THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or as to the action you should take, you are recommended to consult a person authorised under the Financial Services and Markets Act 2000, as amended, who specialises in advising on the acquisition of shares and other securities.

This document is an AIM admission document and has been drawn up in accordance with the AIM Rules for Companies. This document does not constitute an approved prospectus within the meaning of section 85 of FSMA, has not been drawn up in accordance with the Prospectus Rules and has not been approved by or filed with the Financial Conduct Authority. This document does not constitute an offer of transferable securities to the public within the meaning of FSMA or otherwise.

The Directors of the Company, whose names appear on page 4 of this document, and the Company, accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (having taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM on 10 August 2017.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The whole of the text of this document should be read. You should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in Part II of this document.

VERDITEK PLC

(*Incorporated and registered in England and Wales with registered number 10114644*)

Placing and Subscription of 30,555,556 ordinary shares of £0.0004 each at 9p per ordinary share and Admission to trading on AIM

Stockdale

Nominated Adviser and Broker

The New Ordinary Shares will, on issue, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, paid or made after Admission.

Stockdale Securities is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser and broker for the purpose of the AIM Rules for Companies. Stockdale Securities will not be responsible to any person other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Placing, Subscription and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

No representation or warranty, express or implied, is made by Stockdale Securities as to the contents of this document. No liability whatsoever is accepted by Stockdale Securities for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia or Japan. Neither this document nor any copy of it may be sent to or taken into the United States, Canada, Australia or Japan, nor may it be distributed directly or indirectly to any US person (within the meaning of Regulation S under the Securities Act) or to any persons with addresses in Canada, Australia or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any country outside England and Wales where such distribution may lead to a breach of any legal or regulatory requirement.

This document includes forward-looking statements. These statements relate to, among other things, analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the Group's future prospects, developments and business strategies.

These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" or the negative of those variations, or comparable expressions, including references to assumptions. These statements are contained in all sections of this document. The forward-looking statements in this document, including statements concerning projections of the Group's future results, operating profits and earnings, are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

Certain risks relating to the Group are specifically described in Part II "Risk Factors". If one or more of these risks or uncertainties arises, or if underlying assumptions prove incorrect, the Group's actual results may vary materially from those expected, estimated or projected. Given these uncertainties, potential Shareholders should not place undue reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. The Company undertakes no obligation to update forward-looking statements or risk factors other than as required by the AIM Rules for Companies or applicable law, whether as a result of new information, future events or otherwise.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Wedlake Bell LLP from the date of this document for the period ending one month after Admission. A copy of this document will also be available from the Company's website www.verditek.plc.uk. The information required by Rule 26 of the AIM Rules for Companies is also available from the website above. There is no charge to access the website. Any information contained in such website is an inactive textual reference and is not incorporated into this document by reference.

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PLACING, SUBSCRIPTION AND ADMISSION STATISTICS

Issue Price	9p
Number of Existing Ordinary Shares in issue immediately prior to Admission	157,117,265
Number of Placing Shares	21,049,996
Number of Subscription Shares	9,505,560
Number of Ordinary Shares in issue immediately following Admission	187,672,821
Percentage of the Enlarged Share Capital represented by the Placing Shares	11.2 per cent.
Percentage of the Enlarged Share Capital represented by the Subscription Shares	5.1 per cent.
Estimated gross proceeds of the Placing and Subscription	£2.75 million
Estimated net proceeds of the Placing and Subscription receivable by the Company	£2.03 million
Market capitalisation of the Company at the Issue Price at Admission	£16.9 million
AIM TIDM	VDTK
ISIN	GB00BF2C0424
Website	www.verditek.plc.uk

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	27 July 2017
Admission becoming effective and expected commencement of dealings in the Enlarged Share Capital on AIM	8.00 a.m. on 10 August 2017
CREST accounts credited in respect of Placing Shares	8.00 a.m[1]. on 10 August 2017
Despatch of definitive share certificates, where applicable	by 24 August 2017

References to times in the timetable above are to London, UK time unless otherwise stated. Each of the times and dates in the above timetable is subject to change without further notice.

1 Or as soon as practicable thereafter.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Geoffrey John Nesbitt, *Non-Executive Chairman* Theodore Edward Chapman, *Chief Executive Officer* Janet Rachel Donovan, *Chief Financial Officer* José Luis del Valle Doblado, *Non-Executive Director* Anthony Neil Rawlinson, *Non-Executive Director* George Francis Katzaros, *Non-Executive Director*
Company Secretary	Edward Matthew Scott Baker
Registered Office and Head Office of the Company	29 Farm Street London W1J 5RL
Nominated Adviser and Broker	Stockdale Securities Limited Beaufort House 15 St Botolph Street London EC3A 7BB
Solicitors to the Company	Wedlake Bell LLP 71 Queen Victoria Street London EC4V 4AY
Reporting Accountants	Crowe Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
Solicitors to the Nominated Adviser and Broker	Gateley Plc One Eleven Edmund Street Birmingham B3 2HJ
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen B63 3DA

PART I

INFORMATION ON THE VERDITEK GROUP

Introduction

Verditek is a holding company in the clean technology sector with subsidiaries operating within what it considers are emergent and fast growing sectors (industrial treatment of solids, air purification, water de-odourisation, zero emission, low cost energy). The Board and the Group's management teams provide financial and industry expertise and support to the Group's businesses.

On Admission, the Company's subsidiaries will be involved in advanced solar photovoltaic ("**PV**"), filtration and absorption technologies specialising in providing environmental services, such as:

- a liquid gas absorption technology which could revolutionise global CO_2 capture as well as other emission control technologies across numerous industries (oil and gas, cement and others);
- two solar PV production lines based in San Marino with a combined production capacity of 50MWp per annum. Verditek is in partnership with a specialist in solar technology development, Claudio Marati and his team; and
- a filtration de-odourisation technology already commercially proven in numerous countries that de-odourises waste water and removes odours from other waste streams.

Verditek plc

Verditek, which was incorporated on 10 April 2016 in England and Wales (company number 10114644) as a private limited company and re-registered as a public limited company on 6 March 2017, is a holding company for three businesses in the clean technology sector.

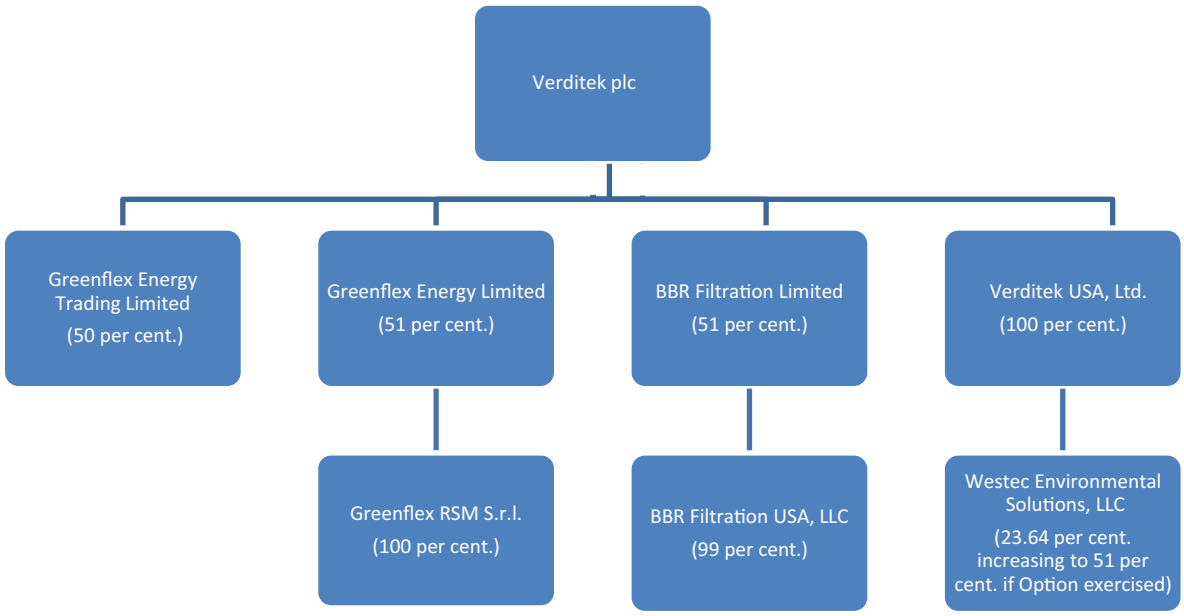
On Admission, the Group will comprise Verditek plc and its subsidiaries:

- Greenflex (in which Verditek holds a 51 per cent. interest);
- Greenflex San Marino (held entirely by Greenflex);
- BBR (in which Verditek will hold a 51 per cent. interest);
- BBR USA (in which BBR holds a 99 per cent. interest); and
- Verditek US (held entirely by Verditek).

Verditek US will hold a 23.64 per cent. interest in WES together with an option to increase this holding up to 51 per cent. exercisable at any time during the period of 12 months from Admission. The Option exercise price is £1.25 million.

Further, the Company holds a 50 per cent. interest in Greenflex Trading. Greenflex Trading is currently a dormant company but it is intended that it will hold marketing rights and/or licensing opportunities in relation to the products manufactured by Greenflex and Greenflex San Marino.

The Group structure immediately following Admission will be as set out below:



Financial information

The Company was incorporated on 10 April 2016 and has not yet commenced operations. Parts IIIA and IIIB of this document disclose the historical financial information of the Company.

Parts IIIC to IIIH and Part IV of this document include historical financial information on the Group's current and proposed subsidiaries, of which the historical financial information on Greenflex in Part IIIC and BBR in Part IIIH is provided in narrative form on the basis that they have only recently been incorporated and have not yet commenced operations.

Rationale behind Verditek plc corporate structure

All of the underlying businesses being acquired by Verditek and their respective management teams are well-known to the Verditek founders. Verditek was established as a result of the founders' vision to combine early revenues and cash flow generation from solar manufacturing (Greenflex) and filtration (BBR) with the longer gestation future growth and value uplift coming from the absorption technology (WES).

Greenflex San Marino – Solar photovoltaics

History and developments

The Group's subsidiary, Greenflex San Marino, which is indirectly owned via the Group's 51 per cent. interest in Greenflex, has been assigned absolutely, with full-title guarantee, all the rights, title and interest in and to the intellectual property rights and know-how necessary to produce the solar PV technology developed by Claudio Marati, a director of Green Power Industries Limited. Further information on Claudio Marati can be found in the Directors and Senior Management section of this Part 1 below.

In July 2016 Greenflex San Marino agreed to purchase and install in San Marino two solar PV production lines with a total manufacturing capacity of 50MWp of solar panels per annum. San Marino offers attractive tax incentives for new technology companies to locate themselves in its territory. Going forward, the Directors intend for the San Marino plant to supply "solar enhanced" building products such as PV roof tiles, PV facades and other PV products to new developments for residential and commercial buildings with the potential for Greenflex San Marino products to be used as a modern, more efficient solution to fit easily over existing solar panels and boost the output of existing solar farms.

Greenflex San Marino intends to generate revenue from the sale of PV products. On 5 December 2013, the European Union imposed anti-dumping and anti-subsidy duties on imports of solar cells and solar panels from China. These duties were imposed following investigations that showed that solar cells and solar panels were being imported into the EU at dumping prices and were being subsidised. This resulted

in the European Commission setting a minimum pricing system for solar panels of €0.56/W. There is therefore, potential for considerable revenue generation from Greenflex San Marino's total manufacturing capacity of 50MWp of solar panels per annum.

Longer term, Greenflex intends to explore licencing opportunities of its technology through Greenflex Trading, which is currently a dormant company.

The Directors consider that the selling points of Greenflex San Marino's main technology are the following product innovations:

- interconnectivity of the individual PV cells in each panel replacing the high temperature solar cell soldering required in the manufacturing process of traditional solar panels;
- high efficiency in low light conditions;
- lower Normal Operating Cell Temperature (NOCT) value to enable continued operation in very hot climates;
- use of micro inverters as opposed to string inverters;
- continued operation in event of cracks;
- use of a polymer to replace glass and allow for low module weight;
- increased flexibility and lightness; and
- innovative manufacturing process.

Leveraging the selling points and qualities of the Greenflex San Marino product as set out above, the Directors intend to explore a completely new market for roof tiles, building facades and light industrial roofs going forward.

Intellectual Property

Paragraph 9.8 of Part V of this document includes details of the agreement under which Claudio Marati assigned to Greenflex San Marino all intellectual property rights in knowhow, technical expertise and an innovative manufacturing process for assembling solar systems and PV modules which are expected to be used on the two assembly lines in San Marino.

WES

Carbon Capture and Sequestration ("**CCS**") is a technology that can capture up to 90 per cent. of the carbon dioxide (CO_2) emissions produced from the use of fossil fuels in electricity generation and industrial processes, preventing the carbon dioxide from entering the atmosphere.

The use of CCS with renewable biomass is one of the few carbon abatement technologies that can be used in a 'carbon-negative' mode – actually removing carbon dioxide from the atmosphere.

WES has developed a novel multiphase contacting process using a proprietary froth generator that can dramatically enhance mass transfer in gas/liquid absorption systems.

The Directors believe the technology applies to all solvent-based CCS processes, as well as other gas/liquid absorption processes that are currently deployed in natural gas processing, petroleum refineries and numerous other industries.

History and developments

WES was organised in 2008 as a joint venture between Peletex, Inc. (incorporated in Hawaii, US) ("**Peletex**"), and Westec International Ltd. (incorporated in Illinois, US) ("**Westec**"). Peletex contributed certain intellectual property and technical expertise related to a froth-based chem-bio filtration technology and Westec contributed business management and fund raising expertise. WES adapted this technology to industrial emissions control, including for CO_2 capture.

In April 2010, Process Holdings Pty Ltd. ("**Process Group**"), a design and build engineering company based in Melbourne, Australia and one of the forerunners in CCS plants, joined the joint venture and became a member of WES. Initial investment from this partnership enabled WES to establish a CO_2 capture laboratory located in Maui, Hawaii in 2011 which has an approximate 0.5 tonne per day capture capacity.

WES won the Perseo Award in 2011 in the carbon capture and clean combustion category. Perseo is the corporate venture capital programme of Iberdrola Ventures which set up the Perseo Awards. The objective of the Perseo Awards is to promote projects in their initial development stage based on innovative technological application in the clean energies sector, which involves a substantial advance in economic, environmental and/or social terms in relation to the solutions applied at present. The Perseo Awards are granted following an assessment of the participants and their experience, which may include the use of experts. Following this, in June 2011, Inversiones Financieras Perseo SL, a Spanish company and the corporate venture capital programme of Iberdrola Group ("**Iberdrola**"), invested in WES. Since May 2009 to the date of this document, a total of approximately $7.2 million has been invested in WES, in cash and as a provision of services.

Iberdrola commissioned a leading London university (the "**university**") to undertake an assessment of WES' carbon capture technology prior to its investment. The resulting report noted that, *inter alia*, (a) WES' technology has the potential to become a sound piece of process equipment; (b) the rewards, should such technology be commercialised, are large; and (c) the carbon capture market has the potential to be a viable process technology. The university went on to recommend that the technology be first proved at a pilot scale in the field.

In line with the recommendation from the university and as a result of the partnerships with Process Group and Iberdrola, the WES contactor was tested on the Hazelwood coal fired power station in Latrobe Valley Australia (a brown coal environment), which was completed early in 2014. This was a joint program with, amongst others, CO2CRC of the University of Melbourne funded by the Brown Coal Innovation of Australia. The WES absorber demonstrated that it can operate with four to five times the modelled interfacial area per volume compared to conventional packing. The WES absorber technology also demonstrated its ability to capture CO_2 from combustion gas flues in electric power generation.

The Board believes the global carbon capture market is a huge opportunity going forward. Although technical feasibility of capturing significant amounts of CO_2 from large power generators was demonstrated in the first generation of projects that utilised traditional technologies, the indicators were that these technologies proved too expensive for commercial applications.

At the heart of the WES contactor technology is the patented regenerative packing which creates a froth matrix that continuously forms and collapses. It is this froth matrix, rather than the metallic surface of the packing itself, that creates the surface area for mass transfer. Furthermore, the WES contactor takes advantage of solvent pulsing phenomena. Although pulsing in co-current systems has been studied extensively, the critical innovation is that the internals of the WES contactor are specifically optimised to maximize this effect while minimizing the amount of internal packing. Due to the modular design of the technology, the Directors believe that the system may be scaled up to any size required by the operator.

The current technology development focus consists of two joint programmes. The Board believes that a short-term path to market involves a Carbon Capture and Utilisation ("**CCU**") project with Blue Planet Ltd ("**Blue Planet**"), a company based in California, with the aim of reducing carbon emissions from cement plants. In this project, captured CO_2 is used in the manufacturing of cement and aggregates. Upon successful completion of testing, the WES board will seek to incorporate its technology in the design package of the Blue Planet cement plants.

WES also has a joint programme with SINTEF (The Foundation for Scientific and Industrial Research) of Norway and CMC Research Institutes, Inc. (formerly Carbon Management Canada, Inc.) to develop third generation phase change solvents. This programme is currently funded via CLIMIT, a Norwegian national programme managed by Gassnova, a Norwegian Government owned entity.

In summary, the WES contactor technology combines the high mass transfer characteristics of packed-bed towers with the ability to operate in mixed phase flow conditions (gas, liquid, solid).

The Board believes that the WES contactor has potential for broad applications across many areas that traditional contactors currently occupy. However, going forward the Board believes that CO_2 capture represents the best case for initial implementation and market acceptance since it has the lowest barrier to entry, represents the highest area of competency and has strong industry and multi-government support for the new technology. All of the projects currently underway at WES have at least 50 per cent. cost support from industry, government or partner contribution.

Short Term Opportunities

Carbon Capture and Utilisation

Although it is an emerging and alternative market to CCS, the Board believes that CCU presents the quickest path to market. This is because CCU creates a revenue stream for its products. The Directors believe the CCU market can be segmented in two sectors with the following characteristics for each sector:

- indirect utilisation, where captured CO_2 is purified, compressed and sold as a compressed gas to customers in the chemicals, fuels, food and beverage industries among others; and
- direct utilisation, where captured CO_2 is directly utilised in a commodity product manufacturing process such as concrete aggregate and other building materials to avoid the need for CO_2 purification, compression and transport.

The Blue Planet (calcium carbonate) mineralisation process offers access to a major global market that supplies building materials to local markets and avoids many obstacles that have prevented CCS from being commercially viable in the past.

The Board believes that the WES contactor will further enhance the Blue Planet competitive advantage enabling CO_2 capture to be more cost effective with a smaller and lighter foot-print and standardised and modular design. The Directors expect this to reduce engineering, design and construction costs.

Carbon Capture and Sequestration

Two thirds of the cost of CCS result from the capture technology with the balance represented by the sequestration portion of the technology. Solvent-based CCS is considered to offer the best opportunity for commercialisation of CCS in the near term with a number of proven solvent-based processes currently available. If solvent-based CCS is to achieve commercial success, significant improvements in solvents are required together with the investigation of innovative technologies. One of the highest capital and operational costs associated with a solvent-based capture technology is the solvent regeneration part of the process. A promising solution to reducing this cost is to utilise phase-change (precipitating) solvents. Implementation of these phase-change solvents has been hampered by the fact that they cannot utilise traditional packed bed contactors due to issues with clogging and fouling. Phase-change processes have had to resort to inefficient spray towers or complicated process flows to avoid this clogging problem. It is the Directors' belief that the WES contactor with its turbulent flow simultaneously enhances precipitation and avoids clogging and therefore represents a significant opportunity to implement these cost saving phase-change technologies.

As stated above, the WES contactor has been evaluated by SINTEF under a project funded by the CLIMIT programme. The Phase 1 feasibility study has been successfully completed and the Phase 2 Inspire project is scheduled to start in 2017.

