

*The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain*

**Tanfield Group Plc**  
**("Tanfield", or "the Company")**

**Interim Results for the six-month period to 30 June 2020**

Tanfield, an investing company as defined by AIM Rules, announces its half year results for the period ending 30 June 2020. The unaudited financial information will shortly be available on the Company website at [www.tanfieldgroup.com](http://www.tanfieldgroup.com).

**Background**

- Tanfield is a 49% shareholder in the equity of Snorkel International Holdings LLC ("Snorkel") following the joint venture between the Company and Xtreme Manufacturing LLC ("Xtreme") (the "Contemplated Transaction"), a company owned by Don Ahern of Ahern Rentals Inc, relating to Snorkel, in October 2013.
- The Snorkel investment is valued at £19.1m. The outcome of the US and UK Proceedings referenced below could have an impact on this valuation.
- On 22 October 2019, the Company announced that it had received a Summons and Complaint, filed in Nevada (the "US Proceedings") by subsidiaries of Xtreme, relating to the Contemplated Transaction.
- On 24 October 2019, the Company announced it had become necessary to issue and serve a claim in the English High Court against Ward Hadaway (the "UK Proceedings"), the solicitor acting for the Company at the time of the Contemplated Transaction, in order to fully protect the Company's rights pending the outcome of the US Proceedings.
- The Company's operating loss in H1 2020 increased to £333k (H1 2019: £127k) as a consequence of additional legal fees during the period, with the retained loss for the period being £369k (H1 2019: £127k).
- As announced on 30 July 2020, the Company put in place a second loan note instrument of up to £1,000,000. An initial sum of £500,000 was subscribed to.

**Overview of investments**

As with many manufacturing businesses around the world, Snorkel has been significantly impacted by the global COVID-19 pandemic and many of its manufacturing locations have been closed for substantial periods in order to protect both the workforce as well as other stakeholders and to comply globally with a number of stay at home orders.

Consequently, the first 6 months of 2020 have been materially impacted with sales of US\$60.2m, down 46.4% compared to the same period in 2019 (H1 2019: US\$112.5m). This resulted in an EBITDA loss of US\$6.2m in the first 6 months of 2020 (H1 2019: US\$1.0m profit). The increasing impact of the pandemic is further evident

when comparing the first and second quarter of 2020 with the corresponding quarters in 2019 which saw the first quarter sales reduced by 15.9% to US\$43.4m (Q1 2019: US\$51.6m) whereas the second quarter sales reduced by 72.4% to only US\$16.8m (Q2 2019: US\$60.8m).

Due to the ongoing impact of the COVID-19 pandemic, the Board expect that the remainder of 2020 will likely see ongoing reductions in sales when compared to 2019 but it is unable to provide an opinion at this juncture on the level of reduction in sales.

The Board can confirm that both the US Proceedings and the UK Proceedings are continuing to progress, with the Board continuing to seek advice and further updates will be provided to shareholders as and when appropriate.

For further information:

**Tanfield Group Plc** 020 7220 1666  
Daryn Robinson

**WH Ireland Limited – Nominated Advisor / Broker**  
James Joyce / Lydia Zychowska 020 7220 1666

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDING 30 JUNE 2020

	Six months to 30 Jun 20 (unaudited) £000's	Six months to 30 Jun 19 (unaudited) £000's	Year to 31 Dec 19 (audited) £000's
<b>Revenue</b>	-	-	-
Staff costs	(37)	(32)	(74)
Other operating income	9	11	23
Other operating expenses	(305)	(106)	(267)
<b>Loss from operations</b>	<b>(333)</b>	<b>(127)</b>	<b>(318)</b>
Finance expense	(36)	-	-
Finance income	-	-	1
<b>Net finance expense</b>	<b>(36)</b>	<b>-</b>	<b>1</b>
<b>Loss from operations before tax</b>	<b>(369)</b>	<b>(127)</b>	<b>(317)</b>
Taxation	-	-	-
<b>Loss &amp; total comprehensive income for the period attributable to equity shareholders</b>	<b>(369)</b>	<b>(127)</b>	<b>(317)</b>
<b>Loss per share from operations</b>			
Basic and diluted (p)	(0.23)	(0.08)	(0.20)

# BALANCE SHEET

AS AT 30 JUNE 2020

	30 Jun 20 (unaudited) £000's	30 Jun 19 (unaudited) £000's	31 Dec 19 (audited) £000's
<b>Non current assets</b>			
Non current Investments	19,100	19,100	19,100
	19,100	19,100	19,100
<b>Current assets</b>			
Trade and other receivables	28	35	23
Cash and cash equivalents	109	273	136
	137	308	159
<b>Total assets</b>	<b>19,237</b>	<b>19,408</b>	<b>19,259</b>
<b>Current liabilities</b>			
Trade and other payables	59	63	104
	59	63	104
<b>Non-current liabilities</b>			
Other payables	392	-	-
	392	-	-
<b>Total liabilities</b>	<b>451</b>	<b>63</b>	<b>104</b>
<b>Equity</b>			
Share capital	8,145	8,145	8,145
Share premium	17,336	17,336	17,336
Share option reserve	331	331	331
Special reserve	66,837	66,837	66,837
Merger reserve	1,534	1,534	1,534
Retained earnings	(75,397)	(74,838)	(75,028)
<b>Total equity</b>	<b>18,786</b>	<b>19,345</b>	<b>19,155</b>
<b>Total equity and total liabilities</b>	<b>19,237</b>	<b>19,408</b>	<b>19,259</b>

