



Valereum Plc

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

Valereum Plc

Consolidated Financial Statements

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Valereum Plc

Group Information

DIRECTORS

James Bannon, Chairman	
Nicholas Cowan, Executive	(resigned 2 July 2025)
Peter Sekhon, Executive	(resigned 2 July 2025)
Karl Moss, Executive	(resigned 2 July 2025)
Gary Cottle, Chief Executive Officer	
Simon Brickles, Non-Executive	
Grant Gischen, Executive	(appointed 2 July 2025)
Matthew Ripperger, Non-Executive	(appointed 2 July 2025 and resigned 10 December 2025)
Pieter Arnoldus Scholtz, Executive	(appointed 18 January 2026)
Izak Gerhardus Kotzee, Executive	(appointed 18 January 2026)
Matthew Farnum Schneider, Non-Executive	(appointed 18 January 2026)

SECRETARY

AMS Secretaries Limited Suite 16, Watergardens 5 Waterport Wharf GX11 1AA Gibraltar	(resigned 22 March 2025)
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Rampart Secretarial (Gibraltar) Limited 6.20 World Trade Center 6 Bayside Road GX11 1AA Gibraltar	(appointed 22 March 2025) (resigned 18 June 2025)
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Line Secretaries Limited 57/63 Line Wall Road GX11 1AA Gibraltar	(appointed 18 June 2025)
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REGISTERED OFFICE

Suite 16, Watergardens 5 Waterport Wharf GX11 1AA Gibraltar	(prior to 22 March 2025)
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6.20 World Trade Center 6 Bayside Road GX11 1AA Gibraltar	(from 22 March 2025 to 17 June 2025)
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Madison Building Midtown Queensway Gibraltar GX11 1AA	(as from 18 June 2025)
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Valereum Plc

Group Information (cont)

INDEPENDENT AUDITORS	RSM Audit (Gibraltar) Limited 21 Engineer Lane GX11 1AA Gibraltar	
REGISTRARS	Computershare Investor Services (Jersey) Limited Queensway House Hillgrove Street St Helier Jersey JE1 1ES Channel Islands	
DEPOSITARY	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom	
BANKERS	Gibraltar International Bank Limited P O Box 1375, Ince's House, 310 Main Street, Gibraltar	
AQSE CORPORATE ADVISOR	First Sentinel Corporate Finance Limited 72 Charlotte Street London, W1T 4QQ United Kingdom	(resigned 17 December 2025)
	Guild Financial Advisory Limited 382 Russell Court Woburn Place London, WC1H 0NH United Kingdom	(appointed 20 January 2026)
REGISTERED NUMBER	107915	

Valereum Plc

Chairman's Statement

Year ended 31 December 2025

I am pleased to present the annual report for Valereum Plc and its subsidiaries for the year ended 31 December 2025.

2025 was a year of decisive progress for Valereum. We entered 2025 with a clear objective: to reposition the Group as a commercially focused, revenue generating business with the capability to operate at institutional scale. We exited the year having delivered exactly that. The foundations laid over the past two years have now translated into tangible commercial traction, accelerating revenue generation, and a strengthened strategic position in markets that are widely predicted to experience significant growth.

Our regulated operating subsidiary, VLRM Markets, is now fully operational and has begun generating revenue from its digital asset services. This is a significant milestone. It demonstrates that our regulatory investment, technology partnerships and operational build out have moved beyond preparation and into monetisation. The platform is now positioned to scale, and we expect its contribution to increase as new issuers, partners and institutional clients onboard through 2026.

Commercial momentum accelerated further after the reporting date. The Group significantly expanded a mandate from being a provider of tokenisation services to being head of capital strategy for the Guatemala Interoceanic Corridor — one of the largest infrastructure programmes globally. This appointment is a clear endorsement of our capability to structure, tokenise and distribute large-scale real world asset (“RWA”) opportunities. It also provides recurring monthly revenue and a pipeline of substantial future issuance activity.

Our technology ecosystem has expanded meaningfully. New partnerships with Injective Foundation, DigiShares, RWA.io, Defactor and Integra Foundation position Valereum at the centre of a multi-chain, institution-ready infrastructure stack. These relationships are not theoretical. They are commercially driven, designed to accelerate issuance, enhance liquidity pathways and support the distribution of tokenised assets to global markets.

A key priority for the Board in 2025 was to strengthen the Group's financial position. We delivered meaningful progress:

- £2.1 million of new equity funding was secured, including £850,000 of personal investment from myself and our CEO—demonstrating our conviction, alignment with shareholders and commitment to long term share price appreciation.
- The Group realised £2.4 million from the disposal of its non-strategic listed investment in London BTC Company Ltd at a significant premium to its current value.
- Cash at year end increased to £415,929 (2024: £19,397), and the Group remained debt free.

The Group also strengthened its balance sheet through a successful £1.05 million equity raise in May 2026, supported by both institutional investors and senior management. This capital provides the runway required to execute our commercial strategy and scale revenue-generating activities. The Group continues to attract interest from strategic investors who wish to accelerate the transformation of the Group. Earlier in 2026, economic rights to a \$200 million asset yielding 7.9% per annum was provided by Quorium Global Photonics SPC (“QGP”), which was subsequently replaced by a \$279.5 million asset, subject to satisfactory verification. The Board has actively pursued the verification of liquidity for this asset to complete the transaction, however although QGP has repeatedly maintained that liquidity will be provided, this process is yet to be completed.

During 2025, the Group made minority investments in several early-stage technology companies aligned with its tokenisation strategy. These investments provided access to enhanced technology, distribution channels and product capabilities that supported the development of our ecosystem and our ability to originate and structure high value RWA opportunities. In accordance with accounting standards and reflecting the absence of observable valuation inputs at the reporting date, the Group recognised full impairments on these early-stage investments. While the accounting treatment results in a nil carrying value, the underlying commercial partnerships with DigiShares, Fideum and Metrikus continue to contribute to our strategic goals. Where assets no longer align with our commercial priorities we have taken decisive action: the Group acted promptly to limit its exposure and protect shareholders from the investment in Blubird Global Inc.

Valereum Plc

Chairman's Statement (continued)

Year ended 31 December 2025

Operationally, the Board has been strengthened with new appointments that bring deep experience in capital markets, digital assets fintech, infrastructure and large-scale project execution. These additions enhance governance, provide the leadership capacity required for the next phase of growth and reflect the scale of our ambition and the calibre of partners now working alongside us.

In 2026, the Group secured admission to the OTCQB Market, which is recognised as an established marketplace for companies that meet defined standards of financial reporting, governance and compliance and which enables broader accessibility for US-based institutional and retail investors.

Looking ahead, our strategy is clear. We will continue to build a commercially driven, regulated digital markets business capable of originating, structuring and distributing RWA opportunities at scale. We will deepen our institutional relationships, expand our issuer base and accelerate revenue generation across our core markets.

Valereum is now positioned with the regulatory footprint, partnerships, mandates and capital to execute on a much larger commercial stage. The progress made in 2025 and the momentum carried into 2026 gives the Board confidence in the Group's trajectory and its ability to deliver meaningful, sustainable value for shareholders.

I would personally like to thank our shareholders, partners, regulators, and employees for their continued support.



James Bannon
Chairman
30 June 2026

Valereum Plc

Strategic Report Year ended 31 December 2025

Overview

The year ended 31 December 2025 was a period of significant strategic development for Valereum. The Group advanced its transition from a development stage business into a regulated, revenue-generating digital markets operator with a growing pipeline of opportunities and made progress in establishing the foundations for scalable commercial operations.

The Board remains focused on securing high value mandates, expanding the technology ecosystem and positioning Valereum at the centre of the rapidly expanding real world asset (“RWA”) and tokenisation markets.

Business Model and Strategy

Valereum Plc (“the Group”) operates a regulated digital markets business focused on the origination, issuance and distribution of tokenised real-world assets (“RWAs”). The Group’s strategy is built on two complementary pillars:

- Tokenisation and issuance infrastructure — enabling compliant origination, issuance, secondary trading and lifecycle management of RWAs through the Group’s regulated marketplace in El Salvador.
- Banking-as-a-Service infrastructure — providing payments, custody, settlement and treasury services to support institutional-grade digital asset ecosystems.

The Group operates a partner-led technology model, integrating best-in-class platforms to accelerate time-to-market, reduce development risk and focus internal resources on regulated operations, distribution and commercial execution.

The Board’s strategic priority is to position Valereum as a commercially driven, multi-chain, regulated digital markets operator capable of originating and distributing large-scale RWA opportunities at institutional scale.

Operational Review

2025 marked a transition from development to commercialisation:

- VLRM Markets S.A. de C.V., the Group’s licensed Digital Asset Service Provider in El Salvador, became fully operational and began generating revenue, marking a key milestone in the execution of Valereum’s strategy. The issuer pipeline expanded materially, with early 2026 seeing the first conversions into commercial mandates. This marks a significant inflection point. The platform is no longer a development asset — it is a functioning commercial business with the regulatory permissions, infrastructure and partnerships required to scale.
- The Group transitioned to a partnership-led operating model, integrating best in class platforms to accelerate time to market and reduce development cost and risk. This approach has enabled the Group to focus resources on regulated infrastructure, distribution and commercial execution rather than capital intensive in-house development. The Group strengthened its technology ecosystem through partnerships with Injective Foundation, DigiShares, RWA.io, Defactor and Integra Foundation, supporting multi-chain issuance and institutional distribution.
- The Board was refreshed in July 2025 and further strengthened in early 2026. These appointments bring deep expertise across capital markets, fintech, mining, infrastructure and regulatory strategy, supporting the Group’s ambition to operate at institutional scale. These additions enhance governance and provide the leadership capacity required for the next phase of growth.

These developments collectively represent a significant inflection point: the platform is now a functioning commercial business with the regulatory permissions, infrastructure and partnerships required to scale.

Valereum Plc

Strategic Report Year ended 31 December 2025

Financial Review

The Group generated revenues of £98,318 (2024: £19,272) following the launch of its regulated marketplace. Operating losses increased to £2.6 million (2024: £1.7 million), reflecting investment in platform development, regulatory operations and strategic partnerships.

Liquidity improved significantly through:

- £2.1 million of new equity funding, including £850,000 from the Chairman and CEO.
- £2.4 million realised from the disposal of the majority of the Group's non-strategic listed investment in London BTC Company Ltd.
- Year-end cash of £415,929 (2024: £19,397).
- A further £1.05 million equity raise completed in May 2026.

The Group remained debt-free throughout the year.

During the year, the Group made minority investments in four early-stage technology companies aligned with its tokenisation strategy. In accordance with IFRS 9 and IFRS 13 and reflecting the absence of observable valuation inputs at the reporting date, the Group recognised full impairments on these investments. While the accounting treatment results in a nil carrying value, the underlying commercial partnerships with DigiShares Inc, Fideum Group Limited and Metrikus Software Limited continue to support the Group's broader ecosystem strategy, providing access to technology, distribution channels and product capabilities that complement the Group's regulated marketplace multi-chain roadmap. The impairments reflect Valereum's disciplined application of IFRS fair-value principles and a prudent approach to capital allocation during a period of limited financial disclosure from early-stage counterparties. After it became clear that Blubird Global Inc was no longer aligned with the group's commercial priorities, the Group acted promptly to limit its exposure and protect shareholders from the investment in Blubird Global Inc.

Further details are provided in Note 13.

Market Opportunity

The global tokenisation market is entering a phase of rapid institutional adoption. Major financial institutions, sovereign entities and infrastructure operators are now actively exploring tokenised capital markets solutions. Valereum is strategically positioned to capture this demand through a regulated operating platform, a multi-chain technology ecosystem, institutional scale mandates, a growing issuer pipeline and a clear commercial model.

The Board believes the Group is now operating in one of the most compelling growth markets in global finance.

Principal Risks and Uncertainties

The Directors continuously monitor and assess the principal risks and uncertainties that could impact the Group's operations, financial performance, and strategic ambitions. The key areas identified are as follows:

- **Regulatory Landscape:** The evolving nature of regulation within the digital asset and tokenisation space, across multiple jurisdictions, presents a level of uncertainty. While the Group has achieved significant regulatory milestones (including the DASP license in El Salvador), and a number of regulators have indicated their intentions to provide much greater clarity in the sector, future changes in global or local regulation could impact operational models or timelines. The Group mitigates this risk through active engagement with regulators, adherence to applicable standards and the use of regulated partners where appropriate.
- **Funding and Liquidity Risk:** The Group is reliant on continued access to capital to support its scale-up plans. While further significant funding was secured during 2025, including £2.1 million equity funding, there remains a risk that future funding may be delayed or unavailable, particularly in volatile market conditions. The Group mitigates this risk through prudent cost management, staged investment, and maintaining an active dialogue with existing and prospective investors.

