

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

The directors take responsibility for this announcement.

5 September 2023

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

Final Results and Audited Annual Report and Accounts for the Year to 31 March 2023

(Aquis Stock Exchange: SNOX)

Final Results

The Board of Directors of SulNOx is pleased to announce the publication of the audited annual report and accounts for the year to 31 March 2023 (the "**Annual Report**").

The Annual Report will be published on the Company's website in compliance with its articles of association and the electronic communications provisions of the Companies Act 2006. A copy of the Annual Report can also be accessed through the link below.

Annual Report - http://www.rns-pdf.londonstockexchange.com/rns/4545L_1-2023-9-5.pdf

Key extracts from the Annual Report can also be viewed below.

- Ends -

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Chairman's Statement

Overall, the financial year to 31 March 2023 has proven to be a challenging year for SulNOx. As the global economy transitioned toward the endemic phase and economic activities continue to normalize, oil prices stabilized and the ongoing war in Ukraine provided a sense of uneasiness in terms of economic forecasts. Nevertheless, despite delayed testing results, an uncertain business landscape, and a reshuffling of the management team, we managed to increase sales by £169,554 / 505.8% and successfully attracted new strategic investors. The Board believes this will now help to bring about increased visibility of the SulNOx product, expand our strategic partnerships and finally, leverage the successful trial data; this should persuade hesitant clients about the carbon emission impact and fuel savings that SulNOx brings to the table which in turn will lead to significant revenue generation.

The Group remains resilient in its goal to deliver value to shareholders, despite the challenges that remain. The management will continue to strengthen the existing sales force by overhauling the current business structure, continue to exercise financial prudence and tighten operating costs to maximize shareholder value through four (4) strategic growth drivers i.e., strategic diversification in our sales strategy, driving product usage technology & innovation, cost and organizational effectiveness and leveraging carbon emission sustainability as a new growth area.

Moving forward, we will continue to seek opportunities to drive our business with a diversified range of products and services by leveraging on our product's strong data track record and capabilities that we now can say has finally been substantiated from real life trials in both shipping and trucking that will ensure the viability of the business. We will continue to pursue value creation, business sustainability, and growth strategies on all business segments.

Recent 2022 emissions data published has suggested that operators in the EU will begin to feel the pinch in the bloc's emission trading system (ETS) which will come into effect in 2024. We remain confident that ETS requirements will provide a tremendous opportunity for SulNOx to leverage sales by saving fuel costs and lowering the carbon imprint.

SulNOx continued to win awards for its leadership in sustainability and fuel savings technology to creating long-term value for stakeholders. Accolades include the Logistics Leaders Network innovation award, and SulNOx distributor, ElimiNOX, also won UK Ports Association Greentech Environmental Award.

The awards are a reflection of SulNOx's commitment to increase corporate value by actively engaging with our investors and stakeholders through our transparent and comprehensive integrated report.

We continue to operate to the highest standards of corporate governance and business ethics across our businesses and subsidiaries in order to safeguard the interests of our stakeholders and to ensure long-term shareholders' value creation.

In this regard, the Group is reviewing to diversify the board and senior management to attract and retain the right talent to manage and drive the Company's long-term objectives successfully. The Board will continually articulate, implement, and review the adequacy and effectiveness of the Group's risk management and internal control system in line with Aquis Exchange's corporate governance requirements to best manage our risks and opportunities and promote meaningful engagement with our stakeholders.

On behalf of the Board, I would like to express my sincere appreciation to all our shareholders, customers, business associates, partners, and contractors for their continued support, patience and confidence in the company.

I would also like to express my appreciation to the management and team for their contributions, dedication, and hard work, in working together for the Group business sustainability. I remain confident that with the combined continuing commitment, perseverance, right attitude and teamwork, SulNOx will finally be able to reach its long awaited objectives.

Material uncertainty relating to going concern

We draw your attention to note 3 ("Going Concern") in the financial statements. The group incurred a loss of £1.9m and had net cash outflows from operating activities of £1.2m for the year ended 31 March 2023.

