RNS Number : 4429B
Valereum PLC
31 January 2024

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR")

31/01/2024

Valereum Plc

("Valereum" or the **"Company")**

Completion of the Acquisition of GSX Group

Valereum Plc, the Gibraltar technology group, is pleased to announce the completion of the acquisition of the GSX Group following its EGM on the 30th January 2024, where the approval of the shareholders of the GSX Group was received.

Below, Valereum sets out the key areas of significance, ahead of the Shareholder meeting on the 22nd February 2024:

Renewed Strategy & Vision

The acquisition has enhanced Valereum's vision to become a leader in tokenisation, both as a technology solutions provider and as a marketplace operator. The acquisition accelerates Valereum achieving its goals, redefining the concept of 'The Bridge' towards wider transformative aspirations in technology, evolving the existing legacy infrastructure of traditional markets, and paving the way for greater adoption in the emerging tokenisation landscape.

Technology Acquisition

The acquisition of GSX Group includes GATENet technology. GATENet's blockchain-based digital financial markets infrastructure ("DFMI") has been designed and developed by the GSX Group over the last few years to support the issuance, trading and instant settlement ("T-Instant'') of compliant digital securities and digital assets creating benefits for issuers, market professionals and investors everywhere. Encompassing the DFMI into the initial concept of 'The Bridge' emboldens Valereum's vision for the future of capital markets, absorbing GATENet to become 'The Bridge' Technology platform. Valereum will continue to work with its strategic technology partners to further develop this comprehensive technology platform and seek to exploit the I.P. through licensing the technology to exchanges, brokers and investment companies globally.

As previously announced, Valereum will adopt GATE Token (the utility token of GATENet) as the sole token within the Valereum ecosystem and will explore other use-case and utility opportunities where applicable.

Relationships & Partnerships

Over a number of years, the GSX Group strategically dedicated significant financial resources to the development of the DFMI technology platform. GSX Group worked alongside leading industry experts and knowledge partners (STT; BT Associates) to map out every facet of the settlement life cycle for securities, resulting in the development of highly detailed Target Operating Model (TOM) research, that facilitated the transition towards a fully on-chain Centralised Securities Depository (CSD) system.

Valereum believes that industry collaboration is key to greater adoption, and will continue to foster strong partnerships with new and existing technology developers. The roll-out of 'The Bridge' technology platform will be achieved by utilising such partnerships and, as such, is an important aspect of enabling and maximising the success of Valereum's blockchain powered solutions.

In addition, over the last few years, the GSX Group has established shareholdings in a number of partnerships where there has been collaboration through the provision of regulatory and technology solutions. Through the acquisition, Valereum has become the ultimate beneficial owner and, subject to review, will seek to build on these relationships:

- GATENet Limited (100% holding)
- GATENet Technology Limited (100% holding)
- GSX Services Limited (100% holding)
- USX Holdings Company, Inc (20% holding)
- USX Securities, Inc (20% holding)
- USX Digital, Inc (20% holding)
- CSX Limited (20% holding)

Branding & Marketing

Valereum has begun a focused transformation of the brand's public image, developing a marketing roadmap in conjunction with its enhanced vision. The transformation will be from the ground up, covering every facet of Valereum's core brand, including websites, social media, PR and media outreach and will work in conjunction with business development to garner traction from institutional clients and potential investors. The new Valereum brand endeavours to create a bold statement that coincides with the cultural changes that have taken place within the Company, focusing on the principles of Integrity, Respect and Reputation. Further details will follow on the introduction of a comprehensive governance framework for Valereum, during the shareholder meeting.

GSX Group & Team Development

The team behind GSX Group have decades of collective experience within tier-one institutions, specialising in stock exchanges, capital markets and associated technologies, becoming early adopters of the power of blockchain technology in the application of securities settlement. The team's expertise and knowledge base will be fully utilised to deliver Valereum's vision, with a focus on crafting well-developed strategies, coupled with establishing strong market connections, partnerships and relations. The acquisition harnesses GSX Group's commitment to fostering innovation, ensuring that Valereum stands at the forefront of advancements in the financial landscape, leveraging a wealth of resources for sustained growth and future success.

Opportunity

Shareholder value will be derived from the delivery and execution of our vision and strategy to transform capital markets, using our digital infrastructure and establishing new marketplaces. The opportunity in asset tokenisation is substantial, both in public markets (generating annual savings of $20 billion in global clearing and settlement costs*) and illiquid/real world assets (estimated to be a $16 trillion global market by 2030 - accounting for less than two percent of the total notional value of public and private assets*). (*Source: Boston Consulting Group)

The growth of this nascent technology will continue as more institutional players adopt innovative solutions and incorporate blockchain-powered applications into their operations, and it is against this backdrop that Valereum aims to become a leader in the tokenisation space, both as a technology solutions provider and as a marketplace operator.

