

**EARNZ PLC**

**(“EARNZ”, the “Company” or the “Group”)**

**Interim Results**

EARNZ plc, (AIM:EARN) an AIM Rule 15 cash shell which is seeking acquisitions in the energy services sector, is pleased to announce its unaudited interim results for the six months to 30 June 2024.

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (“MAR”). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

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## **Executive Chair’s Statement**

On 28 February 2024, at a general meeting, the disposal of the legacy Solar Business, Verditek Italy srl, and all related business assets of Verditek plc (the “Solar Business”) was approved, in return for satisfaction of the outstanding bonds and accrued interest. The Solar Business was disposed of on 29 February 2024. This disposal was necessary in order to satisfy outstanding creditor obligations of the Company, and to avoid putting the Company into administration.

From 1 March, the Company has been regarded as an AIM Rule 15 cash shell, having ceased to own, control or conduct all, or substantially all, of its existing trading business, activities or assets. Under the AIM Rules for Companies (“AIM Rules”), the Company needs to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 (“Reverse Takeover”) within 6 months (by 31 August 2024) of becoming an AIM Rule 15 cash shell. Following the disposal of the Solar Business, the existing Board of Directors of the Company all resigned with immediate effect, and a new Board of Directors, was shortly thereafter appointed, being John Charlton and myself. The Company was renamed EARNZ plc on 6 March 2024.

The Company’s historic strategy had been to identify early-stage business opportunities in the clean technology sector, invest in them and see them through to commercial success. The focus of the new Board, following the disposal of the Solar Business, has been to seek acquisition targets in the energy services sector. The Board of Directors believes that this sector presents some exciting commercial opportunities that will ultimately deliver positive shareholder value.

To enable acquisitions and to fund ongoing working capital requirements of the Company, there have been equity placements post year end in 2024. On 5 March 2024, shares were issued in the Company to raise £0.3 million. On 8 April 2024, the Company raised a further £3.7 million (before expenses) from the issue of 9,333,333 shares at 7.5 pence per share. Additionally, the Board of Directors took steps to amend the Company’s capital structure in order to reduce market volatility and increase liquidity in the Company’s shares. Existing shares in the Company were consolidated, following approval at a general meeting on 4 April 2024, by exchanging each 100 existing shares for 1 new share.

## **Outlook and AIM Rule 15**

EARNZ has separately announced today that its wholly owned subsidiary, EARNZ Holdings Ltd (“EHL”), has entered into two separate sale and purchase agreements, each conditional on shareholder approval, to acquire the entire issued share capital of each of Cosgrove & Drew Ltd and South West Heating Services Ltd (together, the “Acquisitions”). These transactions constitute a Reverse Takeover and, subject to shareholder approval, will be completed on 29 August 2024. Once the Acquisitions have been completed, the Company will no longer be classified as an AIM Rule 15 cash shell.

The Company has also announced today that it is proposing to raise conditionally up to £10.0 million (£5.0 million of which is EIS/VCT qualifying) by way of a placing [and subscription], subject to shareholder approval, the net proceeds of which will be used to satisfy the cash consideration payable for the Acquisitions and to provide working capital for the enlarged Group.

## **Summary of results**

The results below relate to trading from 1 January 2024 to 29 February 2024 when the disposal of the Solar Business was completed and the Company became an AIM Rule 15 cash shell. After re-stating results to separate out discontinued operations, for the six-month period to 30 June 2024, the Group incurred administrative expenses of £909,853 and recorded a loss after tax of £907,711 from continuing operations (H1 2023: £644,576 and a loss after tax of £671,833). In the six-month period to 30 June 2024 there was a loss from discontinued operations of £134,292 (H1 2023: £299,156).

## **Board**

On 13 March 2024, Elizabeth Lake was appointed as a non-Executive Director of the Company and on 1 May 2024, Linda Main was appointed as the Senior Independent Director. On 3 June 2024, Elizabeth Lake was appointed as the Company’s Chief Financial Officer and Sandra Skeete was appointed as an independent non-Executive Director.

