RNS Number : 1347H
Earnz PLC
18 March 2024

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

For immediate release

18 March 2024

EARNZ plc

(**"EARNZ"** or the "**Company**")

Proposed Consolidation

Proposed Fundraising to raise £3.7 million

and

Loan Conversion

Introduction

EARNZ plc (AIM: EARN), an AIM Rule 15 cash shell which is seeking acquisitions in the energy services sector, is pleased to announce:

- a proposed consolidation of every 100 ordinary shares of 0.04 pence each (**"Existing Shares"**) in the capital of EARNZ into one new ordinary share of 4 pence each (**"Consolidated Shares"**) in the capital of EARNZ (the **"Consolidation"**);
- a proposed placing of 39,954,644 New Ordinary Shares (as defined below) (the **"Placing Shares"**) at a price of 7.5 pence per Placing Share (equivalent of 0.075 pence prior to the Consolidation) (the **"Issue Price"**) to raise approximately £3.0 million (before expenses) (the **"Placing"**); and
- a proposed subscription of 9,378,689 New Ordinary Shares (the "**Subscription Shares**") at the Issue Price, to raise approximately £0.7 million (before expenses) (the "**Subscription**") (together, with the Placing, the "**Fundraising**", and together with the Consolidation and the Loan Conversion, the **"Proposals"**).

Capitalised terms used in this announcement (the **"Announcement"**) have the meanings given to them in the section headed "Definitions" at the end of this Announcement, unless the context provides otherwise.

Shore Capital and Corporate Limited (**"SCC"**) is acting as nominated adviser to EARNZ and Shore Capital Stockbrokers Limited (**"SCS"**) and W H Ireland Limited (**"WH Ireland"** and, together with SCS, the **"Joint Brokers"**) are acting as joint brokers in connection with the Proposals.

Use of proceeds of the Fundraising

The net proceeds of the Fundraising will be used for working capital purposes and, in particular, the cost of the due diligence to be carried out on any potential acquisitions to be made by EARNZ.

Transaction highlights

- The Placing will raise approximately £3.0 million (before expenses) through the issue of 39,954,644 Placing Shares at 7.5 pence per Placing Share.
- The Subscription will raise approximately £0.7 million (before expenses) through the issue of 9,378,689 Subscription Shares at 7.5 pence per Subscription Share.
- The Issue Price of 7.5 pence per New Ordinary Share is equivalent to the closing middle market price of 0.075 pence per Existing Share on 15 March 2024, being the latest practicable date prior to the date of this Announcement.
- The Placing and Subscription Shares (together the "**Fundraising Shares**") will represent approximately 78 per cent. of the issued share capital of EARNZ immediately following the Consolidation but prior to the issue of the Fundraising Shares (the **"Existing Consolidated Shares"**).
- The effect of the Consolidation will be that shareholders (**"Shareholders"**) holding Existing Ordinary Shares on EARNZ's register of members at 6.00 p.m. on 4 April 2024 (the **"Record Date"**) will, on implementation of the Consolidation, hold:
    - *1 Consolidated Share for every 100 Existing Shares held on the Record Date*
- The Consolidation is expected to increase EARNZ's share price proportionately, help improve the market liquidity of, and trading activity in, EARNZ's shares, provide the basis for a narrowing in the spread of its bid and offer share price and enhance the perception of EARNZ and its prospects and help improve the marketability of EARNZ's shares to a wider group of investors.
- The Consolidation will reduce the 954,649,500 Existing Shares in issue (as at the Record Date) to 9,546,495 Consolidated Shares, after the issue of the Additional Shares (as defined below) to ensure the Existing Shares can be precisely divisible by 100.

The Consolidation and the Fundraising are conditional upon, among other things, the resolutions (the **"Resolutions"**) required to implement the Proposals being duly passed by Shareholders at the general meeting proposed to be held at 10.00 a.m. on 4 April 2024 (the **"General Meeting"**). The Fundraising is not being underwritten.

Bob Holt, Executive Chairman of EARNZ, said: "*We are pleased by the response received from investors and look forward to putting the funds raised to good use in seeking suitable acquisitions in the energy services sector.*"

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section below.

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The following is an extract from the Chairman's letter to be set out in substantially the same form in the Circular. The Circular is expected to be despatched to Shareholders later today and, once published, will be available on EARNZ's website at www.earnzplc.com.

