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Niox Group PLC
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Certain information contained within this Announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR") as applied in the United Kingdom. Upon publication of this Announcement, this information is now considered to be in the public domain.

NIOX GROUP PLC

("NIOX" or the **"Company"** and, together with its subsidiaries, the **"Group")**

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Oxford, UK - 1 April 2025: NIOX Group plc (AIM: NIOX), a medical device company focused on point of care asthma diagnosis, monitoring and management, today announces its results for the year ended 31 December 2024.

Financial highlights

- Revenue growth of 14% to £41.8 million (2023: £36.8 million) and 16% on a constant currency basis.
- Clinical revenue[1] growth of 11% (14% on a constant currency basis) to £36.1 million (2023: £32.6 million).
- Group adjusted EBITDA[2] of £13.8 million, ahead of consensus estimates (2023: £11.4 million) and 21% growth on 2023.
- A dividend of 1 pence per share (equating to a cash return of £4.2 million) was paid to shareholders in June 2024.
- A tender offer was completed in October 2024, returning a further £21.0 million to shareholders.
- Net cash of £10.9 million (31 December 2023: £19.9 million) after the above cash returns.
- The Board recommends the payment of a final dividend of 1.25 pence per share in respect of the year ended 31 December 2024.
- Revised capital allocation policy to increase cash returns to shareholders.

On 20 March 2025, NIOX announced that following media speculation, the Company had received a proposal from Keensight Capital ("Keensight") regarding a possible cash offer to acquire the entire issued and to be issued share capital of NIOX at an offer price of 81 pence per share (the "Proposal"), (inclusive of any future dividend that may be paid after the date of the Proposal). The Proposal is subject to the satisfaction or waiver by Keensight of a number of pre-conditions, including the completion of satisfactory due diligence.

Discussions with Keensight remain at a preliminary stage and, as such, there can be no certainty that any firm offer will be made for the Company by Keensight, nor as to the terms of any such offer, should one be made.

Financial progress

	2024	2023
	£m	£m
Revenue	**41.8**	36.8
Gross margin	**72%**	72%
Total expenditure[3]	**(16.4)**	(15.1)
Adjusted EBITDA[2]	**13.8**	11.4
Adjusted EBITDA margin	**33%**	31%
Operating profit	**7.7**	4.6
Profit before tax	**7.8**	4.1
Profit for the year from discontinued operations	**0.3**	1.2
Profit for the financial year	**3.7**	10.7
Cash at year end	**10.9**	19.9

[1] Clinical revenue represents sales to physicians and hospitals for use in clinical practice.

[2] Earnings before interest, tax, depreciation, amortisation and share-based payment expenses.

[3] Excludes depreciation, amortisation and share-based payment expenses.

Operational highlights

- Total number of NIOX® FeNO tests sold in the year increased by 19% to 6.3 million (2023: 5.3 million).

- Development of NIOX PRO®, the next-generation device for medical professionals, remains on track with the first launch planned for Q4 2025.
- Letter of Intent signed with NIOX sensor manufacturer to invest in equipment to increase the manufacturing capacity of the exclusive NIOX VERO® sensor to meet long term demand and to fund the development of an all-new sensor for the NIOX home-use device.
- Continued to build the distributor network in the USA and expand FeNO insurance coverage.
- Kicked off development of the NIOX MyNO® specifically for home-use, with development and manufacturing partners.
- Final milestone payment of 4.5 million received from Beyond Air in September 2024, with up to 6.0 million in potential royalty payments thereafter.

Ian Johnson, NIOX's Executive Chairman, said: *"2024 was another good year for the Group. Revenue increased 14% to £41.8 million, and adjusted EBITDA increased 21% to £13.8 million. Cash generated from continuing operations, excluding the consideration received from Beyond Air, was £14.5 million (2023: £10.9 million), representing more than 100% of adjusted EBITDA (2023: 96%). All three of our geographic regions grew revenues, with APAC leading the way.*

Our new NIOX PRO® device, which has been under development for the past two years, remains on track for first launch markets in the final quarter of 2025. The NIOX PRO® will be the Group's first new product for 12 years and offers improved ease of use and superior connectivity compared with the NIOX VERO® while utilising the same technology and being fully backwards compatible with the NIOX VERO® sensors and accessories.

We have signed a Letter of Intent with the manufacturer of our NIOX® sensor to invest in equipment required to increase the manufacturing capacity of the exclusive NIOX VERO® sensor at their new expanded facility to meet long term demand and to fund the development of an all-new sensor for the NIOX MyNO® home-use device.

The Board has decided to adopt a policy with regard to the return of cash to shareholders, given that for some time the Group has generated cash in excess of its investment needs. The first opportunity to utilise this policy is likely to be towards the end of the current financial year. Going forward, the Group will, on a rolling basis, return 80% of free cash flow[1] to shareholders in the medium term, through ordinary dividend payments and additional cash returns.

Finally, I would like to congratulate Jonathan Emms and Sarah Duncan on their promotions. They are well deserved and provide stability and continuity. I wish them both every success. I would also like to wish Michael Roller all the best on his retirement and thank him for all he has done for NIOX over the past 5 years."

[1] Free cash flow is the cash generated by the Company after accounting for capital expenditures and investments needed to support the growth of operations. It represents the cash available for distribution to investors.

Contacts

NIOX — Tel: +44 (0) 3303 309 356
Ian Johnson, Executive Chairman
Jonathan Emms, Chief Executive Officer
Michael Roller, Chief Financial Officer

Singer Capital Markets (Nominated Adviser and Joint Broker) — Tel: +44 (0) 20 7496 3000
Jen Boorer / James Fischer / James Todd

Investec Bank plc (Financial Adviser and Joint Broker) — Tel: +44 (0) 20 7597 5970
Ben Lawrence / Lydia Zychowska

The annual report and audited consolidated financial statements will be available on the Company's website later today. Please visit: www.investors.niox.com/investors/financial-reports/

About NIOX

Our mission is to improve asthma diagnosis, monitoring and management by greater patient access to FeNO testing. Asthma is one of the biggest healthcare issues globally with 340 million sufferers, many of whom are undiagnosed or are misdiagnosed. NIOX is engaged in the design, development, and commercialisation of medical devices for the measurement of FeNO, a precise biomarker for asthma. Our market leading device, NIOX VERO®, is increasingly recognised by healthcare professionals as an important tool to improve the diagnosis, monitoring and management of asthma. NIOX VERO® is also the device of choice by leading clinical research organisations for respiratory studies.

