

*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.*

9 September 2024

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

**Final Results and Audited Annual Report and Accounts for the Year to 31 March 2024**

(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 2024 (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** – [\[Insert link\]](#)

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

- Ends -

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**Chairman's Statement**

On behalf of the SulNOx Board I am delighted to present the Group's results for the 12-month period ended 31 March 2024.

During the period under review, SulNOx recorded turnover of £544.1k, representing a 167.9% increase from the £203.1k reported for the prior year. Loss from operations was £1,882.5k, compared to £1,907.5k in the prior year.

The reassuring business momentum in the second half of the year was sustained in the first quarter of 2024. The Group's financial performance in the second half was satisfactory and we are further encouraged by sales which have continued to be strong in the first quarter of 2024. Overall, the business

in the past 12 months met expectations, while the company has benefited from added momentum in increasing its shipping evaluations across the globe, combined with expanding and repeat sales in Africa and the UK.

## **Business Review**

For the 12 months ended 31 March 2024, marine evaluations increased to total 34 companies which are either evaluate or committed to evaluate, with fleets totalling c.4,000 vessels. This new business generated currently represents c.60% of total turnover and remains a primary focus for future sales opportunities. We believe that the recent addition of product storage facilities in Singapore and Houston will accelerate additional sales, given the importance of these locations in the maritime industry. The Group continues to expand to other global locations for additional storage facilities. While several evaluations are still underway, results from previous evaluations and further results to date underscore our products' benefits in terms of savings on fuel consumption, lower maintenance costs and, of course, significant emission reductions.

Whilst demand for fossil fuels in the West is arguably stagnant, there is increased focus on emission reducing energy transition solutions, which SulNOx products instantly facilitate. We also believe there is a very considerable opportunity for SulNOx products in land-based settings beyond their early adoption in shipping, including in Asia, Africa and the US. The recent uptick from SulNOx's business in Africa continues to follow a positive trend, one we strongly believe will contribute significantly to the bottom line in the current financial year. Specifically, our Ghana business is now on a solid footing and SulNOx has also now attracted orders from neighbouring countries such as Nigeria. This progress has encouraged SulNOx to commit to investing the necessary resources to accelerate business development in the region.

To address SulNOx's expanding portfolio of clients, the company has embarked on strengthening the team by adding several experienced shipping executives, sales and technical support staff. The new team members will be charged with improving our contact network and sales focus, providing technical support and supervision for new and ongoing evaluations, and coordination of logistics to ensure that product supply across the globe is smooth and efficient. Most recently, the company hired a senior consultant based in Houston to assist in the expansion of the US market.

I am also delighted to report the addition of several new shareholders and the increased investment of existing shareholders over the past year. In June 2023, SulNOx welcomed Constantine Logothetis as a new shareholder who later increased his holding and, as of May 2024, has a shareholding in SulNOx of 24.10% making him the largest individual shareholder. Meanwhile Nistad Group, an existing substantial shareholder, increased its shareholding to 14.55%. Additionally, in February 2024, we welcomed Alex Albertini as a new non-executive member of the Board of Directors. As the CEO of Marfin Management, a Monaco based shipping company, Alex brings with him a wealth of experience in the marine sector and his contribution to the Board has already had a major, positive impact. Alex also represents 2.10% of SulNOx shares and, with the added investment by Mr. Logothetis and the Nistad Group, this further underpins the confidence of the marine sector's interest in our products' potential.

## **Prospects**

The global economy moved steadily ahead in the second half of 2023, though falling short of a significant upswing. The African market and Asian Marine market, which remain an important focus for SulNOx, are expected to be the key drivers for our business in the second half of 2024. The US and Asian markets share common ground as both are important bases of potential growth in both shipping and land-based consumption of our product. In both markets SulNOx enjoys considerable potential for growth. US customers are known for being innovative and we anticipate that our new US representative can grow market share using his chemical technical background to access markets in areas where SulNOx previously did not have any exposure.

Europe's economy is back on an even keel and is expected to demonstrate slow and steady growth ahead. Accordingly, the Group has invested more manpower resources in the region, on the basis that a stronger European economy is positive for the Group's business development there.

## **Conclusion**

We believe we have the right business strategy in place to address the Group's upcoming opportunities and this will continue to yield further financial rewards. In the process of developing the business over the past few years, SulNOx has continued to enhance resources in sales, operations and logistics, which are geared towards meeting the stringent requirements of future customers. We will continue to extend our business into the geographical areas of the globe where we can access low hanging fruit, and we are confident that our sales strategy will continue to generate increasing revenues. We remain committed to delivering long term value for our shareholders and partners, and will maintain a strategic focus on optimising our current team and resources, whilst continuing with the development of new SulNOx products that underscore our ability to meet the challenges posed by climate change and the need to address global energy demand.

## **Acknowledgement**

On behalf of the Board, I would like to sincerely thank our shareholders, the SulNOx team, business partners and distributors for their hard work and support during this year. We remain committed to developing our business, maintaining its agility and momentum to ensure that we capitalise on the potential of the SulNOx brand and products moving forward.