1. Introduction

On 28 February 2024, the Company announced that it had entered into a conditional sale and purchase agreement to dispose of its solar business including the whole of the issued share capital of Verditek Solar srl to Verditek Solar Limited, a newly incorporated company owned and incorporated by the Company's then bondholders. The consideration for this sale was £528,340 which was satisfied by the surrender of all of the Company's secured convertible loan notes plus accrued interest to completion of the sale. In addition, the Company announced my loan to the Company of £300,000 to provide working capital, the proposed placing of 400 million new Ordinary Shares at 0.075 pence per Ordinary Share to raise £300,000 (the **"Original Placing"**) and the appointment of John Charlton and myself as executive director and executive chair of the Company respectively.

Following a general meeting held on 28 February 2024, completion of the above sale occurred on 29 February 2024. From 1 March 2024, the Company has been regarded as an AIM Rule 15 cash shell further details of which are set out below. EARNZ has stated it is seeking acquisition targets in the energy services sector. On 5 March 2024, the Existing Shares issued pursuant to the Original Placing were admitted to trading on AIM. On 6 March 2024, the Company changed its name to EARNZ plc and, on 13 March 2024, it announced the appointment of Elizabeth Lake as a non-executive director of the Company.

The Company's announcement of 28 February 2024 also stated that, subject to approval from Shareholders, it intended to undertake the Consolidation and raise approximately £1.5 million which has subsequently been increased to £3.7 million. The proceeds of the Original Placing of £300,000 on 29 February 2024 together with the proceeds of the Placing and the Subscription means that the Company has, subject to Admission, now raised a total of £4.0 million from new Shareholders since its new management was brought in.

The purpose of this document is, amongst other things, to convene the General Meeting, set out the background to and reasons for the Consolidation, the Placing, the Subscription and the Loan Conversion and explain why the Directors consider that the Proposals are in the best interests of the Shareholders as a whole.

2. AIM Rule 15 cash shell status

As previously announced, since 1 March 2024, the Company has been regarded as an AIM Rule 15 cash shell for the purposes of the AIM Rules, having ceased to own, control, or conduct all or substantially all, of its existing trading business, activities, or assets. The Company will therefore, within 6 months need to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14, failing which trading in the Company's shares on AIM will be suspended. Should

the Company's shares remain suspended from trading for 6 months, admission of the Company's shares to trading on AIM will be cancelled under AIM Rule 41.

3. Consolidation

3.1. Background to and reasons for the Consolidation

The Directors believe that the Company's existing share capital structure is no longer appropriate. The high number of Ordinary Shares in issue combined with the current relatively low price per Ordinary Share is thought to result in excess volatility, reduced liquidity and a widening in the market bid and offer share price spread for the Existing Shares. We are therefore proposing to consolidate the Company's issued ordinary shares of 0.04 pence each so that every 100 Existing Shares will be consolidated into 1 ordinary share of 4 pence. To ensure the Existing Shares can be exactly divisible by 100, the Company will issue the Additional Shares. The Consolidation will reduce the 954,649,500 Ordinary Shares expected to be in issue as at the Record Date following the issue of the Additional Shares to 9,546,495 New Ordinary Shares.

As all of the Existing Shares are proposed to be consolidated, the proportion of Consolidated Shares held by each Shareholder immediately before and immediately after the Record Date will, save for Fractional Entitlements (as described below), remain unchanged.

The Consolidation is expected to:

- increase the Company's share price proportionately;
- help improve the market liquidity of, and trading activity in, the Company's shares;
- provide the basis for a narrowing in the spread of its bid and offer share price; and
- enhance the perception of the Company and its prospects and help improve the marketability of the Company's shares to a wider group of investors.

The Consolidation requires the approval of Shareholders by way of an ordinary resolution which will be sought at the General Meeting by way of Resolution 1 as set out in the Notice.

3.2. Summary terms of the Consolidation

At the General Meeting, the Directors are inviting Shareholders to approve the Consolidation pursuant to which every 100 Existing Shares will be consolidated into 1 Consolidated Share.

Subject to Resolution 1 (as set out in the Notice) being passed by the Shareholders at the General Meeting, the Company will, immediately prior to the Record Date, issue additional Ordinary Shares so that the total number of Existing Shares in issue at the Record Date is exactly divisible by 100. Assuming no other Ordinary Shares are issued by the Company between the date of this document and the Record Date, this will result in 83 Ordinary Shares being issued to the Registrars and will result in 954,649,500 Existing Shares. The nominal value of the Consolidated Shares following the Consolidation will be 4 pence each per Consolidated Share.