An introductory presentation about the NIOX Group is available at: www.investors.niox.com/resource/category/presentations/

NIOX provides products and services via its direct sales organisation and extensive distributor network in more than 50 countries. For more information, please visit www.niox.com

countries. For more information, please visit www.niox.com

Forward-looking statements

This press release contains certain projections and other forward-looking statements with respect to the financial condition, results of operations, businesses, and prospects of NIOX. The use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target" or "believe" and similar expressions (or the negatives thereof) are generally intended to identify forward-looking statements. These statements are based on current expectations and involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Any of the assumptions underlying these forward-looking statements could prove inaccurate or incorrect and therefore any results contemplated in the forward-looking statements may not actually be achieved. Nothing contained in this press release should be construed as a profit forecast or profit estimate. Investors or other recipients are cautioned not to place undue reliance on any forward-looking statements contained herein. NIOX undertakes no obligation to update or revise (publicly or otherwise) any forward-looking statement, whether as a result of new information, future events or other circumstances.

CHIEF EXECUTIVE'S REVIEW

A year of continued growth in all geographies

NIOX is the market leader in point of care FeNO testing for the diagnosis, monitoring and management of asthma. The NIOX VERO® device is approved and reimbursed in most major markets. FeNO testing rates continued to increase in the majority of markets, and the total number of tests sold in the year increased by 19% to 6.3 million (2023: 5.3 million).

We are pleased that 2024 saw continued growth in revenue and adjusted EBITDA.

Revenues for the year were up 14% to £41.8 million (2023: £36.8 million) and up 16% on a constant currency basis. EBITDA margin increased from 31% in 2023 to 33%.

NIOX experienced strong demand in the Clinical business (sales to physicians and hospitals for use in clinical practice), which grew by 11% versus 2023 (14% on a constant currency basis).

APAC clinical sales grew by 20% versus 2023 on a constant currency basis. Japan, the strongest Asia Pacific market, is also our largest market and ended the year with sales 22% higher than 2023 in constant currency terms. Testing rates continued to increase this year and our distributor continues to expand the installed base of devices, notably in Primary Care clinics.

EMEA clinical sales grew 11% versus 2023 on a constant currency basis. After a slower growth rate in the first half of the year, UK sales growth was 19% in the second half, and the UK business has made a strong start to 2025.

The Americas region grew by 6% on a constant currency basis (compared with 12% growth in the previous year). It is still early days for the new US commercial organisation following significant changes to the distributor network in 2023. Throughout 2024, management have continued to make performance-based adjustments to accelerate performance and ensure that NIOX reaches its full potential in the USA. In 2024 significant progress was made in improving FeNO insurance coverage, which now stands at 90% (~84% in 2023).

Research sales[1] for the year grew by 36% at actual rates and on a constant currency basis. The size of the clinical studies market is driven by the number of trials being conducted at any given time. This means that year to year comparisons can fluctuate depending upon the timing and number of clinical trials involving FeNO testing in a given year. In 2024, there was a much higher volume of clinical trials involving FeNO testing, several of which involved the use of FeNO testing in cohorts of COPD patients.

The Group's strategy of focusing on accelerating the growth of FeNO testing in Primary Care, where most asthmatics are treated, remains unchanged. Third-party distributor arrangements are a key enabler of this strategy and have the benefit of not adding fixed costs to the business.

Asthma is one of the biggest healthcare challenges in the world; there are over 340 million asthma sufferers worldwide and this is forecast to grow exponentially as countries become more urbanised. Asthma causes the loss of 1,000 lives every day, and many more suffer asthma attacks that result in emergency call-outs and hospital admissions. There is evidence that

FeNO testing may have a role in diagnosing, monitoring and managing COPD patients with Type 2 inflammation (FeNO is a precise biomarker for Type 2 inflammation). This is an emerging opportunity for NIOX and the Company has adjusted its key messages and promotional content accordingly.

There is still a long way to go with raising the awareness and usage of FeNO testing in professional healthcare settings so that FeNO testing is routine practice. Therefore, the Company's commercial efforts will remain focussed on engaging with respiratory professionals in new and underserved customer segments, such as primary care settings and pharmacies to increase the awareness and usage of FeNO testing and selling NIOX®.

As and when FeNO testing becomes a routine practice in professional settings, the Company believes that there will be a shift in the management and monitoring of asthma to home settings (as has happened with other conditions such as diabetes and hypertension). In anticipation of this trend and to be well placed to capitalise on the home-use FeNO market, the Company, with our development partners, has commenced the development program for the NIOX MyNO®, specifically for home-use.

Group expenditure (excluding depreciation, amortisation and share-based payment expenses) increased slightly to £16.4 million (2023: £15.1 million). The group headcount at the end of the year was 91 (2023: 92).

Management expects operating costs to increase broadly in line with inflation in 2025. Headcount is also expected to increase slightly during the year.

[1] Research sales are generated from contract research organisations (CROs) conducting clinical studies on behalf of pharmaceutical companies

Discontinued operations

The transfer of the COPD products back to AstraZeneca was completed on 31 March 2021. NIOX retains legal liability for rebates payable to third parties (primarily Medicaid) for products sold during the period it operated the COPD business. NIOX's liability for returns was extinguished on 30 April 2024.

This business generated an operating profit of £0.3 million in the period (2023: £1.2 million). This profit arose because the rebate accrual was revised downwards, given that a trivial number of claims were received during the year. The financial statements have been prepared based on management's assumption that the claims received in future years will be immaterial.

The cash outflow during the year for rebates and returns totalled £0.8 million, substantially all of which was paid in the first half of 2024 (2023: £2.0 million). The total amount recognised on the balance sheet relating to discontinued operations as at 31 December 2024 was £0.1 million (2023: £1.2 million).

Beyond Air

The Group received the final tranche of the total 10.5 million consideration due from Beyond Air, Inc. ("Beyond Air") during the year.

With effect from Q4 2024, the Group is entitled to a royalty of 5% of the net sales of Beyond Air's LungFit® device in the USA, capped at a maximum of 6.0 million. Beyond Air reported net sales of 1,061,924 in that quarter, equating to £42,000 of royalty income, which has been included in other income.

No future royalties have been recognised on account of uncertainties around quantum and timing.

