RNS Number : 6845D
Valereum PLC
20 February 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")

20/02/2024

Valereum Plc

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

Valereum Strategy Update and the Launch of "The Bridge"

Valereum Plc (AQSE: VLRM), the Gibraltar technology group, is pleased to announce strategic initiatives and developments for 2024 to 2025. The Company is planning a full suite of innovative solutions that combine proprietary technology with external partnerships to support the lifecycle of tokenised digital assets for all asset classes, marketplaces and market participants.

In accordance with the upcoming shareholder meeting on the 22nd of February 2024, VLRM will outline its key strategic milestones for the coming medium-term cycle, including but not limited to:

Launch of 'The Bridge' - Digital Financial Markets Infrastructure

A blockchain-based digital financial markets infrastructure ("DFMI") is currently 95% complete and targeted to be completed during 2024 (V1 Phase 1). VLRM, through its recent acquisition of GSX Group, is partnering with technology vendors, and has designed and developed 'The Bridge' (previously called GATENet Technology) over a number of years to deliver a full stack solution that supports the issuance, trading and settlement of digital securities and digital assets. This bridges the gap between the innovation in financial technology deploying blockchain, and the legacy structures of the capital markets - hence its name.

'The Bridge' is planned to be available as a white label solution, including but not limited to:

Exchanges
Marketplace operators
Financial institutions (brokers; investment banks & asset managers)
CSDs (digital registry and settlement systems)

After the launch of Phase 1 of 'The Bridge' DFMI V1 platform, further development is expected to continue with Phases 2 to 4, developing on-chain Centralised Securities Depository (CSD) functionality enabling the 'T Instant' settlement of digital securities at the point of trade.

Launch of VLRM Markets

Using VLRM's 'The Bridge' technology, VLRM Markets will seek to open and operate marketplaces in both public markets and real world assets to maximise the tokenisation opportunity:

Exchanges (Public): VLRM Markets will seek to open and operate a regulated tokenised securities exchange and CSD to support the issuance and trading of tokenised securities and digital assets (subject to regulatory approval and in a territory yet to be determined).

Real World Asset (RWA) Marketplaces: VLRM Markets will seek to establish and operate RWA marketplaces utilising readily available technology. This will be supplied by technology vendors of VLRM Technology to enable the primary issuance and bulletin-board-based secondary trading of such assets as; Private Company security tokens; Investment funds; Gold; Art; Luxury goods & Royalties; Forestry and Carbon Credits (subject to regulatory permissions where applicable).

VLRM Wallet: VLRM Markets will seek to launch the 'V Wallet,' a mobile device app providing a unique portal for VLRM's customers to access VLRM's products and services, including but not limited to; direct access to VLRM marketplaces; access to the staking and voting utility of VLRM's own utility token GATE; e-money vendor connection for fiat-enabling and card-based payments.

Launch of VLRM Capital

VLRM will launch VLRM Capital, an investment vehicle managing both VLRM's own funds and third party capital, which will include;

Principal Trading (long/short)**:** Highly liquid securities (equities) and Cryptocurrencies.

Yield Generation: Yield farming, generating yields within the expansive DeFi landscape globally, offering the potential to earn above average yields by staking digital assets within specialised DeFi and CEFI protocols. This also includes Node Operation, generating returns by running nodes on third party blockchains.

VLRM Capital is targeting to launch its first fund during Q2 2024 and is pleased to announce Valereum Chairman, James Formolli will provide initial seed capital of £500,000 (non-Valereum capital, to be invested in the fund).

The Company will initially look to benefit from exemptions available for Private Funds which are subject to a limit in the number of investors and it will look to graduate it into a regulated fund as it grows**.**

Rule 4.6 Statement - Related Party Transaction

The Directors (other than James Formolli) confirm that, having exercised reasonable care, skill and diligence, the related party transaction is fair and reasonable as far as the shareholders of the

issuer are concerned.

Development of GATE Token into the VLRM ecosystem

As part of VLRM's acquisition of GSX Group, the utility token of GATENet's DFMI platform, the GATE Token, has been absorbed into the VLRM ecosystem. This presents a unique opportunity to maximise the utility of GATE Token, whilst seeking to align the interests of both shareholders and token holders, including but not limited to:

Discounted trading fees on VLRM marketplaces through paying fees in GATE Tokens;

GATE Token rewards through staking GATE Tokens on the GATE Token staking site https://staking.gatenet.io/). Rewards are paid by GATENet which allocates a split of the transaction fees it collects through the licensing of the GATENet technology (e.g., 40%) as rewards to GATE Token stakers;

GATE Token deflation through token burning by GATENet, which allocates a split of the transaction fees it collects through the licensing of the GATENet technology (e.g., 40%) to buy and burn GATE Token (resulting in a reduced supply)

GATE Token stakers being able to vote on motions proposed by Valereum to GATE Token holders (e.g., the split of rewards vs burning ratio)

VLRM Capital will allocate some of the gains it makes on its activities to buy and hold GATE Token as a long term strategy (on the VLRM balance sheet) and buy and burn GATE Token, further reducing supply.