## **Bob Holt OBE**

Executive Chair

## EARNZ plc Interim Results June 2024

07 August 2024

### Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

		Unaudited H1 2024	Unaudited H1 2023	Audited FY 2023
	Note	£	Re-presented* £	Re-presented* £
<b>Continuing operations</b>				
Revenue		-	-	-
Direct costs		-	-	-
Gross loss		-	-	-
Administrative expenses		(909,853)	(644,576)	(743,472)
<b>Operating loss</b>		<b>(909,853)</b>	<b>(644,576)</b>	<b>(743,472)</b>
Other income		-	-	(556,783)
Finance Income		7,895	2,143	2,975
Finance costs		(5,753)	(29,400)	(47,106)
<b>Loss before tax</b>		<b>(907,711)</b>	<b>(671,833)</b>	<b>(1,344,386)</b>
Income Tax		-	-	-
<b>Loss for the period from continuing operations</b>		<b>(907,711)</b>	<b>(671,833)</b>	<b>(1,344,386)</b>
<b>Discontinued operations</b>				
Loss from discontinued operations, net of tax	6	(134,292)	(299,156)	(744,593)
<b>Loss for the period</b>		<b>(1,042,003)</b>	<b>(970,989)</b>	<b>(2,088,979)</b>
<b>Other comprehensive income</b>				
Items that are or may be reclassified to profit or loss:				
Translation of foreign operations		8,976	(20,454)	(17,137)
<b>Total comprehensive loss for the period</b>		<b>(1,033,027)</b>	<b>(991,443)</b>	<b>(2,106,116)</b>
<b>Total comprehensive loss for the period attributable to: -</b>				
<b>Owners of the Company</b>		<b>(1,033,027)</b>	<b>(991,443)</b>	<b>(2,106,116)</b>
<b>Loss per share</b>				
Basic and diluted (£)	3	<b>(0.032)</b>	<b>(0.219)</b>	<b>(0.436)</b>

\* Comparative information has been re-presented due to discontinued operation.

## EARNZ plc Interim Results June 2024

### Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Note	Unaudited As at 30 June 2024 £	Unaudited As at 30 June 2023 Restated** £	Audited As at 31 December 2023 £
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		2,639	114,400	97,513
Right of use assets		-	-	306,085
Other receivables		-	556,783	-
<b>Non-current assets</b>		<b>2,639</b>	<b>671,183</b>	<b>403,598</b>
<b>Current assets</b>				
Inventories		-	696,452	419,020
Trade and other receivables		159,641	236,498	170,458
Cash and cash equivalents		3,140,270	135,357	53,918
<b>Current assets</b>		<b>3,299,911</b>	<b>1,068,307</b>	<b>643,396</b>
<b>TOTAL ASSETS</b>		<b>3,302,550</b>	<b>1,739,490</b>	<b>1,046,994</b>
<b>Equity and liabilities</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	4	-	500,000	522,587
Lease liabilities		-	-	93,756
<b>Non-current liabilities</b>		<b>-</b>	<b>500,000</b>	<b>616,343</b>
<b>Current liabilities</b>				
Trade and other payables		394,464	483,191	283,742
Provisions		-	-	30,212
Lease liabilities		-	-	214,467
<b>Current liabilities</b>		<b>394,464</b>	<b>483,191</b>	<b>528,421</b>
<b>TOTAL LIABILITIES</b>		<b>394,464</b>	<b>983,191</b>	<b>1,144,764</b>
Share capital		2,515,194	177,417	221,860
Share premium account		14,371,832	12,205,726	12,626,283
Share based payment reserve		178,796	383,191	178,796
Accumulated losses		(14,157,736)	(11,997,743)	(13,115,733)
Currency translation reserve		-	(12,293)	(8,976)
Non-controlling interests		-	-	-
<b>Total shareholders' equity</b>		<b>2,908,086</b>	<b>756,299</b>	<b>(97,770)</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,302,550</b>	<b>1,739,490</b>	<b>1,046,994</b>

\*\* Comparative restated at the year end due to prior year error, see note 8 for details