Investments

The development of the new NIOX PRO® device is on track with first launch markets planned for Q4 2025. This device will offer improved ergonomics, a larger screen, updated software, new mouthpiece, new external design and improved connectivity. It will also be fully compatible with existing test kits and accessories.

Development costs totalling £0.9 million have been capitalised in the year (2023: £0.2 million) in accordance with the requirements of accounting standards. The aggregate development costs of the NIOX PRO®, including tooling, are expected to total £2.2 million with £1.1 million already incurred.

The Company signed a Letter of Intent with the NIOX® sensor manufacturer to invest in equipment to increase the manufacturing capacity of the exclusive NIOX VERO® sensor in order to meet long term demand. The Group will purchase certain capital equipment used in the manufacture of its sensors. In 2025, we do not expect capital expenditure on this

equipment in excess of £1.0 million. This equipment will be operated by our manufacturer at its new and expanded facility. The letter of intent also includes a commitment by NIOX to fund the development of an all-new sensor for the NIOX® home-use device.

In 2025, we expect to incur approximately £0.5 million on preliminary research and development work associated with a home-use device. This will be expensed in the income statement as it does not meet the capitalisation criteria under IFRS.

Board changes

A number of board changes were announced in January 2025. Ian Johnson, currently Executive Chairman, will move to Non-Executive Chairman with effect from the AGM, which is expected to be held on 14 May 2025.

Jonathan Emms was appointed Chief Executive Officer with effect from 16 January 2025.

Michael Roller, currently Chief Financial Officer, has indicated to the Board that he intends to retire with effect from the AGM, which is expected to be held on 14 May 2025. Michael will remain available to the Group as a consultant as and when required.

Sarah Duncan, currently Group Financial Controller and Company Secretary, will succeed Michael as Chief Financial Officer when he retires. Sarah qualified as a Chartered Accountant with PwC and worked at Unipart for two years before joining NIOX in 2018 and becoming Company Secretary in November 2020. She was promoted to her current role as Group Financial Controller in April 2024.

Summary and outlook

Since 2020, the management team has built the NIOX business into a highly robust, cash-generative, scalable business. Our core market remains underserved and offers significant potential for ongoing organic growth. Our technology is the best in its field, and our new updated product, the NIOX PRO®, is on track to be launched at the end of this year. In the last two years, we have returned over £30 million in cash to shareholders, and we propose to continue to return at least 80% of our free cash flow to shareholders over the medium term.

The 2025 financial year has started well, and we look forward to the future with confidence.

OPERATING REVIEW

Key strategic drivers of the Group

The opportunity

Asthma affects over 340 million people worldwide and this is predicted to grow exponentially as countries become more urbanised. There are an estimated 1,000 deaths globally due to asthma every day. In 50% of cases, asthma is either not diagnosed or is misdiagnosed, which leads to a delay in asthma patients receiving the care that they need. Following a diagnosis of asthma, it is important to be able to regularly monitor the condition to confirm the effectiveness of treatment and adherence by the patient.

In 2024 NIOX, the clear market leader in FeNO testing worldwide, sold approximately six million tests.

As is discussed further below, the role of FeNO testing in Chronic Obstructive Pulmonary Disease ("COPD") is emerging; while this is very much a medium-term opportunity for the Group, it is potentially a highly significant one.

FeNO

Asthma is a condition characterised by inflammation of the airways and lungs. Nitric oxide is produced by Type 2 inflammatory cells and can be precisely measured in exhaled breath, known as FeNO (Fractional Exhaled Nitric Oxide). Measuring FeNO helps medical professionals understand the level of inflammation in the lungs of an asthmatic and is a precise biomarker of Type 2 inflammation. FeNO measurements can improve the chances of a correct diagnosis by up to seven times.

There is evidence that FeNO testing may have a role in diagnosing, monitoring and managing COPD patients with Type 2

inflammation. This is an emerging opportunity for NIOX and the Company has adjusted its key messages and promotional content accordingly. Furthermore, in recent years there have been a number of clinical trials investigating the effectiveness of anti-inflammatory therapies where FeNO has been one of the study endpoints.

The American Thoracic Society (ATS) recommended that FeNO testing should be part of the ongoing care of asthmatics as well as being used as a tool for diagnosing asthma. This is the latest example from an increasing body of highly credible, influential evidence based medical guidelines around the world that have recommended the use of FeNO testing as a routine part of diagnosing and managing asthma. The guidelines are based on a substantial body of published clinical trials that demonstrate the benefits of FeNO testing. Measuring FeNO as part of ongoing asthma management has been shown to decrease asthma exacerbations by 50%.

In the UK, the National Institute of Clinical Excellence ("NICE") published updated asthma diagnosis, monitoring and treatment guidelines in December 2024, pointing to FeNO testing as the primary diagnostic tool for children suspected of having asthma and the joint primary diagnostic tool for adults.

Further impetus is coming from a new class of biologic anti-inflammatory medicines for the treatment of Type 2 inflammatory asthma. Biologic medicines are targeted at asthmatics with increased inflammation and therefore elevated FeNO. The cost of these new medicines is significant. This means that some pharmaceutical companies are investing resources to raise the awareness and usage of FeNO testing in order to identify the patients that are most likely to respond to treatment as they seek to establish this new class of drugs as an effective line of therapy.

Our products

The NIOX VERO® is the market leading device for measuring FeNO. This is a non-invasive, point-of-care system which accurately measures the patient's FeNO level. It is quick, easy to use and reliable. The system comprises a small portable device and a range of consumables including sensors, individual disposable mouthpieces and breathing handles. The quality and innovation of NIOX VERO® has been recognised with several awards over recent years, including 2023 Best Asthma Diagnosis and Management Company and the 2024 Best Global Leaders in FeNO Testing award.

NIOX® is registered and reimbursed in all major markets and available in more than 50 countries via NIOX's international network of distribution partners.

Our business

NIOX VERO® is the market leading device for FeNO testing with more than 58 million FeNO tests sold to date.

NIOX® revenues in 2024 for clinical diagnosis, monitoring and management of asthma were £36.1 million (2023: £32.6 million). Approximately 90% of these revenues are from recurring sales of consumables used for routine testing.

Revenues from CROs in 2024 were £5.7 million (2023: £4.2 million). A lower proportion of these revenues are from consumable sales, as clinical trial sales are for a defined time period and are typically on a one-time sale basis.

