29 September 2017

Verditek plc
("Verditek", or the "Company")

Interim Report and Financial Statements
For the six month period to 30 June 2017

Verditek plc (AIM: VDTK), the clean technology company, is pleased to announce its interim results for the six months ended 30 June 2017.

Chairman's Statement

Verditek is a holding Company with three businesses, Greenflex Energy Limited ("Greenflex"), BBR Filtration Limited ("BBR") and Westec Environmental Solutions ("WES"), operating within the clean technology sector at the point of commercialisation with growth potential.

At the date of approval of this interim report the Company has the following holdings:

- 51% holding in Greenflex: Next generation solar cell technology producing innovative solar PV building material for residential, commercial and heritage buildings.

- 51% holding in BBR: A pioneering bio filtration technology which deodorises and cleans air for a variety of industries such as waste water, food manufacture and waste industries amongst many other opportunities.

- 23.64% holding in WES: A unique gas/liquid absorption technology set to revolutionise the global CO_2 capture market (utilisation and storage) and other emissions control technologies for the cement industry as well as natural gas processing and petroleum refineries.

This interim report updates shareholders on material developments during the six months ended 30 June 2017, together with material events and activities taking place after the balance sheet date. The interim financial information in this report covers the periods prior to the admission of the Company's shares to trading on the AIM London Stock Exchange market on 10 August 2017 and the acquisitions of the Company's interests in both Westec Environmental Solutions and BBR Filtration on the same date.

Operational Highlights

During the period under review, the Directors were heavily focused on the AIM admission process and ensuring that the Company and its three technology investments were ready for their next stage of evolution.

On 24 February 2017, the Company increased its stake in Greenflex through the transfer of a further two shares for par value, bringing its investment in Greenflex Energy Limited to 51%. The directors considered that control of Greenflex RSM s.r.l. was obtained at that date and have accounted for the transaction as an acquisition from this date.

The Company was successfully admitted to AIM, with a first day of dealings on 10 August 2017 having raised £2.75 million (gross). We believe that our admission to AIM will expedite the execution of our growth strategy as we look to progress our three clean technology businesses with exciting, disruptive technologies and bring each of the proprietary products to market in the near-term and in turn deliver early revenue generation.

After the end of this reporting period, on admission to AIM on 10 August 2017 the Company completed two further acquisitions:

- 51% of the ordinary share capital of BBR Filtration Limited for cash consideration of £600,000; and

- the Company's subsidiary, Verditek US acquired 23.64% of the membership interest of Westec Environmental Solutions, LLC for cash consideration of £750,000.

These acquisitions completed the formation of the Verditek group as it currently stands and positions us for execution of our business plan. Greenflex, our next generation solar cell technology company, and BBR, our pioneering bio filtration technology company, offer near-term revenue generation. It is our immediate focus to push these technologies into market and secure sales contracts within their respective industries. The directors believe that WES, with its unique liquid gas absorption technology, is set to revolutionize the global CO_2 capture market and offers a longer-term blue-sky opportunity for investors.

Financials

For the period under review, Verditek had been finalising its investment and admission to AIM and did not generate revenue during this period. The funds raised through the placing and subscription for cash at the time of the Company's Admission to AIM, have provided the group with the necessary resources to start to execute its business plan and move forwards with the creation of an international business.

Outlook

We are excited about the future of Verditek and believe the outlook remains very positive.

When we set about creating Verditek we did so with the vision of building a leading clean technology company, which delivers game changing technology solutions for the sector. We believe with our initial three investments in solar, bio filtration and carbon capture, we are well placed to do this.

Our growth strategy is centred on bringing each of the group's technologies to market in the near-term, to drive first revenues and enhance shareholder value for the Company. Our three core businesses hold the following characteristics which we believe set us apart from our peers; they are all proven proprietary products at the point of commercialisation, technologies within emergent and fast growing cleantech sector, hold IP which has a proven competitive technological / commercial edge to competing technologies and have large, lucrative and global addressable markets. We also have the ability to add investments in synergistic technologies that bring value to our core three businesses.