Principal Risks and Uncertainties

- **Platform Development and Operational Risk:** The successful expansion of Valereum’s RWA platform in El Salvador, are important, but not critical — to future growth plans. Risks include delays in implementing new features, security breaches, or failure to achieve market traction in the expected timeframes. The Group mitigates this risk through partner led development, rigorous testing and ongoing investment in security and infrastructure.
- **Partner and Strategic Dependency Risk:** The Group’s strategy relies on third party partners for technology, distribution, regulatory infrastructure and product capabilities. Underperformance, delays or changes in partner priorities may affect the Group’s ability to deliver its roadmap. The Group mitigates this risk through diversified partnerships, contractual protections and ongoing performance monitoring.
- **Macroeconomic and Crypto Market Volatility:** As a business operating at the intersection of traditional and digital finance, Valereum is exposed to fluctuations in crypto markets, investor confidence, and broader macroeconomic uncertainty, which could affect asset valuations and investor behaviour. The Group mitigates this risk through diversification of revenue streams and a focus on regulated, institutional grade infrastructure.
- **Cybersecurity and Data Protection Risk:** As a digital infrastructure provider, the Group is exposed to cybersecurity threats, data breaches and operational disruptions. A significant incident could affect platform availability, regulatory compliance or stakeholder confidence. The Group mitigates this risk through robust security protocols, partner due diligence and ongoing monitoring.
- **Human Capital and Recruitment Risk:** The Group’s success depends on attracting and retaining individuals with specialist expertise in regulated markets, technology and digital assets. Competition for talent in these areas is high. The Group mitigates this risk through competitive remuneration structures, share-based incentives and a focus on culture and governance.

Outlook

The Group enters 2026 with:

- A revenue-generating regulated operating platform
- Major mandates in infrastructure and mining tokenisation
- A growing commercial pipeline
- A strengthened Board
- Expanded institutional and technology partnerships
- Improved liquidity following the May 2026 fundraise

The momentum carried into 2026 provides a strong foundation for commercial expansion. The Board believes the Group is now positioned to operate at a significantly larger commercial scale. The focus for 2026 is on scaling revenue from VLRM Markets, executing major mandates, expanding distribution channels and deepening the Group’s presence in the RWA and infrastructure tokenisation markets.

The Directors remain confident in the Group’s trajectory and its ability to deliver meaningful, sustainable long-term value for shareholders.

Valereum Plc

Directors' Report Year ended 31 December 2025

The Directors present their report together with audited consolidated financial statements of Valereum Plc ("VLRM" or "the Company") and its subsidiaries (together with the Company, "the Group") for the year ended 31 December 2025.

Principal Activities

The Group's principal activity during the year was the development and operation of regulated digital markets infrastructure. The Group focuses on two complementary areas:

- Tokenisation and issuance infrastructure — supporting the compliant origination, issuance, distribution and secondary trading of real world assets ("RWAs").
- Banking as a Service (BaaS) — providing payments, custody, settlement and treasury infrastructure to support digital asset ecosystems.

These activities are delivered through VLRM Markets S.A. de C.V., the Group's licensed Digital Asset Service Provider ("DASP") in El Salvador, and through a network of strategic technology partners.

Results

The Group's results for the year are shown in the Consolidated Statement of Total Comprehensive Income on page 24. The Group recorded a loss for the year of £7.02 million (2024: profit of £3,222), reflecting investment in platform development, regulatory operations and strategic partnerships.

The Directors do not recommend the payment of a dividend (2024: £nil). The loss for the year has been transferred to reserves.

Business review

A full review of the Group's strategy, business model, operational performance, market environment and outlook is provided in the Strategic Report.

Financial Review

A summary of the Group's financial performance is set out below. Further analysis is provided in the Strategic Report

The Group generated revenues of £98,318 (2024: £19,272), reflecting the early stages of commercial activity following the launch of VLRM Markets. Operating losses increased to £2.6 million (2024: £1.7 million), reflecting higher expenditure associated with platform development, regulatory operations and the establishment of strategic partnerships. These costs represent the Group's transition from development into regulated operations and were incurred ahead of expected revenue growth.

The Group strengthened its liquidity position through:

- £2.1 million of new equity funding, including £850,000 of personal investment from the Chairman and CEO;
- £2.4 million realised from the disposal of the majority of the Group's non-strategic listed investment in London BTC Company Ltd; and
- An improved year end cash balance of £415,929 (2024: £19,397).

The Group remained debt free throughout the year.

Principal Risks and Uncertainties

The principal risks and uncertainties affecting the Group are summarised below. A fuller discussion of risk factors and mitigations is included in the Strategic Report.

Principal Risks and Uncertainties (continued)

The Group's principal risks include:

- Regulatory change across multiple jurisdictions.
- Funding and liquidity risk given the Group's scale-up strategy.
- Platform development and operational risk, including security, feature deployment and market adoption.
- Partner dependency risk arising from the Group's partner-led technology model.
- Macroeconomic and crypto-market volatility, affecting investor sentiment and asset valuations.
- Cybersecurity and data protection risk inherent in digital infrastructure operations.
- Human capital risk, reflecting competition for specialist talent.

Mitigations include regulatory engagement, diversified partnerships, prudent cost management, staged investment and robust security protocols.

Regulatory Developments

Please refer to the Chairman's Statement on page 5.

Corporate Governance

The Group applies the QCA Corporate Governance Code on a voluntary "comply or explain" basis. The Board is responsible for establishing high standards of governance and ensuring effective oversight of the Group's strategy, risk management and financial reporting.

Board Committees

Audit Committee – Comprised of James Bannon, Matthew Farnum Schneider and Simon Brickles (Chair). Responsible for monitoring the integrity of the financial statements and overseeing the relationship with the external auditor.

Nominations Committee – Comprised of James Bannon (Chair), Simon Brickles and Matthew Farnum Schneider. Responsible for Board composition, succession planning and director appointments.

Remuneration Committee – Comprised of Matthew Farnum Schneider (Chair), James Bannon and Simon Brickles. Responsible for reviewing and setting remuneration policy for Directors.

Further details of the Group's governance arrangements and QCA compliance are set out in the QCA Compliance Table below.

QCA Principle	Status	Application
1. Strategy & Business Model	Comply	Strategy and business model set out in the Strategic Report, focused on regulated digital markets, tokenisation and BaaS.
2. Shareholder Needs & Expectations	Comply	Regular engagement through RNS updates, investor presentations.
3. Stakeholder Responsibilities	Comply	Active engagement with regulators, partners, issuers and employees; DASP regulatory obligations embedded in operations.
4. Risk Management	Comply	Board monitors regulatory, liquidity, operational, partner and cybersecurity risks; mitigations detailed in the Strategic Report.
5. Board Composition & Functioning	Comply	Board refreshed in 2025–2026; balanced mix of executive and non-executive directors with relevant sector expertise.

Valereum Plc

Directors' Report Year ended 31 December 2025

Corporate Governance (continued)

QCA Principle	Status	Application
6. Director Skills & Capabilities	Comply	Board possesses deep experience in regulated markets, digital assets, capital strategy and governance; nominations committee oversees skills and succession.
7. Board Evaluation	Comply	During 2025 and early 2026, the Board undertook an assessment of its composition and effectiveness, resulting in a significant refresh of both executive and non-executive membership and the reconstitution of Board committees. These changes reflect the Board's evaluation of the skills and governance structures required for the next phase of the Group's development. A formal structured evaluation will be undertaken once the newly constituted Board has operated for a full cycle.
8. Corporate Culture	Comply	Culture emphasises regulatory compliance, commercial discipline, transparency and partnership led execution.
9. Governance Structures	Comply	Audit, Remuneration and Nominations Committees in place, each chaired by an experienced non executive director.
10. Governance Communication	Comply	Transparent reporting through annual report, RNS announcements and website disclosures; governance arrangements clearly described.

Financial risk management policies

Note 18 sets out the Group's financial risk management policies for its exposure to various risks.

Post balance sheet events

Post balance sheet events are disclosed in note 23.

Directors

The Directors who served during the year and their remuneration were as follows:

	Remuneration
	£
James Bannon	132,497
Peter Sekhon	54,166
Nicholas Cowan	70,000
Simon Brickles	47,429
Gary Cottle	90,834
Karl Moss	52,083
Grant Gischen	-
Matthew Ripperger	-
	<hr/> 447,009 <hr/>

In 2025, the directors claimed expenses they had incurred on behalf of the Group of £14,131 (2024: £42,391).

Valereum Plc

Directors' Report Year ended 31 December 2025

Directors (continued)

The Directors have the following interests in the issued share capital of the Group:

	Number of ordinary shares
James Bannon	96,785,343
Gary Cottle	20,951,613

Going Concern

The Directors have assessed the Group's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. This assessment considered the Group's financial position at 31 December 2025, its liquidity resources, cash flow forecasts, available funding options and the principal risks and uncertainties facing the business.

During 2025, the Group strengthened its liquidity position through raising £2.1 million of new equity funding and the realisation of £2.4 million from the disposal of its non-strategic listed investment in London BTC Company Ltd. As a result, the Group's cash position improved materially to £415,929 at 31 December 2025 (2024: £19,397). The Group also commenced revenue generation during the year, raised a further £1.05m in May 2026 and has materially reduced its operating cost base since 2025.

Although the Group recorded loss before tax of £7.02 million for the year (2024: profit of £3,222), the Directors note that the FY25 loss was significantly impacted by non-recurring, non-cash charges, including a £4 million unrealised fair value loss on Vinanz shares, a £2.3 million impairment of other investments and amortisation of £0.3 million of in-process development costs acquired in 2024. These items do not reflect the Group's underlying trading performance or expected future cost base.

The Directors also note that the financial position at 31 December 2025 was affected by significant creditor balances which are not expected to crystallise.

In January 2026, the Group was issued with QMTN 2601001 medium term notes by Quorium Global Photonics SPC ("QGP"), subsequently to be replaced by tokens that are underpinned by mining assets with an approximate valuation of \$279.5 million (subject to satisfactory verification of the underlying asset) providing a scheduled release of US\$13.975 million per quarter. While the Directors have been actively pursuing the verification and monetisation of these assets, there can be no assurance as to the outcome or timing of these processes. As verification remains outstanding, the Directors have not assumed any cash inflows from these instruments in preparing the Group's cash flow forecasts.

The Group's cash flow forecasts, which are deliberately conservative and do not assume any monetisation of tokens, exclude the majority of anticipated revenues under existing arrangements with clients, exclude any cash inflows from investments, and assume no further fundraises, indicate that the Group has sufficient liquidity to meet its obligations as they fall due for at least twelve months from the date of approval of these financial statements. The Directors note that the forecast turnaround in performance and net assets occurs in the second half of 2026, when project incomes begin to exceed the Group's fixed cost base. As a result, the Group's net asset position is forecast to strengthen progressively over the going-concern assessment period.

Having considered the Group's improved cash position as at 31 December 2025, the successful fundraising completed after the reporting date, the commencement of revenue generation, the availability of further funding options, alongside the material uncertainties described above which may cast doubt on the Group's ability to continue as a going concern, the Directors believe that the Group is able to manage its business risks and has a reasonable expectation that it will continue in operational existence for at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Events After the Reporting Date

The Group has evaluated events occurring after 31 December 2025 and before the date of approval of these financial statements. The following non-adjusting events, as defined by IAS 10 Events After the Reporting Period, occurred during this period:

Valereum Plc

Directors' Report

Year ended 31 December 2025

Events After the Reporting Date (continued)

QGP Subscription and Token Arrangements

In January 2026, the Company completed a subscription agreement with Quorium Global Photonics SPC ("QGP"), under which QGP subscribed for 243,478,438 ordinary shares in exchange for providing the Group with economic rights to US\$200 million of senior secured medium-term-notes. In April 2026, the parties agreed to replace these rights with a proposed allocation of approximately US\$279.5 million of VGOLD CORE tokens, subject to independent verification and valuation.