Competitive advantages of the WES technology

The high concentration and massive volume required by CCS and CCU means that conventional technology can have trouble adapting. The novel innovation at WES has allowed it to deliver a gas to liquid absorber with high mass transfer rates with the intention to produce and manage solids in situ.

The Board believes that the WES technology enables new solutions to the CO_2 challenge and will establish a new niche which specifically targets the CCS and CCU requirements. CCU and CCS have huge potential for growth due to the growing threat posed by continued CO_2 emissions into the atmosphere. Once a market presence and competency has been established, the Board intends to expand into more traditional and competitive emission control or Oil and Gas industry applications.

Intellectual Property

WES owns four patents issued in the United States in relation to its absorber technology:

Patent/Pub. No.	*Issue/Pub. Date*	*Title*
9545598	17/01/2017	Absorber
6616733	12/12/2010	Method and means for filtering air stream with aqueous froth
6872240	29/03/2005	Method and apparatus for filtering an air stream using an aqueous froth together with nucleation
7854791	21/12/2010	Method and means for simultaneously generating an aqueous froth and numerous micro-droplets for use in filtering a contaminated air stream

In addition WES has four pending patent applications (certain of which are pending in Canada) and has also been granted international patents in territories such as Germany, Spain, Italy, France, Ireland, the United Kingdom and Australia.

BBR Filtration Limited – Odour Control

The Board considers that in the modern world of wastewater treatment, control of odours has moved from an afterthought to a primary design consideration for most collection and treatment facilities. As residential development encroaches on facilities and occupants become less tolerant of nuisance odours, wastewater professionals have found the need to address odour as a primary concern in the design and operation of collection and treatment facilities.

History and developments

BBR, incorporated on 8 June 2015 in England and Wales (company number 09628852), holds sole distributorship rights over products based on the intellectual property rights behind the patented BBR fluidised bio-filter invention. Going forward, BBR has the potential to establish exclusivity over such rights in line with an agreement entered into with the BBR patent holder. The bio-filter system, removes over 99 per cent. of hydrogen sulphide from wastewater streams. BBR's former chairman and inventor, Erasmus van Niekerk, has a further patent application for the bio-filter process which uses the same fluidised bio-filter technology as his Veritech filter.

The innovative element of the process involves a fluidised media-bed using continuous mixing of the media and upward air velocity. The fluidisation process increases the active surface area by a hundred times over static-bed systems enabling the gas to have high contact with the biofilm, thus improving efficiency.

The process involves a water spray injection mechanism. Further enhancement is provided within this stage by a standard corona plasma reactor, creating ozone which is mixed with the water to react and neutralise hydrogen sulphide. An efficient water recycling ancillary system minimises the amount of water used, and pH control is effected by low caustic dosing. The fluidised bed bioreactor constitutes the final polishing phase, resulting in discharge of practically clean, odour free air to the atmosphere.

The system only requires:

- three-phase electrical power;
- a normal mains water supply;
- sewer drainage; and
- inlet and outlet air ducts.

The system is monitored and controlled remotely to report irregularities. The process is continuous and the media is self-regenerating.

The system can be supplied in four sizes (by airflow throughput):

- 1,600 m^3 per hour unit;
- 3,000 m^3 per hour unit;
- 6,000 m^3 per hour unit; and
- 12,000 m^3 per hour unit.

All units may be free standing, are transportable and may be run side-by-side or be stacked to process larger flows.

The key features of the plant are:

- self-regenerating microbes;
- moveable;
- only requires a normal mains water supply;
- end product is air with c. 99 per cent. of hydrogen sulphide removed; and
- can be remotely controlled and monitored.

Competition

The Board reasonably believes that the BBR bio-filter can operate at a wide range of temperatures.

The Board is aware of alternative techniques to the BBR bio-filter including: standard bio; wet scrubbing; thermal oxidation; and chemical scrubbing and oxidation, however it believes that no other company has the same system as BBR and that BBR's competitors:

- are more expensive than the BBR bio-filter to run;
- require a larger footprint, so are environmentally and visually less friendly;
- have higher maintenance costs in terms of energy costs and media use; and
- are less sustainable either in terms of chemical usage or further waste product requiring disposal.

The directors' believe that the system is also effective with high or variable inlet temperatures.

A BBR bio-filter unit was sold by the patent holder to the Fisantekraal Waste Water Plant, Cape Town, for the purposes of removing hydrogen sulphide ("**H2S**") and odour and has been operating there for a number of years.

This unit has been able to remove over 99 per cent. of hydrogen sulphide and the Directors believe that it can completely remove a variety of odours in a continuous operation. The air flow is pre-treated, and then the PH level in the washwater is optimised and ozone injected, thereby absorbing the hydrogen sulphide, which oxidises into a sulphate and then is easily disposed of.

In addition, BBR is in the process of acquiring three commercial units from BBR Enviro Systems (Pty) Limited, which are already available for use by BBR, to be made available for trial. One of these units has recently been trialled at the HACO Food and Spice manufacturing plant in Bern, Switzerland (2013). The trial at this plant was successful and resulted in the client issuing a statement that it would order a full unit at the end of the trial.

Sole Distributor

BBR has been appointed sole distributor by BBR Bio Filtrations (Proprietary) Limited of the units comprising the BBR patented technology with the right to certain geographical exclusivity if regional customers contract within a specified period. The legally binding Memorandum of Agreement comprises the supply of two demonstration units and the commercial terms of the distribution rights.

Recent developments

BBR is reviewing potential sales opportunities of the bio-filter in the UK and, subject to approval from the UK Environment Agency, hopes to install its bio-filter in a new wastewater treatment plant for a poultry processing company.

BBR has set up an American subsidiary, BBR USA, and has also appointed a US agent. In 2016, BBR USA ran a trial for the Toho Water Authority, the largest provider of water, wastewater and reclaimed water services in Osceola County, Florida, US, and the Board expects after completing some minor modifications relating to measurement systems to complete the trial during 2017. Going forward, and subject to the completion of this trial, BBR USA intends to enter into negotiations with the Toho Water Authority to improve the air quality of their plants.

BBR USA is in advanced talks with the Miami Dade County Water Authority and is also part of a tender process in which it is a supplier with pre-qualified technology.

In South Africa, the Board believes that BBR has the potential to be appointed as the recognised supplier of air purification for Agri-Protein Technology (Pty) Limited, a company that produces food protein from fly larvae and maggots, following its trial.

Details of the Placing

Pursuant to the Placing and Subscription Agreement, Stockdale Securities has agreed conditionally to use its reasonable endeavours to place 21,049,996 New Ordinary Shares (representing 11.2 per cent. of the Enlarged Share Capital) at the Issue Price, which will raise proceeds for the Company of approximately £1.89 million before expenses.

The Placing, which is not underwritten, is subject to the satisfaction of conditions set out in the Placing and Subscription Agreement, including, approximately £0.86 million being raised by way of the Subscription, there being no material breach of the warranties set out in the Placing and Subscription Agreement prior to Admission and Admission occurring on or before 8:00 a.m. on 10 August 2017 (or such later time and/or date as may be agreed between Stockdale Securities and the Company, being not later than 31 August 2017). The Placing and Subscription Agreement contains a provision entitling Stockdale Securities to terminate the Placing at any time prior to Admission in certain circumstances.

The Placing Shares will be credited as fully paid and will on issue rank *pari passu* in all respects with each other, the Subscription Shares and the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. Upon Admission the Ordinary Shares will be freely transferable.

Further details of the terms of the Placing and Subscription Agreement are set out in paragraph 9.1 of Part V of this document.

Details of the Subscription

The Subscription comprises the issue of the Subscription Shares by the Company (representing 5.1 per cent. of the Enlarged Share Capital) at the Issue Price, which will raise proceeds for the Company of approximately £0.86 million before expenses.

The Subscription, which is not underwritten, is subject to the satisfaction of conditions set out in the Placing and Subscription Agreement, including, approximately £0.86 million being raised by way of the Subscription, there being no material breach of the warranties set out in the Placing and Subscription Agreement prior to Admission and Admission occurring on or before 8:00 a.m. on 10 August 2017 (or such later time and/or date as may be agreed between Stockdale Securities and the Company, being not later than 31 August 2017).

The Subscription Shares will be credited as fully paid and will on issue rank *pari passu* in all respects with each other, the Placing Shares and the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

It is expected that certificates in respect of Subscription Shares will be despatched by post within 10 Business Days of the date of Admission.

Issue of Warrants

In connection with the services provided by Stockdale Securities in relation to the Placing and Admission, the Company has agreed, to issue 3,753,456 Warrants to Stockdale Securities. Further details of the Warrants can be found at paragraph 5.11 of Part V of this document.

Lock-in and Orderly Market Arrangements

Each of the Directors (other than Janet Donovan who holds no shares in the Company), Paul Harrison (a founder of the Company and Shareholder who holds 9.35 per cent. of the Company's issued share capital as at the date of this document and will hold 7.8 per cent. following Admission) and Max Delamain have agreed, subject to certain limited exceptions, not to dispose of their interests in Ordinary Shares for a period of twelve months from Admission. They have also agreed to certain orderly market provisions for a further twelve months up to the second anniversary of the date of Admission, whereby they agree to only deal in their Ordinary Shares through Stockdale Securities.

Further details of the terms of the lock-in and orderly market arrangements are set out in paragraph 9.3 of Part V of this document.

Strategy and Use of Proceeds

Verditek intends to build a substantial public company by developing its subsidiaries and potentially acquiring the entire share capital of such subsidiaries over a period of time. The Board believes that its subsidiaries share the following characteristics:

- proven products at the point of commercialisation;
- technologies within emergent and fast growing cleantech sectors;
- intellectual property which has a proven competitive technological / commercial edge; and
- large, global addressable markets.

The reasons for the Placing and the Subscription and the estimated net amount of the proceeds broken into each principal intended use are as follows:

- £0.75 million investment in WES in exchange for new units in WES representing 23.64 per cent. of the share capital;
- £0.6 million investment in BBR in exchange for new shares in the company representing 51 per cent. of the share capital;
- £0.260 million investment in Greenflex for working capital purposes and payment of the outstanding acquisition costs of the plant and equipment; and
- £0.42 million to develop the business plan and for working capital purposes of the Group.

Directors and Senior Management

Directors

Geoffrey Nesbitt (Non-Executive Chairman), aged 59

Geoffrey is currently the CTO of FTSE 250 group Petrofac and reports to the group CEO. Geoffrey created the Petrofac Technology program and secured the first down-stream gas to liquid ("GTL") projects. He also launched the Petrofac subsurface office in Delhi and transitioned to Indian Education Society management. Prior to Petrofac, at Shell, Geoffrey worked with the Kuwait Petroleum Company (KPC) executives to develop an appropriate business model and topics to establish an indigenous Kuwait Research and Development Centre. He translated the high-level government ambitions for R&D into business objectives with tangible deliverables that can be positioned in an international research and

development facility. This programme was a key deliverable in securing the Shell-KPC commercial Service Level Agreement in 2010. He worked specifically with Kuwait refinery specialists to consider technology options to address increasing heavy oil and sour gas challenges in Kuwait, while striving to meet product (fuels and lubes) emission regulations. This focused on Sulphur and NOx technologies with the intention to develop local manufacturing industry.

Theodore Chapman (Chief Executive Officer), aged 51

Theodore has focused on the delivery of successful commercial strategies as well as accelerating and establishing start up technology companies in the renewable energy space and guiding new technologies to the appropriate market place. In conjunction with a developer, he assisted in the development and commercialisation of new biofuel technology in the waste industry in 2013. Working with a technology company, C2E Holdings Limited, Theodore helped identify and develop a new market for the technology in South America in 2012. Focusing specifically on the ethanol industry, the company achieved recognition and support from the leading sugar producers and the ethanol industry.

Janet Rachel Donovan, (Chief Financial Officer), aged 45

Janet is an owner and director of Krino Partners Limited, a provider of management and advisory services to emerging science and technology businesses. She is a chartered accountant and member of the Institute of Charted Accountants in England and Wales. With over 20 years as a practicing finance professional she has a wealth of experience ranging from strategic planning, mergers and acquisitions, restructurings, reporting, compliance and hands on operational finance. Janet was CFO at Cella Energy Limited, an advanced materials and technologies company, from 2013 to January 2017. Prior to joining Cella Energy, she spent 12 years in senior finance roles at GE Aviation Systems, formerly Smiths Aerospace, a division of Smiths Group plc, a FTSE 100 listed company. Prior to her operational roles she was the Financial Planning Manager for Smiths Aerospace, a division of Smiths Group plc. During this time she took a leading role in business acquisitions, integrations and financial strategic planning. Janet trained as an accountant with PricewaterhouseCoopers at their global headquarters in London. She also has as a BSc in Physics from Durham University. Janet has a successful property development business and is a school governor and chair of the Finance Committee at St Philip and James' Primary School in Oxford.

José Luis del Valle Doblado (Non-Executive Director), aged 63

José Luis has had a very wide career in the banking and energy sector. From 1988 until 2002, he held different positions in Banco Santander, one of the largest global commercial banks. In 1999 he was appointed Executive Vice President and Chief Financial Officer of the bank (1999-2002). He subsequently served as Chief Strategy and Development Officer of Iberdrola, a leading global company (2002-2008), Chief Executive Officer of Scottish Power (2007-2008), Chief Strategy and Research Officer of Iberdrola (2008-2010) and Advisor to the Chairman of wind turbine manufacturer Gamesa (2011-2012) and Chairman of the board of GES – Global Energy Services, an independent service provider to the global renewable energy industry (2014-2017). José Luis is currently Chairman of the board of the listed company Lar España Real Estate SOCIMI; a director of the engineering and construction company Abengoa; and a director of the insurance group Ocaso. He holds a Mining Engineering degree from Universidad Politécnica (Madrid, Spain), with no. 1 ranking of his class, Master of Science and Nuclear Engineer degrees from the Massachusetts Institute of Technology (Cambridge, US) and an MBA with High Distinction from Harvard Business School (Boston, US).

Anthony Rawlinson (Non-Executive Director), aged 61

Anthony has had a 40 year career in fund management, working for top financial institutions including Chemical Bank (now JP Morgan) and Citibank. He was previously founder and managing director (1996 -2015) of Singapore based, The Global Value Investment Portfolio Management Pte Ltd, managing up to US$1.5 billion as an accredited international equity fund management professional. He has strong experience on boards of both listed and unlisted technology companies in the US, UK, and Australia. In the technology sector, Anthony was Chairman and lead investor of IXLA, an Australian software company with a Japanese subsidiary that enabled Casio to produce the first commercial consumer digital camera. IXLA was an early developer and provider of Comdex award winning, easy to use object orientated web

authoring tools to the then nascent internet. He was previously Chairman of Enova Systems Inc., a US and London publicly listed company developing and manufacturing electric and hybrid electric drive systems for automotive and motive applications.

George Katzaros (Non-Executive Director), aged 52

George has over 30 years' experience in both publicly quoted equities and private equity investments. His career in investment banking began in 1986 with George first working at Hambros Bank as a credit analyst. Subsequently, George specialised in Spanish equities for over two decades working at Dillon Read and later becoming CEO of Flemings Spain, an MD at JP Morgan before working at Cazenove and ABN Amro in European Equities. Since 2008, George has raised several million dollars for a number of private technology ventures in the clean tech emission reductions space, ultimately resulting in his becoming founder of Verditek. George is also a founding partner of Farm Street Partners Investment Management and is a co-founder of the Eight Great Technologies UK venture capital fund shortly to be launched under ex cabinet Minister for UK Science and Universities, the Right Honourable Lord David Willetts.

Senior management for Greenflex San Marino

Claudio Marati (Director)

Claudio co-founded Photonike S.A. specialising in the solar power sector and took this company to a launch on the Euronext market in Brussels. In 2011 he co-founded Progetto Ambiente S.r.l. set up to manufacture innovative solar modules under licence from Day4 of Canada. In 2012 he co-founded Green Power Industries Limited, an English registered company. He developed the intellectual property and know-how to manufacture the Greenflex San Marino innovative flexible solar power product which he helped design and which he has since assigned to Greenflex San Marino.

Senior management for WES

Roy Pellegrin (Vice President and Director of Innovation)

Roy is the CTO and co-founder of Peletex Inc., inventing and developing the AFA Filter and related inventions. Roy was the principal investigator for two projects conducted collaboratively with Sandia National Laboratories, funded by the Pacific International Center for High Technology Research and the Office of Naval Research. Roy studied Geology at the University of Alaska. Roy co-founded WES in 2009.

Jeff Reiss (Vice President)

Jeff served as CEO of Peletex, Inc., developer of the intellectual property that forms the basis for the WES intellectual property portfolio, since its inception in 1999. Jeff has over 20 years' experience in new technology development and administration. He received his BA in Environmental Studies from UCSB and an MA in Planning from the University of Oregon. Jeff co-founded WES in 2009.

Senior management for BBR

John Norris (Chief Executive Officer)

Over the last 12 years John has been involved in new technology solutions such as innovative CHP energy derived from waste. He has previously served on the boards of Larkfield Group and Greenworld Fuels as Chief Technology Officer. Prior to that, he was managing director at Envolution (Project Management) Limited.

Employees

The Group currently has one employee, being Theodore Chapman, Chief Executive Officer.

Corporate Governance

The Directors recognise the importance of sound corporate governance and confirm that, following Admission, they intend to apply the principles of the QCA Code in the manner which the Directors consider appropriate for the Company. The QCA Code has become a widely recognised benchmark for corporate governance of smaller quoted companies, particularly AIM companies.

Following Admission, the Board will meet around 6 times a year to review, formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals. There is an Audit Committee and a Remuneration Committee in place with formally delegated duties and responsibilities and with specific terms of reference. From time to time separate committees may be set up by the Board to consider specific issues when the need arises. José Luis del Valle Doblado has been appointed as the Senior Independent Director. Due to the size of the Group, the Directors have decided that issues concerning the nomination of directors will be dealt with by the Board rather than a committee but will regularly reconsider whether a nomination committee is required.

The Audit Committee comprises Geoffrey Nesbitt as chairman and José Luis del Valle Doblado.

The Remuneration Committee comprises José Luis del Valle Doblado as chairman and Anthony Rawlinson.

The Audit Committee determines the terms of engagement of the Group's auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee receives and reviews reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Group's auditors.

The Remuneration Committee reviews the scale and structure of the executive Directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive Directors are set by the entire Board.

Following Admission, the Board will be responsible for monitoring the Group's risks and implementing other systems which are deemed necessary.

Dividend Policy

The Group is primarily seeking to achieve capital growth for its Shareholders. It is the Board's intention during the current phase of the Group's development to retain future distributable profits from the business to the extent any are generated. The Directors do not anticipate declaring any dividends in the foreseeable future.

Taxation

Your attention is drawn to the Taxation section contained in paragraph 10 of Part V of this document. This information is intended only as a general guide to the current tax position in the UK. Any investor who is in any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than the UK, should consult his or her own independent professional adviser without delay.

Share Dealing Policy

With effect from Admission, the Company has adopted a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their closely associated persons) which is compliant with Rule 21 of the AIM Rules for Companies and MAR and contains provisions appropriate for a company whose shares are admitted to trading on AIM. The Company will take all reasonable steps to ensure compliance by the Directors, persons discharging managerial responsibilities and their closely associated persons with the terms of the policy.

Admission, Settlement and Dealing

Admission is expected to take place, and dealings in the Ordinary Shares are expected to commence on AIM, at 8:00 am on 10 August 2017. These dates and times may change.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Existing Ordinary Shares

and the Placing Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Existing Ordinary Shares and the Placing Shares held in uncertificated form following Admission will take place within the CREST system.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

All Placing Shares and Subscription Shares will be issued payable in full at the Issue Price. It is intended that, definitive share certificates in respect of the Subscription Shares and, if applicable in respect of the Placing Shares, will be distributed by 24 August 2017 or as soon thereafter as is practicable. No temporary documents of title will be issued.

