

Tuesday, 13 May 2025

KR1 plc (the "Company")

Audited Results for the Twelve Months Ended 31 December 2024

KR1 plc (KR1:AQSE), a leading digital asset company, is pleased to announce its audited results for the twelve months ended 31 December 2024 ("FY24").

Income from Digital Assets Highlights

Income from Digital Assets of £13.0 million for 2024
Increase of 50.6% on FY23 (£8.7 million)
Income from Staking activities of £12.8 million for 2024
Increase of 86.4% on FY23 (£6.9 million)
Staking activities represented 98.3% of the Company's Income from Digital Assets for FY24
compared to 79.4% for FY23, after phase-out of Polkadot parachain rewards
Main networks contributing to Income from Staking activities for FY24
Staking activities on Celestia (£6.1 million)
Staking activities on Polkadot (£4.1 million)
Staking activities on Cosmos (£1.7 million)

Holdings & Net Asset Highlights

Largest five digital asset holdings as at 31 December 2024, all relating to the Company's staking activities on major proof-of-stake networks
Celestia ("CTA"), £27.6 million
Polkadot ("DOT"), £27.5 million
Lido ("LDO"), £16.4 million
Lido Staked ETH ("stETH"), £14.6 million
Cosmos ("ATOM"), £9.8 million
As at FY24 year end, net assets of £139.4 million, representing 78.76 pence per share
A decrease of 28.5% on FY23 year end (£195.0 million, 109.91 pence per share)

Strategic Highlights & Outlook

Over the past years, the Company's business model has evolved to that of a broader digital asset company focused on decentralised networks and, in particular, staking activities on proof-of-stake networks
KR1 plc remains focused on innovation and growth opportunities in digital assets
Recently, RedStone launched, with the Company planning to commence staking activities for RedStone throughout 2026
Further exploring "restaking", a mechanism that may improve capital efficiency for staking activities and digital asset holdings
Stark shift in U.S. crypto policy signals the beginning of a potentially "golden" era for crypto, with entrepreneurs finally being empowered to innovate meaningfully

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 2024.

Since first initiating staking activities in March 2019, the Company has continuously grown its staking activities across a range of decentralised proof-of-stake networks such as Ethereum, Polkadot and Cosmos. Following Celestia's successful launch in late 2023, the Company materially expanded its staking activities throughout the twelve months ended 31 December 2024. As such, the Company's business model has evolved to that of a broader digital asset company focused on decentralised networks and, in particular, staking activities on proof-of-stake networks. While the Company remains focused on innovation and growth opportunities in digital assets, the Company now generates continuous income from digital assets primarily through its staking activities.

For the twelve months ended 31 December 2024, KR1 plc generated £12,807,039 in income from staking activities as compared with £6,872,284 for the previous financial year. The income from these staking activities represented 98.3% of the Company's income from digital assets in 2024 as compared with 79.42% in the previous financial year.

Further, as at 31 December 2024, the net asset value of KR1 plc was 78.76 pence per share as compared with 109.91 pence per share a year earlier and the net asset value of the Company was £139,402,341, as compared with £194,953,759 a year earlier.

In total, the Company reported a loss for the year of £55,253,374 (2023 profit: £124,947,575).

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

Rhys Davies
Chairman

Managing Directors' Report

Since the first quarter of 2024 we have witnessed a relatively sustained bullish phase for Bitcoin, initially kicked off by the U.S. Bitcoin spot ETFs and further fuelled by the more crypto-friendly administration, which assumed office at the start of 2025. That said, it appears that sentiment in the broader digital asset market has, unfortunately, taken a backseat for now, most notably felt through relatively stagnant market conditions in the "innovation" sector of the digital asset economy.

However, it should be recognised that the stark shift in U.S. crypto policy signals the beginning of a potentially "golden" era for crypto, where entrepreneurs are finally empowered to meaningfully innovate through digital assets, new crypto-economic models and on-chain businesses without the previously all prevalent burdens from banks, institutions and regulators since the very inception of Bitcoin, Ethereum and similar technologies. First glimpses of this shift can already be observed by a narrative forming around stablecoin adoption as well as real-world-asset tokenisation, which are two use cases exclusively enabled by robust innovative decentralised technology platforms such as Ethereum and others.