Equity Fundraise

In May 2026, the Company raised £1,050,000 through a placing and subscription of 52,500,000 new ordinary shares at £0.02 per share. The placing included £200,000 each from the Chairman and CEO. A total of 29,750,000 warrants were issued to investors and advisers as part of the transaction.

Commercial Mandates and Strategic Appointments

In February 2026, the Board was strengthened through the appointment of additional executive and non-executive directors.

In April 2026, the Company agreed a non-binding mandate with GCC Support Services LLC relating to two mining projects in the United States and Brazil, with a combined indicative fundraising target of US\$600 million.

In May 2026, the Company was appointed as Head of Capital Strategy for the Guatemalan Interoceanic Corridor project, providing recurring monthly revenues and supporting the expansion of the COINGT token ecosystem.

Settlement with Blubird Global Inc.

In April 2026, the Company entered into a settlement agreement with Blubird Global Inc. under which the Group was released from the remaining \$1.6m of potential investment and received 504,824 common shares and 1,981,000 BLU tokens.

Warrant Cancellation

In February 2026, the Company exercised its option to cancel 2,000,000 warrants held by a service provider in exchange for a £90,000 cancellation fee.

OTCQB Cross Trading Approval

In March 2026, the Company's ordinary shares were approved for cross trading on the OTCQB Venture Market in the United States under the ticker VLRMF.

New Strategic Partnerships

Between January and March 2026, the Group entered into several non-binding Memoranda of Understanding with Injective Foundation, DigiShares Inc., RWA.io, Defactor and Integra Foundation to support multi-chain issuance, secondary trading, liquidity pathways and institutional distribution.

IAS 10 Classification

These events do not provide evidence of conditions that existed at the reporting date and therefore represent non-adjusting events. No adjustments have been made to the amounts recognised in the 2025 financial statements.

These events are non-adjusting in accordance with IAS 10, as they do not provide evidence of conditions existing at the reporting date. Accordingly, no adjustments have been made to the 2025 financial statements in respect of these items.

Valereum Plc

**Directors' Report
Year ended 31 December 2025**

Substantial shareholdings

As of 30 June 2026, and based on Directors' knowledge, the following shareholders hold 3% or more of the issued share capital of the Company. Their shareholdings as of 31 December 2025 are also provided for comparative purposes:

Shareholder	As at 30 June 2026		As at 31 December 2025	
	Number of £0.001 ordinary shares	% Issued Share capital	Number of £0.001 ordinary shares	% Issued Share capital
QGP	243,234,439	44.84%	12,595,437	4.90%
James Bannon	96,785,343	17.84%	86,785,343	33.76%
Gary Cottle	20,951,613	3.86%	10,951,613	4.26%

Statement regarding disclosure of information to the Auditors

Each Director of the Group has confirmed that, in fulfilling their duties as a director, they are aware of no relevant audit information of which the Auditors are not aware of and that they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of Gibraltar Companies Act 2014.

Auditors

The statutory auditors are RSM Audit (Gibraltar) Limited.

A resolution for the reappointment of RSM Audit (Gibraltar) Limited will be put to the members at the annual general meeting.

By order of the board



**James Bannon
Director**

30 June 2026

Valereum Plc

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare consolidated financial statements for each financial year, which give a true and fair view of the state of affairs and of the profit or loss of the Group for that year. In preparing those consolidated financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures; and
- d. prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Group and to enable them to ensure that the consolidated financial statements comply with the requirements of the Gibraltar Companies Act 2014. Specifically, pursuant to section 248 of the Companies Act, the Directors have elected to follow International Financial Reporting Standards as adopted by the United Kingdom. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate consolidated financial statements included on the Group's website. Legislation in Gibraltar governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.



James Bannon

Director

30 June 2026

INDEPENDENT AUDITORS' REPORT To the shareholders of Valereum Plc

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Valereum Plc ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated and company statements of financial position as at 31 December 2025, and the consolidated statement of total comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Group's and Company's affairs as at 31 December 2025 and of the Group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted in the United Kingdom ("IFRS") and
- have been prepared in accordance with Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which describes the management's assessment of the Group's ability to continue as a going concern. As set out in that note, the Group is in the early stages of revenue generation and recorded a loss before tax of £7.02 million for the year ended 31 December 2025. The Group's ability to continue as a going concern is dependent on the successful execution of its business plan, including the generation of forecast revenues, management of its cost base, and access to additional funding where required.

The management's assessment is based on cash flow forecasts which indicate that the Group has sufficient liquidity to meet its obligations as they fall due for at least twelve months from the date of approval of the financial statements. However, these forecasts are inherently uncertain and include assumptions regarding the timing and level of future revenues, including project-based income, and the achievement of forecast improvements in financial performance during 2026.

INDEPENDENT AUDITORS' REPORT
To the shareholders of Valereum Plc

Report on the audit of the consolidated financial statements (continued)

Material uncertainty related to going concern (continued)

Subsequent to year-end, the Group holds certain assets, including tokenised instruments linked to underlying mining assets, for which verification and realisation remain uncertain in both timing and amount, and which have not been included within the forecast cash flows. In addition, the Group's financial position is affected by creditor balances which may not crystallise as recorded.

These events and conditions, along with the other matters set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Management's plans to address these matters are described in note 2, together with the disclosures in the Directors' Report and Chairman's Statement.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter	Key observations communicated to the Directors
<p>Going concern assessment</p> <p>As at 31 December 2025, the Group has net current liabilities of £2,175,404 (2024: net current liabilities of £1,947,252). In addition, the Group is at net loss position during the year. For the year ended 31 December 2025, the Group also has a total loss before tax of £7,019,12 (2024 profit: £3,222), after £2,554,525 impairments (2024: £376,169 impairments). At the end of the year, the accounts show that the Group held cash balances totalling £415,929 (2024: £19,397). Administrative costs during the year, were £2,720,372 (2023: £1,687,998). This would normally indicate that Group may not be able to cover the Group's expenses for the next twelve months from the date of the approval of the consolidated financial statements.</p> <p><i>(refer to Note 2, Going concern and Note 3, Critical accounting estimates and judgements)</i></p>		

INDEPENDENT AUDITORS' REPORT
To the shareholders of Valereum Plc

Report on the audit of the consolidated financial statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter	Key observations communicated to the Directors
<p>Going concern assessment</p> <ul style="list-style-type: none"> As disclosed in Note 2, the consolidated financial statements have been prepared on a going concern basis. The going concern ability of the Group relies on a number of matters including the ability to raise further capital, realisation of its investments, and successfully develop its business. Subsequent to the year end, the Group entered into a transaction with Quorium Global Photonics SPC ("QGP") under which it was issued tokens linked to a structured financial instrument backed by underlying mining assets. The arrangement with QGP remains subject to independent verification, and the timing and extent of any associated cash inflows are uncertain. As these assets remain subject to verification and conversion into cash, no reliance has been placed on them in the cash flow forecasts. While this is a non-adjusting post balance sheet event, it is relevant to liquidity and the Directors' going concern assessment, as the Group has incurred losses and remains reliant on existing cash resources, recent fundraisings and, where necessary, access to additional funding. There is a risk that a material uncertainty could exist related to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. The Group closely monitors and manages its capital position and liquidity risk regularly throughout the year to ensure that it has sufficient funds to meet forecast cash requirements and satisfy the working capital requirements and acquisitions. Taking into account the ability of the Group to raise adequate funding, the Board of Directors is confident that the Group has access to sufficient funds to enable the Group to meet its liabilities as and when they fall due for at least the next twelve months. 	<p>Our procedures in relation to management's going concern assessment included:</p> <ul style="list-style-type: none"> We identified that the most significant assumptions in assessing the Group's ability to continue as a going concern were its ability to raise further capital, realisation of its investments, and successfully develop its business. The calculations supporting the assessment require management to make highly subjective judgements. The assessments are based on estimates of future events and are fundamental in determining the suitability of the basis adopted for the preparation of the consolidated financial statements. We have reviewed these assumptions and calculations; We have evaluated the appropriateness of the disclosures included in note 2, including whether they adequately describe the uncertainty relating to asset verification, timing of cash flows, and non-receipt of expected amounts; The Group relies on additional capital from potential investors and is confident that it will secure additional funding in 2026. It is noted that £1,050,000 funding has been secured where £962,030 had been received as at 30 May 2026. We have reviewed the forecast, including considering scenarios which exclude any cash inflows from the arrangement with QGP, and noted that the Group's cash flow forecasts to 30 June 2027 indicate headroom of approximately £22m in the management case and £1.3m in the heavily sensitised base case scenario. 	<p>We concluded that no further disclosures relating to the Group's ability to continue as a going concern need to be made in the financial statements. We nevertheless believe that there is material uncertainty and therefore, we included a material uncertainty related to going concern paragraph in our audit report.</p>

INDEPENDENT AUDITORS' REPORT **To the shareholders of Valereum Plc**

Report on the audit of the consolidated financial statements (continued)

Materiality

The concept of materiality is fundamental to the preparation of the Group's consolidated financial statements and the audit process. Materiality is an expression of the relative significance or importance of a particular matter in the context of the consolidated financial statements as a whole.

For the purposes of an audit, misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements. Materiality is considered at both the overall financial statement level ("financial statement materiality") and, if applicable, in relation to individual account balances, classes of transactions and disclosures ("element materiality") and is used as a threshold or benchmark against which errors or differences of opinion between management and ourselves can be evaluated.

The financial statement materiality calculated for the Group is £71,000 which was determined using net assets as benchmark.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with applicable law in Gibraltar and IFRS, and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

To the shareholders of Valereum Plc

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



INDEPENDENT AUDITORS' REPORT

To the shareholders of Valereum Plc

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the matter where the Companies Act 2014 requires us to report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

Other matters we are required to address

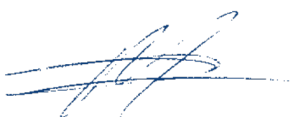
- we were appointed by the Company on 19 March 2026 to audit the consolidated financial statements for the year ended 31 December 2025. The period of total uninterrupted engagement including previous renewals and appointments is thirteen years, covering the year ends from 31 December 2013 to 31 December 2025. This is the eleventh year where the Responsible Individual is Moe Cohen. As a result of changes to the IESBA Code of Ethics, the Company is a public interest entity since previous reporting year. Under the revised IESBA Code of Ethics Moe Cohen is allowed to serve as Responsible Individual for two years following change.
- the non-audit services prohibited by the Financial Services Act 2019 were not provided to the Company and we remain independent of the Company in conducting the audit.
- the audit opinion is consistent with the additional report to the Audit Committee.
- explanations as to what extent the audit was considered capable of detecting irregularities, including fraud:
 - Irregularities - to obtain sufficient appropriate evidence regarding compliance with the provision of laws and regulations which are considered to have a direct effect on the determination of material amounts and disclosures in the financial statements; and to perform other audit procedures to help identify instances of non-compliance that have a material effect on the financial statements. However, we are not responsible for preventing non-compliance with these laws and regulations and our audit procedures cannot be expected to detect non-compliance with all laws and regulations; and
 - Fraud - to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient and appropriate evidence regarding these assessed risks, through designing and implementing appropriate procedures; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for prevention and detection of fraud lies with management and those charged with governance.