Additional Information

Your attention is drawn to the information included in Parts II to V of this document. In particular, you are advised to carefully consider the risk factors contained in Part II of this document.

PART II

RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risks set out below in addition to all of the other information set out in this document before investing in the Ordinary Shares. An investment in the Ordinary Shares may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a professional adviser duly authorised under FSMA who specialises in advising on the acquisition of shares and other securities before making any investment decision. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Group. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements. If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his or her investment.

Risks specific to the Group

Early stage business with no track record of revenue and profit generation

On Admission, the Group will hold interests in three businesses which have no track record of revenue and profit generation. It is possible that the Group's management team will not be able to develop these businesses in accordance with its plans or within its expected timeline or that it will be able to find sufficient demand for the products it expects to produce or that it will be able to generate profits from the sale of these products. Any failure or delays in implementing the Group's management team business plan could materially affect the Group's business, financial condition, results or future operations.

Dependence on key executives and personnel

The Group's development and prospects are dependent upon the continued services and performance of its Directors, senior management and other key personnel. The loss of the services of any of the Directors, senior management or key personnel or a substantial number of talented employees, could cause disruption or the loss of experience, skills or customer relationships of such personnel, which could have a material adverse effect on the Group's business, financial condition and results of operations until a suitable replacement is found. Should the Group be unable to attract new employees with the requisite skills to continue to grow and develop its businesses, this could have a material adverse effect on the Group's ability to grow or maintain its businesses.

Intellectual property and know-how

The Group's success will depend in part on its ability to maintain adequate protection of its intellectual property, covering its processes and applications. The intellectual property on which the Group's business is based is a combination of patents, licences and proprietary know-how. No assurance can be given that any future patent applications will result in granted patents, that any patents will be granted on a timely basis, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Group, that any of the Group's patents will be held valid if challenged, or that third parties will not claim rights in, or ownership of, the patents and other proprietary rights held by the Group.

The Group's patents can be challenged both in the relevant patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

A substantial cost may be incurred if the Group is required to assert its intellectual property rights, including any patents, against third parties. Patent litigation is costly and time consuming and there can be no assurance that the Group will have, or will be able to devote, sufficient resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit the Group's intellectual property rights and activities. There is no assurance that obligations to maintain the Group's or partners' know-how would not be breached or otherwise become known in a manner which provides the Group with no recourse.

Any claims made against the Group's intellectual property rights, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Group's resources. A third party asserting infringement claims against the Group and its customers could require the Group to cease the infringing activity and/or require the Group to enter into licensing and royalty arrangements. The third party could also take legal action which could be costly to defend. There can be no assurance that such claims would not have a material adverse effect on the Group's business, financial condition or results.

Potential requirement for further investment

Any future expansion, activity and/or business development may require additional capital. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds, if raised, would be sufficient. If additional funds are raised by issuing equity securities, dilution to the then existing shareholdings may result. If the Group is not able to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon such planned expansion, activity and/or business development.

Manufacturing problems could result in delays in product shipments to customers and could adversely affect the Group's revenue, competitive position and reputation

The Group may experience delays, disruptions or quality control problems in its manufacturing operations as its product development, manufacturing and testing processes are complex and require significant technological and production process expertise.

Such processes involve a number of precise steps from design to production. Any change in the Group's processes could cause one or more production errors, requiring a temporary suspension or delay in the Group's production line until the errors can be researched, identified and properly addressed and rectified. This may occur particularly as the Group introduces new products, modify the Group's engineering and production techniques, and/or expands its capacity. In addition, if the Group fails to maintain appropriate quality assurance processes, the result may be increased product failures, loss of customers, increased production costs and delays. Any of these developments could have a material adverse effect on the Group's business, financial condition, and results of operations.

Group's reputation

The Group's reputation is central to its future success, in terms of the services and products it provides, the way in which it conducts its business, wins and retains key customers, and the financial results which it achieves. Failure to meet the expectations of its clients, suppliers, employees, shareholders and other business partners may have a material adverse effect on the Group's reputation and future revenue, and may be exploited by the Group's competition.

Intense competition in the industry will affect the Group's pricing and its profit margins

The industries in which the Group operates in are competitive and involve rapidly changing technology dominated by much larger heavy industrial plant manufacturing companies. Intense competition will exert negative influence on the Group's pricing and erode its profit margins. Should existing or new competitors offer products similar to the Group's at a lower cost or engage in aggressive pricing in order to increase or gain market share, the Group's sales may decline if it is not able to match their lower costs. This will have a material adverse effect on the Group's business.

The international nature of the Group's operations makes it susceptible to changes in the political and legal systems of the countries in which the Group operates

Although political conditions in the countries in which the Group operates are generally stable, changes may occur in the political and legal systems which might affect the operation of the Group's interests which may in turn materially and adversely affect the Group's financial position. These risks include terrorism, arbitrary influence with private ownership of contract rights, changes in legislation, extreme fluctuations in currency exchange rates, higher rates in inflation and changes to exchange controls and other laws or policies affecting foreign trade and investment.

Risks relating to the current management's ability to manage its subsidiary companies abroad

The Group's future success will depend, in part, on its ability to manage its subsidiary companies in overseas countries. The process of managing overseas subsidiary companies may give rise to unforeseen operating difficulties and expenditures and may absorb significant attention of the Group's management, support functions, accounting, sales and marketing and other resources. If the Group's current management is unable to successfully manage the Group's subsidiary companies abroad, this could have a material adverse effect on the Group's business, financial condition and results of operations.

As the Company owns less than the entire equity interest in its operating subsidiaries, its decision-making authority to implement its strategy may be disputed by third party minority shareholders.

As the Company owns less than the entire equity interest in its operating subsidiaries, the remaining ownership interest will be held by third parties. Accordingly, the Company's decision-making authority may be limited. Such third parties may have interests which are inconsistent or conflict with the Company's interests, or may obstruct the Company's strategy for the subsidiary or propose an alternative strategy. Any third party's interests may be contrary to the Company's interests. In addition, disputes among the Company and any such third parties could result in litigation or arbitration. Any of these events could impair the Company's objectives and strategy, which could have a material adverse effect on the Group's business, financial condition and results of operations.

General risks

Economic conditions and current economic weakness

Any economic downturn, either globally or locally in any area in which the Group operates, may have an adverse effect on demand for the Group's products. A more prolonged economic downturn may lead to an overall decline in the volume of the Group's sales, restricting the Group's ability to realise a profit. In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured. If economic conditions remain uncertain, the Group might see lower levels of growth than in the past, which might have an adverse impact on the Group's operations and business results.

Force majeure

The Group's operations, now or in the future, may be adversely affected by risks outside the control of the Group, including but not limited to: labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

AIM

AIM securities are not admitted to the Official List. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success, and liquidity in the market for the Company's securities, cannot be guaranteed.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than for larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser duly authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

Investment risk

An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his or her investment in the Group and he or she may lose all of his or her investment.

Investors should be aware that, following Admission, the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment and could even lose their entire investment. This volatility could be attributable to various facts and events, including the availability of information for determining the market value of the Ordinary Shares, any regulatory or economic changes affecting the Group's operations, variations in the Group's operating results, developments in the Group's business or its competitors, or changes in market sentiment towards the Ordinary Shares. In addition, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors.

Market conditions may affect the Ordinary Shares regardless of the Group's operating performance or the overall performance of the sector in which the Group operates. Share market conditions are affected by many factors, including general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply for capital. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Group while others of which may be outside the Group's control.

If the Group's revenues do not grow, or grow more slowly than anticipated, or if its operating or capital expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Ordinary Shares may decline. In addition, if the market for securities of companies in the same sector or the stock market in general experiences a loss in investor confidence or otherwise falls, the market price of the Ordinary Shares may fall for reasons unrelated to the Group's business, results of operations or financial condition. Therefore, investors might be unable to resell their Ordinary Shares at or above the Issue Price.

Liquidity

Subsequent to Admission the Group can give no assurance that an active trading market for the Ordinary Shares will develop, or if such a market develops, that it will be sustained. If an active trading market does not develop or is not maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected and investors may have difficulty selling their Ordinary Shares. The market price of the Ordinary Shares may drop. Any investment in the Ordinary Shares should be viewed as a long-term investment.

PART III

Section A: Accountants' Report on the Historical Financial Information of Verditek plc

Crowe Clark Whitehill LLP
Chartered Accountants
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27 July 2017

The Directors
Verditek plc
29 Farm Street
London
W1J 5RL

The Directors
Stockdale Securities Limited
Beaufort House
15 St. Botolph Street
London
EC3A 7BB

Dear Sirs,

Introduction

We report on the audited financial information of Verditek Plc (the "Company") set out in Part IIIB (the "Historical Financial Information") of the Admission document dated 27 July 2017 (the "Document") of the Company. This Historical Financial Information has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the Historical Financial Information. This report is required by paragraph 20.1 of Annex 1 of the Prospectus Directive Regulation as applied by part (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the Historical Financial Information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Document, a true and fair view of the state of affairs of Verditek Plc as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the Historical Financial Information and International Financial Reporting Standards as adopted by the European Union.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully,

Crowe Clark Whitehill LLP
Chartered Accountants

Section B: Historical Financial Information on Verditek plc

Statement of Financial Position

The statement of financial position of Verditek Plc as at 28 February 2017 is set out below:

	Note	*£*
Assets		
Non-current assets		
Investment in subsidiary	4	1
Tangible assets	5	2,327
Total non-current assets		2,328
Current assets		
Trade and other receivables	6	352,086
Cash and cash equivalents		18,622
Total current assets		370,708
Total Assets		373,036
Equity and liabilities		
Capital and reserves		
Share Capital	3	62,847
Retained earnings		310,189
Total equity attributable to equity holders		373,036
Total liabilities		—
Total equity and liabilities		373,036

Statement of comprehensive income

The statement of comprehensive income of Verditek Plc from incorporation to 28 February 2017 is set out below:

	£
Revenue	**—**
Cost of sales	—
Gross profit	**—**
Administrative expenses	(209,558)
Loss before tax	(209,558)
Income tax expense	—
Total comprehensive loss for the period	(209,558)

Statement of Changes in Equity

The statement of changes in equity of Verditek Plc from incorporation to 28 February 2017 is set out below:

	Share capital £	*Share premium* £	*Retained earnings* £	*Total equity* £
On incorporation	100	—	—	100
Shares issued on conversion of loan notes	8,247	519,747	—	527,994
Shares issued for services	54,500	—	—	54,500
Retained losses for the period	—	—	(209,558)	(209,558)
Capital reduction	—	(519,747)	519,747	—
As at 28 February 2017	62,847	—	310,189	373,036

Share capital comprises the ordinary issued share capital of the company.

Share premium comprises the excess above the nominal value of the new ordinary shares issued in February 2017.

Retained losses represent the performance of the Company during the period.

On 28 February 2017, the Company undertook a capital reduction and released the balance on share premium account to retained earnings.

Statement of Cash Flows

The statement of comprehensive income of Verditek Plc from incorporation to 28 February 2017 is set out below:

	£
Cash flows from operating activities	
Loss before tax	(209,558)
Shares issued for services	60,463
Increase in trade and other receivables	(352,086)
Net cashflow from operating activities	(501,181)
Cash flows from investing activities	
Investment in subsidiary	(1)
Purchase of property, plant and equipment	(2,327)
Net cashflow from investing activities	(2,328)
Cash flows from financing activities	
Issue of loan stock	522,131
Net cashflow from financing activities	522,131
Net increase in cash and cash equivalents	18,622
Cash and cash equivalents at beginning of period	—
Cash and cash equivalents at end of period	18,622

Details of the non-cash transactions are disclosed in note 3.

Notes to the Financial Information

1. General Information

The Company was incorporated in England and Wales on 10 April 2016 as a private limited company. Its registered office is located at 29 Farm Street, London, W1J 5RL.

On 6 March 2017, the Company re-registered as a public limited company.

The Directors present their non-statutory financial information of Verditek Plc, at entity level, for the period ended 28 February 2017.

2. Accounting Policies

2.1 ***Financial instruments***

The company's objective is the acquirer and aggregator of businesses engaged in the renewable and clean technology sectors. The directors have concluded that it is appropriate for the financial information to be prepared on a going concern basis.

The financial information of the company is presented in British Pounds Sterling ("£").

This financial information of the company has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

2.2 ***Cash and cash equivalents***

Cash in the statement of financial position and the statement of cash flows is cash held on call with banks.

2.3 ***Financial assets***

The directors classify the company's financial assets as loans and receivables at fair value through profit or loss. The directors determine the classification of its financial assets at initial recognition. The financial assets held comprise cash and cash equivalents and these are classified as loans and receivables.

2.4 ***Standards and interpretations issued but not yet applied***

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 statements of the Company in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments, IFRS 15 may have an impact on revenue recognition and related disclosures and IFRS 16 will have an impact on the recognition of operating leases. At this point it is not practicable for the directors to provide a reasonable estimate of the effect of these standards as their detailed review of these standards is still ongoing.

2.5 ***Use of assumptions and estimates***

In preparing the financial information, the Directors have to make judgments on how to apply the Company's accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the financial information.

2.6 ***Comparative figures***

No comparative figures have been presented as the financial information covers the period from incorporation on 10 April 2016 to 28 February 2017.

2.7 Tangible assets

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment - 20 per cent. straight line

3. Share capital

Ordinary shares	*£*
Issued and paid up: 157,117,265 shares at £0.0004 each	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 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 at £0.0004 per share.

4. Investment in subsidiary

On 25 April 2016, the Company subscribed to £1 of the share capital of Greenflex Energy Limited, representing 50 per cent. of the issued share capital of that company.

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 per cent.

Greenflex Energy Limited owns 100 per cent. of Greenflex RSM S.r.l., an entity incorporated in the Republic of San Marino.

5. Tangible assets

	Computer equipment *£*	*Total* *£*
Cost or valuation		
At incorporation	—	—
Additions	2,327	2,327
At 28 February 2017	2,327	2,327
Depreciation		
At incorporation	—	—
Additions	—	—
At 28 February 2017	—	—
Net book value		
At 28 February 2017	2,327	2,327

Depreciation will be charged when the asset is in use.

6. Trade and other receivables

Trade and other receivables represent amounts advanced to Greenflex RSM S.r.l.. All amounts are considered to be fully recoverable.

7. Financial instruments

All of the Company's financial assets are classified as loans and receivables. As at 28 February 2017, the company's financial assets comprised £352,086 due from Greenflex RSM S.r.l. and £18,622 of cash and cash equivalents.

8. Earnings per Share

It is not considered meaningful to present an earnings per share figure as the share capital of the Company may be materially different at Admission.

9. Ultimate controlling party

There was no ultimate controlling party of the Company at the balance sheet date.

10. Subsequent events

On Admission, the Company will acquire 51 per cent. of the ordinary share capital of BBR Filtration Limited pursuant to an agreement dated 7 March 2017.

On 13 February 2017, the Company incorporated a wholly owned subsidiary, Verditek US. On incorporation Verditek US had 100 ordinary shares of $1.00 each. On Admission, Verditek US will acquire 23.64 per cent. of the membership interest of Westec Environmental Solutions, LLC pursuant to an agreement dated 7 June 2017, as further amended on 27 July 2017. Since the date of its incorporation, Verditek US has not yet commenced trade and has no material assets or liabilities. No separate financial information on Verditek US is presented in this document.

Thereafter, alongside certain other steps taken to facilitate Admission, the Company converted to a public limited company.

11. Nature of financial information

These financial statements do not constitute statutory financial statements.

Section C: Historical Financial Information on Greenflex Energy Limited

Greenflex Energy Limited was incorporated on 29 January 2015 under the Companies Act 2006 (as amended) with a financial year end of 31 January. Upon incorporation, the issued share capital of Greenflex Energy Limited was 1 ordinary shares of £1.00 each.

Green Power Industries Limited subscribed for 1 ordinary share of £1.00 upon incorporation.

On 25 April 2016, Greenflex Energy Limited allotted a further ordinary share of £1.00 and Verditek Limited subscribed to the additional ordinary share.

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

On 24 February 2017, Verditek Limited was transferred a further 2 shares for par value, bringing its investment in Greenflex Energy Limited to 51 per cent.

Since the date of its incorporation, Greenflex Energy Limited has not yet commenced operations and, save as indicated below, has no material assets or liabilities, no separate financial information on Greenflex Energy Limited is presented in this document.

On 20 September 2016, Greenflex Energy Limited subscribed to 100 per cent. of the ordinary share capital of Greenflex RSM S.r.l. We present the historical financial information of Greenflex RSM S.r.l. in Part III Section E.

In the financial period from incorporation to 31 October 2016, Greenflex RSM s.r.l advanced £25,983 in relation to administrative expenses. As at 31 October 2016 the amount owed by Greenflex Energy Limited was £25,983.

Section D: Accountants' Report on the Historical Financial Information of Greenflex RSM S.r.l.

Crowe Clark Whitehill LLP
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27 July 2017

The Directors
Verditek plc
29 Farm Street
London
W1J 5RL

The Directors
Stockdale Securities Limited
Beaufort House
15 St. Botolph Street
London
EC3A 7BB

Dear Sirs,

Introduction

We report on the audited financial information of Greenflex RSM S.r.l. ("Greenflex San Marino") set out in Section E of Part III (the "Historical Financial Information") of the Admission document dated 27 July 2017 (the "Document") of the Company. This Historical Financial Information has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 3 and 4 to the Historical Financial Information. This report is required by paragraph 20.1 of Annex 1 of the Prospectus Directive Regulation as applied by part (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the Historical Financial Information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Document, a true and fair view of the state of affairs of Greenflex San Marino as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 3 to the Historical Financial Information and International Financial Reporting Standards as adopted by the European Union.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully,

Crowe Clark Whitehill LLP
Chartered Accountants

Section E: Historical Financial Information on Greenflex RSM S.r.l.

Statement of Financial Position

The statement of financial position of Greenflex RSM S.r.l. as at 31 October 2016 is set out below:

	Note	*€'000*
Assets		
Non-current assets		
Property, plant and equipment	5	745
Total non-current assets		745
Current assets		
Other receivables, deposit and prepayments	6	47
Cash and bank balances		17
Total current assets		64
Total Assets		809
Liabilities		
Current liabilities		
Trade payables	8	169
Other payables and accruals	8	495
Total current liabilities		664
Long term liabilities		
Other payables and accruals	8	152
Total long term liabilities		152
Total Liabilities		816
Equity		
Share capital	**7**	26
Reserves		(33)
Total Equity		(7)
Total Equity and Liabilities		809

Statement of Comprehensive Income

The statements of comprehensive income of Greenflex RSM S.r.l. for the period from incorporation on 20 September 2016 to 31 October 2016 is set out below:

	Note	*€'000*
Revenue		—
Cost of sales		—
Gross profit		—
Other income		—
Administrative expenses		(18)
Operating profit		(18)
Finance cost		(15)
Loss on ordinary activities before taxation		(33)
Income tax expense		—
Total comprehensive income attributable to owners of the parent		(33)
Loss per share		
Basic and diluted	9	€(1.27)

Statement of Changes in Equity

The statement of changes in equity of Greenflex RSM S.r.l. for the period ended 31 October 2016 is set out below:

	Share Capital €'000	*Distributable retained profits €'000*	*Total equity €'000*
Balance at beginning of period	—	—	—
Issue of share capital upon incorporation	26	—	26
Loss after taxation for the financial year	—	(33)	(33)
Balance at 31 October 2016	26	(33)	(7)

Statement of Cash Flows

The statement of cash flow statements of Greenflex RSM S.r.l. for the period ended 31 October 2016 is set out below:

	€'000
Cash flows from operating activities	
Loss for the period before taxation	(33)
Interest expense	15
Operating cash flows before movements in working capital	(18)
(Increase) in trade and other receivables	(47)
Increase/(decrease) in trade and other payables	19
Net cashflow from operating activities	(46)
Cash flows from investing activities	
Acquisition of property, plant and equipment	(345)
Net cashflow from investing activities	(345)
Cash flows from financing activities	
Issueance of share capital	26
Loans received	382
Net cashflow from financing activities	408
Net increase in cash and cash equivalents	17
Cash and cash equivalents at beginning of period	—
Cash and cash equivalents at end of period	17

Notes to the Financial Information

1. General Information

Greenflex RSM S.r.l. is a private company limited by shares and was incorporated on 20 September 2016.