## EARNZ plc Interim Results June 2024

### Condensed Statement of Changes in Equity

As at 30 June 2024

	Issued share capital	Share Premium	Share based payment reserve	Accumulated losses	Currency translation reserve	Non-controlling interest	Total
	£	£	£	£	£	£	£
<b>Balance at 1 January 2023</b>	<b>177,417</b>	<b>12,205,726</b>	<b>332,806</b>	<b>(11,026,754)</b>	<b>8,161</b>	-	<b>1,697,356</b>
Loss for the period	-	-	-	(970,989)	-	-	(970,989)
Translation of subsidiary	-	-	-	-	(20,454)	-	(20,454)
<b>Total comprehensive loss for the period</b>	-	-	-	<b>(970,989)</b>	<b>(20,454)</b>	-	<b>(991,443)</b>
Share based payment	-	-	50,385	-	-	-	<b>50,385</b>
<i>Balance previously reported at 30 June 2023</i>	<i>177,417</i>	<i>12,205,726</i>	<i>383,191</i>	<i>(11,942,000)</i>	<i>(14,209)</i>	<i>(106,887)</i>	<i>703,238</i>
Prior year adjustment	-	-	-	(55,743)	1,916	106,887	53,060
<b>Shareholders' equity at 30 June 2023 Restated</b>	<b>177,417</b>	<b>12,205,726</b>	<b>383,191</b>	<b>(11,997,743)</b>	<b>(12,293)</b>	-	<b>756,298</b>
Loss for the period	-	-	-	(1,117,990)	-	-	(1,117,990)
Translation of subsidiary	-	-	-	-	3,317	-	<b>3,317</b>
<b>Total comprehensive profit/(loss) for the period</b>	-	-	-	<b>(1,117,990)</b>	<b>3,317</b>	-	<b>(1,114,673)</b>
Issue of shares (net of expenses)	44,443	420,557	-	-	-	-	<b>465,000</b>
Share based payment	-	-	(204,395)	-	-	-	<b>(204,395)</b>
<b>Shareholders' equity at 31 December 2023</b>	<b>221,860</b>	<b>12,626,283</b>	<b>178,796</b>	<b>(13,115,733)</b>	<b>(8,976)</b>	-	<b>(97,770)</b>
Loss for the period	-	-	-	(1,042,003)	-	-	(1,042,003)
Translation of subsidiary	-	-	-	-	8,976	-	<b>8,976</b>
<b>Total comprehensive loss for the period</b>	-	-	-	<b>(1,042,003)</b>	<b>8,976</b>	-	<b>(1,033,027)</b>
Issue of shares (net of expenses)	2,293,334	1,745,549	-	-	-	-	<b>4,038,883</b>
<b>Shareholders' equity at 30 June 2024</b>	<b>2,515,194</b>	<b>14,371,832</b>	<b>178,796</b>	<b>(14,157,736)</b>	-	-	<b>2,908,086</b>

\*\* Comparative restated at the year end due to prior year error, see note 8 for details

## EARNZ plc Interim Results June 2024

### Condensed Statement of Cash Flows

For the 6 months ended 30 June 2024

	Note	Unaudited H1 2024 £	Unaudited H1 2023 £	Audited FY 2023 £
<b>Operating activities</b>				
Loss before tax		(1,042,003)	(970,989)	(2,088,979)
Adjustment for:				
Depreciation		876	104,722	223,340
Finance costs		5,753	28,390	61,578
Finance income		(7,895)	(2,895)	(3,722)
Impairment of ICSI receivable		-	-	556,783
Loss on disposal of assets		134,292	40,519	50,167
Share based payment expenses/(credit)		-	50,384	(154,010)
		<b>(908,977)</b>	<b>(749,869)</b>	<b>(1,354,843)</b>
<b>Working capital adjustments</b>				
(Increase) / decrease in inventory		-	(161,493)	115,939
Increase in trade and other receivables		(132,269)	(85,130)	(24,884)
Increase in trade and other payables		242,608	153,454	8,091
<b>Cash used in operations</b>		<b>(798,638)</b>	<b>(843,038)</b>	<b>(1,255,697)</b>
Taxation		-	-	-
<b>Net cash outflow from operating activities</b>		<b>(798,638)</b>	<b>(843,038)</b>	<b>(1,255,697)</b>
<b>Investing activities</b>				
Disposal of discontinued operations, net of tax	6	(159,242)	-	-
Purchase of property, plant and equipment		(1,415)	-	(2,039)
<b>Net cash outflow from investing activities</b>		<b>(160,657)</b>	<b>-</b>	<b>(2,039)</b>
<b>Financing activities</b>				
Issue of ordinary shares (net of expenses)		4,038,883	-	465,000
Convertible loan notes issued		-	500,000	500,000
Interest paid on loans		-	(11,885)	(15,229)
Finance income		7,895	2,895	3,722
Repayments of corporate green bonds		-	(328,140)	(324,858)
Payment of lease liabilities		-	(30,096)	(163,217)
<b>Net cash inflow from financing activities</b>		<b>4,046,778</b>	<b>132,774</b>	<b>465,418</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,087,483</b>	<b>(710,264)</b>	<b>(792,318)</b>
Cash and cash equivalents at the beginning of the period		53,918	842,632	842,056
		<b>3,141,401</b>	<b>132,368</b>	<b>49,738</b>
Exchange (losses)/gains on cash and cash equivalents		(1,131)	2,989	4,180
<b>Cash and cash equivalents at the end of the period</b>		<b>3,140,270</b>	<b>135,357</b>	<b>53,918</b>

