

8 December 2023

**SulNOx Group Plc (the "Company" or "SulNOx")
Financial Results for the Six Months to 30 September 2023**

(Aquis Stock Exchange: SNOX)

The board of the directors of the Company (the "Board") is pleased to announce its unaudited half yearly financial results for the six months to 30 September 2023. A copy of these results has been published on the Company's website.

Chairman's Statement

It is with great pleasure that I inform you on the Company's main milestones and interim results for the 6 months to 30 September 2023. As you know, the year so far has been marked with the Company welcoming a new significant shareholder, and successful acceleration of product evaluations in the second half of the year, a positive momentum which has significantly boosted the Company's revenue prospects in the coming quarters.

For the 6 months to 30 September 2023, SulNOx generated increased revenue and reduced expenses compared to the same period in the previous year, resulting in a reduced loss of £869,814, compared to a loss of £964,702 in the same period last year. While sales are still behind our initial projections, we believe that recent evaluation results and interest, particularly in the maritime sector, will provide an upward push towards increased revenue and profitability.

SulNOx's achievements during the period include evaluation data evidencing material fuel and emissions savings and increased demand for product from major shipping companies and other large fossil fuel consumers. An enhanced management team (both technical hires and industry leaders) will provide the needed resources and direction to achieve our short and medium-term objectives.

Since the annual general meeting in September, the Company has been able to secure additional funds in order to continue with our plans to grow our global salesforce footprint. Recently, we have added a Technical Director, and two Senior Advisors, to the current team who will focus their attention on sales, growing and retooling our distribution network, and supporting operational management and client value-add.

The current economic uncertainty of geo-political events coupled with economic forecasts has led the Board to establish new goals of greater constraint. Within this framework our priorities are to maintain financial discipline and compliance based upon our strategic plan moving forward. As such, aside from essential key hires and engagements, we have decided to maintain a policy of austerity to ensure that the company is adequately funded until anticipated significant sales, or additional funding, materialize.

Since becoming Chairman of the Board just over 3 years ago, I have defended a management policy based on discipline and transparency. I am pleased to inform you that this policy is now bearing fruit and the enhanced team and new advisors are well-placed to drive the company forward. I remain confident that

the augmented organizational structure, combined with a strengthened strategic investor base with a global vision, will provide the ability to adapt to the opportunities from Regulatory and other changing environments which we face today.

Despite a global backdrop of uncertainties and challenges, with the augmented team, coupled with the unique abilities of SulNOx to reduce fossil fuel consumption and emissions, we are ideally placed to make the very most of a market seeking immediate solutions for cost and climate issues that lie before us all.

I would like to end this note by expressing my sincerest thanks to our team, our distribution network and our investors, for your continued support and contribution to SulNOx, and look forward to an exciting future to which we will devote all our energies.

Enquiries:

SulNOx Group Plc

Steven Cowin, Chief Financial Officer

steven.cowin@sulnoxgroup.com

AQSE Corporate Adviser:

Allenby Capital Limited

Nick Harriss

020 3328 5656

The directors take responsibility for this announcement.

SulNOx Group Plc**Consolidated Statement of Comprehensive income for the 6 months ended 30 September 2023**

	Unaudited 6 months to 30-Sep-23 £	Audited year ended 31-Mar-23 £	Unaudited 6 months to 30-Sep-22 £
Revenue	135,727	203,076	74,805
Cost of sales	<u>(78,701)</u>	<u>(138,090)</u>	<u>(64,438)</u>
Gross profit	57,026	64,986	10,367
Distribution costs	-	-	-
Administrative expenses	<u>(926,840)</u>	<u>(1,972,502)</u>	<u>(975,069)</u>
Operating loss	(869,814)	(1,907,516)	(964,702)
Interest payable and similar expenses	-	-	-
Loss before taxation	(869,814)	(1,907,516)	(964,702)
Tax on Loss	-	<u>3,903</u>	-
Loss for the financial period and total comprehensive income	<u>(869,814)</u>	<u>(1,903,613)</u>	<u>(964,702)</u>
Earnings per share (pence)	(0.83)	(1.98)	(1.02)

SulNOx Group Plc**Consolidated Statement of Financial Position as at 30 September 2023**