INDEPENDENT AUDITORS' REPORT To the shareholders of Valereum Plc

Other matters we are required to address (continued)

- our approach regarding irregularities and fraud were as follows:
 - Irregularities - we obtained a general understanding of the laws and regulations applicable to the Group in particular company law, tax and the financial reporting framework. These also included compliance with the requirements of the Aquis Stock Exchange ("AQSE"). We also obtained an understanding of how the Group complies with these laws and regulations by making inquiries of management and those responsible for compliance matters which included understanding of the Group's policies and procedures in place to prevent and detect non-compliance with laws and regulations; and their knowledge or awareness of any non-compliance that could affect the financial statements. We also reviewed any correspondence between the Company and the AQSE and reviewed minutes of Board meetings for indicators of non-compliance; and
 - Fraud - we assessed the susceptibility of the Group's financial statements to material misstatement, including fraud. We considered the controls that the Group has in place to address risks identified by the entity that would seek to prevent, deter or detect fraud. We also considered areas of significant judgement and the impact on the control environment. When determined to be higher, we performed audit procedures to address each identified fraud risk as shown on the Key Audit Matters section of this report. These procedures included testing audit journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

This report, including the opinion, has been prepared for and only for the Company's member in accordance with Section 257 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



SVM Cohen
Statutory Auditor
for and on behalf of RSM Audit (Gibraltar) Limited

21 Engineer Lane
Gibraltar

30 June 2026

Valereum Plc

**Consolidated Statement of Total Comprehensive Income
for the year ended 31 December 2025**

	Notes	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Revenues		98,318	19,272
Administrative expenses	4	<u>(2,720,372)</u>	<u>(1,687,998)</u>
Operating loss	4	(2,622,054)	(1,668,726)
Impairment of minority investments	13	(2,209,525)	(13,996)
Impairment of crypto assets	11	(60,000)	-
Loss on disposal of subsidiary	12	(514)	-
Impairment of intangible asset	11	(285,000)	(19,774)
(Loss)/gain on revaluation of investments	13	(3,985,776)	1,981,075
Gain on disposal of listed investments.	13	2,175,320	-
Interest income		45	9,769
Interest expense		(1,302)	(6,129)
Foreign exchange (loss)/gain		(30,358)	2,035
Other income		43	81,141
Impairment of goodwill	12	-	<u>(362,173)</u>
(Loss)/profit before taxation		<u>(7,019,121)</u>	<u>3,222</u>
Tax on (loss)/profit	6	-	-
Total comprehensive (loss)/income for the year		<u>(7,019,121)</u>	<u>3,222</u>
Total comprehensive (loss)/income for the year attributable to:			
Equity holders of the parent		(7,019,121)	3,222
Non-controlling interests		-	-
Total comprehensive (loss)/income for the year		<u>(7,019,121)</u>	<u>3,222</u>
Basic and diluted (loss)/profit per share	7	(0.03406)	0.00002

There are no recognised gains or losses other than disclosed above and there have been no discontinued activities during the year.

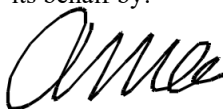
The notes on pages 29 to 55 form part of these consolidated financial statements.

Valereum Plc

Consolidated Statement of Financial Position
as at 31 December 2025

	Notes	31 December 2025	31 December 2024
		£	£
Current assets			
Loans and other receivables	8	91,727	109,809
Cash and cash equivalents		415,929	19,397
		<u>507,656</u>	<u>129,206</u>
Non-current assets			
Property, plant and equipment	9	3,091	2,202
Right of use assets	9, 10	71,568	-
Intangible assets	11	63	285,082
Investments	13	345,219	4,633,500
		<u>419,941</u>	<u>4,920,784</u>
Total assets		<u>927,597</u>	<u>5,049,990</u>
Current liabilities			
	14	2,683,060	2,076,458
Non-current liabilities			
	15	53,676	-
Total liabilities		<u>2,736,736</u>	<u>2,076,458</u>
Net (liabilities)/assets		<u>(1,809,139)</u>	<u>2,973,532</u>
Equity			
Share capital	16	4,309,044	4,224,327
Share premium	16	28,555,661	26,470,342
Translation reserve		257,478	257,478
Share warrants reserve	17	66,634	238,190
Accumulated losses		(34,997,956)	(28,216,805)
		<u>(1,809,139)</u>	<u>2,973,532</u>
Total (deficit)/equity		<u>(1,809,139)</u>	<u>2,973,532</u>
Total equity and liabilities		<u>927,597</u>	<u>5,049,990</u>

The consolidated financial statements were approved by the board and authorised for issue on 30 June 2026 and signed on its behalf by:



James Bannon
Director



Gary Cottle
Director

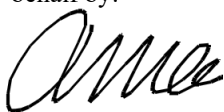
The notes on pages 29 to 55 form part of these consolidated financial statements.

Valereum Plc

Company Statement of Financial Position
as at 31 December 2025

	Notes	31 December 2025	31 December 2024
		£	£
Current assets			
Loans and other receivables	8	48,341	100,024
Cash and cash equivalents		412,126	1,574
		<u>460,467</u>	<u>101,598</u>
Non-current assets			
Property, plant and equipment	9	3,091	2,202
Right of use assets	10	71,568	-
Amounts due from related undertakings	22	-	743,432
Investments in subsidiaries	12	401,722	276,550
Other Investments	13	15,433	4,303,714
		<u>491,814</u>	<u>5,325,898</u>
Total assets		<u>952,281</u>	<u>5,427,496</u>
Current liabilities			
	14	2,192,663	1,725,135
Non-current liabilities			
	15	53,676	-
Total liabilities		<u>2,246,339</u>	<u>1,725,135</u>
Net (liabilities)/assets		<u>(1,294,058)</u>	<u>3,702,361</u>
Equity			
Share capital	16	4,309,044	4,224,327
Share premium	16	28,555,661	26,470,342
Translation reserve		257,478	257,478
Share warrants reserve	17	66,634	238,190
Accumulated losses		(34,482,875)	(27,487,976)
Total (deficit)/equity		<u>(1,294,058)</u>	<u>3,702,361</u>
Total equity and liabilities		<u>952,281</u>	<u>5,427,496</u>

The company financial statements were approved by the board and authorised for issue on 30 June 2026 and signed on its behalf by:



James Bannon
Director



Gary Cottle
Director

The notes on pages 29 to 55 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2025

	Notes	Share Capital £	Share Premium £	Translatio n Reserve £	Share warrants Reserve £	Accumulated Losses £	Total £	Non- Controllin g Interest £	Total Equity
Balance at 1 January 2024		4,148,640	23,842,357	257,478	649,300	(28,617,579)	280,196	70,500	350,696
Comprehensive loss for the year		-	-	-	-	3,222	3,222	-	3,222
Share-based payments	17	-	-	-	24,656	-	24,656	-	24,656
Transfers		-	-	-	(449,927)	449,927	-	-	-
Shares issued during the year	16	75,687	2,627,985	-	14,161	-	2,717,833	-	2,717,833
Acquisition of non controlling interest		-	-	-	-	(52,375)	(52,375)	(70,500)	(122,875)
Balance at 31 December 2024		4,224,327	26,470,342	257,478	238,190	(28,216,805)	2,973,532	-	2,973,532
Comprehensive profit for the year		-	-	-	-	(7,019,121)	(7,019,121)	-	(7,019,121)
Share-based payments	17	-	-	-	65,768	-	65,768	-	65,768
Transfers		-	-	-	(237,970)	237,970	-	-	-
Shares issued during the year	16	65,215	2,036,569	-	646	-	2,102,430	-	2,102,430
Warrants exercised during the year	16	19,502	48,750	-	-	-	68,252	-	68,252
Balance at 31 December 2025		4,309,044	28,555,661	257,478	66,634	(34,997,956)	(1,809,139)	-	(1,809,139)

The notes on pages 29 to 55 form part of these consolidated financial statements.

Valereum Plc

Consolidated Statement of Cash Flows
Year ended 31 December 2025

	Notes	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Cash flows from operating activities			
Loss/(profit) for the year		(7,019,121)	3,222
Reconciliation to cash generated from operations:			
Realised gain on equity investments	13	(2,175,320)	-
Revaluation loss/(gain) on equity investments	13	3,985,776	(1,981,075)
Equity settled share-based payments expense	17	65,768	24,656
Gain on disposal of fixed asset	9	-	(66,706)
Lease interest		-	16,813
Impairment of investments	13	2,209,525	13,996
Impairment of crypto assets	11	60,000	-
Impairment of goodwill	12	-	362,173
Bad debt write-off	8	62,984	-
Depreciation (including right of use depreciation)	9	960	46,427
Amortization of development cost	11	285,000	19,774
Rent expense		-	27,500
Foreign exchange gain		(181)	-
<i>Changes in working capital</i>			
Decrease/(increase) in receivables		18,082	(167,092)
Increase/(decrease) in payables		576,115	(496,138)
<i>Net cash flow used in operating activities</i>		<u>(1,930,412)</u>	<u>(2,196,450)</u>
Cash flows from investing activities			
Purchase of computer equipment	9	(1,849)	(2,643)
Right of use lease payments		-	(90,301)
Proceeds from disposal of listed investments	13	2,440,231	-
Investments in minority interests	13	(2,209,525)	-
Investment in crypto assets	11	(60,000)	-
Cash acquired with subsidiary	12	-	215,070
<i>Net cash flow from investing activities</i>		<u>168,857</u>	<u>122,126</u>
Cash flows from financing activities			
Issue of share capital	16	2,158,087	2,319,458
Repayment of loans	14, 22	-	(257,669)
<i>Net cash flow from financing activities</i>		<u>2,158,087</u>	<u>2,061,789</u>
Net increase/(decrease) in cash		396,532	(12,535)
Cash at bank and in hand at the start of the year		19,397	31,932
Cash at bank and in hand at the end of the year		<u>415,929</u>	<u>19,397</u>

The notes on pages 29 to 55 form part of these consolidated financial statements.

1 General Information

Valereum Plc (“VLRM” or “the Company”), previously known as Upper Thames Holdings Plc and thereafter Valereum Blockchain Plc, is a public company limited by shares and is incorporated in Gibraltar. The registered office is situated at Madison Building, Midtown, Queensway, GX11 1AA, Gibraltar.

These consolidated financial statements as at 31 December 2025 and for the year then ended comprise the Company and its subsidiaries, the GSX Group Limited and its subsidiaries, Valereum Collections Ltd, Gatenet Technology Limited, Valereum Capital Management Limited, and VLRM Markets, S.A. de CV (together referred to as “the Group”).

2 Material Accounting Policy Information

The material accounting policies adopted by the Group in the preparation of its consolidated financial statements for the year ended 31 December 2025 with comparatives for the year ended 31 December 2024 are set out below. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and Interpretations issued by the IFRS Interpretations Committee (“IFRIC”) as adopted by the United Kingdom and with those parts of the Gibraltar Companies Act applicable to companies reporting under IFRS. These are the standards, subsequent amendments and related interpretations issued and adopted by the International Accounting Standards Board (“IASB”) that have been endorsed by the United Kingdom at the year-end. The consolidated financial statements have been prepared under the historical cost convention.

Going concern

The Directors have assessed the Group’s ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. This assessment considered the Group’s financial position at 31 December 2025, its liquidity resources, cash flow forecasts, available funding options and the principal risks and uncertainties facing the business.

During 2025, the Group strengthened its liquidity position through raising £2.1 million of new equity funding and the realisation of £2.4 million from the disposal of its non-strategic listed investment in London BTC Company Ltd. As a result, the Group’s cash position improved materially to £415,929 at 31 December 2025 (2024: £19,397). The Group also commenced revenue generation during the year, raised a further £1.05m in May 2026 and has materially reduced its operating cost base since 2025.

Although the Group recorded loss before tax of £7.02 million for the year (2024: profit of £3,222), the Directors note that the FY25 loss was significantly impacted by non-recurring, non-cash charges, including a £4 million unrealised fair value loss on Vinanz shares, a £2.3 million impairment of other investments and amortisation of £0.3 million of in-process development costs acquired in 2024. These items do not reflect the Group’s underlying trading performance or expected future cost base.

The Directors also note that the financial position at 31 December 2025 was affected by significant creditor balances which are not expected to crystallise.

In January 2026, the Group was issued with QMTN 2601001 medium term notes by Quorium Global Photonics SPC (“QGP”), subsequently to be replaced by tokens that are underpinned by mining assets with an approximate valuation of \$279.5 million (subject to satisfactory verification of the underlying asset) providing a scheduled release of US\$13.975 million per quarter. While the Directors have been actively pursuing the verification and monetisation of these assets, there can be no assurance as to the outcome or timing of these processes. As verification remains outstanding, the Directors have not assumed any cash inflows from these instruments in preparing the Group’s cash flow forecasts.

2 Material Accounting Policy Information (continued)

Going concern (continued)

The Group's cash flow forecasts, which are deliberately conservative and do not assume any monetisation of tokens, exclude the majority of anticipated revenues under existing arrangements with clients, exclude any cash inflows from investments, and assume no further fundraises, indicate that the Group has sufficient liquidity to meet its obligations as they fall due for at least twelve months from the date of approval of these financial statements. The Directors note that the forecast turnaround in performance and net assets occurs in the second half of 2026, when project incomes begin to exceed the Group's fixed cost base. As a result, the Group's net asset position is forecast to strengthen progressively over the going-concern assessment period.

