-	-	-	-	(2,540,093)	(2,540,093)
<b>Transactions with owners</b>						
Share options charge	-	-	6,947	-	-	6,947
Reserve arising on reverse acquisition	-	-	-	(871,364)	-	(871,364)
Issue of shares	5,772,600	9,106,574	-	-	-	14,879,173
<b>Balance at 31 December 2022</b>	5,773,729	9,106,574	6,947	(871,364)	(2,875,278)	11,140,608

### Notes to the Consolidated Financial Statements

#### 1. General information

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.

## **2. Basis of Preparation**

The financial information set out herein does not constitute the Group's statutory financial statements for the year ended 31 December 2023, but is derived from the Group's audited full financial statements. The auditors have reported on the 2023 financial statements and their report was unqualified and did not contain statements under s498(2) or (3) Companies Act 2006. The 2023 Annual Report was approved by the Board of Directors on 28 June 2024, and will be mailed to shareholders on 1 July 2024. The financial information in this statement is audited but does not have the status of statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The Group's consolidated financial statements, which form part of the 2023 Annual Report, have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the requirements of the Companies Act applicable to companies reporting under IFRS. IFRS includes Interpretations issued by the IFRS Interpretations Committee (formerly - IFRIC).

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

## **3. Critical accounting estimates and areas of judgement**

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.

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.

## Inventories

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

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

### 4. Going concern

The Directors have thoroughly reviewed detailed projected cash flow forecasts and believe it is appropriate to prepare this report on a going concern basis. In making this assessment, they have considered the following factors:

- a) the current working capital position and operational requirements;
- b) the proposed business plan for the combined entity including the development of sales in Albania from the newly commissioned factory in Albania;
- c) rates of production at the newly operational plant in Durres, and the any risks that may impact the levels of production;
- d) current order book including purchase orders received in June 2024 and the companies ability to satisfy these from existing production;
- e) the timing and expected start of revenues under the contracts for construction secured by Eco Buildings with Andrra Invest LLC and Egeu Stone LLC.
- f) the timing of expected sales receipts and completion of other existing orders, as well as collection of outstanding debtors;
- g) the sensitivities of forecast sales figures over the next two years;
- h) the timing and magnitude of planned capital expenditure including expansion of production facilities at the GFRG factory in Albania; and
- i) 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 the 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, and that the newly commissioned factory in Durres operates in good order. The Company also anticipates significant revenue growth through the realization of existing sales 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) Levels of production at the factory could be lower than expected; Costs of construction of the units could be higher than expected;
- c) 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;
- d) Costs of production and construction could be higher than planned, or there could be unforeseen additional costs;
- e) Fulfilment of the Company's order book could be delayed, or the payment of amounts due under such contracts could be delayed; and
- f) 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 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. Expenses by nature

	Year ended 31 December 2023 €	Year ended 31 December 2022 €
Operating loss is stated after charging:		
Cost of materials sold	117,834	-
Inventory provision	200,714	-
Fees payable to the Company's auditors	57,612	-
Legal & professional fees	267,036	71,164

Consultancy fees and commissions	225,169	-
Staff costs	8,217	-
Other head office costs	36,078	21,919
Rent and rates	36,405	-
--Travelling, entertainment & subsistence costs	91,427	10,679
Depreciation	179,782	32,205
Amortisation	28,166	-
Quarry operating costs	128,255	95,393
Foreign exchange loss	62,588	10,991
Share option charge	6,947	-
Testing, storage, sampling and transportation of materials	98,796	-
Sundry expenses	42,461	472
<b>Cost of sales, administrative and other operational expenses</b>	<b>1,587,487</b>	<b>242,823</b>

## 6. Net finance costs

	2023 €	2022 €
<b>Finance costs</b>		
Interest expense on borrowings	293,238	48,048
Net foreign exchange loss on loan note instrument	23,265	28,407
Interest payable on lease liabilities	25,677	11,562
Movement in fair value of derivatives	490	-
	<b>342,669</b>	<b>91,690</b>

## 7. Charge on conversion of Pre RTO Loan notes

	2023 €	2022 €
Charge on conversion of pre RTO loan notes	749,490	-

Between 6 May 2022 and 31 December 2022, Eco Buildings Operations Limited issued £645,000 of unsecured convertible loan notes. In the event of admission of the Company and its parent to AIM these loan notes were to convert to a variable number of ordinary shares of the Company to provide a conversion value of 2:1.

