

SulNOx Group PLC

Interim Results for the 6 month period ended 30th September 2019

30 December 2019

SulNOx Group Plc (the “Group”), the hydrocarbon fuel emulsification specialist, has pleasure in providing shareholders with its interim results. These results come a little under two weeks since the Group’s successful flotation on the NEX Exchange Growth Market.

CHAIRMAN’S STATEMENT

I am delighted to be presenting my first statement since becoming Chairman on the 17th December 2019, the date of our NEX flotation. You can find us with the ticker SNOX. These interim results are unusual in that all significant activity during this six-month period was described in the NEX Admission Document. Suffice it to say that all the placing proceeds were successfully received and a board meeting has since taken place to implement the strategy and procedures embodied in the Admission Document.

Since our March year end, the Group’s focus has seen the continued development of potential customer interest for the two emulsifier products developed by the Group and made under licence and distributed by Nouryon B.V (Nouryon). One emulsifier is for use with diesel fuel while the second is primarily for Heavy Fuel Oil (HFO) applications. Under the terms of the agreements we have with Nouryon, the Group will receive royalty and commission payments from Nouryon on the sales of the products generated by the Group. By agreement, we are the exclusive agent for these two products across the worldwide marketplace.

Our outlook is indeed worldwide, but we recognised that local customers would lead to the quickest route to market following discussions with a range of UK diesel users. In June the decision was made to acquire 17 tonnes of product from Nouryon to be held as inventory and this was delivered to our warehouse in August. We have since sold a significant amount of this in the UK and to a customer in South Africa who has reported worthwhile fuel savings with heavy goods vehicles. We hope to develop a series of controlled tests with this customer to add to our body of evidence over the efficacy of our diesel product.

The period under review also saw the development of a system, in cooperation with a commercial ship owner, to enable our HFO product to be deployed on board a working ship with the dosing and ultrasonic mixing “plumbed into” the ship’s existing fuel system, this with only minimal modification. We look forward to further news on this activity during the early part of 2020.

Our emergence into the public marketplace coincides with the worldwide recognition and acceptance to reduce carbon emissions. We have all seen the move to the electrification of vehicles to remove toxins, particulates and pollutants from our immediate environment, but this will have little impact on the global problem.

Tackling toxic emissions from the shipping and fossil fuel power generation sectors is far more significant and so is the world’s priority and we believe that our technology can provide part of the solution. Indeed, we have already made inroads with shipping companies and power companies who have started to take the issue and our solution seriously. If we get it right, the resulting commercial and environmental benefits to us, our potential customers and the wider stakeholder community will be significant.

On behalf of the Board, I would like to thank our professional advisers for the tremendous detailed work and support during our flotation period and I welcome our new shareholders as we enter the commercial phase of the Group’s journey. We look forward to an exciting and cash generative 2020.

Graham Lyon

Chairman.

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The directors take responsibility for this announcement.

SulNOx Group PLC

Consolidated Statement of Comprehensive Income for the 6 months ended 30 September 2019

	Unaudited 6 months ended 30 September 2019 £	Audited 9 months ended 31 March 2019 £
Turnover	–	–
Cost of sales	–	–
Gross profit	–	–
Distribution costs	–	(4,290)
Administrative expenses	(724,586)	(547,804)
Operating loss	(724,586)	(552,094)
Loss before taxation	(724,586)	(552,094)
Tax on loss	–	13,168
Loss for the financial period and total comprehensive income	<u>(724,586)</u>	<u>(538,926)</u>
Earnings per share (pence) Note 3	<u>(0.89)</u>	<u>(0.66)</u>

SulNOx Group PLC

Consolidated Statement of Financial Position

30 September 2019

	Unaudited 30 September 2019 £	Audited 31 March 2019 £
Fixed assets		
Intangible assets	8,889,078	9,089,078
Tangible assets	6,147	6,272
	<u>8,895,225</u>	<u>9,095,350</u>
Current assets		
Inventory	123,830	9,297
Debtors	16,688	–
Cash at bank and in hand	154,452	206,841
	<u>294,970</u>	<u>216,138</u>
Creditors: amounts falling due within one year	<u>(983,655)</u>	<u>(610,933)</u>
Net current liabilities	<u>(688,685)</u>	<u>(394,795)</u>
Total assets less current liabilities	<u>8,206,539</u>	<u>8,700,555</u>
Net assets	<u>8,206,539</u>	<u>8,700,555</u>
Capital and reserves		
Called up share capital	1,631,118	1,631,118
Share premium account	9,301,144	9,389,155
Other reserves	283,842	–
Profit and loss account	(3,009,565)	(2,319,718)
Shareholders' funds	<u>8,206,539</u>	<u>8,700,555</u>

SulNOx Group Plc

Notes to the Interim Financial Statements

1. General Information

SulNOX Group Plc is a public limited company ("The Company") incorporated in England & Wales (registration number 08449586). The Company is domiciled in the United Kingdom and its registered office is 10 Orange Street, London WC2H 7DQ. The Company's ordinary shares are traded on the NEX Exchange Growth Market ("NEX"). Copies of the interim report are available from the Company's website www.sulnoxgroup.com. Further copies of the Interim Report and Accounts may be obtained from the address above.

The Company's principal activity is the procurement of orders for customers wishing to use two fuel emulsifier products previously developed by the group and now owned under licence to Nouryon BV.

2. Basis of Preparation

The interim financial statements of the Company and its subsidiaries for the six months ended 30 September 2019, which are unaudited, have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial information contained in the interim report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the full preceding statutory reporting period is based on the statutory accounts for the 9 months ended 31 March 2019. Those accounts, upon which the auditors, Shipleys LLP, issued a report which was unqualified, have been delivered to the Registrar of Companies.

As permitted by IAS 34 "Interim Financial Reporting", a company preparing its first interim accounts may omit comparative information where the company does not have available in its accounting records the financial information needed to prepare the comparative interim financial statements.

As a result, the company has not presented the financial information for the 6 months ended 30 September 2018.

As permitted, this interim report has been prepared in accordance with the NEX Rules for Companies and not in accordance with IAS 34 "Interim Financial Reporting" therefore it is not fully compliance with IFRS.

The interim financial statements are presented in sterling.

3. Loss per share

Basic loss per share is 0.89p. The basic loss per ordinary share is calculated by dividing the loss of £724,586 by 81,555,920, the weighted average number of shares in issue during this period.

The loss attributable to equity holders (holders of ordinary shares) of the Company for calculating the fully diluted loss per share is identical to that used for calculating the loss per share. The exercise of share options would have the effect of reducing the loss per share and is therefore anti-dilutive.