With the AIM admission now completed our focus for the year ahead will be to generate first sales of our leading solar cell PV technology. To this end we have a customer trial contract already underway and have identified a number of different applications for the products across numerous sectors and territories and are receiving strong interest. With the commissioning of our plant in San Marino in the final stages, we are confident that we will soon be generating revenues through Greenflex. Additionally, we are also focused on bringing our second investment, BBR's bio filtration product, to market in the near-term. Following a trial of our patented bio filtration technology in Florida, USA, we are completing some minor improvements and progressing commercial conversations on a first project in the USA. The Board believes that WES is a blue-sky investment opportunity, which could revolutionise the carbon capture market for the cement industry, natural gas processing, petroleum refineries and numerous other industries. WES is working with our trusted partners, which include SINTEF (The Foundation for Scientific and Industrial Research) of Norway and CMC Research Institutes, Inc, and Blue Planet, a company based in California, with the aim of reducing carbon emissions from cement plants.

I would like to take this opportunity to thank my fellow Board members, valued shareholders and advisers for their support during the admission to AIM this year. As noted we look forward to delivering on our vision of building a cash-generative and profitable clean technology company and we will continue to update the market in the coming months on these developments.

Geoffrey Nesbitt
Non-Executive Chairman
27 September 2017

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About Verditek plc

AIM listed Verditek plc is a holding company with three businesses operating within the clean technology sector. The Company has a unique liquid gas absorption technology expected to revolutionise the global CO_2 capture industry; two solar manufacturing production lines in San Marino each of 25MWp (total 50MWp) producing what is believed to be an innovative and un-paralleled solar PV building material; and a pioneering filtration deodorisation technology, which is commercially proven and tackles a wide range of odours within air and water at a high efficiency.

For more information please visit or contact the following: https://www.verditek.plc.uk/

Condensed Statement of Comprehensive Income

For the 6 months ended 30 June 2017

	Note	6 months ended 30 June 2017 Unaudited £	6 months ended 30 June 2016 Unaudited £	For the period from 10 April 2016 to 31 December 2016 Unaudited £
Continuing operations				
Revenue		–	–	–
Administrative expenses		**(171,654)**	–	(16,331)
Listing costs		**(254,689)**	–	(129,811)
Other operating income		–	–	–
Operating loss		**(426,343)**	–	(146,142)
Finance costs		**(5,863)**	–	–
Loss before tax		**(432,206)**	–	(146,142)
Income Tax		–	–	–
Loss for the period		**(432,206)**	–	(146,142)
Other comprehensive income				
Items that will or may be reclassified to profit or loss:				
Translation of foreign operations		**(6,805)**	–	-
Total comprehensive loss for the period from continuing operations		**(439,011)**	–	(146,142)
Loss for the period attributable to:-				
Owners of the Company		**(424,754)**	–	**(146,142)**
Non-controlling interest		**(7,452)**	–	–
		(432,206)	–	**(146,142)**
Total comprehensive loss for the period attributable to:-				
Owners of the Company		**(428,864)**	–	**(146,142)**
Non-controlling interest		**(10,147)**	–	–
		(439,011)	–	**(146,142)**
Loss per share				
Basic and diluted	4	**(0.004)**	–	(0.006)

Condensed Statement of Financial Position

For the 6 months ended 30 June 2017

	Note	As at 30 June 2017 Unaudited £	As at 31 December 2016 Unaudited £
Assets			
Non-current assets			
Intangible assets - goodwill	6	**97,160**	–
Investments		–	1
Property, plant and equipment	5	**635,557**	2,228
Non-current assets		**732,717**	2,229
Current assets			
Trade and other receivables		**111,712**	352,186
Prepayments		**88,745**	–
Cash and cash equivalents		**428,959**	21,675
Current assets		**629,416**	373,861
TOTAL ASSETS		**1,362,133**	376,090
Equity and liabilities			
Current liabilities			
Trade and other payables		**1,022,002**	522,132
Current liabilities		**1,022,002**	522,132
Equity attributable to equity holders of the parent			
Issued share capital	7	**62,847**	100
Share premium	7	–	–
Share capital to be issued		**360,000**	–
Accumulated losses		**(51,149)**	(146,142)
Translation reserve		**(4,110)**	–
Non controlling interests		**(27,457)**	–
Total shareholders' equity		**340,131**	(146,042)
TOTAL EQUITY AND LIABILITIES		**1,362,133**	376,090

The interim accounts, accompanying policies and notes 1 to 10 (forming an integral part of these interim accounts), were approved and authorised for issue by the Board on 27 September 2017.

