

30 December 2021

**SulNOx Group Plc (the "Company" or "SulNOx")
Financial Results for the Six Months to 30 September 2021**

(Aquis Stock Exchange: SNOX)

The board of the directors of the Company (the "Board") is pleased to announce its financial results for the six months to 30 September 2021. A copy of these results has been published on the Company's website.

Chairman's Statement

At a time when global markets are faced with record high fuel prices, together with leading government commitment to net zero emissions at the recent COP26, and with citizens more aware than ever of their own carbon footprint, the SulNOx products have never been more relevant with their capacity to immediately reduce emissions in all liquid hydrocarbon fuels and provide higher efficiency in fuel consumption. With this imperative call to cut emissions, the International Energy Agency (IEA) released its Energy Efficiency and Global Fuel Economy Initiative (GFEI) reports in November, stating that the world "requires a rapid acceleration in the fuel economy of vehicles", SulNOx is now in a prime position to do just that.

We are pleased to report that the financial results for the six month period ended 30 September 2021 are as initially forecasted, reflecting the investments that we have made to drive future revenue growth.

A loss of £724,121 (2020: loss of £378,102) is reported for the period, which represents a loss per share of 0.83pence (2020: loss per share 0.44pence). Within the period, the £2.59m raise of new capital has provided us with the ability to invest to grow, and to allow SulNOx to work towards realising its potential, which contributed to the increased loss in comparison to the previous period. As such, this new capital has allowed us to invest in the following key areas:

- **Patents** – applications for patents have been filed in over 70 countries; and new products and uses of existing products have been developed
- **Leadership** – hiring of a Chief Financial Officer, Chief Brand Officer, and Head of Science & Technology, along with an additional Non-Executive Director;
- **Brand Awareness** – accelerating the brand recognition via a retained Public Relations firm, Social Media Agency, and developing our e-commerce;
- **Sales** – investment in significant trials in focussed industry sectors (shipping, haulage, buses and other fleets), by providing product and relevant professional fees, along with investment in critical testing equipment.

Following on from our European certifications from Bureau Veritas announced in February 2021, Bureau Veritas in the US has certified that both US automotive gasoline / petrol and US diesel fuel comply with the American Society for Testing and Materials (ASTM) specifications when the Company's SulnoxEco™ Fuel Conditioner is added at the recommended levels. This is a watershed moment for SulNOx given the size of the marketplace and, when coupled with the recent consulting arrangement with National Strategies (NSI), it opens up significant opportunities across the USA, Canada and Mexico. There are further plans in motion to gain additional certifications in key markets in the coming months.

With increasing brand awareness through publications, we have attracted additional enquiries and individual sales. In order to facilitate new demand, we have been investing in our e-commerce capability with an online shop on our website (sulnoxgroup.com/shop), and also released the product on Amazon's sales platform. With the complexities

of listing, and the specialist knowledge required to drive a successful sales campaign on Amazon, we have engaged a specialist agency, which we expect to go live in January 2022.

Since the trading release of November 8th, there has been continued optimism and success securing c10 new corporate evaluations, expanding existing trials following initial successes, and c60 additional potential customers added to the sales pipeline. Master distributor A&S International Ltd. has secured an order from a Greek distributor with several others under discussion in Germany and the USA following successful trials. We remain highly confident that we will see other leads convert into revenue in 2022 to compliment the high margin, short sales cycles from retail clients.

Radu Florescu
Chairman.

Enquiries:

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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 2021

| | Unaudited 6 months to 30-Sep-21 £ | Audited year ended 31-Mar-21 £ | Unaudited 6 months to 30-Sep-20 £ |
|--|--|---|--|
| Revenue | 24,486 | 17,896 | - |
| Cost of sales | <u>(24,889)</u> | <u>(12,382)</u> | <u>(1,422)</u> |
| Gross profit/(loss) | (403) | 5,514 | (1,422) |
| Distribution costs | - | - | - |
| Administrative expenses | <u>(723,718)</u> | <u>(861,217)</u> | <u>(376,680)</u> |
| Operating profit/(loss) | (724,121) | (855,703) | (378,102) |
| Loss before taxation | (724,121) | (855,703) | (378,102) |
| Tax on Loss | <u>-</u> | <u>32,462</u> | <u>-</u> |
| Loss for the financial period and total comprehensive income | <u>(724,121)</u> | <u>(823,241)</u> | <u>(378,102)</u> |
| Earnings per share (pence) | (0.83) | (0.96) | (0.44) |

SulNOx Group PLC

Consolidated Statement of Financial Position as at 30 September 2021

| | Unaudited 6 months to 30-Sep-21 £ | Audited year ended 31-Mar-21 £ | Unaudited 6 months to 30-Sep-20 £ |
|---|--|---|--|
| Non-current assets | | | |
| Intangible assets | 8,080,061 | 8,280,334 | 8,466,970 |
| Property, plant and equipment | 7,035 | 3,528 | 4,116 |
| | <u>8,087,096</u> | <u>8,283,862</u> | <u>8,471,086</u> |
| Current assets | | | |
| Inventory | 101,211 | 119,501 | 111,438 |
| Debtors | 87,156 | 36,332 | 52,832 |
| Cash at bank and in hand | 1,889,399 | 42,271 | 117,006 |
| | <u>2,077,766</u> | <u>198,104</u> | <u>281,276</u> |
| Creditors: amounts falling due within one year | 151,185 | 271,154 | (370,544) |
| Net current liabilities | 1,926,581 | (73,050) | (89,268) |
| Total assets less current liabilities | 10,013,677 | 8,210,812 | 8,381,818 |
| | <u>10,013,677</u> | <u>8,210,812</u> | <u>8,381,818</u> |
| Net assets | | | |
| Capital and reserves | | | |
| Called up share capital | 1,882,657 | 1,710,057 | 1,707,657 |
| Share premium account | 13,322,916 | 11,049,435 | 10,942,815 |
| Share based compensation reserve | 388,344 | 307,439 | 307,439 |