# EARNZ plc Interim Results June 2024

## Notes to the Condensed Financial Statements

### 1. General Information

The Interim Financial Statements are for the six months ended 30 June 2024 and are presented in British Pounds (£), which is the functional currency of the parent company.

EARNZ plc ("EARNZ" or the "Company" or the "Group") is a public limited company incorporated, registered and domiciled in England and Wales (registration number 10114644), whose shares are quoted on the Alternative Investment Market on the London Stock Exchange. Its registered office is located at Holborn Gate, 330 High Holborn, London, WC1V 7QH.

EARNZ is an AIM Rule 15 cash shell seeking acquisition targets in the energy services sector.

The Interim Financial Statements have been approved for issue by the Board of Directors on 7 August 2024.

### 2. Basis of Preparation of Half-year Report

The financial information presented in this condensed consolidated interim report for the half-year has been prepared in accordance with the recognition and measurement requirements of UK adopted International Accounting Standards ("UK IAS"). The principal accounting policies adopted in the preparation of the financial information in this Interim Report are unchanged from those used in the Company's financial statements for the year ended 31 December 2023.

They have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all of the information required in annual financial statements in accordance with UK IAS and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023. The condensed consolidated interim report has not been reviewed or audited by our independent auditors.

The financial information for the year ended 31 December 2023 presented in this Interim Report does not constitute the Company's statutory accounts for that period but has been derived from them. The Annual Report and Accounts for the year ended 31 December 2023 were audited and have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Accounts for the year ended 31 December 2023 did not contain statements under s498(2) or (3) of the Companies Act 2006, but did contain a material uncertainty in relation to going concern, and the audit opinion was qualified in respect of inventories as the auditor was unable to attend the stock count at the year end. The income statement comparative for the year ended 31 December 2023 included in this Interim Report has been represented to show discontinued operations separately. The impact of this is set out in note 5.

The financial information for the 6 month periods ended 30 June 2023 and 30 June 2024 is unaudited.

A copy of the Company's audited consolidated financial statements for the year ended 31 December 2023 is available on the website <https://earnzplc.com/>.

#### New Standards adopted as at 1 January 2024

Accounting pronouncements which have become effective from 1 January 2024 are:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback). In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants) Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date.
- IAS 7 and IFRS 7 (Amendments - Supplier finance arrangements) - On 25 May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

These accounting pronouncements do not have a significant impact on the Group's financial results or position and no changes to existing accounting policies were required as a result of adopting any amendments.

## EARNZ plc Interim Results June 2024

### Going concern

Following the Disposal, the Company has ceased to own, control, or conduct all or substantially all its previous trading business, activities and assets and, on 1 March 2024, became an AIM Rule 15 cash shell. As such, the Company is required to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 ("Reverse Takeover") or be re-admitted to trading on AIM as an investing company (which requires, inter alia, the raising of at least £6.0 million) under the AIM Rules, on or before the date falling six months from 1 March 2024. If the Company does not complete a Reverse Takeover in accordance with AIM Rule 14, or otherwise if re-admitted to trading on AIM as an investing company fails to implement its investing policy to the satisfaction of the London Stock Exchange within twelve months of becoming an investing company, the London Stock Exchange will suspend trading in the Company's AIM securities pursuant to AIM Rule 40.