On the 2 June 2023, loan notes were novated from Eco Buildings Operations Limited to Eco Buildings Group plc.

Following the re-admission of the Company to AIM on the 2 June 2023 the loan notes with a carrying value of €749,490 (£645,000) were converted into 2,345,455 shares at an issue price of 55p, with a total value of €1,498,980 (£1,290,000) resulting in a non-cash accounting charge of €749,490 being recognised in the income statement.

## 8. Loss per share

	2023 €	2022 €
Loss for the year used for the calculation of basic EPS	(2,540,093)	(334,513)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic EPS	63,413,058	54,545,455
Effect of potentially dilutive ordinary shares	-	-
Weighted average number of ordinary shares for the purpose of diluted EPS	63,413,058	54,545,455
<b>Earnings per share:</b>		
Basic	(0.040)	(0.0061)
Diluted	(0.040)	(0.0061)

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.

Earnings per share for the periods ended 31 December 2022 weighted average number of shares of former Eco Buildings Operations Limited have been adjusted by the exchange ratio of 1:54,545 to provide comparability in accordance with IFRS 3 - Business Combinations.

## 9. Intangible assets

	Goodwill €	Mining rights and licences €	exploration and evaluation expenditure €	Total €
<b>As at 31 December 2021, 1 January 2022 and 31 December 2022</b>				
Additions	7,422,686	2,535,487	72,292	10,030,465
<b>As at 31 December 2023</b>	<b>7,422,686</b>	<b>2,535,487</b>	<b>72,292</b>	<b>10,030,465</b>
<b>Accumulated amortisation</b>				
<b>As at 1 January 2022, 31 December 2022 and as at 1 January 2023</b>	-	-	-	-
Charge for the year	-	26,506	1,660	28,166
<b>As at 31 December 2023</b>	-	<b>26,506</b>	<b>1,660</b>	<b>28,166</b>
<b>Net Book Value</b>				
<b>As at 1 January 2022 and 31 December 2022</b>	-	-	-	-
<b>As at 31 December 2023</b>	<b>7,422,686</b>	<b>2,508,981</b>	<b>70,631</b>	<b>10,002,299</b>

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.

The transaction has been accounted for using the acquisition method of accounting in accordance with IFRS 3, which requires the identification of the acquirer and the acquiree for accounting purposes. Based on the assessment of the indicators under IFRS 3 and consideration of all pertinent facts and circumstances, Eco Buildings' management determined that Eco Buildings Group Limited (since renamed Eco Buildings Operations Limited) is the acquirer for accounting purposes and as such, the merger will be accounted for as a reverse acquisition. As a result, the financial statements of Eco Buildings Group Plc in subsequent filings will represent the historical financial statements of Eco Buildings Operations Limited.

Goodwill on acquisition has been calculated based on deemed consideration calculated based upon fair value of the notional number of equity instruments that the legal subsidiary (Eco Buildings Operations Limited) would have had to issue to the legal parent (Eco Buildings Group plc) to give the owners of the legal parent the same percentage ownership in the combined entity of €9,921,787, giving rise to €7,371,841 of goodwill.

As part of the acquisition the accounting acquirer acquired intangible assets held by Eco Buildings Group Plc.

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. At the 2 June 2023 these assets were deemed to have a fair value of €95,365.

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 Eco Buildings Group Plc acquired Gulf Marble Investments Limited (UAE) ("GMIL"). 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 recognised an intangible asset with a fair value of €1,469,464 which is being amortised over the remaining period of the licence. As at 2 June 2023 this asset was deemed to have a fair value of €1,279,111. In addition the acquisition of GMIL 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.

