

KR1 plc
("KR1" or the "Company")

Audited Results for the Twelve Months Ended 31 December 2023

KR1 plc, a leading digital asset investment company, is pleased to announce its audited results for the twelve months ended 31 December 2023 ("FY23").

Financial Highlights

- Net assets of £195.0 million as at 31 December 2023, an increase of 178.48% on FY22 (and an increase of 115.01% on HY23);
- NAV per share of 109.91p as at 31 December 2023, an increase of 178.48% on FY22 (and an increase of 115.01% on HY23);
- Income from digital assets of £8.7 million, a decrease of 57.17% on FY22 (£20.2 million) mainly due to dampened market conditions throughout the past financial year

Investment Highlights

- Celestia was KR1's standout investment highlight in FY23, returning the Company many magnitudes of its initial investment
- Polkadot and Cosmos continue to be major positions with positive updates and strong future technical roadmaps
- Lido is still the strongest contributor to Ethereum's liquid staking ecosystem and remains a major holding alongside Ethereum (through Lido's stETH)

Strategic Highlights

- Positioned the Company as a leading voice in the UK's ambition to become "a global cryptoasset technology hub"
- KR1 joined CryptoUK and is engaging with the FCA and political representatives to inform future UK digital asset regulations, establishing a robust foundation for the future of the Company and the crypto ecosystem
- Throughout the financial year, KR1 continued to allocate capital to high-quality early-stage projects as well as expanded staking activities through additions of Celestia ("TIA") staking and Ethereum staking through Lido's staked ETH ("stETH")

Market Outlook

- Launch of US Bitcoin ETFs, recent Bitcoin halving and further market indicators signal to the Company that crypto is at the start of an upcoming bull run

George McDonagh and Keld van Schreven, Managing Directors and Co-Founders of KR1 plc, commented:

"We are proud to present KR1's 2023 results and have positioned the Company as a leading voice in the UK's ambition to become "a global cryptoasset technology hub". The Company's net assets grew substantially to £195 million as at year-end, providing shareholders with capital growth, which remains our main long-term focus. Alongside this, the income generated from digital assets continues to be of great benefit to the Company and we are confident that this should increase again in the coming year. An array of indicators, including the launch of the US Bitcoin ETFs and the recent Bitcoin halving, lead us to believe that we are at the start of a period of sustained positive market momentum for digital assets. KR1 is ideally positioned to capitalise on this, and we look forward to adding to the Company's high quality 'long-only' portfolio of innovative digital assets."

Chairman's Report

We are pleased to present the Annual Report and Audited Financial Statements of the Company for the twelve months ended 31 December 2023.

At 31 December 2023, the net asset value of KR1 plc ("the Company") was 109.91 pence per share as compared with 39.47 pence per share a year earlier. The net asset value of the Company at 31 December 2023 was £194,953,759, as compared with £70,006,184 a year earlier. Moreover, the Company reported a profit for the year of £124,947,575 (2022: loss £145,211,303).

On behalf of the Board of Directors, I thank all Shareholders for their support.

Sincerely yours,

Rhys Davies
Chairman
13 May 2024

Managing Directors' Report

It has been another momentous period for digital assets and it would be hard to summarise all the activities, but one thing is clear: the digital asset economy is thriving.

The record-breaking success of the US Bitcoin Exchange Traded Funds ("ETFs"), with now more than half the assets under management of US Gold ETFs has undoubtedly put pressure on UK regulators to make a move. There is added competition globally from Hong Kong which has already authorised launches of local spot Bitcoin ETFs alongside spot Ethereum ("ETH") ETFs. Historically, London benefitted tremendously when embracing financial innovation when the US hesitated. Eurodollar money markets and derivatives are good examples of this, and appropriate regulation of digital assets could benefit London again if the City acts quickly.

We have worked hard in recent years with relevant policymakers and other relevant organisations such as CryptoUK, the FCA and various political representatives across both parties to communicate what is holding the UK back from realising its ambition to be a global crypto-asset hub and stay competitive in the field. Recent highlights for the Company have included progressive meetings with MPs at Number 10 Downing Street, participation in relevant FCA roundtables as well as co-hosting a roundtable with our new communications and advocacy firm SEC Newgate, which was attended by several large global financial institutions. Through all these initiatives we established and strengthened KR1 as a leading voice in this endeavour. We are confident that there is a shared will across the broad spectrum of industry players for the UK to remain competitive by how they regulate digital assets. We believe that positive regulation will make the UK a world leader in the space, not a follower, resulting in the creation of more crypto unicorns in the UK, which will help develop a flourishing developer and entrepreneur community.