The registered office and principal place of business are as follows:-

Registered office	Via Nicolino di Galasso 28/E, Serravalle, Republic of San Marino
Principal place of business	Suite 84/B, Techno Science Park, Admiral Center – Via III Settembre 9, Republic of San Marino

The Directors present their non-statutory financial information of Greenflex RSM S.r.l. for the period ended 31 October 2016.

2. Principal Activities

The principal activities of Greenflex RSM S.r.l. are the research, development, production and sale of solar systems.

3. Basis Of Preparation

The financial information have been prepared in accordance with IFRS as adopted by the EU issued by the International Accounting Standards Board ("IASB"), including related Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

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 EU.

The directors do not expect that the adoption of these standards will have a material impact on the financial statements of the company in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments, IFRS 15 may have an impact on revenue recognition and related disclosures and IFRS 16 will impact the treatment of an operating leases and its presentation. At this point it is not practicable for the directors to provide a reasonable estimate of the effect of IFRS 9, IFRS 15 and IFRS 16 as their detailed review of these standards is still ongoing.

4. Significant Accounting Policies

4.1 ***Critical Accounting Estimates and Judgements***

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) *Leases*

The company holds certain assets under finance leases and hire purchase agreements. Finance leases and hire purchase agreements, which transfer to the company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased item or, if lower, at the present value

of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

The company also utilises operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.2 Functional and Foreign Currencies

(a) *Functional and Presentation Currency*

The financial information is presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The financial information is presented in Euros, which is the company's functional currency and the presentation currency.

(b) *Transactions and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.3 ***Financial Instruments***

Financial instruments are recognised in the statements of financial position when the company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) *Financial Assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest

method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(b) *Financial Liabilities*

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(c) *Equity Instruments*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) *Derecognition*

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.4 ***Property, Plant and Equipment***

(a) *Owned Assets*

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use.

(b) *Depreciation*

Depreciation is charged to profit or loss once an asset has been brought into use (unless it is included in the carrying amount of another asset) on the straight-line basis to write off the depreciable amount of the assets net of the estimated residual values over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

	Estimated Useful Lives	*Estimated Residual Value as a Percentage of Cost*
Plant and machinery	5 years	10%
Fixture and fittings	10 years	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

No depreciation has been charged in the period as the assets had not been brought into use until after the end of the period.

(c) *Depreciation*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the company is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

4.5 ***Revenue Recognition***

Greenflex RSM S.r.l. is yet to generate revenue.

4.6 ***Income Taxes***

The company has been granted a five year exemption from tax for profits generated in the Republic of San Marino.

4.7 ***Cash and Cash Equivalents***

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. They include amounts currently held in cash by the company's parent company on behalf of the company.

4.8 ***Related Parties***

A party is related to an entity (referred to as the "reporting entity") if:-

(a) *A person or a close member of that person's family is related to a reporting entity if that person:-*

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) *An entity is related to a reporting entity if any of the following conditions applies:-*

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a) above.

(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.9 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability. The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5. Property, Plant and Equipment

	Cost *€'000*	*Accumulated Depreciation* *€'000*	*Net Book Value* *€'000*
As at 31 October 2016			
Fixtures and fittings	10	—	10
Plant and machinery	735	—	735
	745	—	745

All property, plant and equipment held by the company is located in the Republic of San Marino

The following property, plant and equipment have been acquired under a lease agreement with an option to buy and as a result ownership of the asset will not pass to the company until the option has been exercised at the end of the agreement in 2017:

	€'000
At carrying amount:-	
Plant and machinery	230

6. Trade Receivables and Other Receivables

	€'000
Other receivables	18
Amount due from parent company	29
	47

7. Share Capital

The movements in the registered capital of the company are as follows:-

	€'000
Fully Paid-Up	
At beginning of period	—
Addition	26
	26

Upon incorporation, Greenflex RSM S.r.l. issued 26,000 ordinary shares with a value of €1 per share.

8. Trade Payables and Other Payables

The normal trade credit terms granted to the company range from 0 to 180 days.

	€'000
Current liabilities	
Trade payables	169
Loans payable	382
Leasing obligations	88
Accruals	25
Total current liabilities	664
Long term liabilities	
Leasing obligations	142
Amount owing to shareholder	10
Total Long term liabilities	152

Amounts owing to a shareholder relate to an unsecured amount advanced by a shareholder. There is no formal agreement and no interest charged on the balance. The Directors have indicated the amount will be repaid when cash reserves are sufficient.

9. Loss Per Share

Loss after taxation (€)	(33,000)
Weighted average number of ordinary shares	26,000
Basic earnings/(loss) per share (€)	(1.27)

The diluted loss per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

10. Related Party Disclosures

(a) ***Identities of Related Parties***

The company has related party relationships with its directors, key management personnel and entities of which the director and/or by management have significant financial interests.

(b) Other than those disclosed elsewhere in the financial information, the company also carried out the following significant transactions with the related parties as disclosed below:

The company has acquired €515,000 of equipment from a company which is 50 percent owned by the director, €169,000 of this amount remains outstanding and is included in trade payables within current liabilities.

The company has received an interest free advance of €71,000 from Verditek Limited a proposed investor in the company which is due for repayment as part of that company's ultimate investment.

11. Financial Instruments

The company's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

11.1 *Financial Risk Management Policies*

The company's policies in respect of the major areas of treasury activity are as follows:-

(a) *Market Risk*

(i) Foreign Currency Risk

The company is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Euros. The currencies giving rise to this risk are British Sterling. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

	British Sterling €'000	*Euros €'000*	*Total €'000*
As at 31 October 2016			
Financial assets			
Other receivables and deposit	29	18	47
Cash and bank balances	—	17	17
Total Financial Assets	29	35	64
Financial liabilities			
Trade payables	—	169	169
Other payables and accruals	407	240	647
Total Financial Liabilities	407	409	816
Net financial (liabilities)/assets	(378)	(374)	(752)
Less: Net financial liabilities denominated in the respective entities' functional currencies	—	374	374
Currency exposure	(378)	—	(378)

Foreign currency risk sensitivity analysis

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting periods, with all other variables held constant:-

	Increase/ (Decrease) €'000
Effects on profit after taxation and on Equity	
British Sterling:	
– strengthened by 5%	(19)
– weakened by 5%	19

(b) *Credit Risk*

The company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The company does not currently have any significant exposure as with the exception of amounts due from its parent the only other receivable represents a rent deposit payment.

(c) *Liquidity Risk*

Liquidity risk arises mainly from general funding and business activities. The company is dependent on additional capital funding being received from a proposed investor, Verditek Limited in order to meet the repayment dates of obligations that fall due during the next six months.

It has an obligation to pay all of its trade payables by 31 January 2017 and to repay all of its loans of €382,000 together with interest on these loans by 11 April 2017.

11.2 ***Capital Risk Management***

The company is currently raising additional capital so as to obtain an optimal capital structure that will support its business going forward and maximise shareholder's value. The capital invested in the period was in relation to the initial start up capital of the company.

11.3 ***Fair Value Measurement***

There were no financial instruments carried at fair values. The fair values of the financial assets and financial liabilities approximated their carrying amounts due to the relatively short-term maturity of the financial instruments (maturity within the next 12 months). The fair values are determined by discounting the relevant cash flows at rates equal to the current market interest rate plus appropriate credit rating, where necessary.

12. Commitments

The company has commitments under operating leases on its premises which expire at the end of 2018 of €40,000 per annum.

13. Key Management Remuneration

No Director or member of the Key Management received any remuneration in the period.

14. Ultimate Parent Company

At the date of this report the ultimate controlling party of the company is considered to be Greenflex Energy Limited, which is incorporated in United Kingdom.

15. Nature of Financial Information

The financial information presented above does not constitute statutory financial statements for the period under review.

Section F: Accountants' Report on the Historical Financial Information of Westec Environmental Solutions, LLC

Crowe Clark Whitehill LLP
Chartered Accountants
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27 July 2017

The Directors
Verditek plc
29 Farm Street
London
W1J 5RL

The Directors
Stockdale Securities Limited
Beaufort House
15 St. Botolph Street
London
EC3A 7BB

Dear Sirs,

Introduction

We report on the audited financial information of Westec Environmental Solutions, LLC ("WES") set out in Section G of Part III (the "Historical Financial Information") of the Admission document dated 27 July 2017 (the "Document") of the Company. This Historical Financial Information has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 3 and 4 to the Historical Financial Information. This report is required by paragraph 20.1 of Annex 1 of the Prospectus Directive Regulation as applied by part (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the Historical Financial Information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of

significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Document, a true and fair view of the state of affairs of Westec Environmental Solutions, LLC as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 3 to the Historical Financial Information and International Financial Reporting Standards as adopted by the European Union.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully,

Crowe Clark Whitehill LLP
Chartered Accountants

Section G: Historical Financial Information on Westec Environmental Solutions, LLC

Statements of Financial Position

The statements of financial position of Westec Environmental Solutions, LLC as at 31 December 2014, 2015, and 2016 are set out below:

	Note	*As at 31 December 2014 (Audited)* $	*As at 31 December 2015 (Audited)* $	*As at 31 December 2016 (Audited)* $
Assets				
Non-current assets				
Property, plant and equipment	6	649	244	—
Total non-current assets		649	244	—
Current assets				
Other receivables, deposits and prepayment	7	13,030	13,809	23,363
Cash and cash equivalents		1,473	3,161	1,872
Total current assets		14,503	16,970	25,235
Total Assets		15,152	17,214	25,235
Equity and Liabilities				
Current liabilities				
Trade payables	8	54,238	65,207	101,704
Other payables and accruals	8	8,714	9,954	9,531
Total current liabilities		62,952	75,161	111,235
Non-Current Liabilities				
Other payables and accruals	8	436,179	594,612	775,366
Borrowings	9	273,000	379,400	891,300
Total non-current liabilities		709,179	974,012	1,666,666
Total liabilities		772,131	1,049,173	1,777,901
Members' interests and equity		(756,979)	(1,031,959)	(1,752,666)
Total equity		(756,979)	(1,031,959)	(1,752,666)
Total Liabilities, Members' Interests and equity		15,152	17,214	25,235

Statements of Comprehensive Income

The statements of comprehensive income of Westec Environmental Solutions, LLC for the years ended 31 December 2014, 2015 and 2016 are set out below:

	Year ended 31 December 2014 (Audited) $	*Year ended 31 December 2015 (Audited) $*	*Year ended 31 December 2016 (Audited) $*
Income	—	—	—
Cost of sales	—	—	—
Gross Profit	—	—	—
Other income	1,001	750	6,580
Administrative expenses	(244,853)	(229,448)	(266,973)
R&D expenses	(490,842)	(368,382)	(460,314)
Operating loss	(734,694)	(597,080)	(720,707)
Income tax expense	—	—	—
Total comprehensive loss attributable to members'	(734,694)	(597,080)	(720,707)

Statements of Changes in Members' Interests and Equity

The statements of changes in members' interests and equity of Westec Environmental Solutions, LLC for each of the three years ended 31 December 2016 are set out below:

	Members' interests (Audited) $	*Accumulated losses (Audited)* $	*Total (Audited)* $
Balance at 1 January 2014	—	(394,285)	(394,285)
Member contributions	372,000	—	372,000
Loss for the year	(372,000)	(362,694)	(734,694)
Balance at 31 December 2014	—	(756,979)	(756,979)
Member contributions	322,100	—	322,100
Loss for the year	(322,100)	(274,980)	(597,080)
Balance at 31 December 2015	—	(1,031,959)	(1,031,959)
Member contributions	—	—	—
Loss for the year	—	(720,707)	(720,707)
Balance at 31 December 2016	—	(1,752,666)	(1,752,666)

Members subscribe for capital in Westec Environmental Solutions, LLC in membership units.

Westec Environmental Solutions, LLC can issue an unlimited number of units, each of which have a par value of $0.10 and equal voting rights.

The profit or loss of Westec Environmental Solutions, LLC are allocated to the Members in proportion to their membership percentages.

No Member shall be required to pay to Westec Environmental Solutions, LLC or to any other Member the amount of any negative balance that may exist from time to time in such Member's Capital Account.

Statements of Cash Flows

The statements of cash flow statements of Westec Environmental Solutions, LLC for the years ended 31 December 2014, 2015 and 2016 are set out below:

	Year ended 31 December 2014 (Audited) $	*Year ended 31 December 2015 (Audited) $*	*Year ended 31 December 2016 (Audited) $*
Cash flow from operating activities			
Loss for the period before taxation	(734,694)	(597,080)	(720,707)
Adjustment for:			
Depreciation of property, plant and equipment	621	406	243
Operating cash flows before movements in working capital	(734,073)	(596,674)	(720,464)
(Increase)/decrease in trade and other receivables	48,297	(779)	(9,554)
Increase/(decrease) in trade and other payables	256,845	(220,580)	36,075
Cash generated from/(used in) operating activities	305,142	(221,359)	26,521
Net cash used in operating activities	(428,931)	(818,033)	(693,943)
Cash flows used in financing activities			
Amounts introduced by members	372,000	322,100	—
New borrowings	48,000	497,621	692,654
Net cash from financing activities	420,000	819,721	692,654
Net (decrease)/increase in cash and cash equivalents	(8,931)	1,688	(1,289)
Cash and cash equivalents at beginning of year	10,404	1,473	3,161
Cash and cash equivalents at end of year	1,473	3,161	1,872

Notes to the Financial Information

1. General Information

Westec Environmental Solutions, LLC is a private limited liability company, organized on 14 October 2008 in Delaware, USA.

The registered office is c/o The Corporation Trust Company, Corporation Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. Its principal place of business is 360 Papa Place, Unit A-1, Kahului, Hawaii, USA 96732.

The Directors present their non-statutory financial information of Westec Environmental Solutions, LLC for each of the three years ended 31 December 2016.

2. Principal Activities

Westec Environmental Solutions, LLC is undertaking the research and development of an absorber and contactor that will aid carbon capture.

3. Basis of Preparation

The financial information has been prepared in accordance with IFRS as adopted by the EU issued by the International Accounting Standards Board ("IASB"), including related Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Westec Environmental Solutions, LLC has not applied in advance any of the accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the International Accounting Standards Board (IASB) but are not yet effective for the current financial period.

The directors do not expect the adoption of any of the standards to have a material impact on the financial statements of Westec Environmental Solutions, LLC in future periods except that IFRS 9 will impact both the measurement and disclosure of financial instruments in future periods.

The above accounting standards and interpretations (including the consequential amendments) are not relevant to Westec Environmental Solutions, LLC's operations.

4. Significant Accounting Policies

4.1 ***Critical accounting estimates and judgements***

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of Westec Environmental Solutions, LLC's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) *Going concern*

The financial information has been prepared on the going concern basis of preparation.

The company's business is in the early stages of its development and to date has not begun to generate revenues. The business is therefore dependent on the availability of further funding to enable the financing of future development expenditure and to provide working capital. As part of the financial reporting process the directors carry out a detailed assessment of going concern for a period of at least 12 months from the date of approval of financial information, taking into consideration a number of matters including forecast cash flows, medium and long term business plans and expectations and the availability of funding. The Directors have assessed that they have raised sufficient funding to cover their current and future capital needs. On the basis of their assessment, the directors have concluded that it is appropriate to prepare the financial information on a going concern basis.

(b) *Depreciation of property, plant and equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(c) *Income taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. Westec Environmental Solutions, LLC recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

4.2 ***Functional and foreign currencies***

(a) *Functional and presentation currency*

The financial information is presented in the currency of the primary economic environment in which the entity operates, which is the functional currency. The financial information is presented in US Dollars, which is Westec Environmental Solutions, LLC's functional currency and the presentation currency.

(b) *Transactions and balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.3 ***Financial instruments***

Financial instruments are recognised in the statements of financial position when Westec Environmental Solutions, LLC has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when Westec Environmental Solutions, LLC has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) *Financial assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Loans and receivables financial assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(b) *Financial liabilities*

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(c) *Equity instruments*

Ordinary membership units are classified as members' interests and have characteristics similar to equity. Incremental costs directly attributable to the issue of new ordinary membership units or options are shown in equity as a deduction, net of tax, from proceeds.

(d) *De-recognition*

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On de-recognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On de-recognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.4 ***Property, plant and equipment***

(a) *Owned assets*

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use.

(b) *Depreciation*

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line basis to write off the depreciable amount of the assets net of the estimated residual values over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

	Depreciated over
Fixture and fittings	7 years
Computer software	3 years

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

(a) *Cost*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to Westec Environmental Solutions, LLC and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which Westec Environmental Solutions, LLC is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

4.5 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.6 ***Revenue and other income***

(a) *Sale of goods*

Westec Environmental Solutions, LLC is yet to generate revenue.

(b) *Other income*

Other income is recognised on an accrual basis using the effective interest method.

4.7 ***Research and development costs***

Westec Environmental Solutions, LLC's research and development is dependent on the level of funding received at any given time. Such expenses have included salaries and other expenditure directly attributable to Westec Environmental Solutions, LLC's research and development activities. Furthermore, costs attributable to supporting the research and development activities, such as overheads in relation to payroll, are included. Research and development expenses are directly related to the development phase of Westec Environmental Solutions LLC's projects and may therefore fluctuate strongly from year to year.

The Company has not capitalised internal development expenses relating to the Company's projects as management considers that the uncertainties inherent in developing such technological products prohibits the capitalisation of internal development expense as an intangible asset until marketing approval has been received and commerciality is near certain. The Directors are of the opinion that commerciality and marketing approval are not expected in near future.

5. Operating Segments

Westec Environmental Solutions, LLC comprises of one operating segment and therefore segmental analysis is not required.

6. Property, Plant and Equipment

	Office furniture (Audited) $	*Software (Audited) $*	*Total value (Audited) $*
Cost	—	—	—
As at 31 December 2014, 2015 and 2016	1,710	1,130	2,840
Accumulated Depreciation			
As at 1 January 2013	(978)	(592)	(1,570)
Charge for the year	(244)	(377)	(621)
As at 31 December 2014	(1,222)	(969)	(2,191)
Charge for the year	(244)	(161)	(405)
As at 31 December 2015	(1,466)	(1,130)	(2,596)
Charge for the year	(244)	—	(244)
As at 31 December 2016	(1,710)	(1,130)	(2,840)
Net Book Value			
As at 31 December 2014	488	161	649
As at 31 December 2015	244	—	244
As at 31 December 2016	—	—	—

7. Trade Receivables and Other Receivables

	As at 31 December		
	2014 (Audited) $	*2015 (Audited) $*	*2016 (Audited) $*
Prepayments	13,030	13,809	23,363
	13,030	13,809	23,363

8. Trade Payables and Other Payables

	As at 31 December		
	2014 (Audited) $	*2015 (Audited) $*	*2016 (Audited) $*
Trade payables	54,238	65,207	101,704
Other payables and accruals	8,714	9,954	9,531
Current trade and other payables	62,952	75,161	111,235
Deferred remuneration	399,930	578,430	754,430
Other payables and accruals	36,249	16,182	20,936
Non-current trade and other payables	436,179	594,612	775,366
Total trade and other payables	499,131	669,773	886,601

9. Borrowings

	As at 31 December		
	2014 (Audited) $	*2015 (Audited)* $	*2016 (Audited)* $
Notes payable	273,000	273,000	546,900
Interim funding	—	106,400	344,400
	273,000	379,400	891,300

Notes payable and interim funding relate to amounts forwarded to Westec Environmental Solutions, LLC from certain Members. These amounts are unsecured and were loaned at no interest. There were no formal terms attached to these amounts. In 2016 the WES tax advisor informed the members that the IRS requires the company to pay a nominal interest rate on borrowed funds. A rate of 1% was applied to loans less than 3 years old and 2% for over 3 years. The total accrued interest at 31 December 2016 was $23,800.