Despite muted market conditions, KR1 plc celebrated a successful year marked by significant achievements with the Company's income from digital assets in 2024 increasing to £13.0 million (2023: £8.7 million). Since Celestia's launch in late 2023 and the phase-out of income from Polkadot's parachain auctions, staking activities on a range of decentralised proof-of-stake networks became the primary contributor to the Company's income. Income from staking activities increased to £12.8 million for 2024, almost double as compared to the previous year (2023: £6.9 million) and represents 98.3% of the Company's total income from digital assets for the year.

Since the Company's inception in 2016, KR1 plc has been among the first publicly listed companies globally exclusively focused on digital assets, leveraging its early-mover advantage to benefit from innovation in the digital asset industry. Due to the Company's success in identifying and profiting from major industry trends, such as proof-of-stake, interoperability as well as modular blockchain architecture, the underlying business activities of KR1 plc gradually expanded with the Company's success as staking activities on major proof-of-stake networks with the Company's underlying digital asset holdings became a significant income driver, positioning the Company strongly to take advantage of the continued growth in decentralised technologies and digital assets. As noted in the Chairman's Report this reflects a shift in the underlying business model of KR1 plc over the past years, which has evolved into that of a broader digital asset company with a strong focus on innovation and growth, particularly in terms of staking activities on proof-of-stake networks with a view to generate income from digital assets.

As noted in the Overview of KR1 plc as well as previous sections, the Company engages in staking activities on a range of major proof-of-stake networks including Ethereum (through Lido), Polkadot and Celestia and several others. Throughout the year, all of these networks advanced on and executed on their technical roadmaps, each breaking new ground.

Celestia (TIA) solidified its position as a leading data availability provider, with its 'Blobstream' technology delivering cost-effective solutions for rollups and other Layer 2 networks. As the modular blockchain thesis gains momentum, Celestia's innovation cements its role in the decentralised application stack.

Polkadot's Join-Accumulate Machine, termed 'JAM', introduces a high-throughput, trustless approach to scalability, significantly enhancing network performance and user/developer-friendliness, after re-assessing its technical architecture and reflecting on current adoption trends in the wider digital asset space as well as learnings from its previously parachain-centered design.

Lido strengthened its position as Ethereum's largest liquid staking product with institutional adoption and further refinements to its roadmap, enhancing decentralisation and resilience with Lido's 'V3' update, set to launch in the next months.

Ethereum itself is also progressing, naturally on a much broader level as a decentralised ecosystem where continued technical progress comes in line with progress on adoption (such as stablecoins and tokenisation), operational and governance structures (new executive leadership for the Ethereum Foundation) as well as with ecosystem alignment with various rollout and interoperability initiatives.

In addition to the KR1 plc's current staking activities and existing holdings, there are further networks and projects on the radar that should strengthen the Company's income from digital assets over the upcoming periods. Recently, as announced in March, RedStone launched with a strong entry to the wider blockchain 'oracle' market, delivering fast, secure and scalable data feeds with more than US 6 billion of total value secured (as per DefiLlama). By leveraging EigenLayer, RedStone's RED tokens can be staked by holders and data providers to strengthen RedStone's oracle network and the Company is planning to commence staking activities for RedStone early next year, once the Company's RED tokens are being unlocked.

Over the upcoming year, another addition to the Company's staking activities and holdings is expected to be Anoma, a network unifying various blockchains into a single development environment via 'Intents', as well as its affiliated 'sister' project Namada. Further, Tanssi is expected to launch, which is an infrastructure network providing fully customizable and 'plug-and-play' shared security systems like EigenLayer and Symbiotic to a broad range of developers. Lastly, Autonomys (formerly Subspace) is also expected to launch, which is a network purpose built for web3-enabled artificial intelligence applications with permanent scalable data storage.

Overall, KR1 plc remains focused on innovation and growth while optimising the Company's digital asset holdings in light of market conditions to target a sustainable, diversified stream of income from digital assets thereby maximising long-term value for shareholders and contributing to the integrity of high-quality proof-of-stake networks as an active network participant, aligned with the long-term success of the decentralised networks.