As a leading voice of the crypto industry and to position the Company for a more senior public listing, once admission criteria allow digital assets, it is essential we operate to the highest standards of corporate governance and meet our responsibilities to shareholders. Over the past years, KR1 has implemented numerous initiatives toward achieving this goal. The Company has established a strong and independent board, with the appointments of Rhys Davies, Mona Elisa and Aeron Buchanan, as independent non-executive directors. In addition, we engaged PKF Littlejohn, one of the UK's largest auditors, to further bolster our in-depth financial reporting and oversight. Furthermore, we onboarded Formidium, a specialised digital asset fund administration company, to help us release unaudited monthly NAV updates, providing shareholders with superior levels of transparency and disclosures

on a timely basis.

Following the recent EGM, the Company also received shareholder approval to carry out ordinary share buybacks. This authorises the Company to buy back shares if the directors believe that, to do so would be in the best interests of shareholders. This initiative has been well received by our shareholders and became relevant due to the divergence of the share price from the underlying net asset value per share. Of course, we will continue to allocate capital to new investments as the Company has done successfully since its inception.

KR1's standout performer in 2023 was Celestia, which we seed-funded after meeting Mustafa Al-Bassam; Celestia's co-founder, in 2019 when he was still completing his PhD at University College London. Armed with nothing more than a whitepaper at the time; Celestia has since launched to become a 'decom', taking the top spot in KR1's portfolio, and returning the Company many magnitudes of its initial investment. Celestia changed the game for blockchain architecture with its new modular framework, akin to a 'Lego-stack' approach. This architecture fits in perfectly with the latest developments of how blockchains such as Ethereum are scaling and, thus, made Celestia the most exciting crypto project launch of the year.

Other ecosystems, which we seed-funded and continue to support, including Polkadot and Cosmos, are still growing and have had a lot of recent positive updates. This is especially true of Polkadot, which has become more accessible to developers and has established a strong technical roadmap for how it transitions out of its previous parachain-dominated system into an even quicker, more secure and more flexible protocol through the releases of 'Asynchronous Backing', 'Agile Coretime', and Gavin Wood's recent 'JAM' protocol proposal. We believe these innovations are very promising for the digital asset ecosystem as a whole and, subsequently, could result in this being the catalyst for stronger Polkadot adoption and activity.

Lido continues to be one of our major positions and remains one of the strongest contributors to Ethereum's staking ecosystem, with the protocol cementing itself across the entirety of Ethereum and its various rollups as detailed in Lido's most recent roadmap. The Company also maintains a strong Ethereum position (staked through Lido), as Ethereum underpins the now rapidly expanding 'Layer 2' and 'Layer 3' rollup ecosystems.

We are looking forward to further portfolio projects that have yet to come to market and launch their networks. Anoma pioneers another generation of blockchain protocols with "humanised" programmable settlements while Tanssi aims to simplify and enhance appchain deployment like never before. Superchain helps developers to create more responsive decentralised applications through superior data indexing and handling. Redstone is seeing rapid growth of its innovative modular multichain oracle solution and recently also started supporting Mode, another recent investment, which is a new 'Layer 2' project, built on and supported by Optimism, that creates new on-chain economic systems to enable developers to scale their applications to users more easily.

Throughout the previous year, the Company's staking activities, where a range of portfolio assets are contributing to the security of respective blockchain networks, have remained strong and expanded in scope, especially with Celestia's launch towards the year-end. This resulted in material income from digital assets where rewards in the native network assets are increasing our respective holdings in the underlying blockchain networks. The Company's core staking activities remain Polkadot ("DOT"), Cosmos ("ATOM"), Ethereum ("ETH") through Lido staked Ethereum ("stETH"), with the recent addition of Celestia ("TIA").

We believe that the launch of the US Bitcoin ETFs, the recent Bitcoin halving and an array of market indicators signal to us that we are at the start of a sustained bull run. While it can be exciting for many newcomers, this is often an adrenaline-fuelled time filled with euphoric highs and immense volatility. It is at these times that our thesis of investing early in the most innovative decentralised projects with world-class founders at fair valuations keeps us in good stead.

As we continue into 2024 and beyond, we want to thank you for your continued support as we keep building out a high-quality 'long-only' portfolio of innovative digital assets. As in previous years, KR1 plc remains at the very heart of the thriving crypto ecosystem, fully focused and taking advantage of the disruption that this exciting technology will bring to society.