No discount has been applied to these amounts as on 7 June 2017, all outstanding notes payable were converted into equity in Westec Environmental Solutions, LLC at a rate of 1 unit for every $0.2390 owed.

10. Loss Per Share

Westec Environmental Solutions, LLC does not have ordinary share capital and therefore Loss per share is not presented.

11. Related Party Disclosures

(a) ***Member's interests***

Westec Environmental Solutions, LLC can issue an unlimited number of units, each of which have a par value of $0.10 and equal voting rights.

The profit or loss of Westec Environmental Solutions, LLC are allocated to the Members in proportion to their membership percentages.

The following members made contributions to Westec Environmental Solutions, LLC in the year:

2014 ($'000s)

Alex McBarnet contributed $272,000.
Zieff pty contributed $100,000.

2015 ($'000s)

Alex McBarnet contributed $322,000.

(b) ***Interim operational funding***

Alec McBarnet, a member of Westec Environmental Solutions, LLC has advanced the corporation $548,700 by way of operational interim funding as at 31 December 2016. $487,300 of that amount will be converted to equity on on 7 June 2017.

JRAM LLC, a member of Westec Environmental Solutions, LLC has advanced the corporation $45,800 by way of operational interim funding as at 31 December 2016. $35,800 of that amount will be converted to equity on on 7 June 2017.

Per the terms of the agreement, there is no repayment date with the funding repaid once sufficient investment is received.

On 7 June 2017, all outstanding notes payable and interim funding were converted into equity in Westec Environmental Solutions, LLC at a rate of 1 unit for every $0.24 owed.

(c) ***Key management personnel and deferred remuneration***

The key management personnel of Westec Environmental Solutions consist of Bill Hargrove, Leonard Pecos, Roy Pellegrin and Wyatt Brown.

	Year ended 31 December		
	2014 (Audited) $	*2015 (Audited) $*	*2016 (Audited) $*
Salaries and other short-term employee benefits	266,000	272,000	315,000
	266,000	272,000	315,000

Certain employees of Westec Environmental Solutions, LLC have agreed to defer the payment of remuneration as follows:

Bill Hargrove was owed $31,920 as at 31 December 2016 (As at 31 December 2015: $31,920 and 2014: $31,920)

Leonard Pecos was owed $250,170 as at 31 December 2016 (As at 31 December 2015: $195,170 and 2014: $135,170)

Roy Pellegrin was owed $228,920 as at 31 December 2016 (As at 31 December 2015: $173,920 and 2014: $127,420)

Wyatt Brown was owed $243,420 as at 31 December 2016 (As at 31 December 2015: $177,420 and 2014: $105,420)

On 14 July 2017, the above employees agreed to convert the deferred wages in Phantom Units, being the right to receive a payment from the Company within a 7-year period on the occurrence of certain contractual events. These units do not constitute equity in the Westec Environmental Solutions, LLC.

All employees above are deemed key management personnel.

12. Financial Instruments

12.1. ***Financial risk management policies***

(a) *Liquidity Risk*

The company continually sources various routes of funding to enable the continuation of its research and development activities and to meet its obligations and liabilities as they fall due.

All amounts are to either be converted into equity in Westec Environmental Solutions, LLC, exchanged for Phantom Units or repaid once sufficient investment is made. Maturity analysis is therefore not presented.

(b) *Credit Risk*

The company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The company does not currently have any significant exposure as all receivable balances relate to prepayments.

(c) *Foreign Currency Risk*

The company is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Dollars. The currencies giving rise to this risk are British Sterling and Euros. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

12.2. ***Capital risk management***

Westec Environmental Solutions, LLC manages its capital to maintain an optimal capital structure to support its businesses and maximise members' value. To achieve this objective, Westec Environmental Solutions, LLC may make adjustments to its capital structure in view of changes in economic conditions, such as requesting additional contributions from members.

There were no change in Westec Environmental Solutions, LLC's approach to capital management during the financial period under review.

12.2. ***Classification of financial instruments***

	As at 31 December		
	2014 (Audited) $	*2015 (Audited) $*	*2016 (Audited) $*
Financial assets			
Cash and bank balances	1,473	3,161	1,872
	1,473	3,161	1,872

13. Ultimate Controlling Entity

At the date of this report Westec Environmental Solutions, LLC does not have an ultimate controlling entity, being controlled by its members collectively in accordance with their membership interests.

14. Nature of Financial Information

The financial information presented above does not constitute statutory financial statements for the period under review.

Section H: Historical Financial Information on BBR Filtration Limited

BBR Filtration Limited was incorporated on 8 June 2015 under the Companies Act 2006 (as amended) with a financial year end of 30 June. Upon incorporation, the issued share capital of BBR was £100 divided into 100 ordinary shares of £1.00 each.

Envolution Limited and C2E Holdings Limited each subscribed for 45 ordinary shares of £1.00 upon incorporation and BBR Enviro Systems subscribed for 10 ordinary shares of £1.00 on incorporation.

Since the date of its incorporation, BBR Filtration Limited has not yet commenced operations and, save as indicated below, has no material assets or liabilities, no separate financial information on BBR Filtration Limited is presented in this document.

In the financial period from incorporation to 30 June 2016, C2E Holdings Limited advanced £52,760 in relation to consultancy and administrative expenses. At 30 June 2016, the amount owed by BBR Filtration Limited totalled £52,715.

On 5 May 2016, BBR Filtration Limited became a 99 per cent. member of BBR Filtration USA, LLC. BBR Filtration USA, LLC has not yet commenced operations and has no material assets or liabilities, and therefore no financial statements have been prepared at the date of this document and no separate financial information is presented in this document on BBR Filtration USA, LLC.

PART IV

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set out below is an unaudited pro-forma statement of net assets of the Company (the "Pro Forma Financial Information), which has been prepared on the basis of the Company's financial information as at 28 February 2017, the financial information of Greenflex Energy Limited and Greenflex RSM S.r.l. 2016 as at 31 October 2016 and the financial information of BBR Filtration Limited as at 30 June 2016, as adjusted for:

- the receipt of the net proceeds from the Placing; and
- 23.64 per cent. investment in Westec Environmental Solutions, LLC for £750,000, conditional on completion.

as set out in the notes below. The Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature will not represent the actual consolidated financial position of the Company as at the date of Admission.

Unaudited pro-forma financial information

Currency: £'000s	*(Audited) The Company (Note 1)* £	*(Audited) Greenflex Energy Limited (Note 2)* £	*(Audited) Greenflex RSM S.r.l. (Note 3)* £	*(Unaudited) BBR Filtration Limited (Note 4)* £	*Adjustments (Note 5-7)* £	*(Unaudited) Pro forma financial information* £
Non-current assets						
Investment in subsidiary	—	22	—	—	(22)	—
Investment in associate	—	—	—	—	750	750
Tangible assets	2	—	623	—	—	625
Total non-current assets	2	22	623	—	728	1,375
Current assets						
Trade and other receivables	352	—	39	—	—	391
Cash and cash equivalents	19	—	14	—	1,282	1,315
Total current assets	371	—	53	—	1,282	1,706
Total assets	373	22	676	—	2,010	3,081
Current liabilities						
Trade payables	—	—	(141)	—	—	(141)
Other payables	—	(26)	(414)	(53)	—	(493)
Total current liabilities	—	(26)	(555)	(53)	—	(634)
Non-current liabilities						
Other payables	—	—	(127)	—	—	(127)
Total non-current liabilities	—	—	(127)	—	—	(127)
Total liabilities	—	(26)	(682)	(53)	—	(761)
Net assets/(liabilities)	373	(4)	(6)	(53)	2,010	2,320

Notes:

1. The financial information of the Company at 28 February 2017 has been extracted, without further adjustment, from Part III (B) of this Document "Historical Financial Information on Verditek". No account has been taken of the activities of the Company subsequent to 28 February 2017.
2. The financial information of Greenflex Energy Limited for the period ended 31 October 2016 has been extracted, without further adjustment, from Part IIIC of this Document "Historical Financial Information on Greenflex Energy Limited". No account has been taken of the activities of Greenflex Energy Limited subsequent to 31 October 2016.
3. The financial information of Greenflex RSM S.r.l. for the period ended 31 October 2016 has been extracted, without further adjustment, from Part IIIE of this Document "Historical Financial Information on Greenflex RSM S.r.l". No account has been taken of the activities of Greenflex RSM S.r.l. subsequent to 31 October 2016. The financial information of Greenflex RSM S.r.l. has been translated into £ at a rate of 0.8357 €/£.
4. The financial information of BBR Filtration Limited for the period ended 30 June 2016 has been extracted, without further adjustment, from Part IIIH of this Document "Historical Financial Information on BBR Filtration Limited". No account has been taken of the activities of BBR Filtration Limited subsequent to 30 June 2016.
5. The adjustments represent:
   - Elimination of the investment of £22,000 in Greenflex RSM S.r.l. held by Greenflex Energy Limited
   - Conditional on Admission, the Company will acquire a 23.64 per cent. interest in Westec Environmental Solutions, LLC for £750,000, which will be associated undertaking
   - Increase in net cash balances (see note 7 below)
6. Placing proceeds of approximately £2,750,000 and associated costs of the Placing of approximately £718,000 (excluding VAT). The net proceeds from the Placing received by the Company were approximately £2,032,000.
7. The reconciliation of the adjustment to cash and cash equivalents is as follows:

	£'000s
Gross proceeds received	2,750
Transaction costs	(718)
Consideration for 23.64 per cent. interest in Westec Environmental Solutions, LLC	(750)
	1,282

PART V

ADDITIONAL INFORMATION

1. Responsibility Statement

The Company and the Directors, whose names appear on page 4 of this document, accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules for Companies. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2. The Company

2.1. The Company was incorporated with limited liability in England and Wales on 10 April 2016 as a private limited company under the 2006 Act, with registered number 10114644 under the name Verditek Limited.

2.2. On 6 March 2017, the Company was re-registered as a public limited company with the name Verditek plc and adopted new articles of association appropriate to a public company, details of which are set out in paragraph 6 of this Part V.

2.3. The Company is domiciled in England and Wales.

2.4. The legal and commercial name of the Company is Verditek plc.

2.5. The Company's registered office address and principal place of business is 29 Farm Street, London W1J 5RL and its telephone number is 020 7129 1110. The address of the Company's website on which the information required by Rule 26 of the AIM Rules for Companies is available is www.verditek.plc.uk.

2.6. The principal legislation under which the Company operates is the 2006 Act and the regulations made thereunder.

2.7. The liability of the members of the Company is limited.

2.8. The accounting reference date of the Company is 31 December and the current accounting period will end on 31 December 2017.

2.9. The principal activity of the Company is to act as a holding company of the Group, whose principal activities are described more fully in Part I of this document.

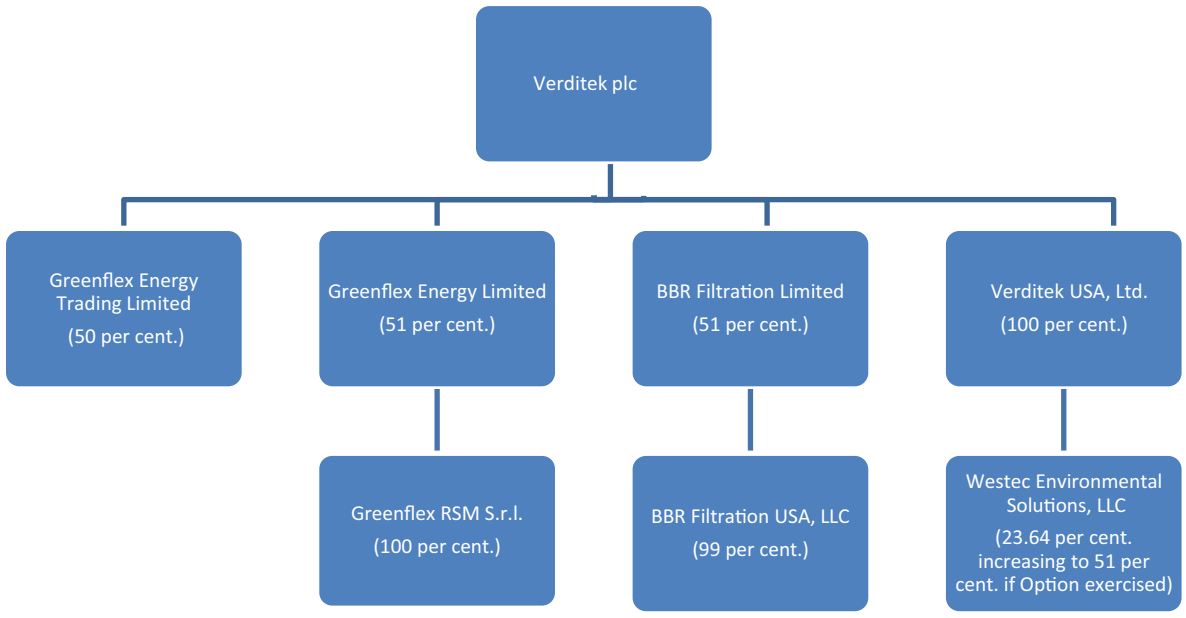
3. The Group

3.1. Immediately following Admission, the Company will be the ultimate parent company of the Group and will have the following subsidiary undertakings:

Name	*Country of incorporation*	*Date of incorporation*	*Proportion of proposed ownership held (per cent.)*	*Registered office*	*Company number*
BBR Filtration Limited	England and Wales	8 June 2015	51	Thornley House, Five Bells Lane, Nether Wallop, Stockbridge SO20 8HA	09628852
Greenflex Energy Limited	England and Wales	29 January 2015	51	5-11 Mortimer Street, London W1T 3HS	09412735
Verditek USA, Ltd.	United States (Delaware)	6 February 2017	100	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801	6307958
Greenflex RSM S.r.l.	Republic of San Marino	9 September 2016	51	Via Nicolino Galasso n.28/E, 47899 Serravalle, Republic of San Marino	7594
BBR Filtration USA, LLC	United States (Florida)	5 May 2016	50.49	C/o 2605 Ponce De Leon Boulevard, Coral Gables, Florida 33134	81-2676400

3.2. At the time of Admission, Verditek US will hold 23.64 per cent. of WES. In the event that Verditek US exercises the Option, the Company will become the ultimate parent company of WES.

3.3. The following chart reflects the Group's corporate structure immediately following Admission:



4. The Directors

The Directors of the Company are:

Name	*Function*	*Date of Appointment*
Geoffrey Nesbitt	*Non-Executive Chairman*	6 March 2017
Theodore Chapman	*Chief Executive Officer*	10 April 2016
Janet Donovan	*Chief Financial Officer*	10 April 2017
José Luis del Valle Doblado	*Non-Executive Director*	6 March 2017
Anthony Rawlinson	*Non-Executive Director*	6 March 2017
George Katzaros	*Non-Executive Director*	27 February 2017

The business address of each Director is the same as for the registered office of the Company. Further details relating to the Directors are disclosed in paragraph 7 of this Part V.

5. Share and Loan Capital of The Company

5.1. On incorporation, the issued share capital of the Company was £90.00 comprising 90 ordinary shares of £1.00 each all of which were issued to the subscriber to the memorandum of association of the Company, being MF Limited.

5.2. The Company does not have an authorised share capital.

5.3. On 30 June 2016, the Company allotted a further 10 ordinary shares of £1.00 each of which five were allotted to Theodore Chapman and five were allotted to Milburga International Limited.

5.4. The Company loaned BBR £35,000 and £15,000 on 6 October 2016 and 18 November 2016 respectively.

5.5. The Company loaned Greenflex £50,000 and £46,000 on 18 October 2016 and 18 November 2016 respectively

5.6. By resolution of the members of the Company passed on 28 February 2017 resolutions in the following terms were passed:

5.6.1. the 100 ordinary shares of £1.00 each in the issued share capital of the Company were sub-divided into 250,000 ordinary shares of £0.0004 each;

5.6.2. the Directors were generally and unconditionally authorised in accordance with section 551 of the 2006 Act to allot Ordinary Shares and grant rights to subscribe for or convert any security into Ordinary Shares up to an aggregate nominal amount of:

(a) £62,747;

(b) up to £28,000 in connection with a placing or subscription to be carried out in connection with the Company's Admission (the "**Capital Raising**");

(c) £30,282, being equal to one-third of the nominal value of the Company's issued share capital immediately following Admission; and

(d) £60,565, being equal to two-thirds of the nominal value of the Company's issued share capital immediately following Admission (such amount to be reduced by the nominal amount of any Ordinary Shares allotted or rights granted under paragraph 5.6.2(c) above) in connection with any offer by way of a rights issue or other pre-emptive offering to:

(i) the holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective number of Ordinary Shares held by them; and

(ii) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

provided that such authorities shall, unless renewed, varied or revoked by the Company, expire at the end of the next annual general meeting of the Company or 15 months after the passing of this resolution (whichever is earlier) save that the Company may, before such expiry, make offers or agreements which would or might require Ordinary Shares to be allotted or rights granted to subscribe for or convert any security into Ordinary Shares after such expiry and the Directors may allot Ordinary Shares or grant such rights in pursuance of such offer or agreement as if the power and authorities had not expired;

5.6.3. the Directors were given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by the resolution set out in 5.6.2 above and/or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment or sale, provided that this authority shall be limited to an aggregate nominal amount of:

(a) £62,747;

(b) up to £28,000 in connection with the Capital Raising;

(c) £9,085 or, if less, 10 per cent. of the nominal value of the Company's issued share capital immediately following Admission; and

(d) in connection with any other offer by way of a rights issue or other pre-emptive offering to:

(i) holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective number of Ordinary Shares held by them; and

(ii) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors other consider necessary,

provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next annual general meeting of the Company or 15 months after the passing of this resolution (whichever is earlier) save that the Company may, before such expiry make offers or agreements which would or might require Ordinary Shares to be allotted or rights granted to subscribe for or convert any security into Ordinary Shares after such expiry and the Directors may allot Ordinary Shares or grant such rights in pursuance of such offer or agreement as if the power and authorities had not expired.

5.7. On 28 February 2017, the Company allotted a further 156,867,265 ordinary shares of £0.0004 each as follows:

5.7.1. 136,250,000 Ordinary Shares for services rendered to the Company as founder shares;

5.7.2. 7,117,265 Ordinary Shares to holders of loan notes on the exercise of their conversion rights at a conversion price of £0.05 per Ordinary Share; and

5.7.3. 13,500,000 Ordinary Shares to a holder of loan notes on the exercise of his conversion rights at a conversion price of £0.01275 per ordinary share;

and the Board confirmed their issue on the date of this document.

5.8. On 28 February 2017, the share premium account of the Company was cancelled and the balance on the share premium account was transferred to retained earnings.

5.9. 21,049,996 Placing Shares are to be allotted and issued pursuant to the Placing and 9,505,560 Subscription Shares are to be allotted and issued pursuant to the Subscription. The New Ordinary Shares are denominated in Sterling and created under the 2006 Act. It is anticipated that the New Ordinary Shares will be allotted on 10 August 2017, conditional upon Admission. Admission is expected to take place on 10 August 2017.

5.10. The Issue Price of 9 pence per Placing Share is payable in full on Admission under the terms of the Placing. The Issue Price of 9 pence per Subscription Share is payable in full no later than two Business Days prior to Admission under the terms of the Placing and Subscription Agreement.