Principal challenges

Today, the awareness and usage of FeNO testing and NIOX® amongst respiratory specialists is relatively high. Most asthmatics are under the care of primary care doctors, and the awareness and usage of FeNO are significantly lower than in the specialist community. This means that there is huge untapped potential in the FeNO testing market. The primary challenge the NIOX® business faces is to increase the awareness and usage of FeNO testing, specifically in the Primary Care customer group.

The Company continues to engage with respiratory professionals to promote the use of FeNO tests in new and underserved customer segments, such as primary care settings and pharmacies, which provides a significant opportunity for the Group.

Conclusion

The Company's mission is to improve asthma diagnosis, monitoring and management by providing patients with greater access to FeNO testing. The Group has a robust strategy in place to expand the business and generate profitable growth from this large, underserved market and has the financial resources to achieve its objectives.

FINANCIAL REVIEW

NIOX has experienced another year of continued strong growth, with both revenues and adjusted EBITDA showing impressive performance, driven mainly by higher FeNO testing levels in our core clinical business.

	2024	2023
	£m	£m
Revenue	**41.8**	36.8
Cost of sales	**(11.6)**	(10.3)
Gross profit	**30.2**	26.5
Gross margin	**72%**	72%
Research and development costs	**(2.5)**	(2.3)
Sales and marketing costs	**(11.2)**	(11.2)
Administrative expenses	**(8.8)**	(8.4)
Adjusted EBITDA[1]	**13.8**	11.4
Operating profit	**7.7**	4.6
Other losses	**(0.6)**	(1.3)
Other income	**-**	0.2
Net finance income	**0.7**	0.6
Profit before tax	**7.8**	4.1
Taxation	**(4.4)**	5.4
Profit for the financial year from continuing operations	**3.4**	9.5
Profit for the financial year from discontinued operations[2]	**0.3**	1.2
Profit for the financial year	**3.7**	10.7
Cash and cash equivalents	**10.9**	19.9

[1] Earnings before interest, tax, depreciation, amortisation and share-based payment expenses.

[2] On 9 April 2020, the Group announced that the development and commercialisation agreement with AstraZeneca was terminating. As such, the COPD business results are classified as a discontinued operation.

Revenue

NIOX® revenues for the year were £41.8 million (2023: £36.8 million). NIOX® clinical revenue of £36.1 million (2023: £32.6 million) represents sales to physicians and hospitals for use in clinical practice and to the Company's distributors. NIOX® research revenue of £5.7 million (2023: £4.2 million) is from pharmaceutical companies and contract research organisations (CROs) for use in clinical studies.

A substantial portion of the revenue growth for NIOX® was driven by increased testing volumes in Japan and China, which resulted from a significant rise in the number of device installations. Europe, particularly the UK and Spain, also experienced strong growth due to continued efforts to raise awareness of FeNO testing.

Gross profit

Gross profit on NIOX® revenue was £30.2 million (2023: £26.5 million). Gross margin remained constant at 72% (2023: 72%).

Research and development

Research and development costs increased to £2.5 million (2023: £2.3 million) mainly due to higher headcount in the quality department to support the growth of the business.

The development of the new NIOX PRO® device has been outsourced to our manufacturing partner, and the costs have been capitalised. In the current year, £0.9 million was capitalised (2023: £0.2 million).

Sales and marketing

Sales and marketing costs remained flat at £11.2 million (2023: £11.2 million). Headcount increased in the US due to a strategic realignment aimed at unlocking the full sales potential in both the clinical and research businesses. This was offset by lower share-based payment expenses.

Administrative expenditure

Administrative expenditure, which includes overheads relating to corporate functions, centrally managed support functions and corporate costs, increased to £8.8 million (2023: £8.4 million). This was mainly attributable to higher labour costs, particularly concerning the accrued cash bonus payable to the Executive Directors. In the previous year, the bonus was paid as shares, and according to accounting standards, the expense was spread over the performance period from 1 January

2023 to the grant date on 28 March 2024, thus increasing the amount recognised in the current period.

Other income

Other income was £nil (2023: £0.2 million) as the Chicago sub-lease ended on 29 February 2024.

With effect from Q4 2024, the Group is entitled to a royalty of 5% of the net sales of Beyond Air's LungFit® device in the USA, capped at a maximum of 6.0 million. Beyond Air reported net sales of 1,061,924 in that quarter, equating to £42,000 of royalty income, which has been included in other income. This rounds to £nil when rounded to the nearest million.

Taxation

The tax expense for the year was £4.4 million (2023: £5.4 million credit), of which £0.1 million (2023: £nil) related to corporation tax payable in Germany and China, and £4.3 million (2023: £5.4 million) related to deferred tax charged to the income statement in relation to taxable profits generated in Sweden, which resulted in the utilisation of brought forward losses during the period. A deferred tax asset in Sweden was fully recognised in the prior year in respect of carried forward trading losses which gave rise to a credit to the income statement.

Earnings per share

Basic earnings per share for the year was 0.88p (2023: 2.55p) and diluted earnings per share for the year was 0.83p (2023: 2.38p) reflecting a profit after tax of £3.7 million (2023: £10.7 million). The decrease in reported earnings per share is largely due to the impact of the aforementioned deferred tax charge, versus the credit in the previous year.

Excluding the impact of depreciation, amortisation and share-based payment expenses, adjusted basic earnings per share from continuing operations for the year was 2.27p (2023: 3.87p).

Basic earnings per share from continuing operations was 0.81p (2023: 2.26p), and diluted earnings per share for the year was 0.76p (2023: 2.11p), reflecting a profit from continuing operations for the financial year of £3.4 million (2023: £9.5 million).

Profit from discontinued operations

Discontinued operations generated a profit of £0.3 million (2023: £1.2 million) in the year, as the rebate accrual was revised down based on claims received and forward-looking assumptions as to the value of claims expected to be received in future financial periods.

Statement of financial position

The Group's net assets at 31 December 2024 were £59.5 million (2023: £83.8 million).

Current liabilities at the end of the year were £8.1 million (2023: £7.2 million). Trade payables, particularly accruals relating to discontinued operations, were lower as £0.8 million of invoices were settled with AstraZeneca in the period. Conversely, lease liabilities were higher due to the new office lease in the UK.

Other comprehensive expense

The Group's other comprehensive expense of £4.2 million (2023: £0.2 million) relates to exchange differences on the translation of foreign operations into British pound sterling. The current year expense is largely due to the strengthening of the British pound against the Swedish krona.