Since the Additional Shares will only represent a fraction of a Consolidated Share, this fraction will be combined with other Fractional Entitlements and sold pursuant to the arrangements for Fractional Entitlements detailed at paragraph 3.3 below.

As all of the Existing Shares are proposed to be consolidated, the proportion of issued ordinary shareholdings in the Company held by each Shareholder immediately before and immediately after the Consolidation will, save for Fractional Entitlements, remain unchanged.

3.3. Fractional Entitlements

The Consolidation will result in Fractional Entitlements to a Consolidated Share where any shareholding is not exactly divisible by 100. No Shareholder will be entitled to a fraction of a Consolidated Share. Instead, their entitlement will be rounded down to the nearest whole number of Consolidated Shares. If a Shareholder holds fewer than 100 Existing Shares at the Record Date, the rounding down process of the Consolidation will result in that Shareholder being entitled to no Consolidated Shares and they will cease to be a Shareholder.

Any Shareholder who, as a result of the Consolidation, has a Fractional Entitlement to any Consolidated Shares, will not have a proportionate holding of Consolidated Shares exactly equal to their proportionate holding of Existing Shares. No certificates will be issued for Fractional Entitlements to Consolidated Shares.
All Fractional Entitlements will be aggregated and sold on behalf, and for the benefit, of the Company in the market for the best price reasonably obtainable. Under the Articles, the Directors have a discretion as to how to deal with fractional entitlements, including by accounting to Shareholders for the net proceeds of any sale. The maximum fractional entitlement that any Shareholder would be entitled to would be worth less than 4 pence. The Board is of the view that, as a result of the disproportionate costs, it would not be in the best interests of the Company to distribute such proceeds of sale, which instead shall be retained for the benefit of the Company in accordance with the Articles.

For the avoidance of doubt, the Company is only responsible for dealing with fractions arising on registered holdings. For Shareholders whose shares are held in the nominee accounts of UK stockbrokers, the effect of the Consolidation on their individual shareholdings will be administered by the stockbroker or nominee in whose account the relevant shares are held. The effect is expected to be the same as for shareholdings registered in beneficial names, however, it is the responsibility of the stockbroker or nominee to deal with fractions arising within their customer accounts, and not the responsibility of the Company.

3.4. Resulting share capital and Consolidated Shares

If approved by the Shareholders, the issued share capital of the Company immediately following the Consolidation is expected to comprise 9,546,495 Consolidated Shares. The Consolidated Shares shall have the same rights as the Existing Shares including in respect of voting, dividends, returns of capital and other rights.

Application will be made to the London Stock Exchange for the Consolidated Shares to be admitted to trading on AIM in place of the Existing Shares. Subject to the Consolidation Resolution being passed, dealings in the Existing Shares will cease on the Record Date and it is expected that Admission will become effective, and that dealings in the Consolidated Shares will commence, at 8.00a.m. on 8 April 2024.

4. Placing of New Ordinary Shares

The Company has conditionally raised approximately £3.0 million of cash (before expenses) by means of the placing of 39,954,644 New Ordinary Shares at 7.5 pence per New Ordinary Share. The Issue Price of 7.5 pence per New Ordinary Share is equivalent to the closing middle market price of

0.075 pence per Existing Share on 15 March 2024, being the latest practicable date prior to the date of this document.

The Placing is conditional upon, *inter alia*, the passing of the Resolutions to be put to Shareholders at the General Meeting, receipt by EARNZ of the cleared funds from the subscribers for Subscription Shares on the day of the General Meeting, the Placing Agreement becoming unconditional in respect of the Placing Shares and not being terminated in accordance with its terms and Admission occurring by no later than 8.00 a.m. on 8 April 2024 (or such later date as the Company and Shore Capital and WH Ireland may agree, being no later than 8.00 a.m. on 22 April 2024).

The net proceeds of the Placing will be used for working capital purposes and, in particular, the cost of the due diligence to be carried out on any potential acquisitions to be made by the Company.
If the Proposals complete on the basis set out in this document, the Placing Shares will represent approximately 64 per cent. of the Company's issued share capital immediately following Admission and existing Shareholders will hold approximately 15 per cent. of the Company's issued share capital immediately following Admission.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Shore Capital and WH Ireland, as agents for the Company, have conditionally agreed to use their reasonable endeavours to procure subscribers for the Placing Shares. The Placing has not been underwritten.