| | | | |
|-------------------------|--------------------|--------------------|--------------------|
| Profit and loss account | <u>(5,580,240)</u> | <u>(4,856,119)</u> | <u>(4,576,093)</u> |
| Shareholders' funds | <u>10,013,677</u> | <u>8,210,812</u> | <u>8,381,818</u> |

SulNOx Group PLC

Consolidated Statement of Changes in Equity for the 6 months ended 30 September 2021

| | Called Up Share Capital £ | Share Premium Account £ | Share Based Compensatio n Reserve £ | Retained Earnings £ | Total £ |
|---|------------------------------------|----------------------------------|--|---------------------------|-------------------|
| Balance at 1 April 2020 | <u>1,695,782</u> | <u>10,781,690</u> | <u>307,439</u> | <u>(4,197,991)</u> | <u>8,586,920</u> |
| Loss of total comprehensive income for the period | - | - | - | (378,102) | (378,102) |
| Issue of share capital | <u>11,875</u> | <u>161,125</u> | - | - | <u>173,000</u> |
| Balance at 30 September 2020 | <u>1,707,657</u> | <u>10,942,815</u> | <u>307,439</u> | <u>(4,576,093)</u> | <u>8,381,818</u> |
| Loss of total comprehensive income for the period | - | - | - | (280,026) | (280,026) |
| Issue of share capital | <u>2,400</u> | <u>106,620</u> | - | - | <u>109,020</u> |
| Balance at 31 March 2021 | <u>1,710,057</u> | <u>11,049,435</u> | <u>307,439</u> | <u>(4,856,119)</u> | <u>8,210,812</u> |
| Loss of total comprehensive income for the period | - | - | - | (724,121) | (724,121) |
| Issue of share capital | <u>172,600</u> | <u>2,273,481</u> | - | - | <u>2,446,081</u> |
| Movement on reserve | - | - | <u>80,905</u> | - | <u>80,905</u> |
| Balance at 30 September 2021 | <u>1,882,657</u> | <u>13,322,916</u> | <u>388,344</u> | <u>(5,580,240)</u> | <u>10,013,677</u> |

Consolidated Cash Flows for the 6 months ended 30 September 2021

| | Unaudited 6 months to 30-Sep-21 £ | Audited year ended 31-Mar-21 £ | Unaudited 6 months to 30-Sep-20 £ |
|--|--|---|--|
| Cash flows from operating activities | | | |
| Loss for the year after tax | (724,121) | (823,241) | (378,102) |
| Adjustments for: | | | |
| Taxation charged | - | (32,462) | - |
| Amortisation and impairment of intangible assets | 200,273 | 400,546 | 213,910 |
| Depreciation and impairment of property, plant and equip | 613 | 1,176 | 588 |
| Tax refunded | - | 42,219 | - |
| Share based equity payment | 80,905 | - | - |
| Movement in working Capital | | | |
| Purchase of property, plant and equipment | (4,120) | - | - |
| Decrease/(increase) in inventories | 18,290 | (8,063) | - |
| (Decrease)/increase in trade and other receivables | (50,824) | 15,270 | (31,712) |
| (Decrease)/increase in trade and other payables | (119,969) | 122,072 | 51,588 |
| Cash generated from operations | <u>(598,952)</u> | <u>(282,483)</u> | <u>(143,728)</u> |
| Net cash from operating activities | <u>(598,952)</u> | <u>(282,483)</u> | <u>(143,728)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 2,589,000 | 287,600 | 173,000 |
| Share issue costs | (142,920) | (5,580) | - |
| Repayment of borrowings | - | (45,000) | - |
| Net cash from financing activities | <u>2,446,080</u> | <u>237,020</u> | <u>173,000</u> |
| Net increase in cash and cash equivalents | 1,847,128 | (45,463) | 29,272 |

| | | | |
|--|-----------|--------|---------|
| Cash and cash equivalents at beginning of year | 42,271 | 87,734 | 87,734 |
| Cash and cash equivalents at end of year | 1,889,399 | 42,271 | 117,006 |

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 AQSE Growth Market (“AQSE”) (formerly 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 2021, 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 year ended 31 March 2021. Those accounts, upon which the auditors, Jeffreys Henry LLP, issued a report which was unqualified, have been delivered to the Registrar of Companies.

As permitted, this interim report has been prepared in accordance with the AQSE Growth Market Rules for Issuers and not in accordance with IAS 34 “Interim Financial Reporting” therefore it is not fully compliant with IFRS.

The interim financial statements are presented in sterling.

3. Loss per share

Basic loss per share is 0.83p. The basic loss per ordinary share is calculated by dividing the loss of £724,121 by 87,205,199, 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.