#### 10. Property, plant and equipment

	Quarry Plant & Machinery	Factory Plant & Machinery	Rights of use asset	Land and buildings	Other	Total
	€	€	€	€	€	€
<b>Cost</b>						
As at 1 January 2022	-	-	-	-	-	-
Additions	-	1,051,579	322,047	-	-	1,373,626
<b>As at 31 December 2022 and as at 1 January 2023</b>	<b>-</b>	<b>1,051,579</b>	<b>322,047</b>	<b>-</b>	<b>-</b>	<b>1,373,626</b>
Additions	-	464,677	-	-	-	464,677
Acquisitions	721,179	2,828,718	74,505	160,000	1,111	3,785,513
<b>As at 31 December 2023</b>	<b>721,179</b>	<b>4,344,974</b>	<b>396,552</b>	<b>160,000</b>	<b>1,111</b>	<b>5,623,816</b>
<b>Accumulated depreciation</b>						
As at 1 January 2022	-	-	-	-	-	-
Depreciation charge <sup>(1)</sup>	-	-	32,205	-	-	32,205
<b>As at 31 December 2022 and as at 1 January 2023</b>	<b>-</b>	<b>-</b>	<b>32,205</b>	<b>-</b>	<b>-</b>	<b>32,205</b>
Depreciation charge <sup>(1)</sup>	2,093	86,070	91,391	-	228	179,782
<b>As at 31 December 2023</b>	<b>2,093</b>	<b>86,070</b>	<b>123,596</b>	<b>-</b>	<b>228</b>	<b>211,987</b>
<b>Net Book Value</b>						
As at 1 January 2022	-	-	-	-	-	-
As at 31 December 2022	-	1,051,579	289,842	-	-	1,341,421
<b>As at 31 December 2023</b>	<b>719,086</b>	<b>4,258,904</b>	<b>272,956</b>	<b>160,000</b>	<b>883</b>	<b>5,411,829</b>

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 2023 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.

#### 11. Borrowings

	2023 €	2022 €
<b>Current borrowings</b>		
Convertible loan notes held at amortised cost	-	728,399
Other borrowings held at amortised cost	58,280	-
	<b>58,280</b>	<b>728,399</b>
<b>Non-current borrowings</b>		
Convertible loan notes held at amortised cost	4,122,571	-
Other borrowings held at amortised cost	811,536	767,793
Derivative over own equity at fair value	552	-
	<b>4,934,659</b>	<b>767,793</b>
	<b>4,992,939</b>	<b>1,496,192</b>

##### a. RTO Convertible Loan Notes

Between 6 May 2022 and 31 December 2022, Eco Buildings Operations Limited issued £645,000 of unsecured convertible loan notes. The loan notes converted to shares on 50% discount on Admission of the Eco Buildings Group plc to AIM.

##### b. Eco Buildings Operations Limited Loan Note

On 3 March 2022 the Group entered into an agreement to acquire operational assets from Gulf Wall FZO, a company registered in Dubai, United Arab Emirates. The consideration for this purchase was the issue of shares in Eco Buildings Group Ltd and the issue of \$1,000,000 (£759,763) loan note. The terms of the loan note were agreed on 7 September 2022. The loan note has a four-year term and an interest rate of 2%. As at 31 December 2023 the loan note held at amortised cost



The Loan Note has a four-year term and an interest rate of 2% per annum. On 1 December 2020 the Loan Note held at amortised cost had a balance of €811,533. (2022 - €767,793).

**c. Series 11 Loan Note**

On 27 May 2020 Eco Buildings Group Plc 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.

The noteholders had the right, in the event of a change of control of the Company, to give written notice to the Company to require that the interest rate on the stock increases to 25% per annum with effect from the date of the change of control. In the event the noteholders elected to increase the interest rate, the Company may repay the stock at par, together with all accrued interest. On 27 April 2023, the Company amended the Series 11 CLNs pursuant to which the terms of the Series 11 Instrument were altered to agree that (i) the Acquisition shall not cause the interest rate payable pursuant to the Series 11 Instrument to increase, notwithstanding that a change of control of the Company will occur, and (ii) the Series 11 CLNs would convert at a rate of 80 pence per ordinary share.

As at 31 December 2023, the Series 11 Loan Note held at amortised cost had a balance of €2,297,603 (2022 Company only - €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 2023, the derivative had a value of €555 (2022 Company only - €1,045). 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 2023.

**d. Gulf Loan Note**

As consideration for the acquisition of Gulf Marble Investments Limited Eco Buildings Group plc 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.