The Placing Agreement contains normal warranties (in relation to, inter alia, the accuracy of the information in this document and other matters relating to the Company, its subsidiaries, and its business) and indemnities given by the Company to Shore Capital and WH Ireland as well as market standard rights of termination. The Company will pay Shore Capital and WH Ireland commissions in respect of those Placing Shares placed by them.

5. Subscription for New Ordinary Shares

The Company has conditionally raised approximately £0.7 million (before expenses) of cash by means of the subscription for 9,378,689 New Ordinary Shares at 7.5 pence per share. The Issue Price of 7.5 pence per New Ordinary Share is equivalent to the closing middle market price of 0.075 pence per Existing Share on 15 March 2024, being the latest practicable date prior to the date of this document. Bob Holt has agreed to subscribe approximately £50,000 for 666,666 Subscription Shares as part of the Subscription and his wife has agreed to subscribe £10,000 for 133,333 Subscription Shares as part of the Subscription.

The Subscription is conditional upon, inter alia, the passing of the Resolutions to be put to Shareholders at the General Meeting, the Placing Agreement becoming unconditional in respect of the Placing Shares and not being terminated in accordance with its terms and Admission occurring by no later than 8.00 a.m. on 8 April 2024 (or such later date as the Company and Shore Capital may agree, being no later than 8.00 a.m. on 22 April 2024).

Like the net proceeds of the Placing, the net proceeds of the Subscription will be used for working capital purposes and, in particular, the cost of the due diligence to be carried out on any potential acquisitions to be made by the Company.

If the Proposals complete on the basis set out in this document, the Subscription Shares will represent approximately 15 per cent. of the Company's issued share capital immediately following Admission.

6. Loan Conversion

As announced by the Company on 28 February 2024, Bob Holt entered into a loan agreement with the Company prior to his appointment as a director of the Company pursuant to which Bob Holt agreed to advance up to £300,000 to the Company, to satisfy certain outstanding liabilities of the Company and to provide working capital. The full amount of this loan has now been advanced to the Company.

This loan is unsecured and interest free but repayable upon demand and, in accordance with its terms, it is convertible at Admission into New Ordinary Shares at a price equivalent to the Issue Price, conditional upon Admission. As a result of the Loan Conversion, the Company will issue 4,000,000 New Ordinary Shares to Bob Holt, which will represent approximately 6 per cent. of the Company's issued share capital immediately following Admission.

7. Settlement and trading

Application will be made to the London Stock Exchange for the New Shares to be admitted to trading on AIM.
Subject to the Resolutions being passed, it is expected that Admission will become effective, and that dealings in the New Shares will commence, at 8.00 a.m. on 8 April 2024.

The New Shares will, on Admission, rank *pari passu* in all respects with the New Shares and will rank in full for all dividends and other distributions declared, made or paid on New Ordinary Shares after Admission.

8. Related party transactions

Ray Horney has agreed to subscribe for 1,333,333 Placing Shares. As at 15 March 2024, being the latest practicable date prior to the date of this document, so far as the Company is aware, Ray Horney holds 133,333,333 Existing Shares representing approximately 13.97 per cent. of the Existing Shares. As such, Ray Horney is a substantial shareholder of the Company and his participation in the Placing is a related party transaction pursuant to AIM Rule 13. The Directors consider, having consulted with the Company's nominated adviser, Shore Capital and Corporate, that the terms of Ray Horney's participation in the Placing are fair and reasonable insofar as the Shareholders are concerned.

Catherine Charlton, the wife of John Charlton, a Director, has agreed to subscribe for 133,333 Subscription Shares, which is a related party transaction pursuant to AIM Rule 13. Bob Holt and Elizabeth Lake, being independent Directors in relation to this transaction, consider, having consulted with the Company's nominated adviser, Shore Capital and Corporate, that the terms of Catherine Charlton's participation in the Subscription are fair and reasonable insofar as the Shareholders are concerned.

As a Director, Bob Holt and his wife's participation in the Subscription which, in aggregate, amounts to 799,999 Subscription Shares is a related party transaction pursuant to AIM Rule 13. John Charlton and Elizabeth Lake, being independent Directors in relation to this transaction, consider, having consulted with the Company's nominated adviser, Shore Capital and Corporate, that the terms of

Bob Holt and his wife's participation in the Subscription are fair and reasonable insofar as the Shareholders are concerned.