Having considered the Group's improved cash position as at 31 December 2025, the successful fundraising completed after the reporting date, the commencement of revenue generation, the availability of further funding options, alongside the material uncertainties described above which may cast doubt on the Group's ability to continue as a going concern, the Directors believe that the Group is able to manage its business risks and has a reasonable expectation that it will continue in operational existence for at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet, respectively.

Functional and presentational currencies

The individual financial information of the entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). Since 1 January 2021, the functional currency of the Group has been Pounds Sterling ("£") as The Board of Directors consider that the Group's assets and liabilities are predominantly £ denominated and that reporting in £ reduces exposure to exchange differences in its reported results.

The consolidated financial statements are presented in £ including the comparative figures. All amounts are recorded in the nearest £, except when otherwise indicated.

Foreign currencies

Monetary assets and liabilities have been translated at rates in effect at the statement of financial position date, with any exchange adjustments being charged or credited to profit or loss.

In the cash flow statement, cash flows denominated in foreign currencies are translated into the presentational currency of the Group at the average exchange rate for the period or at the prevailing rate at the time of the transaction where more appropriate.

2 Material Accounting Policy Information (continued)

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the entity (El Salvador subsidiary) is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when VLRM becomes a party to the contractual provisions of the instrument. The Group classifies its financial assets at amortised cost, except for financial assets at fair value through profit or loss. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies its financial assets when and only when its business model for managing these assets changes.

Loans and receivables

Loans and receivables are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less provision for impairment.

The Group has adopted the expected credit loss model ("ECL") in IFRS 9. The ECL is to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group only holds trade and other receivables with no financing component and therefore has adopted an approach similar to the simplified approach to ECLs. Provision for impairment (or the ECL) is established based from full lifetime ECL and when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at effective interest rate.

Financial assets at fair value through profit or loss (FVTPL)

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable market.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Investments in equity instruments are classified at FVTPL.

2 Material Accounting Policy Information (continued)

Impairment of unlisted equity investments and subsidiary undertakings

The Group assesses its unlisted equity investments and subsidiary undertakings for impairment at each reporting date in accordance with IFRS 9, IFRS 13 and IAS 36. These assessments require the use of significant judgement due to the early-stage nature of the investee companies, limited availability of financial information, and the absence of observable market prices.

For unlisted minority investments, fair value is determined using Level 3 valuation techniques, as defined in IFRS 13, because observable market inputs are not available. In determining fair value, the Directors consider:

- the investee's financial position, cash resources and solvency;
- the ability of the investee to raise external funding;
- progress against contractual milestones;
- the presence of contractual disputes or non-performance;
- the Group's decision to pause further staged payments where conditions were not met;
- publicly available information;
- the absence of observable market transactions

Where reliable valuation inputs are not available, the investment is measured at £nil.

For subsidiary undertakings, the Group assesses recoverable amount using the higher of value in use and fair value less costs of disposal. Where recoverable amount is lower than carrying amount, an impairment is recognised. During the year, the recoverable amount of GSX Group Limited was determined with reference to the fair value of its investment in Nexstox Inc. less the subsidiary's liabilities.

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Equity comprises the following:

- Share capital represents amounts subscribed for shares at nominal value.
- Share premium represents amounts subscribed for share capital in excess of nominal value.
- Accumulated losses represent the accumulated profits and losses attributable to equity shareholders.
- Other reserves include translation reserve, revaluation reserve, and share warrants reserve.

Intangible assets other than goodwill – acquired “in process development costs”

Intangible assets acquired in a business combination, are recognised at fair value at the acquisition date, separately from goodwill in line with International Accounting Standards (“IAS”) 38 Intangible Assets. As at the date of acquisition of the GSX Group, there was a distinct development project in respect of digital financial management infrastructure (DFMI). Management expects that future economic benefits are attributable to the entity over an indefinite term for these assets. Therefore, the useful economic life is considered indefinite and no annual amortisation is recognised. These assets are subsequently recognised at cost less impairment and at each balance sheet date Management conducts an impairment review which is at a minimum annually.

2 Material Accounting Policy Information (continued)

Intangible assets other than goodwill – virtual currencies

The Group holds certain virtual currency assets which are accounted for as intangible assets in accordance with IAS 38. For virtual currencies that have active markets (such as Bitcoin held by the Group until 20 April 2024), the Group applies the revaluation model. These assets are initially recognised at cost and subsequently measured at fair value, with increases above cost (i.e., unrealised gains) recognised in other comprehensive income in the statement of total comprehensive income and accumulated in a revaluation reserve within equity, and decreases below cost (i.e., unrealised losses) recognised in the profit or loss account. Realised gains and losses on disposal are recognised in profit or loss.

During the year, the Group also acquired GATE tokens, which do not have an active market at the reporting date. In the absence of an active market, these assets are measured using the cost-less-impairment model under IAS 38. Under this model, the tokens are initially recognised at cost and subsequently assessed for indicators of impairment at each reporting date. Where the recoverable amount is lower than carrying value, an impairment loss is recognised in profit or loss. At 31 December 2025, the Group recognised an impairment charge to reflect the absence of observable liquidity or market activity for the GATE tokens at year-end.

Property, plant and equipment (excluding right-of-use assets)

Property, plant and equipment is stated at cost less accumulated depreciation. Cost is depreciated on a straight-line basis over their expected useful lives as follows:

Computer equipment	3 years
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Leases – as a lessee

The Group assesses whether a contract contains a lease at inception. For all leases other than short-term leases (12 months or less) and leases of low-value assets, the Group recognises a right-of-use asset and a corresponding lease liability at the commencement date.

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments that are not paid at commencement, including fixed payments, in-substance fixed payments, variable payments based on an index or rate, and amounts payable under residual value guarantees. Lease payments are discounted using the rate implicit in the lease, or, where this cannot be readily determined, the Group's incremental borrowing rate.

Lease liabilities are subsequently measured using the effective interest method and reduced by lease payments made. They are remeasured when lease terms change, when payments change due to an index or rate, or when a lease is modified

Right-of-use assets

Right-of-use ("ROU") assets are initially measured at cost, comprising the initial lease liability, lease payments made at or before commencement, and initial direct costs, less any lease incentives received. ROU assets are included within property, plant and equipment and are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset, unless ownership transfers to the Group. Impairment is assessed in accordance with IAS 36.

Short-term and low-value leases

Payments for short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and advisors in consideration for services. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

2 Material Accounting Policy Information (continued)

Share-based payments (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the share-based valuation model determined by the Company, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability. Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied. If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification. If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited. If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted (or substantively enacted) by the year end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

New standards, amendments and interpretations to existing standards that are effective during the year

The Group has applied all of the new or amended IFRS Accounting Standards that are mandatorily effective for accounting periods beginning on or after 1 January 2025. Their adoption had no material impact on the disclosures or the amounts reported in these consolidated financial statements.

2 Material Accounting Policy Information(continued)

New standards, amendments and interpretations to existing standards that are not yet effective or have not been early adopted by the Group

At the date of authorisation of these consolidated financial statements, the following standards and interpretations were in issue but not yet mandatorily effective and have not been applied in these consolidated financial statements:

- Lack of Exchangeability (Amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates) applies when one currency cannot be exchanged into another. This may occur, for example, because of government-imposed controls on capital imports and exports, or a limitation on the volume of foreign currency transactions that can be undertaken at an official exchange rate. The amendments clarify when a currency is considered exchangeable into another currency, and how an entity estimates a spot rate for currencies that lack exchangeability. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026). These amendments were issued to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
 - (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.

- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027). which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals,
 - the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss;
 - required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective for annual periods beginning on or after 1 January 2027). This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Group assessed that there is no significant impact of the adoption of the new or amended IFRS Accounting Standards and Interpretations on the Group's consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 Critical accounting estimates and judgements

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimation uncertainty (see below) that management has made in the process of applying the Group's accounting policies and which have the significant effect on the amounts recognised in the consolidated financial statements.

Going concern

The preparation of the consolidated financial statements is based on the going concern assumption as disclosed in note 2. The Board of Directors believe that the going concern is appropriate but appreciate that circumstances and conditions indicate that a material uncertainty still exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. For this reason, the directors agree with the material uncertainty related to going concern paragraph in the Audit Report. In preparing the forecast, Management used a forecasting model. While the model incorporates observable historical data and market trends, it also includes significant assumptions and inputs that are not readily observable or verifiable in the market. These unobservable inputs require a high degree of management judgment and estimation, particularly in areas such as future revenue growth, working capital movements, and capital expenditure plans. As such, the resulting forecast reflects management's best estimates at the reporting date and is inherently subject to uncertainty and potential variability.

Assessment of fair value and impairment of unlisted investments

Valuation of unlisted investments requires significant judgement due to limited financial disclosure, early-stage business models, absence of observable market prices, reliance on management estimates and uncertainty around future funding. Given these factors, all unlisted investments have been classified as Level 3.

A critical judgement applied by the Directors relates to the classification, fair value measurement and impairment assessment of the Group's unlisted minority investments in Blubird Global Inc., DigiShares Inc., Fideum Group Limited and Metrikus Software Limited.

These investments are held at fair value through profit or loss under IFRS 9. As the investees are early-stage private companies operating in emerging markets with limited financial disclosure, the Directors determined that observable market inputs were not available, and therefore all investments are classified as Level 3 under IFRS 13.

In forming their judgement, the Directors considered:

- the investees' financial position, cash runway and solvency
- the absence of revenue-generating activity
- the ability of each investee to raise external funding
- contractual performance against agreed milestones
- the Group's decision to pause further staged payments to Blubird (US\$1,600,000 of a US\$2.5 million total potential investment) and to Fideum (€900,000 of a €1.7 million total potential investment), including the issue of 2 million shares in the Company to Fideum
- publicly available information indicating negligible value
- the lack of observable market transactions

Based on these factors, the Directors exercised judgement in concluding that cost was not representative of fair value, and that the fair value of these investments at 31 December 2025 was £nil.

Determination of functional currency

As disclosed in note 2, the Group changed its functional and presentational currencies with effect from 1 January 2021. The Directors considers £ to be the currency that most faithfully represents the economic effect of the underlying transactions, cash flows, events and conditions of the Group. The £ is the currency in which the Group measures its performance and reports its results, as well as the currency in which it assesses the viability of projects.

3 Critical accounting estimates and judgements (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period include the following.

Impairment of unlisted investments and subsidiary undertakings

The Group holds several unlisted minority investments measured at fair value through profit or loss. These valuations involve significant estimation uncertainty due to:

- limited financial information available from investees;
- early-stage business models with uncertain funding requirements;
- absence of observable market transactions;
- uncertainty regarding the timing and likelihood of future fundraising;
- reliance on management representations.

These factors create estimation uncertainty that could materially affect the carrying amounts of investments.

Key estimation inputs include:

- solvency and cash runway of investees;
- progress against contractual milestones;
- comparable market data (where available);
- probability-weighted scenarios.

Where reliable valuation inputs are not available, the Directors determined that fair value cannot be measured reliably and therefore recognised a fair value of £nil.

This applies to DigiShares Inc., Fideum Group Limited, Metrikus Software Limited and Blubird Global Inc.

Although the Directors consider the estimates used to be reasonable, changes in assumptions regarding funding availability, milestone delivery or marketability could materially affect the valuation of these investments in future periods.

Expected credit losses of loan receivables and provision for impairment of investments

Under IFRS 9, a provision should be made for expected credit losses that result from default events on the financial instruments. Default events are events that trigger impairment such as:

- financial covenant breach
- insolvency of the counterparty
- counterparty credit rating downgrade to the lowest rating given by a credit rating agency (e.g. Moody's, S&P, Fitch).

Share-based payment transactions

The Group measures the cost of equity-settled transactions with non-employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using market available information and methods as well as taking into account the terms and conditions upon which the instruments were granted. Fair value is independently determined by directly discounting the total cost using strike price and after considering the expired portion of the vesting period by 80% and 50% for the marketability condition. This is also in consideration that AQUIS is an illiquid market where the sale of large block is virtually impossible. The Company had performed a validation using the Binomial model to arrive approximately the same fair value.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Share-based payments calculations inherently require judgements and assumptions in calculating the fair value. Share-based payments expense during the year amounted to £65,768 (2024: £24,656). As disclosed in note 17, the fair value of share warrants granted in 2025 was £56,963 (2024: £24,656) and the fair value of the share warrants exercised during the year was £33,106 (2024: £3,292). The fair value of share warrants outstanding as at 31 December 2025 is £66,634 (2024: £238,190).