5.11. Under the terms of the warrant instrument dated 27 July 2017, the Company has agreed to grant Warrants to Stockdale Securities (being that number of Ordinary Shares which represents two per cent. of the Company's issued share capital upon Admission). These Warrants are exercisable during the period commencing on Admission and expiring on the third anniversary of the date of Admission. Under the terms of the instrument constituting such Warrants, provision is made for the adjustment of the subscription rights attaching to the Warrants in the event of a capitalisation issue or reorganisation of the share capital of the Company.

5.12. The Company's ISIN (International Security Identification Number) is GB00BF2C0424.

5.13. At the date of this document the issued fully paid share capital of the Company is:

Class of shares	*Issued (fully paid)*
Ordinary Shares	157,117,265

5.14. The issued fully paid share capital of the Company immediately following Admission will be as follows (on the assumption that the Placing and the Subscription is fully subscribed):

Class of shares	*Issued (fully paid)*
Ordinary Shares	187,672,821

5.15. The amount and percentage of immediate dilution resulting from the Placing and the Subscription is approximately 16 per cent.

5.16. The par value of the Ordinary Shares is £0.0004.

5.17. Save as disclosed in this paragraph 5 of Part V of this document, there has been no issue of share or loan capital that is outstanding of the Company since its incorporation, all issued shares have been fully paid or credited as fully paid and no further share issues are currently proposed in the near future, other than pursuant to the Placing and the Subscription.

5.18. Save as disclosed in paragraph 9 of Part V of this document, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company since its incorporation.

5.19. Save as disclosed in this paragraph 5 of Part V of this document, on Admission, no share or loan capital of the Company will be under option or will be agreed conditionally or unconditionally to be put under option.

5.20. None of the Ordinary Shares have been marketed or are available in whole or in part to the public in conjunction with the application for the Ordinary Shares to be admitted to AIM.

5.21. The Placing Shares will be in registered form and may be held in certificated or uncertificated form. No temporary documents of title will be issued and prior to the issue of definitive certificates and transfers will be certified against the register. It is expected that definitive share certificates for the Placing Shares which are not to be held through CREST, and for the Subscription Shares, will be posted to allottees or purchasers (as applicable) within 10 Business Days of Admission. Placing Shares to be held through CREST will be credited to CREST accounts on Admission. The Articles, which have been adopted, permit the holding of Ordinary Shares in CREST.

5.22. The provisions of section 561 of the 2006 Act (which, to the extent not disapplied pursuant to section 570 of the 2006 Act, confer on shareholders rights of pre-emption in respect of the allotment of equity securities (as defined in section 560(1) of the 2006 Act) which are, or are to be, paid up in cash (other than any allotments to employees under an employees' share option scheme)) apply to the unissued share capital of the Company except to the extent already disapplied.

5.23. No Ordinary Shares are held in treasury. No Ordinary Shares are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

5.24. The New Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, paid or made on the ordinary share capital of the Company.

5.25. There are no pre-emption rights (other than statutory pre-emption rights under the 2006 Act), redemption provisions or conversion provisions attaching to the Ordinary Shares.

5.26. There are no listed or unlisted securities of the Company not representing Ordinary Share capital.

5.27. Other than the current application for admission to AIM, the Ordinary Shares are not being admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements in place for there to be such dealings in the Ordinary Shares.

6. Articles

6.1. As described in paragraph 2.2 of this Part V, the Company has recently adopted new Articles. The Articles contain, *inter alia*, the provisions set out below. This description does not purport to be complete and is qualified entirely by the full terms of the Articles, a copy of which will be available on the Company's website from Admission.

6.2. ***Shares***

6.2.1. *Shares*

The Company has one class of share capital being the Ordinary Shares

6.2.2. *Share rights*

Without prejudice to the rights attaching to any existing shares or class of shares, any share may be issued with such preferred, deferred or other special rights or such restrictions as the Company may from time to time by ordinary resolution determine or, if the Company has not so determined, as the Directors may determine.

6.2.3. *Voting*

At a general meeting of the Company, subject to any special rights or restrictions attached to any class of shares, on a show of hands every member present in person or by proxy has one vote, and on a poll every member present in person or by proxy has one vote for every share held by him. No shareholder will be entitled to vote at a general meeting or any separate meeting of the holders of any class of shares in the Company in respect of any share held by him unless all moneys presently owed to the Company have been paid.

6.2.4. *Dividends*

The Company may, by ordinary resolution, declare dividends to be paid to shareholders, but the amount of such dividends may not exceed the amount recommended by the Directors. If the Directors believe the dividends are justified by the profits of the Company available for distribution, they may pay interim dividends. The Board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of interim dividends on any shares having deferred or non-preferred rights. Unless the share rights otherwise provide, all dividends shall be declared and paid pro rata according to the amounts paid on the shares on which the dividend is paid during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed for 12 years from the date on which it became due for payment shall, of the Directors so resolve, be forfeited and shall revert to the Company. The Directors may, if authorised by ordinary resolution, offer to any holders of shares the right to receive, in lieu of dividend, an allotment of new Ordinary Shares credited as fully paid.

6.2.5. *Transfer of shares*

Subject to the Articles, any member may transfer all or any of his or her certified shares in writing by an instrument of transfer in any usual form or in any other form which the board may approve. The board may, in its absolute discretion, decline to register any instrument of transfer of a certified share which is not a fully paid share or on which the Company has a lien, provided that where any such shares are admitted to AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis in accordance with the 2006 Act, the Takeover Code, the AIM Rules for Companies, the CREST Regulations and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company (including, without limitation, the Electronic Communications Act). The Board may decline to recognise any instrument of transfer relating to shares in certificated form unless it is in respect of only one class of share, is in favour of not more than four transferees and it is lodged (duly stamped) at the registered office of the Company or at such other place as the Board may appoint accompanied by the relevant share certificate(s) to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer. In the case of a transfer of shares in certificated form by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question. Subject to the Articles and the rules (as defined in the CREST Regulations), and apart from any class of wholly dematerialised security, the Board may permit any class of shares in the Company to be held in uncertificated form and, subject to the Articles, title to uncertificated shares to be transferred by means of a relevant system.

6.2.6. *Sanctions on Shareholders*

Section 793 of the 2006 Act confers on public companies the power to require information from members as to interests in voting shares. If at any time the Board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 793 of the 2006 Act and is in default for a period of 28 days in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the board may, in its absolute discretion at any time thereafter by notice to such member direct that:

(a) in respect the shares in relation to which the default occurred (the "default shares") the member shall not be entitled to vote at any shareholders' meeting either in person or by proxy or exercise and other right conferred by membership in relation to meetings of the Company; and

(b) where the default shares represent 0.25 per cent. or more of the total number of shares of a relevant class less any shares of that class held in treasury by the Company that:

(i) except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the default shares, whether in respect of capital or dividend or otherwise, and the Company shall not meet any liability to pay interest on any such payment when it is finally paid to the member;

(ii) no other distribution shall be made on the default shares; and

(iii) no transfer of any of the shares held by such member shall be registered unless:

1. the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in such form as the board may in its absolute discretion require to the effect that after due and

careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; or

2. the transfer is an approved transfer.

6.2.7. *Variation of rights*

Where the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the 2006 Act, the CREST Regulations, the AIM Rules for Companies or any other relevant statute or statutory instrument, law or regulation be varied or abrogated either with the written consent of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. At every such general meeting the necessary quorum shall be two or more persons holding or representing by proxy (which proxies are authorised to exercise voting rights) not less than one-third in nominal value of the issued shares of the class (excluding any shares of that class held in treasury) (but so that at an adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum).

6.2.8. *Alteration of share capital*

The Company may by ordinary resolution alter its share capital in accordance with the 2006 Act. The Company may, by special resolution, reduce its share capital or any share premium account or capital redemption reserve.

6.2.9. *Directors' power to allot*

Subject to the provisions of the Articles and to the 2006 Act, any unissued shares in the capital of the Company (whether forming part of the original or any increased capital) and all (if any) shares in the Company lawfully held by or on behalf of it shall be at the disposal of the Board which may offer, allot (with or without a right of renunciation), issue or grant options over such shares to such persons, at such time and for such consideration and upon such terms and conditions as the Board may determine.

6.2.10. *Untraced Shareholders*

Subject to the 2006 Act, the CREST Regulations, the AIM Rules for Companies or any other relevant statute or statutory instrument, law or regulation, the Company may sell any shares of a member or the shares of a person entitled thereto who is untraceable, if during a period of 12 years, at least three dividends in respect of the shares in question have become payable and the cheques or warrants for all amounts payable to such member or person in respect of his shares have remained uncashed or mandated dividend payments have failed and the Company has received no communication from such member or person. The net proceeds of sale shall belong to the Company but the member or person who had been entitled to the shares shall become a creditor of the Company in respect of those proceeds. If on three consecutive occasions notices sent to a member have been returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the Transfer Office a new registered address or a postal address within the United Kingdom for the service of notices or shall have informed the Company, in such manner as may be specified by the Company, of an address for the service of notices by electronic communication.

6.2.11. *Non-UK Shareholders*

There are no limitations in the Articles on the rights of non-UK shareholders to hold, or exercise voting rights attaching to, Ordinary Shares. However, no shareholder is entitled to receive notices from the Company (whether electronically or otherwise), including notices

of general meetings, unless he has given a postal address in the UK or an address for the service of notices by electronic communication to the Company to which such notices may be sent.

6.2.12. *Return of Capital*

On a winding up or other return of capital, the holders of Ordinary Shares are entitled *pari passu* amongst themselves, in proportion to the number of shares held by them and to the amounts paid up or credited as paid up thereon, to share in the whole of any surplus assets of the Company remaining after the discharge of its liabilities.

6.2.13. *Liquidation*

If the Company is in liquidation, the liquidator may, with the authority of a special resolution of the Company:

(a) divide among the members in specie the whole or part of the assets of the Company; or

(b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit.

6.2.14. *Pre-emption Rights*

There are no rights of pre-emption under the Articles of the Company in respect of transfers of issued Ordinary Shares. In certain circumstances, the Company's shareholders may have statutory pre-emption rights under the 2006 Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing shareholders on a pro rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's shareholders.

6.3. ***General meetings***

6.3.1. *Annual General Meetings*

An annual general meeting shall be held once in every year, at such time and place as may be determined by the Directors. An annual general meeting shall be called by not less than 21 clear days' written notice.

6.3.2. *General Meetings*

(a) The Board may call general meetings whenever it thinks fit and on receipt of a requisition of members pursuant to the 2006 Act.

(b) An AGM shall be called by notice of at least 21 clear days. All other general meetings shall be called by at least the minimum number of days' notice permissible under the 2006 Act.

(c) A notice of meeting shall be given to each member of the Company (other than any who, under the Articles or the terms of an allotment or issue of shares, is not entitled to receive notice), to the Directors and to the Company's auditors. Notices covering general meetings shall specify the place and time of the meeting, shall specify the general notice of the business to be transacted at the meeting, and if any resolutions are to be proposed as a special resolution, the notice shall contain a statement to that effect.

(d) No business shall be transacted at any general meeting unless a quorum is present. Two members present in person or by proxy and entitled to vote shall be a quorum. The absence of a quorum does not prevent appointment of a chairman in accordance with the Articles, which shall not be treated as part of the business of the meeting.

(e) Each Director shall be entitled to attend and speak at a general meeting and at a separate meeting of the holders of a class of shares, whether or not he is a member.

(f) A resolution put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of the result of a vote on the show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the 2006 Act, a poll may be demanded by the chairman of the meeting; by not less than two members present in person or by proxy entitled to vote at the meeting by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or by any member or members present in person or by proxy holding shares conferring a right to vote at the meeting shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

(g) A member is entitled to appoint another person as his proxy by notice in writing to the Company. A member may appoint more than one proxy to attend on the same occasion and may appoint different proxies to exercise the rights attaching to different shares held by him. A company which is a member of the Company may, by resolution of its Directors or other governing body or by authority to be given under seal or under the hand of an officer duly authorised by it), authorise such a person as it thinks fit to act as its representative at a meeting of the Company or at any separate meeting of the holders of any class of shares.

6.3.3. *Communications with shareholders*

If notice of meeting is sent in electronic form the Company must have complied with all applicable regulatory requirements and the person entitled to receive such notice must have agreed that the notice can be sent to him in that way and not revoked that agreement or, in the case of a company, be deemed to have agreed to receive notice in that way by a provision in the 2006 Act. Provided that the Company has complied with all applicable legal requirements the Company may send or supply a notice of meeting by making it available on a website.

6.4. ***Directors***

6.4.1. *Appointment and replacement of Directors*

Directors shall be no less than two and shall not be subject to any maximum in number. Directors may be appointed by the Company by ordinary resolution or by the Board. A Director appointed by the Board holds office only until the next following annual general meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting. At every AGM one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to, but greater than, one-third shall retire from office; but, if there is only one Director who is subject to retirement by rotation, he shall retire. The Directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Board may from time to time appoint one or more Directors to hold employment or executive office for such period (subject to the 2006 Act) and on such terms as they may determine and may revoke or terminate any such employment. The Company may by ordinary resolution of which special notice has been given remove any Director from office and elect another person in place of a Director so removed.

The office of Director shall be vacated if (i) he or she resigns (ii) an order if made by any court claiming that he or she is or may be suffering from a mental disorder, (iii) he or she is absent without permission of the Board from meetings for six months and the board resolves that his or her office is vacated, (iv) he or she becomes bankrupt or makes any arrangement or composition with his or her creditors generally or shall apply to the court for an interim

order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that act, (v) he or she ceases to be a Director by virtue of any provisions of the 2006 Act or these Articles or he or she is prohibited by law from being a Director, or (vi) he is requested to resign in writing by not less than three quarters of the other Directors.

6.4.2. *Powers of the Directors*

The business of the Company will be managed by the Board who may exercise all the powers of the Company, subject to the provisions of the Company's memorandum of association, the Articles, the 2006 Act and any special resolution of the Company.

6.4.3. *Directors' Fees*

Remuneration of Directors who do not hold executive office for their services (excluding amounts payable under any other provision of these Articles) are determined by the Directors except that they may not exceed £250,000 per annum in aggregate or such higher amount as may be determined by ordinary resolution of shareholders. Any Director who holds any executive office (including the office of chairman or deputy chairman), or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine.

6.4.4. *Authorisation of Directors' interests*

Subject to the provisions of the 2006 Act, and provided that he has disclosed to the board the nature and extent of any material interest of his, a Director notwithstanding his office:

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

(b) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

(c) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and

(d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

6.4.5. *Notification of Directors' interests*

For the purposes of paragraph 6.4.4:

(a) a general notice given to the board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

(b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

6.4.6. *Exercise by Company of voting rights*

The Board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing its members or any of them Directors of such body corporate, or voting or providing for the payment of remuneration to the Directors of such body corporate).

6.4.7. *Directors' liabilities*

Subject to companies legislation, every Director and former Director shall be indemnified by the Company against any liability attaching to him in connection with:

(a) civil or criminal proceedings in relation to the Company or an associated company (other than a liability incurred in defending proceedings brought by the Company or an associated company in which final judgment is given against the Directors);

(b) criminal proceedings in relation to the Company or an associated company (other than a fine imposed in such proceedings, or a liability incurred in defending proceedings in which the Director is convicted and the conviction is final);

(c) regulatory action taken by or a regulatory investigation by a regulatory authority in relation to the Company or an associated company (unless a sum is payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising)); or

(d) any application for relief under:

(i) sections 661(3) or (4) of the 2006 Act (power of court to grant relief in case of acquisition of shares by innocent nominee); or

(ii) section 1157 of the 2006 Act (general power of court to grant relief in case of honest and reasonable conduct), unless the court refuses to grant the Director relief, and the refusal of relief is final; or

(e) civil proceedings in relation to an occupational pension scheme of which the Company is a trustee in respect of liability incurred in connection with the Company's activities as a trustee of the scheme (other than a fine imposed in criminal proceedings, a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising) or a liability incurred in defending proceedings in which the Director is convicted and the conviction is final).

6.4.8. *Insurance*

The Directors may purchase and maintain insurance for a person who is, or was at any time, a Director, officer or employee of the Company, any company within the Group or, any other body in which the Company is or has been interested of the Company against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

6.4.9. *Indemnity*

The Company may indemnify, out of the assets of the Company, any Director or former director of either the Company or any associated company:

a) against losses or liabilities which he may sustain or incur in the performance of the duties of his office or otherwise in relation thereto; and

b) where the Company or such associated company acts as trustee of a pension scheme, against liability incurred by him in connection with the relevant company's activities as trustee of such scheme.

6.4.10. *Retirement*

At each annual general meeting of the Company one-third (or the nearest number to one-third) of the Directors shall retire from office by rotation. The Directors to retire in every year shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those Directors who have been longest in office since their last re-election or appointment, and as between persons who became directors or were last re-elected on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire shall retire by rotation at every third Annual General Meeting after his last appointment or re-appointment. A retiring Director shall be eligible for re-election. The Company may by ordinary resolution appoint any person to be a Director. The Directors may also appoint one or more Directors (so as not to exceed any maximum number fixed by the Articles) but any Director so appointed shall retire at, or at the end of, the next annual general meeting of the Company but shall then be eligible for re-election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

6.4.11. *Executive Office*

The Directors may from time to time appoint one or more Directors to be the holder of any executive office on such terms and for such period as they determine.

6.4.12. *Borrowing Powers*

Subject to all applicable laws, the Board may exercise all the powers of the Company to:

(a) borrow money;

(b) indemnify and guarantee;

(c) mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company;

(d) create and issue debentures and other securities; and

(e) give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The aggregate amount of all borrowings of the Group outstanding at any one time shall not exceed £5,000,000 (excluding intra-group borrowings) without the previous sanction of the Company by ordinary resolution.

7. Interests of the Directors and Significant Shareholders

7.1. The interests (all of which are beneficial) of the Directors and their immediate families and, so far as is known to the Directors or could with reasonable diligence be ascertained by them, persons connected with them (within the meaning of section 252 of the 2006 Act) which, if the connected person were a Director would otherwise be disclosed pursuant to this paragraph, in the issued share capital of the Company as at the date of this document and on Admission, are or are expected to be, as follows:

	As at the date of this document		*Following Admission*	
Director	*Number of Ordinary Shares*	*Percentage of issued share capital*	*Number of Ordinary Shares*	*Percentage of issued share capital*
George Katzaros[1]	26,700,000	16.99	26,700,000	14.23
Theodore Chapman[2]	10,050,000	6.40	10,050,000	5.36
Anthony Rawlinson[3]	7,350,000	4.68	7,350,000	3.92
Geoffrey Nesbitt	4,875,000	3.10	4,875,000	2.60
José Luis del Valle Doblado	4,875,000	3.10	4,875,000	2.60

1 Of which 10,800,000 Ordinary Shares are held through Blue View Business Ltd, 6,900,000 Ordinary Shares are held through MF Ltd and 9,000,000 Ordinary Shares are held in his own name.

2 Of which 1,800,000 Ordinary Shares are held through C2E Holdings Ltd and 8,250,000 Ordinary Shares are held in his own name.

3 Held though Carrick International Holdings Ltd.

7.2. The Company is aware of the following persons who, at the date of this document have, or who are expected following Admission to have, an interest in three per cent. or more of the issued share capital of the Company:

	As at the date of this document		*Following Admission*	
Interested Person	*Number of Ordinary Shares*	*Percentage of issued share capital*	*Number of Ordinary Shares*	*Percentage of issued share capital*
George Katzaros[1]	26,700,000	16.99%	26,700,000	14.23%
Paul Harrison[2]	14,690,000	9.35%	14,690,000	7.83%
Jamie Buchan[3]	13,500,000	8.59%	13,500,000	7.19%
Ashton Nominees Inc.	10,935,000	6.96%	10,935,000	5.83%
Theodore Chapman[4]	10,050,000	6.40%	10,050,000	5.36%
Milburga International Ltd	7,500,000	4.77%	7,500,000	4.00%
Anthony Rawlinson[5]	7,350,000	4.68%	7,350,000	3.92%
Marlesa Ltd	5,985,000	3.81%	5,985,000	3.19%
Frank Huebner	5,625,000	3.58%	5,625,000	3.00%
Pickering Ltd	5,175,000	3.29%	5,175,000	2.76%
Trustees of SJ Day Settlement 15 March 1968	4,950,000	3.15%	4,950,000	2.64%
Geoffrey Nesbitt	4,875,000	3.10%	4,875,000	2.60%
José Luis del Valle	4,875,000	3.10%	4,875,000	2.60%
Novum Securities Limited	Nil	Nil	8,111,111	4.32%

1 Of which 10,800,000 Ordinary Shares are held through Blue View Business Ltd, 6,900,000 Ordinary Shares are held through MF Ltd and 9,000,000 Ordinary Shares are held in his own name.