These facts along with the other factors in note 3 in the financial statements, which highlights that management believe that their forecasts show that future sales should enable them to significantly improve working capital. Management do note that in case these sales do not materialize, they intend to seek approval at the Annual General Meeting to issue new Ordinary Shares in order to provide working capital. If this motion is unsuccessful, and further noted within note 3, the Group notes the potential mitigating actions which can be taken to safeguard the Group's cash position. These include working capital controls and reductions in discretionary spending and have a cost cutting plan such as cost deferral, scaling back activities and further cost cutting exercises.

These events or conditions, along with further information as set forth in note 3 regarding “Going Concern” of the financial statements indicate the existence of a material uncertainty which may cast significant doubt over the Group and Parent Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Consolidated Statement of Comprehensive Income

Year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4203,076	33,522	
Cost of sales	(138,090)	(55,671)	
		_____	_____
Gross profit/(loss)	64,986	(22,149)	
Administrative expenses	(1,972,502)	(1,953,742)	
		_____	_____
Operating loss	5(1,907,516)	(1,975,891)	
Interest payable and similar expenses	8-		(2,085)
		_____	_____
Loss before taxation	(1,907,516)	(1,977,976)	
Tax on loss	93,903	2,237	
		_____	_____
Loss for the financial year and total comprehensive income	(1,903,613)	(1,975,739)	
		=====	=====

All the activities of the group are from continuing operations.

Loss in pence per share	10		
Basic		(1.98 pence)	(2.16 pence)

Diluted

(1.98 pence) (2.16 pence)

Consolidated Statement of Financial Position**31 March 2023**

		2023	2022
	Note	£	£
Fixed assets			
Intangible assets	11	7,479,545	7,879,788
Tangible assets	12	15,914	24,061
		—————	—————
		7,495,459	7,903,849
Current assets			
Stocks	1479,072		164,467
Debtors	1547,594		78,051
Cash at bank and in hand	522,868		1,065,388
		—————	—————
		649,534	1,307,906
Creditors: amounts falling due within one year	16(360,683)		(259,197)
		—————	—————
Net current assets/(liabilities)		288,851	1,048,709
		—————	—————
Total assets less current liabilities		7,784,310	8,952,558
		—————	—————
Net assets		7,784,310	8,952,558
		=====	=====
Capital and reserves			
Called up share capital	18	2,018,831	1,882,657

Share premium account	19	13,911,991	13,322,915
Share option reserve	20	588,959	578,844
Profit and loss account	19	(8,735,471)	(6,831,858)
Shareholders' funds		7,784,310	8,952,558

Consolidated Statement of Cash Flows

Year ended 31 March 2023

	2023	2022
	£	£
Cash flows from operating activities		
Loss for the financial year	(1,903,613)	(1,975,739)
<i>Adjustments for:</i>		
Depreciation of tangible assets	5,956	3,194
Amortisation of intangible assets	400,243	400,546
Loss on disposal of fixed assets	2,192	-
Interest payable and similar expenses	-	2,085
Equity-settled share-based payments	10,115	271,405
Tax on loss	(3,903)	(2,237)
<i>Changes in:</i>		
Stocks	85,395	(44,966)
Trade and other debtors	(157,435)	(41,719)
Trade and other creditors	289,377	(9,720)
Cash flow from operations	(1,271,673)	(1,397,151)

Interest paid	-	(2,085)
Tax received	3,903	-
	_____	_____
Net cash used in operating activities	(1,267,770)	(1,399,236)
	=====	=====
Cash flows from investing activities		
Purchase of tangible assets	-	(23,727)
	_____	_____
Net cash used in investing activities	-	(23,727)
	=====	=====
Cash flows from financing activities		
Proceeds from issue of ordinary shares	725,250	2,446,080
	_____	_____
Net cash from financing activities	725,250	2,446,080
	=====	=====
Net increase/(decrease) in cash and cash equivalents	(542,520)	1,023,117
Cash and cash equivalents at beginning of year	1,065,388	42,271
	_____	_____
Cash and cash equivalents at end of year	522,868	1,065,388
	=====	=====