**Notes to the Consolidated Financial Statements
for the year ended 31 December 2025**

4 Operating loss

Operating loss is stated after charging the following:

	2025	2024
	£	£
Fees payable to the Group's auditor for the audit of the consolidated financial statements	69,000	58,500
Remuneration of directors of the Group	447,009	545,292
Share-based payment expense	<u>65,768</u>	<u>24,656</u>

The breakdown of administrative expense is presented below:

	2025	2024
	£	£
Directors' fees	447,009	545,292
Personnel cost	577,504	424,231
IT development cost	307,060	341,963
Professional fees	363,594	(43,381)
Audit fee	69,000	58,500
Depreciation expense	960	46,427
Share-based expense	65,768	24,656
Brokerage costs	145,575	-
Marketing, PR and conferences	233,723	116,660
Travel and subsistence	55,101	44,645
Property rental and associated costs	46,526	53,159
Consultancy fees	183,303	31,204
Stock exchange fees	29,084	12,650
Profit on disposal of fixed assets	-	(66,706)
Impairment of loan receivable	62,984	-
Others	<u>133,181</u>	<u>98,698</u>
	<u>2,720,372</u>	<u>1,687,998</u>

5 Staff costs

During the year ended 31 December 2025, excluding Directors, the average number of people employed by the Group was 4 (2024: 4). During the year ended 31 December 2025, the Group paid wages and salaries of £577,504 (2024: £424,231).

No staff other than the directors are considered key management personnel.

6 Taxation

The Group is subject to corporation tax in Gibraltar on any profits, which are accrued in or derived from Gibraltar or any passive income which is taxable. The corporation tax rate in Gibraltar is 15% (2024: 15%). With effect as from 1 July 2024, Gibraltar's corporate tax rate officially increased from 12.5% to 15%.

The Group has taxable losses to carry forward, consequently no provision for corporate tax has been made in these consolidated financial statements.

As at 31 December 2025 and 31 December 2024, the Group has not recognised deferred tax assets and has no deferred tax liabilities.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2025

7 Basic and diluted loss per share

	31 December 2025 £	31 December 2024 £
(Loss)/profit attributable to ordinary shareholders	<u>(7,019,121)</u>	<u>3,222</u>
Weighted average number of new ordinary shares at end of the period	<u>206,053,497</u>	<u>138,052,705</u>
Issued ordinary shares at the beginning of the period	172,332,349	96,645,048
Effect of share issued during the year	<u>33,721,148</u>	<u>41,407,657</u>
Weighted average number of new ordinary shares at 31 December	<u>206,053,497</u>	<u>138,052,705</u>
Basic (loss)/profit per share	<u>(0.03406)</u>	<u>0.00002</u>

Basic (loss)/profit per share has been calculated by dividing the net results attributable to ordinary shareholders by the weighted average number of shares in issue during the period. Due to Group being loss making, any warrants are anti-dilutive, consequently diluted earnings per share is equal to basic earnings per share.

8 Loans and other receivables

	31 December 2025 £	31 December 2024 £
<i>Group</i>		
Loan receivable, net	16,800	79,784
Other receivable	22,998	2,066
Prepayments and accrued income	<u>51,929</u>	<u>27,959</u>
	<u>91,727</u>	<u>109,809</u>
	31 December 2025 £	31 December 2024 £
<i>Company</i>		
Loan receivable, net	16,800	79,784
Other receivable	22,581	-
Prepayments and accrued income	<u>8,960</u>	<u>20,240</u>
	<u>48,341</u>	<u>100,024</u>

The Group holds a loan receivable of £79,784 due from Cannon Street Investments Limited (“CSI”) under a 2021 Deposit Agreement, which provides a contractual right to repayment on demand. CSI has not disputed the existence of the receivable and has previously acknowledged the balance through an attempted offset against a separate consultancy fee claim, included within other payables which the Group disputes. An IFRS 9 lifetime expected credit loss assessment was performed at year-end. Although the contractual right to repayment remains enforceable, the receivable has been non-moving for an extended period and engagement with CSI has been limited. Accordingly, based on a probability-weighted assessment of recovery scenarios, the Group recognised an expected credit loss provision of £62,984, resulting in a net carrying amount of £16,800 at the reporting date.

Valereum Plc

Notes to the Consolidated Financial Statements
for the year ended 31 December 2025

9 Property, plant and equipment

	Computer Equipment	Right of use Assets	Total
<i>Group</i>	£	£	£
<u>Cost</u>			
As at 1 January 2024	-	-	-
Additions during the year	2,643	-	2,643
On acquisition	-	1,195,401	1,195,401
Disposals during the year	-	(1,195,401)	(1,195,401)
As at 31 December 2024	<u>2,643</u>	<u>-</u>	<u>2,643</u>
Additions during the year	<u>1,849</u>	<u>71,568</u>	<u>73,417</u>
As at 31 December 2025	<u>4,492</u>	<u>71,568</u>	<u>76,060</u>
<u>Accumulated Depreciation</u>			
As at 1 January 2024	-	-	-
Depreciation charges during the year	441	45,986	46,427
On acquisition	-	486,189	486,189
Disposals during the year	-	(532,175)	(532,175)
As at 31 December 2024	<u>441</u>	<u>-</u>	<u>441</u>
Depreciation charges during the year	<u>960</u>	<u>-</u>	<u>960</u>
As at 31 December 2025	<u>1,401</u>	<u>-</u>	<u>1,401</u>
<u>Net Book Value</u>			
As at 31 December 2025	<u>3,091</u>	<u>71,568</u>	<u>74,659</u>
As at 31 December 2024	<u>2,202</u>	<u>-</u>	<u>2,202</u>

Valereum Plc

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

9 Property, plant and equipment (cont)

On 30 January 2024, the Company acquired GSX Group Limited, of which a right of use asset with a net amount of £709,212 and lease liabilities amounting to £1,102,986, were part of the acquisition under Indigo Bay Limited and Madison Real Estate (4) Limited. On 5 July 2024, the Company terminated the lease which resulted to a gain on disposal of right of use of asset amounting to £66,706.

10 Leases

Right-of-use assets

The Group entered into a vehicle lease in December 2025. As the asset was brought into use at the end of the reporting period, no depreciation was recognised during the year.

	31 December 2025	31 December 2024
	£	£
<u>Cost</u>		
As at 1 January	-	-
Additions	71,568	-
Balance at 31 December	71,568	-
<u>Accumulated Depreciation</u>		
Balance at 1 January	-	-
Additions	-	-
As at 31 December	-	-
<u>Net Book Value</u>		
As at 31 December	71,568	-
Lease liabilities		
	31 December 2025	31 December 2024
	£	£
Balance at 1 January	-	-
Additions	71,568	-
Interest expense	-	-
Lease payments	-	-
Balance at 31 December	71,568	-
- of which current	17,892	-
- of which non-current	53,676	-

10 Leases (cont)

The lease liability recognised at 31 December 2025 relates solely to the vehicle lease entered into in December 2025. No lease payments were made before year-end.

Maturity analysis of lease liabilities (undiscounted)

	31 December 2025	31 December 2024
	£	£
Less than 1 year	17,892	-
1–2 years	17,892	-
2–3 years	17,892	-
3–4 years	17,892	-
Total undiscounted lease payments	<u>71,568</u>	<u>-</u>

The Group leases the motor vehicle for use by management. The lease does not contain variable lease payments, purchase options, or residual value guarantees and the Group is not subject to significant covenants arising from this lease. The incremental borrowing rate applied reflects the Group's estimated secured borrowing rate for similar assets.

The Group applied an incremental borrowing rate of 0% when measuring the lease liability. Management considers this appropriate because the lease contains no financing component, with fixed monthly payments made evenly over the lease term. Applying a non-zero discount rate would not materially change the recognised right-of-use asset or lease liability, and therefore a 0% rate provides a faithful representation of the lease's economics.

The Group applies the IFRS 16 recognition exemptions for short-term leases (lease terms of 12 months or less) and for leases of low-value assets. Lease payments arising from these arrangements are recognised as an expense on a straight-line basis over the lease term.

During the year, the Group incurred £3,000 (2024: £750) of lease expenses relating to a low-value, short-term office rental agreement; and £30,000 (2024: £30,000) of lease expenses relating to a short-term lease of a higher-value asset with a remaining lease term of less than 12 months. No right-of-use assets or lease liabilities have been recognised for these arrangements as they qualify for the short-term and/or low-value lease exemptions. No other leases qualifying for these exemptions were entered into or outstanding at the reporting date.

11 Intangible assets

	Acquired in process development costs	Crypto Assets	Total
<i>Group</i>	£	£	£
<u>Cost</u>			
As at 1 January 2024	-	-	-
On acquisition	304,774	59,450	364,224
Disposals during the year	-	(59,368)	(59,368)
As at 31 December 2024	304,774	82	304,856
Additions during the year	-	60,000	60,000
Disposals	-	(19)	(19)
As at 31 December 2025	304,774	60,063	364,837
<u>Accumulated amortisation and impairment</u>			
As at 1 January 2024	-	-	-
Charges during the year	19,774	-	19,774
As at 31 December 2024	19,774	-	19,774
Charges during the year	285,000	60,000	345,000
As at 31 December 2025	304,774	60,000	364,774
<u>Net Book Value</u>			
As at 31 December 2025	-	63	63
As at 31 December 2024	285,000	82	285,082

During the year the Group acquired £60,000 of GATE tokens. At the reporting date there was no active market or observable trading activity for these tokens, and accordingly the Group recognised an impairment charge to reflect the temporary absence of liquidity at year-end. The Group continues to develop initiatives intended to support future liquidity and utility for the token.

Acquired in-process development costs relating to digital financial market software were initially recognised at a fair value of £304,774 on the acquisition of GSX Group Limited (see note 12) and were determined to have indefinite useful economic lives. These assets were carried at £285,000 at 31 December 2024. During 2025, the Group undertook a review of the commercial viability and future economic benefits associated with the acquired software. This assessment considered the evolving market environment, the Group's broader technology roadmap, and the availability of alternative solutions through strategic partnerships. Based on this review, management concluded that the acquired software no longer supported the Group's preferred commercial approach and that its recoverable amount at 31 December 2025 was £nil. A full impairment charge of £285,000 was therefore recognised in the year. Subsequent to the year end, in February 2026, the Group negotiated a reduction in the outstanding liability owed to the developer of software from \$277,500 to \$138,500 in exchange for transferring the related software intellectual property.

After the year-end impairment review, the Group's recognised intangible assets total £63, representing residual crypto assets whose carrying value reflects year-end liquidity conditions. The Group continues to progress initiatives aimed at enhancing future utility and liquidity for these assets.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2025

12 Investment in Subsidiaries

Company

	2025 £	2024 £
Investment in subsidiaries	401,722	276,550

Details of the Company's subsidiaries are set out in the following tables.

The investments are measured using the equity method. The Group consolidates all subsidiaries over which it has control in accordance with IFRS 10 Consolidated Financial Statements.

Name of undertaking	Country of Incorporation	Ownership Interest (%) at 31 December 2025	Voting power held (%)	Status	Activity
VLRM Markets, S.A. de CV	El Salvador	99	99	Active	Licensed Digital Asset Service Provider
GSX Group Limited	Gibraltar	100	100	Active	Holding Company of GSX Group Companies
Gatenet Technology Limited	United Kingdom	100	100	Dissolved	Non trading
VLRM Collections Limited	Gibraltar	100	100	Active	Non trading
VLRM Capital Management Limited	Gibraltar	- (transferred in 2025)	-	Disposed	Investment Management

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12 Investment in Subsidiaries (cont)

	VLRM Markets, S.A. de CV	GSX Group Limited	Gatenet Technology Limited	Valereum Collections Limited	VLRM Capital Management Limited	Total
	£	£	£	£	£	£
Opening balance at 1 January 2025	1,550	275,000	-	-	-	276,550
Capital Contributions during the year	197,674	961,376	-	-	-	1,159,050
Disposal of subsidiary	-	-	-	-	-	-
Impairment	-	(1,033,878)	-	-	-	(1,033,878)
Ending balance, At 31 December 2025	199,224	202,498	-	-	-	401,722

The Directors performed an impairment review of all subsidiary investments at 31 December 2025.