Following the Board changes in March, May and June 2024, the monthly cost of maintaining the Company has reduced.

The directors have a clear strategy to identify Reverse Takeover targets and have several opportunities in the pipeline. The cash resources of the Company are sufficient to cover the costs of a Reverse Takeover. As announced this morning, subject to shareholder approval on 27 August 2024, the Company will be making two acquisitions before 31 August 2024. However, as the successful completion of any Reverse Takeover target cannot be assured at this time, the directors have concluded that a material uncertainty exists as to the Company's ability to continue as a going concern beyond the AIM Rule 15 timetable. This uncertainty arises primarily because should the Company's shares be suspended from trading on AIM or its listing is cancelled, the Company's ability to raise finance for the longer term would be significantly impaired.

Notwithstanding the above, as at the date of approval of the financial statements, the base case cash flow forecast indicated that no additional cash resources will be required over the course of the next 12 months. The directors therefore consider the Group and the Company to be a going concern and have therefore prepared these financial statements on the going concern basis. It is noted that management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed in the future.

### Dividends

The Directors do not propose the payment of an interim dividend.

### Material changes in accounting estimates or judgments

The preparation of unaudited interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses for the current and its corresponding financial period under review. Actual results may differ from these estimates.

In preparing the unaudited interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the sources of estimates uncertainty were consistent with those applied to the audited financial statements for the year ended 31 December 2023. It is relevant to note that as the Solar Business was disposed of on 29 February 2024 (see Note 5), the trade-related estimates and judgements such as warranty provision, stock valuation, other receivables measurement, revenue recognition and convertible loan note treatment are no longer considered material to the Group at 30 June 2024.



## EARNZ plc Interim Results June 2024

### 3. Loss Per Share

The calculation of loss per share is based on the following loss and number of shares:

	6 months ended 30 June 24	6 months ended 30 June 23 Re-presented*	For the year ended 31 December 23 Re-presented*
Loss for the period from continuing operations (£)	(907,711)	(671,833)	(1,344,386)
Loss for the period from discontinued operations (£)	(134,292)	(299,156)	(744,593)
Weighted average number of shares: Basic and diluted	32,092,945	4,435,383	4,788,503
Loss per share (£) – continuing operations	(0.028)	(0.152)	(0.281)
Loss per share (£) – discontinued operations	(0.004)	(0.067)	(0.155)
<b>Loss per share (£) – basic and diluted</b>	<b>(0.032)</b>	<b>(0.219)</b>	<b>(0.436)</b>

Basic loss per share is calculated by dividing the loss for the period from continuing operations of the Group by the weighted average number of ordinary shares in issue during the period. Due to the loss in the periods and there are no potentially dilutive ordinary shares, meaning the basic and diluted loss per share were the same.

On 4 April 2024 a share consolidation was approved, so that every 100 shares in the Company was consolidated to 1 share. This increased the nominal value of each share from £0.0004 to £0.04, and reduced the number of shares from 954,649,497 to 9,546,495 shares. Accordingly, the comparative number of shares at June 2023 and December 2023 has been represented.

### 4. Loans and Borrowings

	6 months ended 30 June 24 £	6 months ended 30 June 23 £	For the year ended 31 December 23 £
<b>Non-current</b>			
Convertible loan notes	-	500,000	522,587
<b>Total Non-current loans and borrowings</b>	-	500,000	522,587
<b>Total loans and borrowing</b>	-	500,000	522,587

In May 2023 the Group raised £500,000 in secured convertible loan, with an associated coupon of 7%. The convertible loan notes were redeemable 2 years from the date of issue and were convertible at the option of the noteholder into ordinary shares. As a result of the disposal of Verditek Solar Italy srl ("VSI") on 29 February 2024, there was an agreement with the loan note holders that the principal of the convertible loan and accrued interest to date was satisfied, £528,340 in return for the sale of the Solar Business (see Note 5).