It was offset by a £3.8 million (2023: £0.5 million) adjustment to record the net gain on foreign exchange translation on certain intercompany balances through other comprehensive income. During the year, a number of long-term intercompany balances were designated as long-term investments, and as such, the associated foreign exchange translation gain was removed from the income statement.

Cash flow

The Group's cash position decreased from £19.9 million at 31 December 2023 to £10.9 million at 31 December 2024 following a £21.0 million tender offer in October 2024 (2023: £nil).

Cash generated from operations during the year amounted to £17.4 million (2023: £11.7 million). Included in this was £0.8 million (2023: £2.0 million) used in the COPD discontinued operations and £3.7 million (2023: £2.8 million) received from Beyond Air under the terms of the relevant settlement agreement.

A dividend totalling £4.2 million (2023: £10.5 million) was paid to shareholders.

Exchange differences on cash and cash equivalents occurred due to the translation of foreign currency balances at the beginning and end of the year. The exchange loss for the year was £0.1 million (2023: £0.3 million).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024 £m**	2023 £m
Continuing operations			
Revenue from contracts with customers		**41.8**	36.8
Cost of sales		**(11.6)**	(10.3)
Gross profit		**30.2**	26.5
Research and development costs		**(2.5)**	(2.3)
Sales and marketing costs		**(11.2)**	(11.2)
Administrative expenses		**(8.8)**	(8.4)
Operating profit		**7.7**	4.6
Other losses		**(0.6)**	(1.3)
Other income	5	**-**	0.2
Finance costs	6	**(0.2)**	(0.2)
Finance income	6	**0.9**	0.8
Profit before tax		**7.8**	4.1
Taxation	8	**(4.4)**	5.4
Profit from continuing operations		**3.4**	9.5
Profit from discontinued operations (attributable to equity holders of NIOX Group plc)	7	**0.3**	1.2
Profit for the year		**3.7**	10.7
Other comprehensive expense			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(4.2)**	(0.2)
Other comprehensive expense for the year, net of tax		**(4.2)**	(0.2)
Total comprehensive (expense)/ income for the year		**(0.5)**	10.5

Earnings per share attributable to owners of the parent during the year (expressed in pence per share)

Basic earnings per share	Notes	**2024 Pence**	2023 Pence
Basic earnings per share for profit from continuing operations	9	**0.81**	2.26
Basic earnings per share for profit for the year	9	**0.88**	2.55
Diluted earnings per share			
Diluted earnings per share for profit from continuing operations	9	**0.76**	2.11
Diluted earnings per share for profit for the year	9	**0.83**	2.38

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	**2024 £m**	2023 £m
Assets			
Non-current assets			
Property, plant and equipment		**0.3**	0.3
Right-of-use assets		**1.4**	1.1
Goodwill	10	**4.3**	4.6
Intangible assets		**23.5**	28.2
Deferred tax assets		**17.8**	23.8
		47.3	58.0
Current assets			
Inventories		**4.0**	4.8
Trade and other receivables		**6.2**	8.8
Cash and cash equivalents		**10.9**	19.9
		21.1	33.5

Total assets		**68.4**	91.5
Equity			
Share capital		**0.3**	0.3
Share premium		**0.2**	0.1
Other reserves	11	**15.6**	18.2
Retained earnings		**43.4**	65.2
Total equity		**59.5**	83.8
Liabilities			
Non-current liabilities			
Lease liabilities		**0.8**	0.5
		0.8	0.5
Current liabilities			
Trade and other payables		**7.4**	6.6
Lease liabilities		**0.7**	0.6
		8.1	7.2
Total liabilities		**8.9**	7.7
Total equity and liabilities		**68.4**	91.5

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024 £m**	2023 £m
Cash flows from operating activities			
Cash generated from operations	13	**17.4**	11.7
Interest paid		**(0.1)**	(0.1)
Income taxes paid		**(0.1)**	-
Net cash generated from operating activities		**17.2**	11.6
Cash flows from investing activities			
Payments for property, plant and equipment		**-**	(0.1)
Payments for intangible assets		**(1.0)**	(0.2)
Net cash used in investing activities		**(1.0)**	(0.3)
Cash flows from financing activities			
Interest received		**0.8**	0.6
Principal element of lease payments		**(0.5)**	(0.7)
Dividends paid		**(4.2)**	(10.5)
Proceeds received from exercise of share options		**0.1**	0.1
Acquisition of own shares		**(21.0)**	-
Share buy-back transaction costs		**(0.3)**	-
Net cash used in financing activities		**(25.1)**	(10.5)
Net (decrease)/ increase in cash and cash equivalents		**(8.9)**	0.8
Cash and cash equivalents at 1 January		**19.9**	19.4
Effects of exchange rate changes on cash and cash equivalents		**(0.1)**	(0.3)
Cash and cash equivalents at 31 December		**10.9**	19.9

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	**Share premium**	**Other reserves[1]**	**Retained earnings**	**Total equity**
	£m	**£m**	**£m**	**£m**	**£m**
At 1 January 2023	0.3	640.3	15.7	(574.4)	81.9
Profit for the year	-	-	-	10.7	10.7
Exchange differences on translation of foreign operations	-	-	(0.2)	-	(0.2)
Total comprehensive (expense)/ income	-	-	(0.2)	10.7	10.5
Amounts transferred to retained earnings:					
Share premium[2]	-	(640.3)	-	640.3	-
Treasury shares reserve[3]	-	-	0.9	(0.9)	-
Transactions with owners:					
Issue of new shares	-	0.1	-	-	0.1
Dividends	-	-	-	(10.5)	(10.5)
Employee share schemes - value of					

Employee share schemes - value of employee services	-	-	1.8	-	1.8
At 31 December 2023	**0.3**	**0.1**	**18.2**	**65.2**	**83.8**
Profit for the year	-	-	-	3.7	3.7
Exchange differences on translation of foreign operations	-	-	(4.2)	-	(4.2)
Total comprehensive (expense)/ income	-	-	(4.2)	3.7	(0.5)
Transactions with owners:					
Issue of new shares	-	0.1	-	-	0.1
Dividends	-	-	-	(4.2)	(4.2)
Employee share schemes - value of employee services	-	-	1.6	-	1.6
Acquisition of own shares	-	-	-	(21.0)	(21.0)
Share buy-back transaction costs	-	-	-	(0.3)	(0.3)
At 31 December 2024	**0.3**	**0.2**	**15.6**	**43.4**	**59.5**

[1] Other reserves include share-based payments reserve, translation reserve, treasury shares reserve, and transactions with non-controlling interests reserve.