Execution and Business Development Team

The Business Development Team has begun to seek capital investment, in order to execute the new vision of the company. Valereum will update shareholders on the 22nd February 2024 regarding projected timelines, business operational costs, headcount and other overheads.

Chairman James Formolli stated:

"This significant development is a testament to our resilience and new strategic vision. The GSX Group deal not only positions Valereum as a key player [in the tokenisation space], but also sets the stage for sustainable growth ahead. Our team's hard work and dedication have led to this moment, and we anticipate our increasing value to be reflected in the markets."

CEO Nick Cowan stated:

"The opportunity for GSX Group to bring our GATENet vision into the shared aspirations of Valereum puts us in the unique position of making a real impact on the legacy challenges that face the capital markets - building a global blockchain infrastructure to transform finance, unlock capital and create value".

IRD Peter Sekhon added:

"After what can only be described as a turbulent few years for Valereum shareholders, we are thrilled to share this exciting news that marks the beginning of a transformative chapter for Valereum. Stay tuned for more details as we embark on this exciting new venture, and together we look forward to sharing the success that lies ahead".

Supplementary Information

As previously announced on the 18th of December 2023, 5,000,000 new ordinary shares of 0.1 pence each ("Ordinary Shares") in Valereum will be issued as consideration for 100% ownership of the GSX Group. Additionally, in exchange for the waiver of loans provided to the GSX Group, Valereum has granted warrants over 10,000,000 Ordinary Shares, exercisable at 1p per share by 30 January 2027 (warrants will vest and not be exercisable during a 6 month lock in period from 30 January 2024).

Application will be made for the listing of the new Ordinary Shares, which will rank pari passu with the existing Ordinary Shares in issue, to be admitted to trading on the AQSE Growth Market ("Admission"). Dealings are expected to commence on or about 6 February 2024 and the issue is subject only to Admission.

Total Voting Rights

Following the issuance of the new Ordinary Shares, the Company's total issued and voting share capital upon Admission will consist of 104,162,905 Ordinary Shares. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company's issued share capital pursuant to the Company's Articles.

Related Party Transactions

By virtue of their shareholdings in GSX Group Limited, Nicholas Cowan (CEO of the Company) and his pension scheme, Castle Trust QROPS, and Karl Moss (CFO of the Company) have been issued with the following number of Ordinary Shares in Valereum.

Related party	Number of shares in GSX Group Limited	Number of ordinary shares issued in Valereum
Nicholas Cowan	2,017,520	325,207
Castle Trust QROPS Cowan	1,684,750	271,567
Karl Moss	500,000	80,596

Having exercised reasonable care, skill and diligence, the directors are comfortable that the transactions are fair and reasonable as far as the shareholders of the issuer are concerned.

The FCA notification, made in accordance with the requirements of the UK Market Abuse Regulation, is appended below.

Further announcements will be made ahead of the Shareholder Meeting on the 22nd February 2024.

The directors of the Company accept responsibility for the contents of this announcement.

For more information, please visit the Company's website at Valereum.gi

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Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them.

1.	**Details of the person discharging managerial responsibilities /**

	person closely associated	
a)	Name	Nicholas Cowan
2.	**Reason for the Notification**	
a)	Position/status	Director
b)	Initial notification / Amendment	Initial notification
3.	**Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor**	
a)	Name	Valereum Plc
b)	LEI	213800EJ8BFEQQ9POX79
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the Financial instrument, type of instrument ISIN	Ordinary shares GI000A2P2W41
b)	Nature of the transaction	Issuance of shares
c)	Price(s) and volume(s)	Price(s): 0.1 pence per Ordinary Share Volume(s): 596,774 Ordinary Shares
d)	Aggregated information: · Aggregated volume · Price	596,774 Ordinary Shares £596.774
e)	Date of the transaction	30 January 2024
f)	Place of the Transaction	Outside a trading venue
1.	**Details of the person discharging managerial responsibilities / person closely associated**	
a)	Name	Karl Moss
2.	**Reason for the Notification**	
a)	Position/status	Director
b)	Initial notification / Amendment	Initial notification
3.	**Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor**	

<table>
<tr><td>a)</td><td>Name</td><td>Valereum Plc</td></tr>
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<tr><td>c)</td><td>Price(s) and volume(s)</td><td><table><tr><td>Price(s)</td><td>Volume(s)</td></tr><tr><td>0.1 pence per Ordinary Share</td><td>80,596 Ordinary Shares</td></tr></table></td></tr>
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· Price</td><td>80,596 Ordinary Shares
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