The Gulf Loan Note was amended on 7 August 2021 pursuant to which the total principal amount to be repaid under the Notes was increased to €1,885,000. In addition, interest shall accrue in respect of the GM Notes at the rate of 4.5% in the period from 8 August 2021 to 1 January 2025. Furthermore, if the Company raises more than €7 million prior to the date of repayment of the Notes, 25% of the Notes are to be repaid immediately.

As at 31 December 2023, the Gulf Loan Note held at amortised cost had a balance of €1,824,313 (31 December 2022 - €1,939,463). The Stockholders' option to convert the loan has been treated as an embedded derivative and measured at fair value. As at 31 December 2023, the derivative had a value of nil (31 December 2022 - €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.

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

In September 2019, the Eco Buildings Group Plc 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 2022 £20,000 of these borrowings were repaid and the term of the remaining loan notes extended to 2 June 2023. The remaining balance of the loan note were repaid during 2023.

In July 2021 Eco Buildings Group Plc borrowed £50,000 under the Covid bounce back loan scheme. The loan carries an interest rate of 2.5% and is repaid in monthly instalments over five years. As at 31 December 2023 there remained €29,732 outstanding on this debt.

**12. Share capital**

In accordance with IFRS 3 - Business Combinations, as applied to a reverse acquisition, the share capital in the consolidated accounts of Eco Buildings Group Plc reflects the share capital of the legal acquirer, Eco Buildings Group Plc, with the difference between share capital of the legal acquirer and the accounting acquirer, Eco Buildings Operations Limited (formerly Eco Buildings Group Ltd), being aggregated and shown as part of retained earnings and other reserves.

31 December 2023 Number	31 December 2022 Number	Share capital 31 December 2023 €	Share capital 31 December 2022 €	Share premium 31 December 2023 €	Share premium 31 December 2022 €
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<b>Issued, called up and fully paid Ordinary shares of £0.01 each</b>						
At start of the period	54,545,455	54,545,455	1,129	1,129	-	-
Issued in the year	15,524,625	-	816,364	-	9,106,574	-
At end of the period	70,070,080	54,545,455	817,493	1,129	9,106,574	-
<b>Issued, called up and fully paid Preference shares of £0.01 each</b>						
At start of the period	-	-	-	-	-	-
Issued in the year	8,232,857	-	95,665	-	-	-
At end of the period	<b>8,232,857</b>	-	<b>95,665</b>	-	-	-
<b>Issued, called up and fully paid Deferred shares of £0.50 each</b>						
At start of the period	-	-	-	-	-	-
Issued in the year	8,232,857	-	4,860,571	-	-	-
At end of the period	<b>8,232,857</b>	-	<b>4,860,571</b>	-	-	-
	<b>86,535,794</b>	<b>54,545,455</b>	<b>5,773,729</b>	<b>1,129</b>	<b>9,106,574</b>	-

### 13. Contingent Liabilities

The Group 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 Group 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 Group 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 Group anticipates a fair and satisfactory resolution.

All the Group'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 Group announced that it had engaged the services of Dentons CS Europe LLP to act on the Group'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.

### 14. 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 Group with an award of 383,177 in damages plus £454,584 in costs. No other issues remain to be determined in the arbitration.

The Group has not recognised an asset within its account in respect of this award till such point it has clear visibility as to

The Group has not recognised an asset from its account in respect of any share award payments until they are due when such an award may be collected.

## 15. Acquisition of Eco Buildings

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

	% Ownership	Date acquired/ Incorporated	Registered Office	Place of incorporation	Principal activity
Eco Buildings Operations Limited	100%	30 November 2021	160 Camden High Street NW1 0NE Rruga "Frosina Plaku", pall. 21, hyrja 13, Kati 1, Tirana	England & Wales	Operating Company
Eco Buildings Group Albania Sh.P.K	100%	11 December 2012		Albania	Operating Company

The transaction has been accounted for using the acquisition method of accounting in accordance with IFRS 3, which requires the identification of the acquirer and the acquiree for accounting purposes. Based on the assessment of the indicators under IFRS 3 and consideration of all pertinent facts and circumstances, Eco Buildings's management determined that Eco Buildings Group Limited (since renamed Eco Buildings Operations Limited) is the acquirer for accounting purposes and as such, the merger will be accounted for as a reverse acquisition. As a result, the financial statements of Eco Buildings Group Plc in subsequent filings will represent the historical financial statements of Eco Buildings Operations Limited.