George McDonough and Keld van Schreven
Managing Directors and Co-Founders
13 May 2024

Statement of Comprehensive Income

for the year ended 31 December 2023

	2023	2022
	£	£
Continuing operations		
Income		
Income from digital assets	8,653,547	20,204,355
Interest received	17,869	2,371
Direct costs	(462,205)	(444,194)
Gross profit	8,209,211	19,762,532
Administrative expenses	(4,009,745)	(3,726,682)
Gain on disposal of intangible assets	12,115,075	3,642,819
Movement in fair value of financial assets at fair value through profit and loss	(716,921)	(183,932)
Impairment of digital assets held under the cost model	(859,749)	-
Share options	-	(39,327)
Operating profit	14,737,871	19,455,410
Taxation on profit	-	-
Profit after taxation	14,737,871	19,455,410
Other comprehensive income:		
Movement in fair value of intangible assets	110,209,704	(164,666,713)
Total other comprehensive income for the year	110,209,704	(164,666,713)

Total comprehensive income attributable to the equity holders of the Company	124,947,575	(145,211,303)
Earnings per share attributable to the equity owners of the company (pence):		
Basic earnings per share	8.31	11.86
Diluted earnings per share	8.30	10.96

The notes contained in the Company's Annual Report form part of these financial statements.

Statement of Financial Position

for the year ended 31 December 2023

	2023	2022
	£	£
Assets		
Non-current assets		
Intangible assets	23,615,464	3,270,856
Intangible assets receivable	-	3,795
Total non-current assets	23,615,464	3,274,651
Current assets		
Intangible assets	161,993,773	57,669,180
Intangible assets receivable	163,494	1,774,020
Financial assets at fair value through profit and loss	8,880,105	8,067,895
Cash and cash equivalents	1,395,407	634,163
Trade and other receivables	42,849	125,570
Total current assets	172,475,628	68,270,828
Total assets	196,091,092	71,545,479
Equity and liabilities - Current liabilities		
Trade and other payables	1,137,333	1,539,295
Total current liabilities	1,137,333	1,539,295
Net assets	194,953,759	70,006,184
Equity		
Share capital	808,756	808,756
Share premium	36,602,619	36,602,619
Revaluation reserve	116,926,519	6,716,815
Option reserve	149,852	149,852
Retained reserves	40,466,013	25,728,142
Total equity	194,953,759	70,006,184
Total equity and liabilities	196,091,092	71,545,479

The notes contained in the Company's Annual Report form part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2023

	2023	2022
	£	£
Cash flows from operating activities		
Profit after tax for the financial year	14,737,871	19,455,410
Other Comprehensive Income	110,209,704	(164,666,713)
Adjustments for:		
Movement in fair value of intangible assets	(110,209,704)	164,666,713
Gain on disposal of intangible assets	(12,115,075)	(3,642,819)
Impairment of digital assets held under the cost model	859,749	-
Non-cash income from digital assets	(8,653,547)	(20,204,355)
Other non-cash transactions	1,053	270,344
Forex Exchange Loss	79,057	36,072
Movement in fair value of financial assets at fair value through profit and loss	716,921	183,932
Share option issue	-	39,327

Decrease/(Increase) in debtors	82,721	(22,266)
(Decrease) in creditors	(401,962)	(30,834,966)
Net cash (outflow) from operating activities	(4,693,212)	(34,719,321)
Cash flows from investing activities		
Sales of investments	10,669,295	6,249,761
Purchases of investments	(5,135,782)	(4,496,617)
Net cash inflow from investing activities	5,533,513	1,753,144
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	30,147,991
Net cash generated by financing activities	-	30,147,991
Net increase/(decrease) in cash	840,301	(2,818,186)
Cash and at the beginning of the year	634,163	3,488,421
Effect of exchange fluctuations on cash	(79,057)	(36,072)
Cash as at 31 December	1,395,407	634,163
Represented by:		
Cash at bank	286,423	634,163
Cash held on trading platforms	1,108,984	-
	1,395,407	634,163

Non-cash transactions consist of expenses paid and investments purchased using digital assets and cryptocurrency assets.

The notes contained in the Company's Annual Report form part of these financial statements.

The financial statements were approved by the Board of Directors on 13 May 2024 and were signed on its behalf by: George McDonagh (Director) and Keld van Schreven (Director)

The financial information set out in this announcement does not constitute statutory accounts. This financial information has been extracted from the audited full accounts of the Company for the year ended 31 December 2023. The Company does not declare a dividend for the period.

The full Annual Report of the Company will be available on the Company's website: www.KR1.io.

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

–ENDS–

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About KR1 plc

KR1 plc is a leading digital asset investment company supporting early-stage decentralised and open source blockchain projects. Founded in 2016 and publicly traded in London on the Aquis Growth Market (KR1:ASE), KR1 has one of the longest and most successful track records of investment in the digital assets space by investing in decentralised platforms and protocols that are emerging to form new financial and internet infrastructures.

www.KR1.io

Market Abuse Regulation (MAR) Disclosure

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation EU 596/2014 as it forms part of retained EU law (as defined in the European Union (Withdrawal) Act 2018).