9. Non-United Kingdom Shareholders

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The New Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the **"US Securities Act"**) and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of New Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the New Shares are being offered in reliance on Regulation S under the US Securities Act. The New Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the New Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the New Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a **"Restricted Jurisdiction"**) or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any New Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The New Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

Shareholders who are not resident in the United Kingdom should note that they should satisfy themselves that they have fully observed any applicable legal requirements under the laws of their relevant jurisdiction in relation to the Proposals.

The person responsible for arranging the release of this Announcement on behalf of EARNZ is John Charlton, a director of EARNZ.

Issue Statistics

Number of Existing Shares in issue at the date of this Announcement	954,649,417
Number of Existing Shares expected to be in issue immediately prior to the Record Date	954,649,500
Conversion ratio of Existing Shares	1 Consolidated Share: 100 Existing

	Shares
Number of Consolidated Shares expected to be in issue following the Consolidation	9,546,495
Nominal value per Existing Share prior to the Consolidation	0.04 pence
Nominal value per Consolidated Share following the Consolidation	4.0 pence
Number of Placing Shares to be issued at the Issue Price	39,954,644
Number of Subscription Shares to be issued at the Issue Price	9,378,689
Number of Loan Shares to be issued at the Issue Price	4,000,000
Issue Price	0.075 pence per Ordinary Share (7.5 pence per New Ordinary Share)
Total number of New Ordinary Shares in issue immediately following Admission	62,879,828
Gross proceeds of the Placing	£3.0 million
Gross proceeds of the Subscription	£0.7 million
Estimated net proceeds of the Placing and the Subscription receivable by the Company	£3.45 million
ISIN for the Consolidated Shares	GB00BRC2TB67
SEDOL for the Consolidated Shares	BRC2TB6

Expected Timetable of Events

Publication and posting of the Circular	18 March 2024
Latest time and date for receipt of completed Forms of Proxy and CREST voting instructions	10.00 a.m. on 2 April 2024
General Meeting	10.00 a.m. on 4 April 2024
Record Date for the Consolidation	6.00 p.m. on 4 April 2024
Admission of the Consolidated Shares and the New Shares to trading on AIM expected to become effective	8.00 a.m. on 8 April 2024

Expected date for CREST accounts to be credited in respect of Consolidated Shares and the New Shares in uncertificated form	8 April 2024
Expected date by which certificates in respect of Consolidated Shares and the New Shares are to be despatched to certificated Shareholders	within 10 business days of Admission

Notes:

1. All references to time in this Announcement are to London time, unless specifically stated otherwise, and are subject to change. Any such change will be notified to Shareholders by an announcement through a Regulatory Information Service.
2. Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.
3. All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting.

IMPORTANT NOTICES

Shore Capital Stockbrokers Limited and Shore Capital and Corporate Limited are authorised and regulated by the Financial Conduct Authority (the **"FCA"**) in the United Kingdom and are acting exclusively for EARNZ and no one else in connection with the Proposals, and SCS and SCC will not be responsible to anyone (including any placees) other than EARNZ for providing the protections afforded to its clients or for providing advice in relation to the Proposals or any other matters referred to in this Announcement.

WH Ireland Limited is authorised and regulated by the FCA in the United Kingdom and is acting exclusively for EARNZ and no one else in connection with the Placing, and WH Ireland will not be responsible to anyone (including any placees) other than EARNZ for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Brokers or by any of their respective Representatives as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

The responsibilities of SCC as EARNZ's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to EARNZ or to any director of EARNZ or to any other person.

This Announcement may contain, or may be deemed to contain, "forward-looking statements" with respect to certain of EARNZ's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of EARNZ, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the

effect of tax and other legislation and other regulations in the jurisdictions in which EARNZ and its affiliates operate, the effect of volatility in the equity, capital and credit markets on EARNZ's profitability and ability to access capital and credit, a decline in EARNZ's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of EARNZ may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of EARNZ speak only as of the date they are made. Except as required by applicable law or regulation, EARNZ expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in EARNZ's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of EARNZ for the current or future financial years would necessarily match or exceed the historical published earnings per share of EARNZ.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained from the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of the United States, Australia, Canada, the Republic of South Africa or Japan. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction outside the United Kingdom or the EEA.