	Unaudited 30-Sep-23 £	Audited 31-Mar-23 £	Unaudited 30-Sep-22 £
Non-current assets			
Intangible assets	7,279,545	7,479,545	7,679,545
Property, plant and equipment	13,925	15,914	21,047
	<u>7,293,470</u>	<u>7,495,459</u>	<u>7,700,592</u>
Current assets			
Inventory	128,633	79,072	143,343
Debtors	130,540	47,594	81,632
Cash at bank and in hand	562,257	522,868	311,109
	<u>821,430</u>	<u>649,534</u>	<u>536,084</u>
Creditors: amounts falling due within one year	(563,589)	(360,683)	(248,819)
Net current assets	257,841	288,851	287,265
Total assets less current liabilities	7,551,311	7,784,310	7,987,857
	<u>7,551,311</u>	<u>7,784,310</u>	<u>7,987,857</u>
Net assets			
Capital and reserves			
Called up share capital	2,176,228	2,018,831	1,882,657
Share premium account	14,391,409	13,911,991	13,322,916
Share based compensation reserve	588,959	588,959	578,844
Profit and loss account	(9,605,285)	(8,735,471)	(7,796,560)
Shareholders' funds	<u>7,551,311</u>	<u>7,784,310</u>	<u>7,987,857</u>

SulNOx Group Plc

Consolidated Statement of Changes in Equity for the 6 months ended 30 September 2023

	Called Up Share Capital £	Share Premium Account £	Share Based Compensation Reserve £	Retained Earnings £	Total £
Balance at 1 April 2022	1,882,657	13,322,916	578,844	(6,831,858)	8,952,559
Loss of total comprehensive income for the period	-	-	-	(964,702)	(964,702)
Balance at 30 September 2022	1,882,657	13,322,916	578,844	(7,796,560)	7,987,857
Loss of total comprehensive income for the period	-	-	-	(938,911)	(938,911)
Issue of share capital	136,174	589,075	-	-	725,249
Movement on reserve	-	-	10,115	-	10,115
Balance at 31 March 2023	2,018,831	13,911,991	588,959	(8,735,471)	7,784,310
Loss of total comprehensive income for the period	-	-	-	(869,814)	(869,814)
Issue of share capital	157,397	479,418	-	-	636,815
Balance at 30 September 2023	2,176,228	14,391,409	588,959	(9,605,285)	7,551,331

SulNOx Group Plc

Consolidated Cash Flows for the 6 months ended 30 September 2023

	Unaudited 6 months to 30-Sep-23 £	Audited year ended 31-Mar-23 £	Unaudited 6 months to 30-Sep-22 £
Cash flows from operating activities			
Loss for the year after tax	(869,814)	(1,903,613)	(964,702)
Adjustments for:			
Taxation charge	-	(3,903)	-
Amortisation and impairment of intangible assets	200,000	400,243	200,243
Depreciation and impairment of property, plant and equip	1,989	5,956	3,014
Loss on disposal of fixed assets	-	2,192	-
Tax received	-	3,903	-
Share based equity payment	-	10,115	-
Movement in working Capital			
(increase)/decrease in inventories	(49,561)	85,395	21,124
(increase)/decrease in trade and other receivables	(82,946)	(157,435)	(3,581)
Increase/(decrease) in trade and other payables	202,906	289,377	(10,377)
Cash generated from operations	(597,426)	(1,267,770)	(754,279)
Net cash from operating activities	(597,426)	(1,267,770)	(754,279)
Cash flows from financing activities			
Proceeds from issue of shares	636,815	725,250	-
Net cash from financing activities	636,815	725,250	-
Net increase/(decrease) in cash and cash equivalents	39,389	(542,520)	(754,279)
Cash and cash equivalents at beginning of year	522,868	1,065,388	1,065,388
Cash and cash equivalents at end of year	562,257	522,868	311,109

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 2023, 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 2023. 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 £869,914 by 104,876,470, 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.

SulNOx Group Plc

Notes to the Interim Financial Statements

4. Post-Period Event

On 11 October 2023 the Company announced that Nistadgruppen AS, an existing substantial shareholder, had subscribe for 3,111,111 new ordinary shares of 2 pence each at a price of 22.5 pence per share to raise a total of £700,000, before expenses.