VLRM will also further explore the legal and operational feasibility of the 'investomer' concept - whereby an individual or legal entity patronises the company in which they are also a shareholder. An example of the 'investomer' concept is a customer reward program being paid in utility tokens (instead of points) and those tokens being redeemable at any time into the shares of the company, should the customer choose to do so. Taking this concept further, subject to the relevant approvals, whitelisted customers of Valereum could utilise their 'V Wallet' to redeem their GATE Tokens into Valereum shares - a customer becomes an investor. Although merely an example of the company's aspiration, it opens up a myriad of possibilities where customers can gain the advantage of the duality of being both a shareholder and a customer facilitated by GATE Token and the V Wallet.

The details of the GATE Token are, as of 19 February 2024, as follows:

Total Supply | 899,999,999 GATE
Circulating Supply | 304,700,541 GATE
Total Staked | 448,856,870 GATE
Reserve | 146,442,588 GATE

A key element to integrating GATE Token into the VLRM ecosystem is aligning the interests of VLRM management. As part of the terms of acquiring the GSX Group, there will be the following transfers from the GATE Token reserve:

18,000,000 will be awarded to the GSX shareholders that loaned capital to the GSX Group, in exchange for the waiver of loans provided to the GSX Group;

65,000,000 from the GATE Token reserve to the VLRM management (allocations subject to Remuneration Committee's approval).

Valereum will assume responsibility for the ongoing management of the reserve which has historically been managed by the GSX Group. It will also seek to deepen the liquidity in GATE Token by increasing the liquidity pool on Uniswap; expanding GATE's DeFi market presence and when appropriate, admitting GATE Token onto a centralised exchange.

Rule 4.6 Statement - Related Party Transaction
In relation to the allocation of 65,000,000 from GATE Token reserve to the management team of Valereum, the non-executive directors confirm that, having exercised reasonable care, skill and diligence, the related party transaction is fair and reasonable as far as the shareholders of the issuer are concerned.

Capital Raise
Valereum will be seeking additional capital in order to execute its strategy and vision and is pleased to announce that it is arranging funding as follows:

> The Company will be seeking investment of up to £4,000,000 and has commenced engagement with brokers and investors, with a targeted completion during Q3 2024. We are also pleased to announce that the Company has received a firm commitment towards initial funding of £2,500,000 funding at £0.06 per share from Valereum's Chairman, James Formolli.

This will consist of 41,666,666 million ordinary shares being issued at £0.06 and 41,666,666 million warrants issued at £0.001 with a lock in period of 12 months.

Rule 4.6 Statement - Related Party Transaction

In relation to James Formolli's investment commitment, the directors (other than James Formolli) confirm that, having exercised reasonable care, skill and diligence, the related party transaction is fair and reasonable as far as the shareholders of the issuer are concerned.

Nick Cowan added:

"We have an ambitious vision, which we believe is justified by the size of the opportunity. The world of tokenisation is rapidly evolving, both in the development of our technology and in operating marketplaces in public markets and real world assets. In short order, Valereum has established the new team, a comprehensive strategy and implemented a strong governance framework to operate a robust, transparent control environment, whilst building confidence with investors".

James Formolli added:

"I am fully onboard and committed to financially supporting Valereum and have strong belief in my team and our technology. Our collective vision and desire is to unlock capital and create value in tokenised digital markets as a leading provider of technology solutions, and as an exchange and marketplace operator."

VLRM will outline further detail on its objectives, along with the wider VLRM vision, timelines, strategy and investment at the online shareholder meeting on the 22nd of February 2024 between the times of 1pm-3pm UK time - link and registration details below:

When: Feb 22, 2024 01:00 PM Greenwich Mean Time
Topic: VLRM Shareholder Meeting
Register in advance for this webinar:
https://us06web.zoom.us/webinar/register/WN_GE1q7QwQRVqSZRFgr4VVIQ

After registering, you will receive a confirmation email containing information about joining the webinar.

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

Enquiries:
Valereum Plc
James Formolli, Chairman
Tel: +971 4584 6284

AQSE Corporate Adviser
First Sentinel Corporate Finance
Brian Stockbridge
Tel: +44 20 3855 5551

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

NEXEAAANFADLEAA