Name of undertaking	Amount of impairment £	Basis of assessment of impairment
VLRM Markets, S.A. de CV	-	The subsidiary launched its regulated marketplace during 2025 and developed a growing issuer pipeline. Management expects future economic benefits to exceed the carrying amount.
GSX Group Limited	1,033,878	Following the capital contribution, the Directors reassessed the recoverable amount of GSX Group Limited. Although the subsidiary holds an investment in Nexstox Inc., the recoverable amount—based on the fair value of that investment less GSX Group’s liabilities—was lower than the carrying amount of the investment in GSX Group Limited. Accordingly, the investment was written down to its recoverable amount. Recoverable amount is supported by the fair value of GSX Group’s investment in Nexstox Inc., which obtained a regulatory licence from the Labuan Financial Services Authority in 2025 and launched its platform during the year.
Gatenet Technology Limited	-	No carrying value to impair.
VLRM Collections Limited	-	No carrying value to impair.
VLRM Capital Management Limited	-	No carrying value to impair.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2025

12 Investment in Subsidiaries (cont)

During the year, Valereum Plc provided £1.16 million of capital contributions to its active subsidiaries. These contributions were made to fund the launch and regulatory operation of VLRM Markets in El Salvador and ensure subsidiaries were appropriately capitalised for their operational and strategic objectives. Of the total, £961,377 related to the extinguishment of the intercompany balance owed by GSX Group Limited to the Company. These contributions were recognised as increases in the cost of the investments and do not represent loans or repayable funding.

The Company also transferred its interest in VLRM Capital Management Limited (“VCML”) to Nicholas Cowan for no consideration as part of a settlement agreement on his cessation of employment with the Group. At the date of the transfer, the fair of the net assets of the subsidiary amounted to £514 with no consideration received, resulting to a loss on disposal of £514 as presented in the profit or loss.

On 30 January 2024 the Company acquired the entire share capital of the GSX Group Limited for a consideration of 5,000,000 Ordinary Shares of £1 each. The Company's share price at the date of acquisition was £0.055 per share.

The fair values of the assets and liabilities acquired and goodwill are set out below:

	£
Unlisted investments	343,782
Software development costs	304,774
Right of use assets	709,212
Cash at Bank	215,070
Other receivables and prepayments	190,677
Other payables	(707,702)
Provisions	(40,000)
Lease liabilities	(1,102,986)
Net liabilities acquired	<u>(87,173)</u>
Consideration comprising 5,000,000 Ordinary shares of £0.001 each at a value of £0.055 per share	 275,000
Goodwill	 <u>362,173</u>

Following the acquisition, it was deemed that the goodwill arising was not recoverable and was fully impaired.

Immediately prior to acquisition, the Company issued warrants over 10,000,000 Ordinary Shares of £0.001 each at an exercise price of £0.01 each in lieu of amounts owed to certain directors and a related party of the acquired entity GSX Group Limited following the waiver of loans made by them to GSX Group Limited prior to the acquisition.

On 3 January 2024, the Group's acquired 0.2% of share capital of its subsidiary Valereum Collections Limited for a consideration of 2,517,857 ordinary shares of £0.001 each and now owns 100% of Valereum Collections Ltd.

Notes to the Consolidated Financial Statements
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13 Investments

The Group holds a portfolio of minority equity investments comprising both listed and unlisted holdings. As the Group holds less than 20% of the voting rights and does not exercise significant influence over the investees, these investments are classified as financial assets at fair value through profit or loss (FVTPL) in accordance with IFRS 9 Financial Instruments. Fair value is determined in accordance with IFRS 13 Fair Value Measurement, using Level 1 quoted prices for listed investments and Level 3 unobservable inputs for the unlisted investments, due to the absence of observable market prices, valuations and limited financial information available from the investments.

<i>Group</i>	London BTC Company Ltd (listed)	Nexstox Inc (via GSX Group Ltd)	Digishares Inc	Fideum Group Limited	Metrikus Software Limited	Blubird Global Inc	Total
	£	£	£	£	£	£	£
Cost							
As at 1 January 2024	2,322,639	-	-	-	-	-	2,322,639
Additions	-	343,782	-	-	-	-	343,782
Impairment	-	(13,996)	-	-	-	-	(13,996)
Revaluation to fair value	1,981,075	-	-	-	-	-	1,981,075
As at 31 December 2024	4,303,714	329,786	-	-	-	-	4,633,500
Additions	-	-	668,381	641,575	230,000	669,569	2,209,525
Disposal proceeds	(2,440,311)	-	-	-	-	-	(2,440,311)
Impairment	-	-	(668,381)	(641,575)	(230,000)	(669,569)	(2,209,525)
Revaluation to fair value	(1,847,970)	-	-	-	-	-	(1,847,970)
As at 31 December 2025	15,433	329,786	-	-	-	-	345,219

<i>Company</i>	31 December 2025 £	31 December 2024 £
Cost		
As at 1 January	4,303,714	2,322,639
Additions	2,209,525	-
Disposal proceeds	(2,440,311)	-
Impairment	(2,209,525)	-
Net fair value (loss)/gain	(1,847,970)	1,981,075
As at 31 December	15,433	4,303,714

On 21 April 2023, the Group disposed its computer equipment to London BTC Company Ltd (“London BTC”) (previously Vinanz Ltd) in exchange for 27,325,171 ordinary shares with no par value at a valuation of £0.01 per share. These shares increased in value to £4,303,714 based on the closing share price of London BTC of 15.75p per share on 31 December 2024. At 31 December 2025 the closing share price of these shares had decreased to 1.85p per share. Following the end of a lock in period, the Group disposed of 26,490,980 shares of London BTC during the year for cash proceeds of £2,440,311 at an average price of 9.21p per share. The original cost of the shares disposed of was £264,991, resulting in total realised gain of £2,175,320 when compared to cost. However, as the disposal proceeds were below the prior year fair value, the Group recognised an overall reduction in the carrying value of the investment during the year. The Group recognised a revaluation loss of £3,985,776 in profit or loss for the year (2024: gain of £1,981,075), reflecting both the decrease in market price of the shares and the impact of disposals during the year. At 31 December 2025, the remaining shares were remeasured to fair value based on a closing bid price of 1.85 pence per share, resulting in a closing carrying value of £15,433.

**Notes to the Consolidated Financial Statements
for the year ended 31 December 2025**

13 Investments (cont)

On acquisition of the GSX Group Limited in 2024, the Group recognised the GSX Group’s investment in Nexstox Inc at a fair value of £343,782 in accordance with IFRS 13. As there was no reliable market data available, the fair value was determined by applying the relevant proportion of net assets. An impairment charge of £13,996 was recognised during 2024 in respect of the relevant proportion of the estimated net loss of Nexstox Inc during the period. In 2025 Nexstox Inc made significant operational progress as it launched its platform after being granted a regulatory licence granted by the Labuan Financial Services Authority. Accordingly, the Board assessed the fair value of the investment to have increased as at 31 December 2025 therefore no impairment was recognised during the year.

During 2025, the Group invested £668,381 in a minority shareholding in Digishares Inc, a company providing its tokenization platform to users in 40 countries. At 31 December 2025, the Directors assessed the fair value to be £nil due to the absence of observable market transactions, fundraising activity not sufficiently advanced to support a valuation at the reporting date and the historic losses and financial position of the business. Accordingly, the investment was fully impaired.

In 2025, the Group also invested €800,000 in a minority shareholding in Fideum Group Limited Inc, a company providing turnkey, regulatory-compliant blockchain infrastructure to financial institutions, banks, and SMEs across Europe, Canada, Australia, and South America. The Group agreed to a total potential investment of £1,656,299, subject to various conditions, of which €800,000 was advanced during 2025. The Directors assessed the fair value to be £nil due to the absence of observable market transactions, fundraising activity not sufficiently advanced to support a valuation at the reporting date and the financial position presented in available publicly filed information. Accordingly, the investment was fully impaired at 31 December 2025

Further in 2025, the Group invested £230,000 in a minority shareholding in Metrikus Software Limited, a company providing AI software solutions to deliver building efficiency, sustainability and performance analytics for global clients. At 31 December 2025, the Directors assessed the fair value to be £nil due to the absence of observable market transactions, fundraising activity not sufficiently advanced to support a valuation at the reporting date and the historic losses and financial position of the business. Accordingly, the investment was fully impaired at 31 December 2025.

The Group also invested \$900,000 during the year in a minority shareholding in Blubird Global Inc, a company providing mission-critical tools to Web3 start-ups and traditional Web 2 businesses migrating to Web3’s blockchain technology. The Group agreed to a total potential investment of £1,857,217, subject to various conditions, of which \$900,000 was advanced during 2025. The Directors assessed the fair value to be £nil due to the absence of observable market transactions, fundraising activity not sufficiently advanced to support a valuation at the reporting date. Accordingly, the investment was fully impaired at 31 December 2025.

The Group retains the option although does not have the obligation to invest a further \$460,000 into Digishares Inc, €900,000 into Fideum Group Limited and £370,000 into Metrikus Software Limited on the same terms as the initial investment.

14 Current liabilities

	31 December 2025	31 December 2024
<i>Group</i>	£	£
Other payables including taxation and social security	2,159,770	1,740,106
Accruals and deferred income	505,398	336,352
Lease liability – current portion (Note 10)	17,892	-
	<u>2,683,060</u>	<u>2,076,458</u>

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Notes to the Consolidated Financial Statements for the year ended 31 December 2025

14 Current liabilities (cont)

<i>Company</i>	31 December 2025 £	31 December 2024 £
Other payables including taxation and social security	1,825,219	1,417,736
Due to related party undertakings (Note 22)	96,027	165,955
Accruals and deferred income	253,525	141,444
Lease liability – current portion (Note 10)	17,892	-
	<u>2,192,663</u>	<u>1,725,135</u>

Other payables include amounts due to current and previous directors amounting to £927,998 (2024: £896,347) in respect of their remuneration, of which payables due to current directors amounting to £131,651 (2024: £50,000) are disclosed in note 22.

At 31 December 2025, the lease liability related to a vehicle lease entered into during the year. Further information on this lease including the movement in lease liability, maturity analysis and right-of-use assets, is provided in Note 10 – Leases.

15 Non-current liabilities

<i>Group and Company</i>	31 December 2025 £	31 December 2024 £
Lease liability – non-current portion (Note 10)	53,676	-
	<u>53,676</u>	<u>-</u>

The lease liability at 31 December 2025 relates to a vehicle lease entered into on which further information, including the movement in lease liability, maturity analysis and right-of-use assets, is provided in Note 10 – Leases.

Notes to the Consolidated Financial Statements
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16 Share capital

	31 December 2025	31 December 2024
	£	£
Authorised:		
Ordinary shares of GBP 0.001 each	6,000,000	6,000,000

Allotted and called up:

	31 December 2025	31 December 2025	31 December 2025	31 December 2024	31 December 2024	31 December 2024
	Number of shares	Share capital £	Share premium £	Number of shares	Share capital £	Share premium £
As at 1 January	172,332,349	4,224,327	26,470,342	96,645,048	4,148,640	23,842,357
Issued during the year	65,215,025	65,215	2,036,569	67,929,609	67,929	2,616,285
Warrants exercised during the year	19,502,367	19,502	48,750	7,757,692	7,758	11,700
As at 31 December	257,049,741	4,309,044	28,555,661	172,332,349	4,224,327	26,470,342

On 3 January 2024, the Group issued 2,517,857 new ordinary shares of 0.1 pence each to acquired 0.2% of share capital of its subsidiary Valereum Collections Limited to bring its holding to 100% of Valereum Collections Ltd.

On 30 January 2024, the Group issued 5,000,000 new ordinary shares of 0.1 pence each to acquire the entire share capital of the GSX Group Ltd.

On 28 March 2024, the Group issued 5,000,000 new ordinary shares of 0.1 pence each at a price of 6 pence per share to the Company's Chairman, James Bannon to raise £300,000. In addition, 5,000,000 share warrants with a fair value of £14,161 were issued to James Bannon as a result of the capital raise.

On 4 July 2024, the Group issued 55,411,752 new ordinary shares of 0.1 pence each at a price of 3.6 pence per share which totals to £2,000,000 to the Company's Chairman, James Bannon.