Condensed Statement of Changes in Equity

For the 6 months ended 30 June 2017

	Issued share capital £	Share Premium £	Shares to be issued £	Accumulated losses £	Translation reserve £	Non controlling interest £	Total £
As at 1 January 2017	100	–	–	(146,142)	–	–	(146,042)
Loss for the period	–	–	–	(424,754)	–	(7,452)	(432,206)
Translation of subsidiary	–	–	–	–	(4,110)	(2,695)	(6,805)
Total comprehensive loss	–	–	–	(424,754)	(4,110)	(10,147)	(439,011)
Transactions with owners							
New shares issued net of issue costs	62,747	519,747	–	–	–	–	582,494
Capital reduction	–	(519,747)	–	519,747	–	–	–
Share subscription	–	–	360,000	–	–	–	360,000
Non controlling interest	–	–	–	–	–	(17,310)	(17,310)
Shareholders' equity at 30 June 2017	62,847	–	360,000	(51,149)	(4,110)	(27,457)	340,131

	Issued share capital £	Share Premium £	Shares to be issued £	Accumulated losses £	Translation reserve £	Non controlling interest £	Total £
As at incorporation on 10 April 2016	100	–	–	–	–	–	100
Loss and total comprehensive loss for the period	–	–	–	–	–	–	–
Shareholders' equity at 30 June 2016	100	–	–	–	–	–	100

	Issued share capital £	Share Premium £	Shares to be issued £	Accumulated losses £	Translation reserve £	Non controlling interest £	Total £
As at incorporation on 10 April 2016	100	–	–	–	–	–	100
Loss and total comprehensive loss for the period	–	–	–	(146,142)	–	–	(146,142)
Shareholders' equity at 31 December 2016	100	–	–	(146,142)	–	–	(146,042)

Condensed Statement of Cash Flows

For the 6 months ended 30 June 2017

	Note	6 months ended 30 June 2017 Unaudited £	6 months ended 30 June 2016 Unaudited £	From the period from 10 April 2016 to 31 December 2016 Unaudited £
Operating activities				
Loss before tax from continuing operations		**(432,206)**	–	(146,142)
Adjustment for:				
Finance costs		**5,863**	–	–
Loss on disposal		**354**	–	–
Depreciation	5	**312**	–	–
Working capital adjustments		**(425,677)**	–	(146,142)
Decrease/(increase) in trade and other receivables		**186,961**	–	(352,086)
Increase in trade and other payables		**286,235**	–	522,131
Cash generated from operations		**47,519**	–	23,903
Finance costs		**(5,863)**	–	–
Net cash inflow from operating activities		**41,656**	–	23,903
Investing activities				
Net cash arising from acquiring a subsidiary	6	**5,628**	–	–
Purchase of fixed assets	5	–	–	(2,228)
Net cash outflow from investing activities		**5,628**	–	(2,228)
Financing activities				
Issue of ordinary share capital		**360,000**	–	–
Net cash inflow from financing activities		**360,000**	–	–
Net increase in cash and cash equivalents		**407,284**	–	21,675
Cash and cash equivalents at the beginning of the period		**21,675**	–	–
Cash and cash equivalents at the end of the period		**428,959**	–	21,675

Notes to the Condensed Financial Statements

1. General Information

Verditek plc ("Verditek", "Company") was incorporated as a private limited company domiciled in the UK on 10 April 2016 with registration number 10114644. Verditek re-registered as a public limited company on 6 March 2017. Its registered office is located at 29 Farm Street, London W1J 5RL.

On 24 February 2017, the Company gained control of Greenflex Energy Limited and its wholly owned subsidiary undertakings by acquiring the additional interest in Greenflex Energy Limited, as disclosed in note 6. The interim financial information set out in this report represents the consolidated financial information of the Company and its newly acquired subsidiary companies (together referred to as the "Group").

The comparative financial information for the period ended 31 December 2016 is not the Company's full annual accounts for that period but has been derived from the unaudited financial statements for that period.

Verditek is the holding company of a group of companies engaged in the clean technology sector.

