

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF REGULATION 11 OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019/310

8 November 2021

SulNOx Group Plc (the "Company" or "SulNOx")

Trading Update

(Aquis Stock Exchange: SNOX)

SulNOx, the hydrocarbon fuel emulsification specialist, announces a trading update ahead of attending a series of conferences and potential investor meetings including "Mello Monday" tonight.

Progress is very encouraging. At the start of the tenure of the current SulNOx board in December 2020, there were only a handful of opportunities. When we raised further capital in July, we had c.250 potential customers with 58 trials either proposed or underway. Today, SulNOx has c.600 potential customers and c.130 trials proposed or underway, including some extremely large, household names across the globe.

Marine trials are gathering momentum. Emerging data from an ongoing, large scale shipping trial confirms increased power and torque production, reduced exhaust temperatures and other positive data which indicates a more efficient engine with reduced emissions. With an estimated 90% of the world's goods still transported by ship, the revenue opportunity afforded by this data is potentially game changing for SulNOx. In addition, shipping consumes in excess of 350 million tons of Heavy Fuel Oil ("HFO") every year and produces "Ships Slops" waste material. All of this waste needs to be disposed of. SulNOx's new and unique oil reclamation process using another of SulNOx's products, Berol 6446, can turn valueless, waste oil mixed with water into an enhanced, low water, recycled oil for resale. This is therefore a product with very significant revenue potential, as a solution is required by every port globally. This product would further diversify revenue and we have already received a letter of intent and a strong pipeline of potential clients. With the European Sea Ports Organisation placing both port and ship waste fifth and sixth amongst its top ten environmental concerns, this SulNOx product can also have a significant impact on the carbon footprint of the shipping industry globally, solving the problem of the build-up of "Ships Slops" in ports.

Trials in cars, vans, trucks, buses and heavy machinery also continues to provide further proof of the effectiveness of the SulNOxEco fuel conditioners at reducing fuel consumption by c.10% and sales are now beginning to gain momentum. SulNOx has demonstrated fuel savings of c.9% with Scottish bus company EM Horsburgh and we now supply their fleet of 100 buses, consolidating other examples including a haulage firm showing 8% savings across a fleet including 27 new Euro 6 trucks, operated over 12 months and covering 1.2 million miles. This shows that even with the most modern engine and exhaust technologies available, SulNOx can significantly increase efficiencies by improving the burn profile of fuels, enabling more complete combustion. In a further ongoing and now expanded 4-month trial, data confirms fuel consumption reduction in a Caterpillar CAT 12-cylinder engine in a heavy-duty land vehicle running biodiesel B20 fuel of up to c.10%. This result is also key as The International Energy Agency has stated that biofuels could account for 27% of global transportation fuels by 2050.

Since the AGM updates at the start of September, and particularly with the ongoing COP26 summit, the Company has also started to make headlines with various articles in the National press as to how SulNOx products immediately and dramatically reduce Greenhouse gas and other emissions associated with climate change and poor air quality. As SulNOx also has a solution to many of the issues in respect to the new E10 fuel, retail sales continue to expand with >500 bottles now sold

directly in addition to sales from distributors. Notably, Shrewsbury based ElimiNOX has sold many hundreds of bottles to caravan and canal boat customers, including many repeat orders. The short sales cycle and high margins associated with retail sales remains an attractive strategy. The progress towards making SulNOxEco fuel conditioners available on Amazon continues with listing expected before the end of November in the UK. SulNOx has engaged a specialist sales agency to maximise impact and assist in the wider rollout of the SulNOxEco diesel and petrol conditioners to other countries.

Overall, client momentum is building significantly, and we have recently placed a large order for product with our chemicals manufacturer, Nouryon. SulNOx is now fully patented in 72 countries and c.20 independent sales organisations or introducer agreements are in place to sell and distribute the product – many of these firms are also hiring due to increased activity in respect to potential orders. Whilst we have recently been pushing our entrance into North America (also receiving ASTM approvals for diesel and petrol) the product has been sent for significant trials in Germany, Algeria and Ghana as well as to super yachts in Monaco. We have recently joined the Quoted Companies Alliance, our corporate literature is now additionally available in French, Russian and Romanian and the website will soon offer the ability to buy our products directly. The ongoing discussions and outcomes from COP26 will only strengthen the need for SulNOx's immediate ability to deliver emissions reductions and cost savings as oil prices continue to rise.

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