The IFRS 3 acquisition method of accounting applies the fair value concepts defined in IFRS 13 - Fair Value Measurement ("IFRS 13") and requires, among other things, the assets acquired and the liabilities assumed in a business combination to be recognized by the acquirer at their fair values as of the acquisition date, with certain exceptions. As a result, the acquisition method of accounting has been applied and the assets and liabilities of Eco Buildings Group Plc (formerly Fox Marble Holdings Plc) have been recorded at their respective fair values, with limited exceptions as permitted by IFRS 3.

### Computation of consideration

Eco Buildings Group Ltd shareholders received 54,545 Eco Buildings Group plc (formerly Fox Marble Holdings Plc) ordinary shares for each Eco Buildings Operations Ltd (formerly Eco Buildings Group Ltd) ordinary share held immediately prior to the acquisition as consideration in connection with the merger, which represented 54,545,455 shares. However, as required by IFRS 3, the consideration transferred is calculated as if Eco Buildings Operations Limited, as the accounting acquirer, issued shares to the shareholders of the accounting acquiree, Eco Buildings Group plc. The value of the consideration transferred has been measured based on the issue price shares of 55 pence per share on 2 June 2023. The number of Eco Buildings Operations Limited shares that Eco Buildings Operations Limited is deemed to issue to Eco Buildings Group Plc shareholders under reverse acquisition accounting provides the former Eco Buildings Group Plc shareholders with the same ownership in the combined group as obtained in the acquisition.

	Provisional fair value €
Fair value of consideration issued	
Deemed consideration	9,921,787
Deemed consideration is calculated based upon fair value of the notional number of equity instruments that the legal subsidiary (Eco Buildings Operations Limited) would have had to issue to the legal parent (Eco Buildings Group plc) to give the owners of the legal parent the same percentage ownership in the combined entity. This was calculated as 22% of the ownership of the enlarged group.	
The assets and liabilities recognised as a result of the acquisition are as follows:	Provisional fair value €
Net assets acquired	2,564,947
Goodwill arising on acquisition	7,371,841

The excess of the consideration transferred over the fair value of Eco Buildings Group Plc's assets acquired and liabilities assumed has been recorded as goodwill. Eco Building Operations Limited (formerly Eco Buildings Group Limited) 's assets and liabilities together with its operations will continue to be recorded at their pre-acquisition historical carrying values for all periods presented in the consolidated financial statements of Eco Buildings Group Plc. Following the completion of the transaction, the earnings of the combined group reflect the impacts of purchase accounting adjustments, including

the transaction, the earnings of the combined group reflect the impacts of purchase accounting adjustments, including changes in amortization and depreciation expense for acquired assets.

As permitted by IFRS 3 Business Combinations, the business combination is accounted for using provisional amounts. Any adjustments to the provisional amounts will be made within the measurement period to reflect new information obtained about fact and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date.

The acquired business contributed a net loss of €2,290,348 to the group for the period from 2 June 2023 to 31 December 2023. If the business had been acquired at 1 January 2023 the impact on net loss would have been €1,008,999.

#### **16. Events after the reporting period**

On 7 February 2024 Eco Buildings Group Plc raised £827,000 via a subscription for new ordinary. The Subscription was effected at a price of 12 pence per share.

Warrants over new ordinary shares were issued on the basis of one for every one Subscription Share. The warrants have a three year term, with an exercise price of 12p for the first 12 months, 19p for the following 12 months, and 26p for the final twelve months.

Following the admission of the new ordinary shares, the total issued share capital of the Company is 76,961,747 ordinary shares, each with voting rights.

#### **17. Information**

Copies of the Annual Report and Financial Statements will be posted to shareholders today. Further copies will be available from Eco Buildings Group plc's registered office at 160 Camden High Street, NW1 0NE or on the Company's website at [www.eco-buildingsplc.net](http://www.eco-buildingsplc.net)

#### **Caution regarding forward looking statements**

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

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