2. Basis of Preparation

The Company's interim financial information for the period ended 30 June 2017 has been prepared in accordance with International Financial reporting Standards (IFRS) as adopted by the European Union, on a basis consistent with, and on the basis of, the accounting policies set out in the historical financial information on the Company set out in Section B of Part III of the Company's AIM admission document and on the basis of the accounting policies, presentation, methods of computation and estimation techniques expected to be adopted by the Company in preparing its next annual report for the year ending 31 December 2017. The Company has chosen not to apply IAS 34 "*Interim Financial Reporting*", as permitted under the AIM Rules. The results for the period ended 30 June 2017 are unaudited.

Consolidation

The financial information consolidates the financial statements of Verditek plc and the entities controlled by the Company.

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over whose financial and operating policies the Group has the power to govern, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of the potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

b) Business combinations

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the noncontrolling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Statement of Comprehensive Income. Gains on acquisitions may arise where the acquisition date fair value of any previous equity interest in the acquiree exceeds the book value of that interest.

New standards and interpretations

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the European Union.

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of Verditek and its subsidiary undertakings (together the 'group')in future periods.

The interim accounts for the six months ended 30 June 2017were approved by the Board on 27 September 2107.

The directors do not propose an interim dividend.

3. Segmental Information

The chief operating decision-maker is considered to be the Board of Directors of Verditek. The chief operating decision-maker allocates resources and assesses performance of the business and other activities at the operating segment level.

The chief operating decision maker has determined that in the period ended 30 June 2017 Verditek had one operating segment, the development and commercialisation of clean technologies, although it is likely that in future periods the Group's segmental reporting will be expanded as different technologies are developed and commercialised.

Geographical Segments

Apart from holding company activities in the UK the Group's had operations in San Merino in Italy in the period.

4. Loss Per Share

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

	6 months ended 30 June 2017 Unaudited	**6 months ended 30 June 2016 Unaudited**	From the period from 10 April 2016 to 31 December 2016 Unaudited
Loss for the period from continuing operations (£)	**(424,754)**	–	(146,142)
Weighted average number of shares:			
Basic	**108,506,429**	–	24,750,000
Loss per share:			
Basic and diluted	**(0.004)**	–	(0.006)

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.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive options and warrants over ordinary shares. Potential ordinary shares resulting from the exercise of share options and warrants have an anti-dilutive effect due to the Group being in a loss position. As a result, diluted loss per share is disclosed as the same value as basic loss per share.

5. Property, plant and equipment

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2017	–	–	**2,228**	**2,228**
Additions	–	–	–	–
Acquisition of subsidiary	**633,995**	–	–	**633,995**
Disposals	–	–	**(354)**	**(354)**
At 30 June 2017	**633,995**	–	**1,874**	**635,869**
Depreciation				
At 1 January 2017				
Depreciation charge for the period	–	–	**312**	**312**
Disposals	–	–	–	–
At 30 June 2017	–	–	**312**	**312**
Net book value at 30 June 2017	**633,995**	–	**1,562**	**635,557**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
On incorporation on 10 April 2016				
Additions	–	–	2,228	2,228
Disposals	–	–	–	–
At 31 December 2016	–	–	2,228	2,228
Depreciation				
On incorporation	–	–	–	–
Depreciation charge for the period	–	–	–	–
Disposals	–	–	–	–
At 31 December 2016	–	–	–	–
Net book value at 31 December 2016	–	–	2,228	2,228

6. Acquisition of subsidiary – Greenflex RSM s.r.l.

On 25 April 2016, the Company subscribed for £1 of the share capital of Greenflex Energy Limited (“Greenflex”), representing 50% of the issued share capital of that company. Since the date of its incorporation, Greenflex Energy has been an investment holding company with no trading activity.

On 20 September 2016, Greenflex subscribed to 100% of the ordinary shares capital of Greenflex RSM s.r.l. a company incorporated in Italy.

On 17 February 2017, Greenflex Energy Limited sub-divided its shares into 200 shares of £0.01 per share.

