RNS Number : 6521Q
Valereum PLC
31 May 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")

31/05/2024

Valereum Plc

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

Remuneration update - Warrant and Option Issue

Remuneration update

Valereum Plc (AQSE: VLRM) proposed at its Shareholder Meeting held on the 22nd February 2024 its intention to align management and employee incentives and rewards. Following the conclusion of the Board's transition in November 2023, the Valereum team have established solid foundations for growth and the Board (following a proposal by the Remuneration Committee) resolved to implement a compensation plan with a focus on aligning the Valereum workforce's interests with those of the Company's shareholders.

The primary objectives of the compensation plan are to:

conserve cash flows to support the development of the business through keeping cash-based remuneration low;
create a '*partnership culture*' whereby employees are incentivised to focus on maximising the pace of growth in shareholder value, by developing the Company rapidly through maximising group revenues and profitability whilst maintaining and operating a tightly controlled cost base; and
provide compensation upside based on growing shareholder value.

Cash-based remuneration for all employees including the Board (individually) has been capped at £120,000 per annum (plus any statutory minimum levels of pension contributions where applicable), and share options (to the extent tax advantageous) and otherwise warrants have been issued to ensure the Valereum workforce is incentivised to deliver sustained growth in shareholder value.

Following a proposal by the Remuneration Committee and subsequent Board approval, 9,000,000 share options over ordinary shares of £0.001 each in the Company have been issued to the non-Board employees and share options (to the extent tax advantageous) and otherwise warrants over ordinary shares of £0.001 each in the Company have been issued to the Executive and Non-Executive Directors as follows: James Formolli 4,807,692; Nicholas Cowan 10,000,000; Peter Sekhon 5,000,000; Karl Moss 5,000,000; Gary Cottle 5,000,000; and Simon Brickles 3,000,000.

The share options are tax-advantaged options that require a minimum holding period of 2 years from the date of being granted to qualify for the full tax advantages and all shares acquired under the share options and warrants are subject to a lock-in period of 1 year from the date of issue of the share option or warrant. The share options and the warrants are exercisable at a cost of £0.001 per share and expire after 10 years and will be forfeited in the event an employee leaves the Company.

To conserve cash over the longer term through minimising cash-based remuneration and to provide further incentivisation to the Valereum workforce to perform strongly and increase the value of the Company, the Board has also approved a rolling annual share option incentive plan amounting to 5% of the average equity share capital in issue in each preceding year involving the discretionary award of options based on performance and contribution to the development of the Company.

To further incentivise and reward the Valereum workforce for delivering growth in market capitalisation, a market capitalisation performance incentive has been approved whereby options amounting to 5% of the outstanding shares in issue will be awarded if the Company achieves each of the market capitalisations as follows:

£50,000,000 Market Capitalisation
£100,000,000 Market Capitalisation
£150,000,000 Market Capitalisation
£200,000,000 Market Capitalisation

In each case for a consecutive period of 10 days. The options will be allocated on a discretionary basis based on Remuneration Committee recommendations to the Board and the exercise price of the options will be based on the average closing share price in the 3 months before the date of award and will vest over 4 equal six monthly tranches over 2 years.

The remuneration as outlined above will be subject to annual reviews commencing 1st January 2025 in consideration of the Company's performance in the preceding calendar year.

James Formolli, Executive Chairman, of Valereum Plc commented:

"The remuneration package that we have outlined above is specifically designed to conserve the Company's cash as well as ensure that our team is aligned with our shareholders as we look to deliver Valereum's significant potential."

For further information please contact:

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Further announcements to follow in due course.

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

For more information, please visit the Company's website at vlrm.com

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	1) James Formolli 2) Nicholas Cowan 3) Peter Sekhon 4) Karl Moss 5) Gary Cottle 6) Simon Brickles
2.	**Reason for the Notification**	
a)	Position/status	1) James Formolli, Chairman 2) Nicholas Cowan, CEO 3) Peter Sekhon, Investor Relations Director 4) Karl Moss, Chief Financial Officer 5) Gary Cottle, Non-executive Director 6) Simon Brickles, Non-executive 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>
<tr><td>b)</td><td>LEI</td><td>213800EJ8BFEQQ9POX79</td></tr>
<tr><td>4.</td><td colspan="2">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</td></tr>
<tr><td>a)</td><td>Description of the Financial instrument, type of instrument

Identification Code</td><td>Ordinary shares of 0.1p each

GI000A1171Y8</td></tr>
<tr><td>b)</td><td>Nature of the transaction</td><td>Grant of options and or warrants</td></tr>
<tr><td>c)</td><td>Price(s) and volume(s)</td><td><table><tr><th>Price</th><th>Volume</th></tr><tr><td>1) £0.001
2) £0.001
3) £0.001
4) £0.001
5) £0.001
6) £0.001</td><td>1) 4,807,692
2) 10,000,000
3) 5,000,000
4) 5,000,000
5) 5,000,000
6) 3,000,000</td></tr></table></td></tr>
<tr><td>d)</td><td>Aggregated information:
· Aggregated volume
· Price</td><td>Single transaction, see details in item (c) above</td></tr>
<tr><td>e)</td><td>Date of the transaction</td><td>31 May 2024</td></tr>
<tr><td>f)</td><td>Place of the Transaction</td><td>Outside a trading venue</td></tr>
</table>

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