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share option reserve	Merger reserve	Special reserve	Retained earnings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Six months to 30 June 2020 (unaudited)</b>							
<b>At 1 January 2020</b>	<b>8,145</b>	<b>17,336</b>	<b>331</b>	<b>1,534</b>	<b>66,837</b>	<b>(75,028)</b>	<b>19,155</b>
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(369)	(369)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(369)</b>	<b>(369)</b>
<b>At 30 June 2020</b>	<b>8,145</b>	<b>17,336</b>	<b>331</b>	<b>1,534</b>	<b>66,837</b>	<b>(75,397)</b>	<b>18,786</b>
<b>Six months to 30 June 2019 (unaudited)</b>							
<b>At 1 January 2019</b>	<b>7,920</b>	<b>17,336</b>	<b>331</b>	<b>1,534</b>	<b>66,837</b>	<b>(74,711)</b>	<b>19,247</b>
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(127)	(127)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(127)</b>	<b>(127)</b>
Transactions with owners in their capacity as owners:-							
Issuance of new shares	225	-	-	-	-	-	225
<b>At 30 June 2019</b>	<b>8,145</b>	<b>17,336</b>	<b>331</b>	<b>1,534</b>	<b>66,837</b>	<b>(74,838)</b>	<b>19,345</b>
<b>Year to December 2019 (audited)</b>							
<b>At 1 January 2019</b>	<b>7,920</b>	<b>17,336</b>	<b>331</b>	<b>1,534</b>	<b>66,837</b>	<b>(74,711)</b>	<b>19,247</b>
<b>Comprehensive income</b>							
Loss for the year	-	-	-	-	-	(317)	(317)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(317)</b>	<b>(317)</b>
Transactions with owners in their capacity as owners:-							
Share based payments	225	-	-	-	-	-	225
<b>At 31 December 2019</b>	<b>8,145</b>	<b>17,336</b>	<b>331</b>	<b>1,534</b>	<b>66,837</b>	<b>(75,028)</b>	<b>19,155</b>

# CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDING 30 JUNE 2020

	Six months to 30 Jun 20 (unaudited) £000's	Six months to 30 Jun 19 (unaudited) £000's	Year to 31 Dec 19 (audited) £000's
Loss before interest and taxation	(333)	(127)	(318)
<b>Operating cash flows before movements in working capital</b>	<b>(333)</b>	<b>(127)</b>	<b>(318)</b>
Increase in receivables	(16)	(24)	(12)
Increase in payables	358	11	52
<b>Net cash from/(used in) operations</b>	<b>9</b>	<b>(140)</b>	<b>(278)</b>
Interest paid	(36)	-	-
<b>Net cash used in operating activities</b>	<b>(27)</b>	<b>(140)</b>	<b>(278)</b>
<b>Cash flow from Investing Activities</b>			
Interest received	-	-	1
<b>Net cash from investing activities</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of ordinary shares net of costs	-	225	225
<b>Net cash from financing activities</b>	<b>-</b>	<b>225</b>	<b>225</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(27)</b>	<b>85</b>	<b>(52)</b>
Cash and cash equivalents at the start of period	136	188	188
<b>Cash and cash equivalents at the end of the period</b>	<b>109</b>	<b>273</b>	<b>136</b>

## 1 Basis of preparation

The Interim Report of the Company for the six months ended 30 June 2020 has been prepared in accordance with AIM Rule 18 and not in accordance with IAS34 "Interim Financial Reporting" therefore is not fully in compliance with IFRS.

The half year report does not constitute financial statements as defined in Section 434 of the Companies Act 2006 and does not include all of the information and disclosures required for full annual statements. It should be read in conjunction with the annual report and financial statements for the year ended 31 December 2019 which is available on request from the Company's registered office, c/o Weightmans LLP, 1 St James' Gate, Newcastle upon Tyne, NE99 1YQ or can be downloaded from the corporate website [www.tanfieldgroup.com](http://www.tanfieldgroup.com).

## 2 Accounting Policies

There are no mandatory new and amended standards and interpretations effective from 1 January 2020 that are expected to have a material impact on the entity in the current or future reporting periods. Given the operational status of the company, the Directors do not think this new standard, nor any of the matters raised in the Annual Improvements projects 2014 - 2016 and 2015 – 2017, nor the amendments to IAS1 and IAS8, will have a material impact on the interim results. Therefore, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2019, as described in those financial statements. In particular, the accounts have been prepared on a going concern basis, and as set out on page 17 of those financial statements.

## 3 Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

<b>Number of shares</b>	<b>Six months to 30 Jun 20 000's</b>	<b>Six months to 30 Jun 19 000's</b>	<b>Year to 31 Dec 19 000's</b>
Weighted average number of ordinary shares for the purposes of basic earnings per share	162,907	159,004	160,971
Effect of dilutive potential ordinary shares from share options	-	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	162,907	159,004	160,971
<b>Loss</b>	<b>Six months to 30 Jun 20 £000's</b>	<b>Six months to 30 Jun 19 £000's</b>	<b>Year to 31 Dec 19 £000's</b>
<b>From operations</b>			
Loss for the purposes of basic earnings per share being net profit attributable to owners of the parent	(369)	(127)	(318)
Potential dilutive ordinary shares from share options	-	-	-
Loss for the purposes of diluted earnings per share	(369)	(127)	(318)
<b>Loss per share from operations</b>			
Basic and diluted (p)	(0.23)	(0.08)	(0.20)