2 Of which 9,890,000 Ordinary Shares are held through HA Aviation Limited and 4,800,000 Ordinary Shares are held in his own name.

3 Of which 6,000,000 Ordinary Shares are held through Manta Holdings Ltd and 7,500,000 Ordinary Shares are held in his own name.*

4 Of which 1,800,000 Ordinary Shares are held through C2E Holdings Limited* and 8,250,000 Ordinary Shares are held in his own name.

5 Held though Carrick International Holdings Ltd.

* Theodore Chapman and Jamie Buchan each own 50 per cent. of C2E Holdings Limited.

7.3. Save as disclosed in paragraph 7.2 of this Part V, the Company is not aware of any person who will, immediately following Admission, (on the basis that the Placing and the Subscription is fully subscribed) be interested, directly or indirectly, in three per cent or more of the issued share capital of the Company or could, directly or indirectly, jointly or severally, exercise control over the Company.

7.4. The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

7.5. No Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Group and which were effected by any member of the Group in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

7.6. The Directors, referred to in paragraph 4 of this Part V, do not have voting rights in respect of the Ordinary Share capital of the Company (issued or to be issued) which differ from any other Shareholder of the Company.

7.7. In addition to directorships of the Company and its subsidiaries the Directors currently hold, and have during the five years preceding the date of this document held, the following directorships or partnerships (or otherwise been a member of the administrative, management or operating bodies thereof):

Name	*Current Directorship/partnerships*	*Previous directorships/partnerships*
Geoffrey Nesbitt	Petrofac Limited	None
Theodore Chapman	BBR Filtration Limited Cman Consultancy Services Limited C2E Holdings Limited Greenflex Energy Trading Limited Verditek USA, Ltd.	None
Janet Donovan	Hedgedown Property Services Limited Krino Partners Limited	None
José Luis del Valle Doblado	Lar España Real Estate SOCIMI, S.A. Abengoa, S.A. Ocaso, S.A. Compañía de Seguros y Reaseguros	Essentium Grupo, S.L. Sortifandus, S.L. Global Energy Services Siemsa, S.A.
Anthony Rawlinson	Carrick International Holdings Ltd Cardsoft Inc	The Global Value Investment Portfolio Management Pte Ltd
George Katzaros	Farm Street Partners Investment Management LLP FSPartners LLP Compounder Limited GKFO Limited KI Capital Management Limited MF Limited Blue View Business Limited	Farm Street Partners Limited WES Green Clean Limited WES BIO Intervention Limited

7.8. The Directors have neither any unspent convictions in relation to indictable offences nor any convictions in relation to fraudulent offences.

7.9. None of the Directors have been the subject of any public criticism, public incrimination or sanctions by any statutory or regulatory authority (including recognised or designated professional bodies).

7.10. Save as set out below, none of the Directors has been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors.

7.10.1. Global Energy Services Siemsa, S.A. ("**Global Energy**") (of which José Luis del Valle Doblado was a director) filed for voluntary insolvency on 20 December 2016. Global Energy reached agreement with its main creditors and filed an early proposal of agreement, which was accepted by the court, and the insolvency lifted on 30 May 2017. Global Energy was then sold to a new investor by its sole shareholder, Sortifandus, S.L. (of which José Luis del Valle Doblado was also a director). Sortifandus, S.L.'s sole asset is its shareholding in Global Energy. Sortifandus S.L.'s shareholders approved its liquidation on 4 May 2017.

7.11. Save as set out below none of the Directors has been a partner of a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or being entered into a partnership voluntary arrangement, nor in that time have the assets of any such partnership been the subject of a receivership.

7.12. No asset of any Director has at any time been the subject of a receivership.

7.13. None of the Directors are or have been bankrupt or made at any time an individual voluntary arrangement.

7.14. None of the Directors is or has ever been disqualified by a court from acting as a director of a company or from acting in the management, administration, supervision or conduct of the affairs of any company.

7.15. There are no outstanding loans granted by any member of the Group to any of the Directors nor has any guarantee been provided by any member of the Group for their benefit.

7.16. There is an amount of £24,999 outstanding to Anthony Rawlinson and £30,000 outstanding to George Katzaros in respect of monies loaned to Greenflex.

8. Directors' Service Agreements and Letters of Appointment

8.1. ***Executive Directors***

8.1.1. *Theodore Chapman*

On 16 March 2017, Theodore Chapman entered into a service agreement with the Company under which he agreed to serve as Chief Executive Officer of the Company with effect from 1 January 2017 at an annual salary of £95,000 payable by twelve equal monthly instalments. The Company may in its absolute discretion pay Theodore a bonus of such amount, at such intervals and subject to such conditions as the Company may in its absolute discretion determine from time to time or taking into account specific performance targets, to be notified to Theodore or as agreed between Theodore and the Company from time to time. The agreement is terminable by either party on three months' prior written notice. The agreement imposes certain restrictions on Theodore as regards the use of confidential information and intellectual property. In addition, Theodore will be subject to certain restrictive covenants following the termination of the agreement. Theodore is entitled to 25 days' holiday per annum. The agreement is governed by the laws of England and Wales.

8.1.2. *Janet Donovan*

On 10 April 2017, Janet Donovan entered into a contract with the Company under which she agreed to serve as Chief Financial Officer of the Company for an annual fee of £5,000. Janet Donovan is a shareholder and a director of Krino Partners Limited. The Company separately entered into a consultancy agreement with Krino Partners Limited on 10 April 2017 in accordance with which it was agreed that Janet shall provide financial management

services to the Company as a consultant for a fee of £675 per day (a day consisting of 7 hours). Janet is expected to devote at least 15 hours per week to delivering the financial management services.

Both agreements are terminable by either party on one months' prior written notice and governed by the laws of England and Wales.

8.2. ***Non-Executive Directors***

8.2.1. Geoffrey *Nesbitt*

By way of a letter of appointment dated 6 March 2017, Geoffrey Nesbitt was appointed as a non-executive director and chairman of the Company with effect from 6 March 2017. Pursuant to his appointment letter, Geoffrey's appointment may be terminated by either party giving three months' prior written notice. Geoffrey is entitled to an annual fee of £50,000, a fee of £2,000 for taking on chairmanship of the Audit Committee and all reasonable out-of pocket expenses reasonably and properly incurred. He will not be entitled to any bonus, pension or other benefits. The Company has agreed to indemnify Geoffrey in relation to his position as a director. The letter of appointment includes a confidentiality provision and post termination restrictions. There is also a requirement to comply with the Company's share dealing code. In the event that Geoffrey's appointment is not confirmed by the Company's shareholders at its next AGM or he is retired from office under the Articles and not re-elected, his appointment shall terminate and he will not be entitled to any compensation for loss of office.

8.2.2. *José Luis del Valle Doblado*

By way of a letter of appointment dated 4 March 2017, José Luis del Valle Doblado was appointed as a non-executive director of the Company with effect from 6 March 2017. Pursuant to his appointment letter, José Luis appointment may be terminated by either party giving three months' prior written notice. José Luis is entitled to an annual fee of £30,000, a fee of £4,000 for taking on chairmanship of the Remuneration Committee, membership of the Audit Committee and the role of senior independent director and all reasonable out-of pocket expenses reasonably and properly incurred. He will not be entitled to any bonus, pension or other benefits. The Company has agreed to indemnify José Luis in relation to his position as a director. The letter of appointment includes a confidentiality provision and post termination restrictions. There is also a requirement to comply with the Company's share dealing code. In the event that José Luis appointment is not confirmed by the Company's shareholders at its next AGM or he is retired from office under the Articles and not re-elected, his appointment shall terminate and he will not be entitled to any compensation for loss of office.

8.2.3. *Anthony Rawlinson*

By way of a letter of appointment dated 4 March 2017, Anthony Rawlinson was appointed as a non-executive director of the Company with effect from 6 March 2017. Pursuant to his appointment letter, Anthony's appointment may be terminated by either party giving three months' prior written notice. Anthony is entitled to an annual fee of £30,000, a fee of £2,000 for membership of the Remuneration Committee and all reasonable out-of pocket expenses reasonably and properly incurred. He will not be entitled to any bonus, pension or other benefits. The Company has agreed to indemnify Anthony in relation to his position as a director. The letter of appointment includes a confidentiality provision and post termination restrictions. There is also a requirement to comply with the Company's share dealing code. In the event that Anthony's appointment is not confirmed by the Company's shareholders at its next AGM or he is retired from office under the Articles and not re-elected, his appointment shall terminate and he will not be entitled to any compensation for loss of office.

8.2.4. *George Katzaros*

By way of a letter of appointment dated 4 March 2017, George Katzaros was appointed as a non-executive director of the Company with effect from 27 February 2017. Pursuant to his appointment letter, George's appointment may be terminated by either party giving three months' prior written notice. George is entitled to an annual fee of £30,000 and all reasonable out-of pocket expenses reasonably and properly incurred. He will not be entitled to any bonus, pension or other benefits. The Company has agreed to indemnify George in relation to his position as a director. The letter of appointment includes a confidentiality provision and post termination restrictions. There is also a requirement to comply with the Company's share dealing code. In the event that George's appointment is not confirmed by the Company's shareholders at its next AGM or he is retired from office under the Articles and not re-elected, his appointment shall terminate and he will not be entitled to any compensation for loss of office.

8.3. It is estimated that the aggregate remuneration and benefits in kind payable to the Directors by members of the Group in respect of the current financial year ending 31 December 2017 (under the arrangements in force at the date of this document) will be approximately £256,000.

8.4. None of the Directors' agreements with the Company provide for benefits upon termination of employment.

9. Material Contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company or any member of the Group within the two years immediately preceding the date of this document and which (i) are, or may be, material or (ii) contain provisions under which the Group has an obligation or entitlement which is or may be material:

9.1. ***The Placing and Subscription Agreement***

Pursuant to a placing and subscription agreement dated 27 July 2017 between the Company, the Directors and Stockdale Securities, Stockdale Securities has agreed to act as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing is not being underwritten by Stockdale Securities. The Company and the Directors have given certain warranties and the Company has given an indemnity to Stockdale Securities as to the accuracy of information contained in this document and other matters in relation to the Company and its business. Under the Placing and Subscription Agreement, the Company has agreed to pay Stockdale Securities a corporate finance fee of £125,000 (of which the Company has already paid £25,000), a commission of 1 per cent. on the aggregate value of those Placing Shares allotted and introduced by the Company at the Issue Price and a commission of 5 per cent. on the aggregate value of those Placing Shares allotted and introduced by Stockdale Securities at the Issue Price, together with all reasonable and properly incurred expenses and VAT thereon. The Placing and Subscription Agreement is conditional *inter alia* upon certain documents specified in the Placing and Subscription Agreement being delivered to Stockdale Securities, £855,500.40 being raised by way of the Subscription, none of the warranties given by the Company and the Directors being untrue or inaccurate in all material respects and Admission taking place no later than 8.00 a.m. on 10 August 2017 and terminable by Stockdale Securities before Admission in certain circumstances, including a material breach of any of the warranties given by the Company or the Directors, the failure to comply with obligations by the Company or circumstances having arisen which would require a supplemental admission document to be issued.

9.2. ***Nominated Adviser and Broker Agreement***

A nominated adviser and broker agreement dated 27 July 2017 made between the Company and Stockdale Securities, pursuant to which Stockdale Securities has agreed to act as nominated adviser and broker to the Company for a minimum period of 12 months from Admission. The agreement contains certain undertakings by the Directors and the Company and indemnities given by the

Company in respect of, *inter alia*, compliance with applicable regulations. The agreement is subject to termination on 90 days' written notice by either party at any time after the initial 12-month period.

9.3. ***Lock-in and orderly market agreements***

On 27 July 2017, each Director (other than Janet Donovan who holds no shares in the Company) entered into a lock-in agreement with the Company and Stockdale Securities pursuant to which each Director has undertaken that, save in specified circumstances, he will not, and shall use his reasonable endeavours to procure that each of his Connected Persons will not, dispose of any interest in Ordinary Shares held for a period of 12 months following Admission (the "**Lock-in Period**").

Connected Person is defined as:

9.3.1. a Director's spouse or civil partner and any child or step-child;

9.3.2. a body corporate in which the Director, together with any person listed in paragraph 9.3.1 above, is:

(a) interested in shares comprising at least 20 per cent. of the equity share capital of such Company; or

(b) able to exercise, or control the exercise of, at least 20 per cent. of the rights to vote at a general meeting of that body;

9.3.3. a person acting in the capacity as trustee of any trust the beneficiaries of which include the Director, any person listed in paragraph 9.3.1 above or any body with whom the Director is connected by virtue of paragraph 9.3.2 above.

The specified circumstances include: (1) disposal to the personal representative of any relevant shareholder who dies during the Lock-in Period or Soft Lock-in Period (as defined below); or (2) any disposal pursuant to acceptance of a general offer made by an offeror for the ordinary share capital of the Company (or any part of it) made in accordance with the Takeover Code; or (3) the execution of an irrevocable commitment to accept an offer referred to in (2) above; or (4) a sale to an offeror or potential offeror (within the meaning of the Takeover Code); (5) any disposal pursuant to an intervening court order; (6) a disposal made with the prior written consent of the Board and Stockdale Securities.

Furthermore each of the locked-in parties has also undertaken to the Company and Stockdale Securities for a further 12 month period following the expiry of the Lock-in Period (the "**Soft Lock-in Period**") to only dispose, and that they shall use their reasonable endeavours to procure that their Connected Parties will only dispose, of their Ordinary Shares through Stockdale Securities or as Stockdale Securities may reasonably determine.

Paul Harrison, a founder of the Company and Shareholder who holds 9.35 per cent. of the Company's issued share capital at the date of this document, and Max Delamain have also agreed to enter into a lock-in agreements with the Company on the same terms as summarised above. However, as Paul Harrison and Max Delamain are not directors, they, and their Connected Persons, are permitted to dispose of their Ordinary Shares to (a) a Connected Person (subject to having satisfied Stockdale Securities that the proposed transferee is a permitted transferee and such transferee enters into an undertaking with the Company and Stockdale Securities in the same form as the lock-in agreement); and (b) any person acting in the capacity of trustee of a trust established for charitable purposes, created by Paul Harrison or his Connected Person, or upon any change of trustee of a trust so created, provided that the trustee enters into an undertaking with the Company and Stockdale Securities in the same form as the lock-in agreement.

9.4. The Directors' service agreements and letters of appointment, details of which are set out in paragraph 8 above.

9.5. ***Company Secretary Engagement letter***

On 2 March 2017, the Company signed an engagement letter pursuant to which the Company appointed Eversheds Sutherland (International) LLP ("**Eversheds Sutherland**") to provide certain company secretarial services. Tax advice and any advice relating to banking facilities is excluded. The Company has agreed to pay:

9.5.1. £650 per annum in respect of annual compliance services, with a one off fee of £250 for a corporate health check on engagement;

9.5.2. £650 per annum for a named company secretary service (named as Edward Matthew Scott Baker ("**EMSB**") and who is a fellow of the Institute of Chartered Secretaries and Administrators); and

9.5.3. £3,000 per annum for AGM support.

All fees are exclusive of VAT and Companies House filing fees. The agreement is terminable by Eversheds Sutherland at its discretion without reason. The Company has agreed to indemnify both EMSB and Eversheds Sutherland against any loss, damage, expense or other liability incurred in providing services.

9.6. ***BBR Shareholders' Agreement***

On 7 March 2017 the Company (1), Envolution Limited ("**Envolution**") (2), C2E Holdings Limited ("**C2E**") (3), BBR Enviro Systems (Pty) Limited ("**BBR Enviro**") (4), certain directors of BBR (5) and BBR (6) entered a subscription and shareholders' agreement pursuant to which the Company, Envolution, C2E and BBR Enviro each agreed to subscribe for 510, 150, 150 and 90 ordinary shares of £1.00 each respectively in BBR (Envolution, C2E, BBR Enviro are together the "**Existing Shareholders**").

The subscription is conditional upon, *inter alia*, the Company raising £600,000 to pay for the 510 ordinary shares it has agreed to subscribe for. Envolution, C2E and BBR are required to pay the nominal value of the shares they have agreed to subscribe for. Upon the conditions in the agreement being satisfied, and completion of the subscriptions, the Company will hold 51 per cent. of BBR.

Under the terms of the agreement, each of the Company and the Existing Shareholders are entitled to appoint a director to the board of BBR, which two directors are to be the only directors of BBR. Theodore Chapman is to be the first director appointed by the Company and John Norris the first director appointed by the Existing Shareholders. The director appointed by the Company is to be chairman and has a casting vote.

A schedule to the agreement sets out a list of reserved matters that cannot be undertaken by BBR without the prior approval of the Company. The reserved matters include, *inter alia*, (a) altering BBR's articles of association; (b) increasing BBR's issued share capital; and (c) carrying out activities (including financial activities) outside of the ordinary course of business.

The parties to the agreement have agreed that BBR shall be financed, if it requires any additional finance, and so far as practicable, by the Company, in its sole discretion, and external funding sources and on terms to be agreed between the board of directors of BBR and any relevant third parties.

The agreement contains restrictive covenants preventing the parties, *inter alia*, competing with the business of BBR. These restrictions apply for the time when the party in question is a shareholder of BBR and for a period of 12 months after a party ceases to be a shareholder of BBR.

The agreement is governed by the laws of England and Wales.

Upon entering into the shareholders' agreement, BBR will adopt new articles of association. Save for a transfer to another member of its group, the provisions of the new articles of association do not allow a shareholder of BBR to sell its shares without first offering such shares to the other existing shareholders (the "pre-emption rights"). In addition, the new articles of association contain provisions to enable the following (subject to the pre-emption rights): (a) the shareholders of BBR

(other than the Company) to require the Company to procure an offer for their shares in the event the Company proposes to sell its holding in BBR (tag along rights); and (ii) the Company to accept an offer for its shares in BBR and require the other shareholders of BBR to accept the same offer (drag along rights).

9.7. ***Greenflex Shareholders' Agreement***

On 24 February 2017, Greenflex entered into a shareholders' agreement between (1) the Company (2) Claudio Marati; and (3) Greenflex in relation to Greenflex.

Under the terms of the agreement, each of Verditek and Claudio Marati are entitled to appoint a director to the board – which two directors are to be the only directors of Greenflex. Theodore Chapman is to be the first director appointed by Verditek and Claudio Marati shall serve as director in respect of his appointment. The director appointed by Verditek is to be chairman and has a casting vote.

A schedule to the agreement sets out a list of reserved matters that cannot be undertaken by Greenflex without the prior approval of the Company. The reserved matters include, *inter alia*, (a) altering Greenflex's articles of association; (b) increasing Greenflex's issued share capital; (c) carrying out activities (including financial activities) outside of the ordinary course of business.