On 24 February 2017, the Company was transferred a further 2 shares for par value, bringing its investment in Greenflex Energy Limited to 51%. The directors considered that control of Greenflex RSM s.r.l. was obtained at that date and the acquisition has been accounted for as follows:

	Book value	Fair value adjustments	Provisional fair value at acquisition
	£	£	£
Assets and liabilities acquired			
Property, plant and equipment	**633,995**	–	**633,995**
Other receivables	**34,465**	–	**34,465**
Cash and bank balances	**5,628**	–	**5,628**
Trade and other payables	**(614,190)**	–	**(614,190)**
Other loans	**(95,225)**	–	**(95,225)**
Total identifiable net liabilities	**(35,327)**	–	**(35,327)**
Less: non-controlling interest (49% interest)			17,310
Total identifiable net liabilities acquired			**(18,017)**
Consideration			
Additional liability for Property, plant and equipment			**79,143**
Fair value of consideration			**79,143**
Goodwill arising from the acquisition has been recognised as follow:			
Consideration transferred			**79,143**
Fair value of identifiable net liabilities			**18,017**
Goodwill			**97,160**

Acquisition-related costs were insignificant and have been excluded from the consideration transferred and have been recognised as an expense for the period ended 30 June 2017, within the ‘administrative expenses’ in the consolidated statement of profit or loss.

If the acquisition of Greenflex and its wholly owned subsidiary undertaking had been completed on 1 January 2017, it’s contribution to the group’s revenue and its loss for the six months ended 30 June 2017 would have been approximately £nil and £18,149 respectively.

The fair value disclosed above are provisional and will be finalised in the financial statements for the year ended 31 December 2017.

7. Share capital

	Number	Share capital	Share Premium
		£	**£**
Ordinary shares			
On incorporation	90	90	-
Shares issued 30 June 2016	10	10	-
At 30 June 2016 and 31 December 2016	**100**	**100**	**-**
Sun division 28 February 2017	249,900	-	-
Conversion of loan notes	20,617,265	8,247	519,747
Capital reduction	-	-	(519,747)
Shares issued 28 Feb 2017	136,250,000	54,500	-
At 30 June 2017	**157,117,265**	**62,847**	**-**

The Company was incorporated on 10 April 2016. On incorporation, the issued share capital of the Company was £90 divided into 90 ordinary shares of £1.00 each. On 30 June 2016, the Company allotted a further 10 ordinary shares of £1.00 each.

On 28 February 2017, the Company sub-divided these ordinary shares into 250,000 shares of £0.0004 per share. On the same day, the Company undertook a capital reduction and released the balance on share premium account to retained earnings.

On 28 February 2017, the Company converted £522,131 of loan notes into 20,617,265 new ordinary shares.

On 28 February 2017, the Company issued 136,250,000 new shares in lieu of services provided.

8. Related party transactions

The Company has related party relationships with its directors, key management personnel and entities of which the directors and/or key management have significant financial interests. Significant transactions with related parties are disclosed below:

A group company acquired €515,000 of equipment from a company which is 50% owned by a key manager, €169,000 of this amount remains outstanding and is included in trade payables within current liabilities.

The Group received interest free advances from Directors of the Company. At 30 June 2017 the total amount advanced was £62,000 (31 December 2016 £25,000). All of the loans were repaid by the date of this report.

During the period Directors received 22,725,000 of ordinary shares in lieu of services rendered to the Company.

9. Events After the End of the Reporting Period

On Admission to AIM on 10 August 2017 the following transactions completed:

- the Company acquired 51 per cent. of the ordinary share capital of BBR Filtration Limited for cash consideration of £600,000 pursuant to an agreement dated 7 March 2017.
- the Company's subsidiary, Verditek US acquired 23.64 per cent. of the membership interest of Westec Environmental Solutions, LLC for cash consideration of £750,000 pursuant to an agreement dated 7 June 2017, as further amended on 27 July 2017
- the Company issued 30,555,556 new ordinary shares at 9 pence per share by way of a placing and subscription to raise proceeds of £2.75 million before associated costs of the fundraising of approximately £0.72 million.

At the time of authorising this interim report for issuance, the Group was still in the process of finalising the valuation of certain assets and liabilities acquired in connection to the acquisition of BBR Filtration Limited. The finalisation of these valuation will be reflected in the Company's next set of financial statements for the year ended 31 December 2017.

10. Copies of the interim report

Copies of this interim report are available on the Company's website at www.verditek.plc.uk and from the Company's registered office, 29 Farm Street, London W1J 5RL