Radu Florescu – Chairman

## **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 £1.6m for the year ended 31 March 2024.

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.

We identified going concern as a key audit matter based on our assessment of the significance of the risk and effect on our audit strategy.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors assessment of the Group and the Parent Company's ability to continue to adopt the following going concern basis of accounting and our audit procedures in response to this key audit matter included the following:

- we compared recent sales information to the Directors' forecast to assess the reasonableness of price and volume assumptions, and we compared forecast operating costs to current run rates.
- detailed review of management's forecasts and cash flow analysis, and their going concern assessment;
- assessment of the reliability of forecasts to date by agreeing historical actuals to budgets, and challenging the current forecasts;
- tested the clerical accuracy of management's forecast;
- challenged management's forecast assumptions, and inputs including reviewing the forecast

revenue and corroborated the assumptions over the conversion of new contracts and the levels of costs that are forecast.

- we reviewed the latest management accounts to gauge the financial position;
- we performed sensitivity analysis on the cash flow forecasts prepared by the directors;
- considered the Group's historic ability to raise funds; and
- considered the appropriateness of the Company's disclosures in relation to going concern in the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 £	2023 £
<b>Turnover</b>	<b>4</b>	<b>544,120</b>	203,076
Cost of sales		<b>(373,651)</b>	(138,090)
<b>Gross profit</b>		<b>170,469</b>	64,986
Administrative expenses		<b>(2,052,948)</b>	(1,972,502)
<b>Operating loss</b>	<b>5</b>	<b>(1,882,479)</b>	(1,907,516)
Interest receivable and similar income	<b>8</b>	<b>25,878</b>	-
Interest payable and similar expenses	<b>8</b>	<b>(3,098)</b>	-
<b>Loss before taxation</b>		<b>(1,859,699)</b>	(1,907,516)
Tax on loss	<b>9</b>	-	3,903
<b>Loss for the financial year and total comprehensive loss</b>		<b>(1,859,699)</b>	(1,903,613)
All the activities of the group are from continuing operations.			
<b>Loss per share (in pence)</b>	<b>10</b>		
Basic		(1.66 pence)	(1.99 pence)
Diluted		(1.66 pence)	(1.99 pence)

## Consolidated Statement of Financial Position

As at 31 March 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Intangible assets	<b>11</b>	<b>7,079,545</b>	7,479,545
Tangible assets	<b>12</b>	<b>42,995</b>	15,914
		<b>7,122,540</b>	7,495,459
<b>Current assets</b>			
Stocks	<b>14</b>	<b>171,103</b>	79,072
Debtors	<b>15</b>	<b>229,263</b>	47,594
Cash at bank and in hand		<b>2,146,718</b>	522,868
		<b>2,547,084</b>	649,534

<b>Creditors: amounts falling due within one year</b>	<b>16</b>	<b>(425,722)</b>	<b>(360,683)</b>
<b>Net current assets</b>		<b>2,121,362</b>	<b>288,851</b>
<b>Total assets less current liabilities</b>		<b>9,243,902</b>	<b>7,784,310</b>
<b>Net assets</b>		<b>9,243,902</b>	<b>7,784,310</b>
<b>Capital and reserves</b>			
Called up share capital	<b>18</b>	<b>2,426,936</b>	2,018,831
Share premium account	<b>19</b>	<b>16,717,035</b>	13,911,991
Share option reserve	<b>20</b>	<b>387,662</b>	588,959
Profit and loss account	<b>19</b>	<b>(10,287,731)</b>	(8,735,471)
<b>Shareholders' funds</b>		<b>9,243,902</b>	<b>7,784,310</b>

## Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	2024 £	2023 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(1,859,699)	(1,903,613)
<i>Adjustments for:</i>		
Depreciation of tangible assets	4,358	5,956
Amortisation of intangible assets	400,000	400,243
Loss on disposal of fixed assets	-	2,192
Interest payable	3,098	-
Interest receivable	(25,878)	-
Equity-settled share-based payments	106,142	10,115
Tax on loss	-	(3,903)
<i>Changes in:</i>		
Stocks	(92,031)	85,395
Trade and other debtors	(181,669)	(157,435)
Trade and other creditors	65,039	289,377
Cash flow from operations	(1,580,640)	(1,271,673)
Interest paid	(3,098)	-
Interest received	25,878	-
Tax received	-	3,903
Net cash used in operating activities	(1,557,860)	(1,267,770)
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(31,439)	-
Net cash used in investing activities	(31,439)	-
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	3,213,149	725,250
Net cash from financing activities	3,213,149	725,250
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,623,850</b>	<b>(542,520)</b>

Cash and cash equivalents at beginning of year	<u>522,868</u>	<u>1,065,388</u>
Cash and cash equivalents at end of year	<u><u>2,146,718</u></u>	<u><u>522,868</u></u>