The parties to the agreement have agreed that Greenflex shall be financed, if it requires any additional finance, and so far as practicable, by the Company to include the following upon Admission:

(a) repayment of £60,000 in respect of loan notes issued by Greenflex, at the maturity date of such loan notes, being 11 April 2017;

(b) repayment of £24,999 in respect of monies loaned to Greenflex by Anthony Rawlinson on 22 July 2016;

(c) payment of Greenflex San Marino's set-up and incorporation costs, subject to a maximum amount of Euro 60,000;

(d) payment of Euro 262,000 to EquityFin S.r.l. in respect of the solar manufacturing line and plant kit purchased by EquityFin S.r.l, which is owned by Greenflex San Marino; and

(e) payment of Greenflex San Marino's accountant's costs relating to work undertaken by such accountant in connection with Admission, subject to a maximum amount of £60,000.

Greenflex may also be financed, if it requires any additional finance, and so far as practicable, by external funding sources and on terms to be agreed between the board of directors of Greenflex and any relevant third parties.

The agreement contains restrictive covenants preventing the parties, *inter alia*, competing with the business of Greenflex. These restrictions apply for the time when the party in question is a shareholder of Greenflex and for a period of 24 months after a party ceases to be a shareholder of Greenflex.

The agreement is governed by the laws of England and Wales.

Following entering into the shareholders' agreement, Greenflex adopted new articles of association. Save for a transfer to another member of its group, the provisions of the new articles of association do not allow a shareholder of Greenflex to sell its shares without first offering such shares to the other existing shareholders (the "pre-emption rights"). In addition, the new articles of association contain provisions to enable the following (subject to the pre-emption rights): (a) the shareholders of Greenflex (other than the Company) to require the Company to procure an offer for their shares in the event the Company proposes to sell its holding in Greenflex (tag along rights); and (ii) the Company to accept an offer for its shares in Greenflex and require the other shareholders of Greenflex to accept the same offer (drag along rights).

9.8. ***Greenflex San Marino Knowhow and Technical Support Agreement***

Pursuant to the terms of a knowhow and technical support agreement dated 14 February 2017 between Claudio Marati and Greenflex San Marino, Claudio Marati agreed to assign to Greenflex San Marino all intellectual property rights in knowhow, technical expertise and an innovative manufacturing process for, *inter alia*, assembling solar systems and PV modules (the "**Assigned Rights**") by way of a transfer document dated 7 February 2017. Claudio Marati has agreed to advise and provide reasonable support and assistance on the use and exploitation of the Assigned Rights. The agreement is governed by the laws of England and Wales.

9.9. ***Greenflex San Marino Building Rental Agreement***

Greenflex San Marino entered a two year rental agreement on 1 November 2016 with Sanim S.p.A in respect of a property in Serravalle, Republic of San Marino to be used as a laboratory, with an annexed warehouse and office. The rental fee payable is €40,000 per annum.

9.10. ***WES Subscription Agreement***

Verditek US and WES entered into a Unit Subscription Agreement dated 7 June 2017, as further amended on 27 July 2017, pursuant to which Verditek US agreed to purchase from WES, and WES agreed to sell to Verditek US, 3,065,500 membership units issued by WES for a purchase price of £750,000. The issuance of these membership units will result in Verditek US owning 23.64 per cent. of the issued and outstanding membership units of WES on a fully-diluted basis. The issuance of these membership units is conditional upon, and will occur immediately prior to Admission.

In addition, pursuant to the Unit Subscription Agreement, WES granted Verditek US the Option, being an option to purchase up to that number of additional membership units that would result in Verditek US owning 51 per cent. of the fully-diluted equity of WES immediately following the issuance of such additional units. If Verditek US wishes to fully exercise the Option, the purchase price for the additional units is £1,250,000. The Option is exercisable by Verditek US for a period of 12 months following the issuance of the original membership units to Verditek US on Admission.

In the Unit Subscription Agreement, WES has made various representations and warranties regarding its ownership, assets, financial condition, and other matters to Verditek US.

The Unit Subscription Agreement is governed by the laws of the State of Delaware.

9.11. ***WES JVDA***

Verditek US, WES, and the members of WES have entered into an Amended and Restated Unitholder and International Joint Venture and Development Agreement (the "**WES JVDA**"), dated 7 June 2017, as further amended on 27 July 2017, which becomes effective upon the initial issuance of membership units by WES to Verditek US on Admission pursuant to the Unit Subscription Agreement described at paragraph 9.10 above.

The WES JVDA amends and restates in its entirety an earlier International Joint Venture Agreement that was entered into among WES and its members. The WES JVDA governs certain aspects of the ownership and operation of WES by its members.

Pursuant to the WES JVDA, intellectual property rights developed by a member of WES that are directly related to the business of WES must be disclosed to WES and shall be assigned to WES. The WES JVDA also requires WES to provide certain information to its members, as necessary to keep the members informed about how effectively the business of WES is performing, and to develop and disclose to its members an annual business plan that complies with the requirements set forth in the WES JVDA.

The WES JVDA provides that, to the extent permitted by applicable law, unless the parties agree otherwise, WES shall distribute at least 30 per cent. of its profit each fiscal year, after the deduction of taxation and extraordinary items, to its members as dividends.

In addition, the WES JVDA contains certain restrictions on the ability of the WES members to transfer their membership units in WES and gives WES and its members the right to purchase a member's membership units in WES upon the occurrence of certain events, including such member's bankruptcy or uncured breach of the WES JVDA.

The WES JVDA also imposes certain restrictive covenants on the members of WES, including a prohibition against developing, promoting, supplying, or selling any technology that competes with certain technology owned by WES. This prohibition lasts for a period of two years following the member's disposition of its interest in WES.

The WES JVDA is governed by the laws of the State of Delaware.

9.12. ***WES LLC Agreement***

Verditek US, WES, and the members of WES have entered into an Amended and Restated Limited Liability Company Agreement (the "**WES LLC Agreement**"), dated 7 June 2017, as further amended on 27 July 2017, which becomes effective upon the initial issuance of membership units by WES to Verditek US on Admission pursuant to the Unit Subscription Agreement described at paragraph 9.10 above.

The WES LLC Agreement amends and restates in its entirety an earlier Limited Liability Company Operating Agreement that was entered into among WES and its members. The WES LLC Agreement governs certain aspects of the ownership and governance of WES by its members.

Under the terms of the WES LLC Agreement, the business and affairs of WES are to be governed by a seven person board of directors. Initially, Verditek US will be entitled to appoint one of the seven directors. At such time, if any, that Verditek US exercises part of the Option to increase its ownership of WES to 38.25 per cent., Verditek US will be entitled to appoint three of the seven directors. Once the Option is fully exercised and Verditek US increases its ownership to 51 per cent., Verditek US will be entitled to appoint four of the seven directors.

A schedule to the WES LLC Agreement sets out a list of reserved matters that cannot be undertaken by WES without the prior approval of members of WES holding at least 75 per cent. of the issued and outstanding membership units. The reserved matters include, *inter alia*, (a) altering WES's articles of organization; (b) increasing the number of outstanding units issued by WES; and (c) changing the nature of WES's business or the commencement of any new business by WES which is not ancillary or incidental to its existing business.

The WES LLC Agreement is governed by the laws of the State of Delaware.

10. Taxation

10.1. ***Taxation in the United Kingdom***

The following information is based on UK tax law and HM Revenue and Customs ("**HMRC**") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

10.1.1. *Tax treatment of UK investors*

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

(i) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or

(ii) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or

(iii) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Corporate shareholders who are not resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

10.1.2. *Dividends*

Where the Company pays dividends, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £5,000 dividend tax allowance. Dividend receipts in excess of £5,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent for higher rate taxpayers , and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax or withholding tax imposed.

10.1.3. *Disposals of Ordinary Shares*

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

In respect of gains accruing to a UK resident individual shareholder, the rate of capital gains tax on disposal of Ordinary shares by basic rate taxpayers is 10 per cent., and for higher rate and additional rate taxpayers the rate is 20 per cent.

For Shareholders within the charge to UK corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 20 per cent., falling to 17 per cent. after 1 April 2020.

10.1.4. *Further information for Shareholders subject to UK income tax and capital gains tax*

"Transactions in securities"

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

10.1.5. *Stamp Duty and Stamp Duty Reserve Tax*

10.1.5.1. No liability to stamp duty or stamp duty reserve tax ("SDRT") will arise on the allotment of Ordinary Shares by the Company, save that special rules apply to persons operating clearance services or depositary receipt services.

10.1.5.2. Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring shares and agreements to transfer Ordinary Shares) based on the following assumptions:

(a) the shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and

(b) AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986.

In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances.

10.1.5.3. The above statements are intended as a general guide to the current stamp duty and SDRT position. Certain categories of person, including market markers, brokers, dealers and persons connected with depositary arrangements and clearance services, are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

10.2. ***Related Party Arrangements***

Other than the agreements summarised in this Part V, the Company has not entered into any related party transactions (being those set out in the standards adopted according to the Regulation (EC) No 1606/2002) since the date of its incorporation.

11. Reasons for the Placing, the Subscription and use of Proceeds

The reasons for the Placing, the Subscription and the estimated net amount of the proceeds broken into each principal intended use and presented by order of priority of such uses are as follows:-

11.1. £0.75 million investment in WES in exchange for new units in WES representing 23.64 per cent. of the share capital;

11.2. £0.6 million investment in BBR in exchange for new shares in the company representing 51 per cent. of the share capital;

11.3. £0.260 million investment in Greenflex for working capital purposes and payment of the outstanding acquisition costs of the plant and equipment; and

11.4. £0.42 million to develop the business plan and for working capital purposes of the Group.

12. Mandatory Offers and Compulsory Acquisition of Shares

The Company is subject to the Takeover Code which, *inter alia*, provides that if any person, or group of persons acting in concert, acquires Ordinary Shares carrying 30 per cent. or more of the voting rights exercisable in general meetings, that person shall be required to make an offer for all the issued Ordinary Shares not already held by him (or persons acting in concert with him) in cash at the highest price paid by that person, or any person acting in concert with him, during the 12 month period prior to the purchase of shares which triggered the obligation. There are certain circumstances where no such offer may be required. The 2006 Act provides that if an offer is made for the issued share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has received acceptances or purchased shares subsequent to the making of the offer amounting (in aggregate) to 90 per cent. of the shares to which the offer relates. Certain time limits apply. A minority shareholder can also require an offeror to

buy his shares if that offeror has received acceptances or purchased shares subsequent to the making of the offer amounting (in aggregate) to 90 per cent. of the shares to which the offer relates. Certain time limits apply.

13. Working Capital

The Directors are of the opinion (having made due and careful enquiry) that, after taking into account the net proceeds of the Placing and the Subscription, the Group has sufficient working capital for its present requirements, that is for at least the period of 12 months from Admission.

14. Litigation

No member of the Group has at any time in the 12 months immediately preceding the date of this document been engaged in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against any member of the Group, nor of any such proceedings having been pending or threatened at any time in the 12 months preceding the date of this document in each case which may have, or have had in the recent past, a significant effect on the Company's or the Group's financial position or profitability.

15. Third Party Information

Where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

16. Other Information

16.1. There has been no significant change in the financial or trading position of the Company since 28 February 2017, Greenflex Energy Limited or Greenflex RSM S.r.l. since 31 October 2016 or BBR Filtration Limited or Westec Environmental Solutions, LLC since 31 December 2016.

16.2. The total costs and expenses relating to the Admission (including those fees and commissions referred to in paragraph 11 above) payable by the Company are estimated to be approximately £0.718 million including any VAT payable. The net proceeds of the Placing and the Subscription receivable by the Company will be approximately £2.032 million (assuming that the Placing and the Subscription is subscribed in full).

16.3. In making any investment decision in respect of the Placing or the Subscription, no information or representation should be relied on in relation to the Placing or the Subscription, the Group, the Placing Shares or the Subscription Shares, other than as contained in this document. No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised. Neither the delivery of this document nor any subscription or purchase made under it shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Group since the date of this document or that the information in this document is correct as at any time subsequent to the date of this document.

16.4. Crowe Clark Whitehill LLP, Chartered Accountants and Registered Auditors, of St. Bride's House, 10 Salisbury Square, London EC4Y 8EH, accepts responsibility for its reports contained in Parts IIIA, IIID and IIIF of this document. To the best of the knowledge of Crowe Clark Whitehill LLP (which has taken all reasonable care to ensure that such is the case) the information is in accordance with the facts and makes no omission likely to effect the impact of such information. Crowe Clark Whitehill LLP is a member of the Institute of Chartered Accountants of England and Wales.

16.5. Crowe Clark Whitehill LLP has given and has not withdrawn its written consent to the inclusion of its report and statement in this document and the references to the report and statement and to its name in the form and context in which they are included.

16.6. Stockdale Securities Limited is registered in England and Wales under number 00762818 and its registered office is at Beaufort House, 15 St Botolph Street, London EC3A 7BB. Stockdale Securities Limited is regulated by the FCA.

16.7. Stockdale Securities Limited has given and has not withdrawn its written consent to the inclusion in this document of its name and references to it in the form and context in which they appear.

16.8. The registrars of the Company are Neville Registrars Limited.

16.9. Save as otherwise disclosed in this document:

16.9.1. there are no patents or other intellectual property rights, licences or particular contracts (including industrial, commercial or financial contracts) or new manufacturing processes which are of fundamental importance to the Group's business or upon which the Group's business is otherwise dependent;

16.9.2. there have been no interruptions in the Group's business in the 12 months preceding the publication of this document which may have or had a significant effect on the Group's financial position;

16.9.3. there have been no principal investments, nor are there any in progress or under active consideration or in respect of which firm commitments have been made;

16.9.4. there are no known environmental issues that might affect the Group's utilisation of its tangible fixed assets; and

16.9.5. there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

16.10. No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

16.10.1. received, directly or indirectly, from any member of the Group within the 12 months preceding the date of application for Admission; or

16.10.2. entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from any member of the Group on or after Admission any of the following:

16.10.2.1. fees totalling £10,000 or more;

16.10.2.2. securities in any member of the Group with a value of £10,000 or more calculated by reference to the Issue Price; or

16.10.2.3. any other benefit with a value of £10,000 or more at the date of Admission.

16.11. No Director or a member of a Director's family has any related financial products referenced to the Ordinary Shares.

16.12. There are no family relationships between the Directors.

16.13. The financial information set out in Part III does not constitute statutory accounts within the meaning of section 434(3) of the 2006 Act.

16.14. A shareholder in a public company incorporated in the United Kingdom whose shares are admitted to trading on AIM is required pursuant to rule 5 of DTR 5 to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below three per cent. or any whole percentage figure above three per cent. The requirement to notify also applies where a person is an indirect shareholder and can acquire, dispose of or exercise voting rights in certain cases. Pursuant to Part 22 of the 2006 Act, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any

time during the three years immediately preceding the date on which the notice is issued, within a reasonable time, to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

17. Availability Of This Document

Copies of this document are available free of charge to the public at the offices of Wedlake Bell LLP at 71 Queen Victoria Street, London EC4V 4AY during normal business hours on any weekday (public holidays excepted) until the date falling one month after the date of Admission. Copies of this document are also available to the public free of charge on the Company's website at www.verditek.plc.uk in accordance with the AIM Rules.

Dated 27 July 2017

DEFINITIONS

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

"Admission"	the admission of the Company's Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
"AGM"	annual general meeting
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules for Companies"	the rules for companies whose securities are admitted to trading on AIM, as published by the London Stock Exchange
"AIM Rules for Nominated Advisers"	the rules setting out the eligibility requirements, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange
"Articles" or **"Articles of Association"**	the Company's articles of association
"Audit Committee"	the Board's audit committee, as constituted from time to time
"BBR"	BBR Filtration Limited, a company incorporated on 8 June 2015 in England and Wales with registered number 09628852
"BBR USA"	BBR Filtration USA LLC, a company incorporated on 5 May 2016 in the state of Florida with file number 81-2676400.
"Board"	the Company's board of directors
"Business Day"	a day, other than a Saturday or Sunday, on which banks are open for commercial business in the City of London
"Companies Act" or **"2006 Act"**	the Companies Act 2006 of the United Kingdom, as amended
"Company" or **"Verditek"**	Verditek plc, a company incorporated on 10 April 2016 in England and Wales with registered number 10114644
"CREST"	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI2001/3755)
"Directors"	the directors of the Company as at the date of this document, whose details are set out on page 4 of this document
"DTRs"	the Disclosure Guidance and Transparency Rules made by the FCA under Part 6 of FSMA
"DTR 5"	chapter 5 of the DTRs
"Enlarged Share Capital"	the issued share capital of the Company upon Admission comprising the Existing Ordinary Shares and the New Ordinary Shares
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST

"Existing Ordinary Shares"	the 157,117,265 Ordinary Shares in issue at the date of this document
"FCA"	the Financial Conduct Authority
"FSMA"	the Financial Services and Markets Act 2000, as amended
"Greenflex"	Greenflex Energy Limited, a company incorporated on 29 January 2015 in England and Wales with registered number 09412735
"Greenflex San Marino"	Greenflex RSM S.r.l., a company incorporated on 9 September 2016 in the Republic of San Marino with registered company number 7594
"Greenflex Trading"	Greenflex Energy Trading Limited, a company incorporated on 13 February 2017 in England and Wales with registered number 10614724
"Group" or **"Verditek Group"**	the group comprising Verditek and its subsidiaries
"HMRC"	Her Majesty's Revenue & Customs
"Issue Price"	9p per New Ordinary Share
"London Stock Exchange"	London Stock Exchange plc
"MAR"	the Market Abuse Regulation (EU) No. 596/2014
"New Ordinary Shares"	the Placing Shares and the Subscription Shares
"Official List"	the Official List of the UK Listing Authority
"Option"	Verditek US's option to increase its equity interest in WES from 23.64 per cent. to 51 per cent. within 12 months from Admission
"Ordinary Shares"	the ordinary shares of £0.0004 per share in the capital of the Company
"Placing"	the conditional placing of the Placing Shares by Stockdale Securities at the Issue Price pursuant to the Placing and Subscription Agreement
"Placing and Subscription Agreement"	the conditional agreement dated 27 July 2017 between the Company, the Directors and Stockdale Securities relating to the Placing and the Subscription summarised in paragraph 9.1 of Part V of this document
"Placing Shares"	the 21,049,996 new Ordinary Shares to be allotted pursuant to the Placing
"Prospectus Rules"	the prospectus rules of the FCA made under Part VI of FSMA
"QCA Code"	the corporate governance code for small and mid-size quoted companies, the most recent edition of which was published by the Quoted Companies Alliance in May 2013
"Remuneration Committee"	the Board's remuneration committee, as constituted from time to time
"Shareholders"	holders of Ordinary Shares
"Sterling" or **"£"**	UK pound sterling

"Stockdale Securities"	Stockdale Securities Limited, a company incorporated in England and Wales with registered number 762818
"Subscription"	the proposed conditional subscription of the Subscription Shares at the Issue Price.
"Subscription Shares"	the 9,505,560 new Ordinary Shares to be allotted pursuant to the Subscription
"Takeover Code"	The City Code on Takeovers and Mergers issued from time to time by or on behalf of The UK Panel on Takeovers and Mergers
"UK Listing Authority"	the Financial Conduct Authority, in its capacity as the competent authority for the purposes of Part VI of FSMA
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"United States" or **"US"**	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"VAT"	value added tax
"Verditek US"	Verditek USA, Ltd., a company incorporated on 6 February 2017 in the state of Delaware with file number 6307958, which is 100 per cent. owned by the Company
"Warrants"	the warrants to subscribe for 3,753,456 Ordinary Shares at the Issue Price constituted pursuant to the warrant instrument of the Company dated 27 July 2017
"WES"	Westec Environmental Solutions, LLC, a company incorporated on 14 October 2008 in the state of Delaware with file number 4611120
"WES JVDA"	the Amended and Restated Unitholder and International Joint Venture and Development Agreement, dated 7 June 2017, entered into by and among WES, Verditek US, and the members of WES, as further amended on 27 July 2017
"WES LLC Agreement"	the Amended and Restated Limited Liability Company Agreement, dated 7 June 2017, entered into by and among WES, Verditek US, and the members of WES, as further amended on 27 July 2017

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