[2] On 8 February 2023, a Capital Reduction Scheme was concluded by filing an order of the High Court with the Registrar of Companies and the share premium account was transferred to retained earnings.

[3] In 2014 the Company set up an employee benefit trust (the "Trust") for the purposes of buying and selling shares on employees' behalf. During the prior year, all shares remaining in the Trust were sold or transferred out. On 28 April 2023, a Deed of Termination was signed, and the Trust was closed. The balance on the treasury shares reserve was transferred to retained earnings.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Basis of preparation

The financial information set out in this results announcement does not constitute the Company's statutory financial statements for the years ended 31 December 2024 or 2023 but is derived from those financial statements. Statutory financial statements for 2023 have been delivered to the registrar of companies and those for 2024 will be delivered in due course. The auditors have reported on those financial statements; their reports were (i) unqualified (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The announcement for the year ended 31 December 2024 was approved by the Board for release on 31 March 2025.

The announcement will be published on the Company's website. The maintenance and integrity of the website is the responsibility of the directors. The work carried out by the auditors does not involve consideration of these matters. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

2. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker, who is responsible for allocating resources, assessing performance and making strategic decisions, has been identified as the Executive Chairman.

The Executive Chairman examines the Group's performance from a product perspective, and has identified one reportable segment in the continuing business:

- NIOX® relates to the portfolio of products used to improve asthma diagnosis, monitoring and management by measuring fractional exhaled nitric oxide (FeNO).

The COPD business has been classified as a discontinued operation. Information about the results of this segment is provided in note 7.

The table below presents operating profit or loss information regarding the Group's operating segments for the years ended 31 December 2024 and 2023. Only the results for the Group's continuing activities are included to aid comparison.

Segment operating profit or loss

Year ended 31 December 2024	**NIOX® £m**	**Head office £m**	**Total £m**
Revenue (from external customers, based on the destination of the customer)			
UK	3.7	-	3.7
EU	9.8	-	9.8
US	10.3	-	10.3
Asia Pacific	16.3	-	16.3
Rest of world	1.7	-	1.7
Total segment revenue	**41.8**	**-**	**41.8**
Cost of sales	(11.6)	-	(11.6)
Research and development costs	(2.5)	-	(2.5)
Sales and marketing costs	(11.2)	-	(11.2)
Administrative expenses	(3.9)	(4.9)	(8.8)
Operating profit/ (loss) from continuing operations	**12.6**	**(4.9)**	**7.7**
Depreciation and amortisation included above	(4.2)	-	(4.2)

Year ended 31 December 2023	NIOX® £m	Head office £m	Total £m
Revenue (from external customers, based on the destination of the customer)			
UK	3.3	-	3.3
US	8.7	-	8.7
EU	10.3	-	10.3
Asia Pacific	13.8	-	13.8
Rest of world	0.7	-	0.7
Total segment revenue	**36.8**	**-**	**36.8**
Cost of sales	(10.3)	-	(10.3)
Research and development costs	(2.3)	-	(2.3)
Sales and marketing costs	(11.2)	-	(11.2)
Administrative expenses	(3.9)	(4.5)	(8.4)
Operating profit/ (loss) from continuing operations	**9.1**	**(4.5)**	**4.6**
Depreciation and amortisation included above	(4.4)	-	(4.4)

Assets by segment

As at 31 December 2024	**NIOX® £m**	**Head office £m**	**Total £m**
Cash and cash equivalents	10.9	-	10.9
Property, plant and equipment	0.3	-	0.3
Right-of-use assets	1.4	-	1.4
Goodwill	4.3	-	4.3
Intangible assets	23.5	-	23.5
Deferred tax assets	17.8	-	17.8
Inventories	4.0	-	4.0
Trade and other receivables	6.2	-	6.2
Total assets	**68.4**	**-**	**68.4**

As at 31 December 2023	NIOX® £m	Head office £m	Total £m
Cash and cash equivalents	19.9	-	19.9
Property, plant and equipment	0.3	-	0.3
Right-of-use assets	1.1	-	1.1
Goodwill	4.6	-	4.6
Intangible assets	28.2	-	28.2
Deferred tax assets	23.8	-	23.8
Inventories	4.8	-	4.8
Trade and other receivables	5.4	3.4	8.8
Total assets	**88.1**	**3.4**	**91.5**

3. Employees and directors

Monthly average number of people (including Executive and Non-Executive Directors) employed:

	2024 Number	2023 Number

	Number	Number
Office and management	**26**	27
Sales and marketing	**62**	63
Research and development	**3**	4
Average headcount	**91**	94

The Group's total headcount at 31 December 2024 was 91 (2023: 92).

Employee benefit costs

	2024 £m	2023 £m
Wages and salaries	**9.2**	8.4
Social security costs	**1.5**	1.1
Pension costs	**0.5**	0.5
Share option charge	**1.9**	2.4
Total employee benefit costs	**13.1**	12.4

Key management personnel

Key management personnel during the year included the Board of Directors, Regional VP of APAC, Senior VP of Americas and Research, VP of Supply Chain and Technical Operations, Regional VP of EMEA, and Senior VP of Global Human Resources. The compensation paid or payable to key management is set out below:

	2024 £m	2023 £m
Short-term employee benefits (including bonus)	**3.8**	3.2
Share option charge	**1.7**	2.2
Total key management remuneration	**5.5**	5.4

4. Breakdown of expenses by nature

	Notes	**2024 £m**	2023 £m
Employee benefits costs	3	**13.1**	12.4
Depreciation charge of right-of-use assets		**0.5**	0.7
Amortisation charge of intangible assets		**3.7**	3.7

5. Other income

	2024 £m	2023 £m
Sub-lease rental income	**-**	0.2
Total other income	**-**	0.2

The Chicago sub-lease ended on 29 February 2024, and the Group's lease of the Chicago property ended on the same date.

6. Finance costs and income

	2024 £m	2023 £m
Finance costs:		
Bank charges	**(0.1)**	(0.1)
Interest charges for lease liabilities	**(0.1)**	(0.1)
Total finance costs	**(0.2)**	(0.2)
Finance income:		
Bank interest receivable	**0.8**	0.6
Discount unwind on Beyond Air consideration	**0.1**	0.2
Total finance income	**0.9**	0.8

7. Discontinued operations

On 9 April 2020, an agreement was signed to hand back the Tudorza® and Duaklir® licences to AstraZeneca and as such, the results of the COPD operating segment are reported as a discontinued operation. There were no assets or liabilities

classified as held for sale in relation to the discontinued operation.