On 4 July 2024, the Group issued 6,457,692 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share which totals to £6,458 following the exercise of warrants held by certain Directors of the Group: (James Bannon 4,807,692, Peter Sekhon 825,000, Karl Moss 825,000).

On 22 January 2025, the Group issued 577,367 new ordinary shares of 0.1 pence each at a price of 1 pence per share which totals £5,774 following the exercise of warrants held by a non-related warrant holder.

On 13 May 2025, the Group issued 12,500,000 new ordinary shares of 0.1 pence each at a price of 4 pence per share to raise £500,000 funding.

On 4 June 2025, the Group issued 12,500,000 new ordinary shares of 0.1 pence each at a price of 4 pence per share to raise £500,000 funding and 625,000 new ordinary shares of 0.1 pence each at a price of 4 pence per share with a fair value of £25,000 to the broker which arranged the funding.

On 4 July 2025, the Group issued 17,675,000 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share which totals to £17,675 following the exercise of 5,000,000 warrants held by James Bannon, the Company's Chairman, the exercise of 10,175,000 share options held by employees of the Group, and the exercise of 2,500,000 warrants held by employees of the Group.

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16 Share capital (continued)

On 1 August 2025, the Group issued 12,903,226 new ordinary shares of 0.1 pence at a price of 3.1 pence per share to raise £400,000 comprised of £200,000 each from the Company's Chairman, James Bannon and the Company's CEO, Gary Cottle for 6,451,613 ordinary shares each.

On 19 August 2025, the Group issued 2,091,362 new ordinary shares of 0.1 pence at a price of 3.1 pence per share to raise £64,832 from retail investors through a WRAP retail offer.

On 14 November 2025, the Group issued 12,000,000 new ordinary shares of 0.1 pence at a price of 5 pence per share to raise £600,000 comprised £225,000 for 4,500,000 ordinary shares from its Chairman, James Bannon, £225,000 for 4,500,000 ordinary shares from its Group CEO, Gary Cottle, and £150,000 for 3,000,000 ordinary shares from an unconnected party. In addition, the following share warrants were issued as a result of the capital raise:

	James Bannon	Gary Cottle	Unconnected party	Total
Number of share warrants priced at 50 pence per share	2,500,000	2,500,000	1,666,667	6,666,667
Number of share warrants priced at £1 per share	2,500,000	2,500,000	1,666,667	6,666,667
Fair value of warrants £	242	242	162	646

On 20 November 2025, the Group issued 1,250,000 new ordinary shares of 0.1 pence at a price of 4 pence per share, resulting in the Company receiving proceeds of £50,000 following the exercise of warrants held by a non-related warrant holder.

On 28 November 2025, the Group issued 12,595,437 ordinary shares of 0.1 pence each to Quorium Global Photonics SPC ("QGP") at par value. QGP has agreed to a full lock-up on these shares until the USD \$200m R&S capital is released to the Group. This remains unpaid as at year-end.

17 Share warrants

Details of the share warrants and options in issue during the year ended 31 December are as follows:

	Number of warrants/options 2025 No	Average exercise price 2025 £	Number of warrants/options 2024 No	Average exercise price 2024 £
Outstanding at 1 January	68,860,000	0.03	34,330,317	0.1624
Issued during the year	27,083,334	0.3744	63,317,692	0.0025
Cancelled during the year	(10,000,000)	(0.001)	-	-
Exercised during the year	(19,502,367)	(0.0037)	(7,757,692)	(0.003)
Expired during the year	(10,000,000)	(0.2)	(21,030,317)	(0.1250)
Outstanding at 31 December	56,440,967	0.1813	68,860,000	0.03

The fair value of share warrants and options expensed in 2025 was £65,768 (2024: £24,656) and the fair value of the share warrants exercised during the year was £33,106 (2024: £3,292). The fair value of share warrants outstanding as at 31 December 2025 is £66,634 (2024: £238,190). The fair value is determined by using available market information and methods as well as taking into account the terms and conditions upon which the instruments were granted.

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17 Share warrants (continued)

During 2025, out of the total 27,083,334 share warrants issued, 13,333,334 warrants were determined to be outside the scope of IFRS 2 *Share-based Payment*. Accordingly, the fair value of these warrants, amounting to £646, was measured separately and recognised as part of equity in connection with the share issuance.

18 Financial instruments and financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, loans and other receivables, investments in equity instruments and trade and other payables. The Group's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 2. The Group does not use financial instruments for speculative purposes.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	December 2025	December 2024
	£	£
Financial assets:		
Loan receivable, net	16,800	79,784
Other receivable	22,998	2,066
Cash and cash equivalents	415,929	19,397
Investments	345,219	4,633,501
	<u>800,946</u>	<u>4,734,748</u>
Financial liabilities:		
Other creditors	2,159,770	1,740,106
Accruals and deferred income	505,398	336,352
Lease	71,568	-
	<u>2,736,736</u>	<u>2,076,458</u>

Capital risk management

The Group's objective when managing capital is to ensure that adequate funding and resources are obtained to enable it to develop its projects through to profitability, while in the meantime safeguarding the Group's ability to continue as a going concern. This is aimed at enabling it, once the projects come to fruition, to provide attractive returns for shareholders and benefits for other stakeholders. Capital is sourced from equity and from borrowings, as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 December 2025, nor the year ended 31 December 2024.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management

(a) Market risk

Foreign exchange risk – The Group undertakes certain transactions in foreign currencies. Hence, exposure to exchange rate fluctuations arises.

The Group incurs foreign currency risk on transactions denominated in currencies other than its functional currency. The currency other than the functional currency that gives rise to this risk at Group level is the GBP. At the year end, the Group's exposure to the currency is minimal; accordingly any increase or decrease in the exchange rates relative to the functional currency would not have a significant effect on the consolidated financial statements.

18 Financial instruments and financial risk management (continued)

(a) Market risk (continued)

Fair value interest rate risk and cash flow risk – The fair values of financial assets and financial liabilities approximate the carrying amounts of those assets and liabilities reported in the statement of financial position. The Group has interest rate risk with the financial institutions and cash flow risk with its investment in equity securities.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, loans and other receivables, investment in equity instruments, as well as committed transactions. Individual risk limits are set based on limits set by the board. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. Cash is placed with an authorised and regulated electronic money institution. The Group's investment in equity is publicly listed in London's Aquis Stock Exchange. The Group's exposure and the credit ratings of its trading counterparties are monitored by the board of Directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(c) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Group arise in respect of the ongoing development programs, trade and other payables. Trade and other payables are all payable within 12 months.

The board receives cash flow projections on a regular basis as well as information on cash balances.

The overriding financial risk to the Group during the year was that of liquidity. At the current stage of the Group's development, the major source of funds is likely to be through the injection of new equity capital or a debt facility, or a combination of such sources.

19 Commitments

The Group had no capital commitments as at 31 December 2025.

20 Contingencies

As at 31 December 2025, the Group had two claims which the Directors aggressively disagree, as they believe that the validity of the claims against the Group are weak. Any provision, as necessary, has been reflected in the financial statements.

21 Controlling party

At 31 December 2025, the Directors do not believe there to be any single controlling party.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2025

22 Related party transactions

Transactions with related parties in respect of consultancy fees and remuneration of Directors during the year were as follows:

	Balance as at 1 January 2025	Remuneration	Settled in cash	Balance as at 31 December 2025
	£	£	£	£
James Bannon	-	132,497	(55,048)	77,449
Peter Sekhon	-	54,166	(54,166)	-
Karl Moss	-	52,083	(52,083)	-
Nicholas Cowan	-	70,000	(70,000)	-
Gary Cottle	50,000	90,834	(129,311)	11,523
Simon Brickles	-	47,429	(4,750)	42,679
Grant Gischen	-	-	-	-
Matthew Ripperger	-	-	-	-
	<u>50,000</u>	<u>447,009</u>	<u>(365,358)</u>	<u>131,651</u>

The share warrants information of the directors during the year were as follows:

	Warrants held at 1 January 2025	Issued	Cancelled	Exercised	Warrants held at date of cessation of directorship/ 31 January 2025
	No	No	No	No	No
James Bannon	5,000,000	5,000,000	-	(5,000,000)	5,000,000
Peter Sekhon	4,175,000	1,500,000	-	(1,000,000)	4,675,000
Karl Moss	4,175,000	1,500,000	-	(5,675,000)	-
Nicholas Cowan	10,000,000	-	(10,000,000)	-	-
Gary Cottle	5,000,000	5,000,000	-	-	10,000,000
Simon Brickles	3,000,000	-	-	-	3,000,000
Grant Gischen	-	2,500,000	-	-	2,500,000
Matthew Ripperger	-	-	-	-	-
	<u>31,350,000</u>	<u>15,500,000</u>	<u>(10,000,000)</u>	<u>(11,675,000)</u>	<u>25,175,000</u>

During the year, the Directors claimed expenses they had incurred on behalf of the Group of £14,131 (2024: £42,391). In addition, a property rented by the Group in Gibraltar, was made available for use by the Chairman, James Bannon, as his residence during the year. No rent was charged in respect of this use. Balance still due to the Directors as at 31 December 2025 in relation to claimed expenses amounted to £nil (2024: £3,676).

As at 31 December 2025, there is an outstanding balance due by the Company to Valereum Collections Ltd amounting to £71,000 (2024: £71,000) for funds the Company received on behalf of the subsidiary; and £25,027 (2024: £94,955) due to various subsidiaries in respect of interest free loans provided by the Company.

As at 31 December 2025, there were also outstanding balances of £nil (2024: £718,317) due from GSX Group Ltd to the Company and £nil (2024: £25,115) due from Gatenet Ltd to the Company in respect of interest free loans provided by the Company.

All amounts due to Directors and related parties represent short-term balances arising from payments made on behalf of the Group or from accrued remuneration. These balances are not loan arrangements, carry no interest, are unsecured and are payable on demand.

23 Subsequent events

The Directors have evaluated events occurring after the reporting date of 31 December 2025 and up to the date of approval of these financial statements. The following non-adjusting events are considered material to users of the financial statements.

QGP Subscription and Token Arrangements

In January 2026, the Company completed a subscription agreement with Quorium Global Photonics SPC (“QGP”), under which QGP subscribed for 243,478,438 ordinary shares in exchange for providing the Group with economic rights to a US\$200 million senior-secured medium-term notes with a 7.9% annual yield. In April 2026, the parties agreed to replace these with US\$279.5 million VGOLD-CORE tokens, subject to independent expert verification and valuation.

Equity Fundraising

In May 2026, the Group raised £1,050,000 through a placing and subscription of new ordinary shares. The raise included £200,000 each from the Chairman and CEO, demonstrating continued Board support and strengthening the Group’s liquidity position.

Strategic Appointments

In May 2026, the Group was appointed as Head of Capital Strategy for the Guatemalan Interoceanic Corridor, a major infrastructure initiative. The appointment is expected to generate advisory revenues and enhance the Group’s international footprint.

In April 2026, the Group signed a mandate with GCC Support Services to structure and tokenise up to US\$600 million of mining-related assets. This represents a significant commercial opportunity but does not adjust the 2025 financial statements.

Board Changes

In February 2026, the Board was strengthened through the appointment of additional executive and non-executive directors. Matthew Farnum Schneider joined as a Non-Executive Director, Grant Gischen was appointed as an Executive Director, and both Pieter Arnoldus Scholtz and Izak Gerhardus Kotzee joined the Board as Executive Directors.

Settlement of Blubird Investment

In March 2026, the Group reached a settlement in respect of its investment in Blubird Global Inc., under which the Group was released from completing its remaining investment of \$1,600,000 and secured 504,824 shares and 1,981,000 BLU tokens as part of the settlement terms.

OTCQB Approval

In March 2026, the Company was approved for trading on the OTCQB market in the United States under ticker VLRMF, expanding access to US investors and improving international visibility.

Strategic MoUs and Ecosystem Expansion

Between January and April 2026, the Group entered into multiple strategic memoranda of understanding with Injective Foundation, RWA.io, Defactor, Integra Foundation to expand the Group’s multi-chain tokenisation, custody, and distribution capabilities.

All events above are classified as non-adjusting under IAS 10, as they do not provide evidence of conditions that existed at the reporting date. No adjustments have been made to the 2025 financial statements.

25 Availability of accounts

The full report and accounts are being posted on the Group’s website, www.vlrm.com.