In February 2024 the Company entered into a loan agreement with Bob Holt, prior to his appointment as a director of the Company, for up to £300,000, of which £250,000 was drawn down on 28 February 2024 prior to the disposal of the Solar Business in order to settle outstanding liabilities of the Group. The remaining £50,000 was subsequently drawn down. The loan was unsecured and interest free, convertible in part or in whole at any equity fundraising undertaken by the Company after the date of the drawdown. The loan was converted into 4,000,000 ordinary shares on 8 April 2024.

## EARNZ plc Interim Results June 2024

### 5. Share capital and reserves

	Number of shares	Share capital	Share premium
		£	£
<b>At 30 June 2023</b>	<b>443,538,306</b>	<b>177,417</b>	<b>12,205,726</b>
Issue of ordinary shares 1 September 2023	111,111,111	44,443	420,557
<b>At 31 December 2023</b>	<b>554,649,417</b>	<b>221,860</b>	<b>12,626,283</b>
Issue of ordinary shares 4 March 2024	400,000,000	16,000	262,000
Issue of ordinary shares 4 April 2024	83	-	-
Share consolidation 4 April 2024	(945,103,005)	-	-
Issue of ordinary shares April 2024	53,333,333	213,334	3,547,549
<b>At 30 June 2024</b>	<b>62,879,828</b>	<b>451,194</b>	<b>16,435,832</b>

On 4 March 2024 400,000,000 ordinary shares were issued at a price of 0.075 pence per share. On 4 April 2024 83 ordinary shares were issued at a price of 0.04 pence per share. On 4 April 2024 there was a share consolidation, so that every 100 shares in the Company would be consolidated to 1 share. This increased the nominal value of each share from £0.0004 to £0.04, and reduced the number of shares from 954,649,500 to 9,546,495 shares. On 8 April 2024 53,333,333 ordinary shares were issued at a price of 7.5 pence per share.

There have been no new options granted or exercised in the period and options over 2,700,000 shares were forfeit as part of the agreement to dispose of the Solar Business, see Note 5. Following the share consolidation on 4 April 2024, the number of options outstanding and exercise price was amended accordingly. A further 22,500 warrants lapsed during the period. The number of shares outstanding on which options have been granted at 30 June 2024 is 6,667: (30 June 2023: 19,500,000).

	Number of share options	Number of warrants	Weighted average strike price (pence)	Weighted average term (years)
<b>Opening at 1 January 2024</b>	<b>3,700,000</b>	<b>2,250,000</b>	<b>4.68</b>	<b>3.8</b>
Forfeit	(3,033,334)	-	(1.35)	(3.4)
Share consolidation	(659,999)	(2,227,500)	330.38	-
Lapsed	-	(22,500)	46.29	0.3
<b>At 30 June 2024</b>	<b>6,667</b>	<b>-</b>	<b>380.00</b>	<b>0.7</b>

### 6. Discontinued operations

On 28 February 2024 the Company's members approved the disposal of wholly owned subsidiary Verditek Italy srl and all related business assets of the Company (collectively, "Solar Business") to a newly incorporated private company, Verditek Solar Limited, in return for satisfaction of the outstanding secured convertible loan notes and accrued interest, £528,340 (see Note 4). Verditek Solar Limited is a company owned by the convertible loan note holders. The disposal of the Solar Business included:

- All issued share capital in Verditek Solar Italy srl
- All intellectual property rights associated with the Group's solar operations
- The Company's interest in an agreement with Net Zero Valley, an unrelated third party, to develop a solar panel manufacturing plant in Italy
- The Company's interest in the joint development project with Paragraf Limited
- Any monies receivable from the earn-out agreement from the sale of Industrial Climate Solutions Inc, which was disposed of by the Group in 2022.