Profit for the year	2024 £m	2023 £m
Revenue	**0.3**	1.2
Profit from discontinued operations	**0.3**	1.2
Cash flow		
Net cash outflow from operating activities	**(0.8)**	(2.0)
Net cash used in discontinued operations	**(0.8)**	(2.0)

Revenue relates to a revision of the rebate accrual based on information and claims received during the year and forward-looking assumptions as to the value of claims expected to be received in future financial years.

The cash outflow relates to the settlement of certain contractual liabilities, principally rebates and returns, that were accrued when the business was discontinued.

The total amount recognised on the balance sheet relating to discontinued operations as at 31 December 2024 was £0.1 million (2023: £1.2 million), of which £0.1 million was accrued (2023: £0.9 million) and £nil had been invoiced and therefore recognised in trade payables (2023: £0.3 million).

8. Taxation

Income tax expense/ (benefit)	2024 £m	2023 £m
Current tax		
Current tax on profits for the year	**0.1**	-
Total current tax expense	**0.1**	-
Deferred income tax		
Decrease/ (increase) in deferred tax assets	**4.3**	(5.4)
Total deferred tax expense/(benefit)	**4.3**	(5.4)
	4.4	
Income tax expense/ (benefit) is attributable to:		
Profit from continuing operations	**4.4**	(5.4)

Numerical reconciliation of income tax expense /(benefit) to prima facie tax payable

The tax expense (2023: credit) for the year is higher (2023: lower) than the standard rate of corporation tax in the UK of 25.00% (2023: 23.52%). The differences are explained below:

	2024 £m	2023 £m
Profit from continuing operations before tax	**7.8**	4.1
Profit from discontinued operations before tax	**0.3**	1.2
Profit before tax	**8.1**	5.3
Tax at the UK tax rate of 25.00% (2023: 23.52%)	**2.0**	1.2
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expenses not deductible for tax purposes	**-**	1.0
Difference in overseas tax rates	**(0.9)**	-
Employee share option plan	**0.3**	0.4
Tax losses for which no deferred income tax asset was recognised/ (recognition of previously unrecognised deferred tax asset)	**3.0**	(8.0)
Tax expense/ (benefit) for the year	**4.4**	(5.4)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 31 December 2024, the tax rate was 25% (2023: 23.52%). Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Tax losses

	2024 £m	2023 £m
Potential tax benefit of unused tax losses for which no deferred tax asset has	**90.8**	90.9

been recognised at 25% (2023: 25%)	**30.5**	30.9

At 31 December 2024, the Group has tax losses to be carried forward of approximately £483.9 million (2023: £491.0 million). These can be utilised against future taxable profits with no restrictions, except as stated below. A proportion of these tax losses have been recognised as a deferred tax asset.

NIOX Group plc and NIOX Healthcare Limited had tax losses to be carried forward of approximately £176.1 million (2023: £169.4 million). These losses have no expiry date, however, the utilisation of these losses will be restricted to 50% of profits in excess of £5.0 million generated in the United Kingdom.

NIOX Inc. had federal tax losses to be carried forward of approximately £131.4 million (2023: £123.1 million). Federal losses generated after 1 January 2018 have no expiry date, however, the utilisation of these losses will be restricted to 80% of profits generated in the United States. Federal losses generated before 1 January 2018 expire after 20 years. NIOX Inc. also had state losses to be carried forward of approximately £89.5 million (2023: £82.4 million) which have been generated across multiple states and have a range of expiry periods from 5 to 20 years.

The gross amount and expiry dates of losses available for carry forward are as follows:

As at 31 December 2024	**Expiring within 5 years £m**	**Expiring beyond 6 years £m**	**Unlimited £m**	**Total £m**
Losses for which a deferred tax asset is recognised	-	-	108.4	108.4
Losses for which no deferred tax asset is recognised	2.3	129.1	244.1	375.5
Total	**2.3**	**129.1**	**352.5**	**483.9**
As at 31 December 2023				
Losses for which a deferred tax asset is recognised	-	-	115.4	115.4
Losses for which no deferred tax asset is recognised	1.8	121.5	252.3	375.6
Total	**1.8**	**121.5**	**367.7**	**491.0**

9. Earnings per share

Basic earnings per share	**2024 Pence**	2023 Pence
From continuing operations	**0.81**	2.26
From discontinued operations	**0.07**	0.29
Total basic earnings per share attributable to the ordinary equity holders of the Company	**0.88**	2.55

Diluted earnings per share		
From continuing operations	**0.76**	2.11
From discontinued operations	**0.07**	0.27
Total diluted earnings per share attributable to the ordinary equity holders of the Company	**0.83**	2.38

Reconciliation of earnings used in calculating earnings per share	**2024 £m**	2023 £m
Basic and diluted earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic and dilutive earnings per share:		
From continuing operations	**3.4**	9.5
From discontinued operations	**0.3**	1.2
Profit used as the basis of calculating basic and diluted earnings per share	**3.7**	10.7

The earnings used in calculating basic and diluted earnings per share is the same.

Adjusted basic earnings per share eliminates depreciation, amortisation and share-based payment expenses.

Adjusted basic earnings per share	**2024 Pence**	2023 Pence
From continuing operations	**2.27**	3.87
From discontinued operations	**0.07**	0.29
Total adjusted basic earnings per share attributable to the ordinary equity holders of the Company	**2.34**	4.16

Reconciliation of earnings used in calculating adjusted earnings per share	2024 £m	2023 £m
Basic and diluted earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic and dilutive earnings per share:		
From continuing operations	**3.4**	9.5
From discontinued operations	**0.3**	1.2
Add back:		
Depreciation	**0.5**	0.7
Amortisation	**3.7**	3.7
Share-based payment expenses	**1.9**	2.4
Adjusted profit used as the basis of calculating adjusted basic earnings per share	**9.8**	17.5

Weighted average number of shares used as the denominator	2024	2023
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**418,211,904**	420,205,077
Adjustments for calculation of diluted earnings per share:		
Share options[1]	**29,247,771**	28,443,873
Deferred shares[2]	**745,898**	629,308
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**448,205,573**	449,278,258

Share options[1]

Options granted to employees are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required performance targets are expected to be met based on the Company's performance and to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

Deferred shares[2]

Rights to deferred shares granted to Executive Directors under the Group's short-term incentive scheme are included in the calculation of diluted earnings per share, assuming that all outstanding rights will vest. The rights are not included in the determination of basic earnings per share.