Neither the content of EARNZ's website nor any website accessible by hyperlinks on EARNZ's website is incorporated in, or forms part of, this Announcement.

Information to Distributors

UK product governance

Solely for the purposes of the product governance requirements contained within Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of investors who meet the criteria of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all distribution channels (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors (for the purposes of UK Product Governance Requirements) should note that: (a) the price of the Placing Shares may decline and investors could lose all or part of their investment; (b) the Placing Shares offer no guaranteed income and no capital protection;

and (c) an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Brokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

EEA product governance

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures in the European Economic Area (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, the Joint Brokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

DEFINITIONS

The following definitions apply throughout this Announcement unless the context otherwise requires:

Additional Shares	the 83 additional Ordinary Shares to be issued immediately prior to the Record Date so that the total number of Existing Shares in issue shall be exactly divisible by 100;
Admission	the admission of the Consolidated Shares and the New Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules, expected to be at 8.00a.m. on 8 April 2024;
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time);
Articles	the Company's articles of association;
Board or **Directors**	the board of directors of the Company;
Company	EARNZ plc (incorporated and registered in England and Wales with company number 10114644), whose registered office is at Holborn Gate, 330 Holborn, London, England, WC1V 7QT;
Consolidated Shares	ordinary shares of 4 pence each in the capital of the Company following the completion of the Consolidation;
Consolidation	the proposed consolidation of every 100 Existing Share into 1 Consolidated Share;
Consolidation Resolution	Resolution 1 to be proposed to the Shareholders at the General Meeting to approve the Consolidation;
CREST	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & International Limited which facilitates the transfer of title to share in uncertificated form;
Existing Shares	the fully paid ordinary shares of 0.04 pence each in the capital of the Company prior to the Record Date;
FCA	the UK Financial Conduct Authority;

Form of Proxy	the form of proxy accompanying this document for use at the General Meeting;
Fractional Entitlement	a fractional entitlement to a Consolidated Share arising on the Consolidation;
FSMA	the Financial Services and Markets Act 2000 (as amended);
General Meeting	the general meeting of the Company to be held at the offices of Shore Capital, Cassini House, 57 St James's Street, London SW1A 1LD at 10.00 a.m. on 4 April 2024;
Issue Price	7.5 pence per New Share;
Loan Conversion	the conversion of Bob Holt's loan of £300,000 to the Company into the Loan Shares, subject to Admission;
Loan Shares	the 4,000,000 New Ordinary Shares to be allotted to Bob Holt in respect of the Loan Conversion;
London Stock Exchange	London Stock Exchange plc;
New Ordinary Shares	new ordinary shares of 4 pence each in the capital of the Company (in issue after the Consolidation);
New Shares	together the Placing Shares, the Subscription Shares and the Loan Shares;
Notice	the notice set out at the end of this document convening the General Meeting;
Ordinary Shares	the ordinary shares of 0.04 pence per share in the capital of the Company (in issue prior to the Consolidation);
Placees	the persons who agree conditionally to acquire the Placing Shares pursuant to the Placing;

Placing	the proposed placing by Shore Capital Stockbrokers and WH Ireland of the Placing Shares;
Placing Agreement	the conditional placing agreement dated 18 March 2024 between (1) the Company, (2) Shore Capital and Corporate, (3) Shore Capital Stockbrokers and (4) WH Ireland setting out the terms and conditions of the Placing;
Placing Shares	39,954,644 New Ordinary Shares to be allotted pursuant to the Placing;
Proposals	together the Consolidation, the Placing, the Subscription and the Loan Conversion;
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA pursuant to section 73A of the FSMA;
Record Date	the record date for the Consolidation, being 6.00 p.m. on 4 April 2024;
Resolutions	the resolutions to be proposed at the General Meeting to approve the Consolidation and the issue of the New Shares;
Shareholders	holders of ordinary shares in the capital of the Company;
Shore Capital	together, Shore Capital and Corporate and Shore Capital Stockbrokers;
Shore Capital and Corporate	Shore Capital and Corporate Limited;
Shore Capital Stockbrokers	Shore Capital Stockbrokers Limited;
Subscription	the proposed subscription by certain investors for the Subscription Shares at the Issue Price;
Subscription Shares	9,378,689 New Ordinary Shares to be allotted pursuant to the

Subscription; and

WH Ireland	W H Ireland Limited.

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