On 29 February 2024, the Company completed the disposal of the Solar Business. The results for the discontinued operations were not previously classified as discontinued or held for sale in the 31 December 2023 year-end financial statements as the criteria for such classification were not met as at that date. The results of the discontinued Solar Business is presented below for the period, along with comparative information:

## EARNZ plc Interim Results June 2024

	H1 2024	H1 2023	FY 2023
	£	£	£
<b>Results of discontinued operations</b>			
Revenue	39,507	254,958	606,260
Expenses	(116,246)	(554,114)	(1,350,853)
Pre-tax result from operating activities	(76,739)	(299,156)	(744,593)
Income tax	-	-	-
Post tax result from operating activities	(76,739)	(299,156)	(744,593)
Loss on sale of discontinued operation	6B (57,553)	-	-
Income tax on sale of discontinued operation	-	-	-
<b>Loss from discontinued operation, net of tax</b>	<b>(134,292)</b>	<b>(299,156)</b>	<b>(744,593)</b>

### Other comprehensive income

Items that were or may be reclassified to profit or loss:

Translation of foreign operations	8,976	(20,454)	(17,137)
<b>Total comprehensive loss from discontinued operations</b>	<b>(125,316)</b>	<b>(319,610)</b>	<b>(761,730)</b>

Loss per share – basic and diluted\* 3 (0.004) (0.067) (0.155)

\* For comparability purposes, loss per share for comparative periods has been represented based on a reduced number of shares resulting from the share consolidation in April 2024 referred to in Note 3.

The loss for the period from discontinued operations, £134,292, was entirely attributable to the owners of the Company. The loss for the period from continuing operations, £907,711, was entirely attributable to the owners of the Company.

	H1 2024	H1 2023	FY 2023
	£	£	£
<b>6A. Cashflows used in discontinued operations</b>			
Net cash used in operating activities	2,493	(166,726)	(39,812)
Net cash used in investing activities	(161,735)	-	-
<b>Net cashflow for the period</b>	<b>(159,242)</b>	<b>(166,726)</b>	<b>(39,812)</b>
Costs of disposal paid in cash	(151,887)	-	-
Cash and cash equivalents disposed of	(9,848)	-	-
<b>Net cash used in investing activities</b>	<b>(161,735)</b>	<b>-</b>	<b>-</b>

### 6B. Carrying amounts of assets and liabilities as at the date of sale

	£
Property, plant and equipment	81,532
Right of use assets	266,674
Inventories	414,011
Trade and other receivables	147,404
Cash and cash equivalents	9,848
Trade and other payables	(210,482)
Lease liabilities	(270,092)
Provisions	(29,832)
<b>Net assets on disposal</b>	<b>409,063</b>
Non- cash consideration – convertible loan principal and interest satisfied	528,340
Costs of disposal paid in cash	(151,887)
Carrying amount of net assets on disposal	(409,063)
Carrying amount of Company plant & equipment on disposal	(9,981)
Foreign exchange including reversal of translation reserve	(14,962)

## EARNZ plc Interim Results June 2024

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Loss on sale of discontinued operation

(57,553)

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### 7. Events after the reporting date

There were no events after the reporting date.

### 8. Prior period restatement

During 2023, the Group determined that the Non-Controlling Interest Reserve recognized at prior balance sheet dates in connection with BBR Filtration should have been released to accumulated losses during 2021. A correction to the opening balance sheet position as at 1 January 2022 was presented in the 31 December 2023 year end financial statements. During 2023 it was determined that a provision against a recoverable VAT balance recognized in prior years should have been partially reversed in 2022, as there was information available at the time which suggested that it was recoverable. A prior year adjustment has been made as a result of there being an error identified in the estimate made as at 31 December 2022.

The errors described have been corrected at 30 June 2023 by restating each of the affected line items for prior periods. The impact on shareholders' equity and assets is summarized as follows:

Consolidated statement of financial position	Impact of correction error		
	As previously reported	Adjustment	As restated
30 June 2023	£	£	£
<b>ASSETS</b>			
Trade and other receivables	183,437	53,060	236,497
<b>SHAREHOLDERS' EQUITY</b>			
Accumulated losses	(10,971,011)	(55,743)	(11,026,754)
Currency translation reserve	(14,209)	1,916	(12,293)
Non-controlling interests	(106,887)	106,887	-

### 9. Copies of the interim report

Copies of this interim report will be available on the Company's website at <https://earnzplc.com/> and from the Company's registered office, Holborn Gate, 330 High Holborn, London, WC1V 7QH.