Treasury shares

The ten million treasury shares held by the Company on 31 December 2024 (2023: nil) have not been included in the calculation of the weighted average number of ordinary shares used as the denominator in calculating both basic and diluted earnings per share.

10. Goodwill

	2024 £m	2023 £m
At 1 January		
Cost	4.6	4.7
Net book amount	**4.6**	**4.7**
Year ended 31 December		
Opening net book amount	4.6	4.7
Exchange differences	(0.3)	(0.1)
Closing net book amount	**4.3**	**4.6**
At 31 December		
Cost	4.3	4.6
Net book amount	**4.3**	**4.6**

Management considers there to be only one CGU, the NIOX® business. The carrying value of goodwill is allocated to the NIOX® CGU and was generated in June 2015 on the acquisition of Aerocrine. The value in use for the NIOX® CGU was calculated over a five-year period using a pre-tax discount rate of 15.7%. Cash flows over five years have been considered appropriate based on the product lifecycle. Cash flows beyond the five years were extrapolated using the estimated terminal growth rate below. The growth rate does not exceed the long-term average growth rate for the business. The discount rate used is pre-tax and reflects specific risks relating to the Group and uncertainties surrounding the cash flow projections.

The key assumptions used for the valuation of the NIOX® CGU are as follows:

Assumption	Approach used to determine values
Valuation basis	Value in use
Sales	Based on past performance and management's expectations of market development. The growth rate for 2025-2029 reflects more a cautious growth rate than the historical Compound Annual Growth Rate.
Gross margin	Based on past performance and management's expectations for the future.
Operating costs	Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures.
Period of specified projected cash flows	2024 - 5 years 2023 - 5 years
Long-term growth rate	Terminal growth rates are based on management's estimate of future long-term average growth rates. 2024 - 1% 2023 - 1%
Pre-tax discount rate	Reflects specific risks relating to the relevant segments and the countries in which they operate. 2024 - 15.7% 2023 - 12.7%

Management have considered and assessed reasonably possible changes for other key assumptions and have not identified and instances that could cause the carrying amount of goodwill and intangible assets to exceed its recoverable amount.

11. Other reserves

	Share-based payments reserve £m	**Translation reserve £m**	**Treasury shares reserve £m**	**Transactions with non-controlling interests £m**	**Total other reserves £m**
At 1 January 2023	15.9	6.8	(0.9)	(6.1)	15.7
Employee share-based payments	1.8	-	-	-	1.8
Exchange differences on translation of foreign operations	-	(0.2)	-	-	(0.2)
Reclassification of foreign exchange	(0.3)	0.3	-	-	-
Closure of the Employee Benefit Trust	-	-	0.9	-	0.9
At 31 December 2023	**17.4**	**6.9**	**-**	**(6.1)**	**18.2**
Employee share-based payments	1.6	-	-	-	1.6
Exchange differences on translation of foreign operations	-	(4.2)	-	-	(4.2)
At 31 December 2024	**19.0**	**2.7**	**-**	**(6.1)**	**15.6**

12. Dividends

Group and Company	**2024 £m**	2023 £m
Special dividend for the year ended 31 December 2024 of nil pence (2023: 2.5 pence) per fully paid share - declared in 2023	**-**	10.5
Final dividend for the year ended 31 December 2023 of 1 pence (2022: £nil) per fully paid share - declared in 2024	**4.2**	-

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 1.25 pence per fully paid ordinary share (2023: 1 pence). The aggregate amount of the proposed dividend expected to be paid after the reporting date, out of retained earnings at 31 December 2024, but not recognised as a liability at year end is £5.0 million (2023: £4.2 million).

13. Cash generated from operations

Reconciliation of profit before tax to net cash generated from operations:

	Notes	**2024 £m**	2023 £m
Profit from continuing operations before tax		**7.8**	4.1
Profit from discontinued operations before tax	7	**0.3**	1.2
Profit before tax		**8.1**	5.3

Adjustments for:			
Finance income	6	**(0.9)**	(0.8)
Finance costs	6	**0.2**	0.2
Depreciation charge of right-of-use assets	4	**0.5**	0.7
Amortisation charge of intangible assets	4	**3.7**	3.7
Share-based payment charge	3	**0.5**	0.7
Foreign exchange on non-operating cash flows		**3.7**	3.7
Changes in working capital:			
Decrease in trade and other receivables		**2.8**	2.7
Decrease/ (increase) in inventories		**0.5**	(0.8)
Decrease in trade and other payables		**(0.1)**	(2.5)
Cash generated from operations		**17.4**	11.7

14. Related party transactions

There is no ultimate controlling party of the Group as ownership is split between the Company's shareholders. The most significant shareholders as at 31 December 2024 and 2023 are as follows:

	Ownership interest	
Name	**2024**	2023
Griffiths R I	**17.64%**	18.48%
Harwood Capital LLP*	**16.61%**	16.89%
AstraZeneca PLC	**10.68%**	23.94%

* Harwood Capital LLP acts as investment manager to North Atlantic Smaller Companies Investment Trust plc

Under the AIM rules, the significant shareholders listed above are related parties. During the year, NIOX Group plc purchased 22,637,554 Ordinary Shares from these related parties as part of the Tender Offer. The purchase price was 80 pence per share.

No transactions with related parties occurred during the years ended 31 December 2024 or 31 December 2023, as classified under IAS24.

15. Events occurring after the reporting date

Please refer to note 12 for details of the final dividend recommended by the directors, which will be paid after the reporting date.

On 20 March 2025, NIOX announced that following media speculation, the Company had received a proposal from Keensight Capital ("Keensight") regarding a possible cash offer to acquire the entire issued and to be issued share capital of NIOX at an offer price of 81 pence per share (the "Proposal"), (inclusive of any future dividend that may be paid after the date of the Proposal). The Proposal is subject to the satisfaction or waiver by Keensight of a number of pre-conditions, including the completion of satisfactory due diligence.

Discussions with Keensight remain at a preliminary stage and, as such, there can be no certainty that any firm offer will be made for the Company by Keensight, nor as to the terms of any such offer, should one be made.

16. Commitments

At the end of the reporting period, capital expenditure contracted for the NIOX PRO® development but not recognised as a liability is £0.4 million (2023: £nil).

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