Looking ahead, the Company is exploring 'restaking', a mechanism that may improve capital efficiency for the Company's staking activities and its digital asset holdings. As of writing, the global economy is still navigating uncharted waters with market uncertainty prevailing, yet, there are reasons for optimism.

Throughout 2024, as part of our continued policy engagement efforts, we hosted a roundtable at the Labour Party Conference with attendees including Sheldon Mills from the FCA, Lord McNicol, Heidi Alexander MP, and Brian Quintenz (pending US CFTC Chairman) among other industry representatives from Coinbase and Kraken. We were also invited to No. 10 Downing Street and the House of Commons to speak on relevant issues and we will continue engaging with relevant policymakers and regulators throughout 2025.

As we continue into 2025 and beyond, we want to thank you, our shareholders, for your continued support as we keep building out a high-quality digital asset company. As in previous years, KR1 plc remains at the very heart of the digital asset industry, taking advantage of innovation and growth opportunities in the decentralised technologies sector.

George McDonald and Keld van Schreven
Managing Directors & Co-Founders

Statement of Comprehensive Income

	2024	2023
	£	£
Continuing operations		
Income		
Income from digital assets	13,028,305	8,653,547
Interest received	3,382	17,869
Direct costs	(621,429)	(462,205)
Gross profit	12,410,258	8,209,211

Administrative expenses	(5,284,676)	(4,009,745)
(Loss)/gain on disposal of intangible assets	(1,024,359)	12,115,075
Movement in fair value of financial assets at fair value through profit and loss	Â	Â
	1,739,030	(716,921)
Impairment of digital assets held under the cost model	10,847	(859,749)
Â	Â	Â
Operating profit	7,851,100	14,737,871
Â	Â	Â
Taxation on profit	-	-
Â	Â	Â
Profit after taxation	7,851,100	14,737,871
Â	Â	Â
Other comprehensive income:	Â	Â
Â	Â	Â
Movement in fair value of intangible assets	(63,104,474)	110,209,704
Â	Â	Â
Total other comprehensive income for the year	(63,104,474)	110,209,704
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Total comprehensive income attributable to the equity holders of the Company	(55,253,374)	124,947,575
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Earnings per share attributable to the equity owners of the company (pence):	Â	Â
Basic earnings per share	4.43	8.31
Diluted earnings per share	4.43	8.30
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Statement of Financial Position

	2024	2023
Â	Â£	Â£
Assets	Â	Â
Non-current assets	Â	Â
Intangible assets	-	23,615,464
Intangible assets receivable	3,375,391	-
Total non-current assets	3,375,391	23,615,464
Â	Â	Â
Current assets	Â	Â
Intangible assets	121,414,750	161,993,773
Intangible assets receivable	1,869,927	163,494
Financial assets at fair value through profit and loss	12,337,947	8,880,105
Cash and cash equivalents	1,176,291	1,395,407
Trade and other receivables	215,657	42,849
Total current assets	137,014,572	172,475,628
Â	Â	Â
Total assets	140,389,963	196,091,092
Â	Â	Â
Equity and liabilities	Â	Â
Current liabilities	Â	Â
Trade and other payables	987,622	1,137,333
Total current liabilities	987,622	1,137,333
Â	Â	Â
Net assets	139,402,341	194,953,759
Â	Â	Â
Equity	Â	Â
Share capital	337,005	808,756
Share premium	36,602,619	36,602,619
Capital redemption reserve	471,751	-
Revaluation reserve	53,822,045	116,926,519
Option reserve	149,852	149,852
Treasury shares	(298,044)	-
Retained reserves	48,317,113	40,466,013
Total equity	139,402,341	194,953,759
Â	Â	Â
Total equity and liabilities	140,389,963	196,091,092
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Statement of Cash Flows

	2024	2023
Â	Â	Â
Â£	Â£	Â£
Â	Â	Â
Cash flows from operating activities		
Profit after tax for the financial year	7,851,100	14,737,871
Other Comprehensive Income	(63,104,474)	110,209,704
Â	Â	Â
Adjustments for:		
Movement in fair value of intangible assets	63,104,474	(110,209,704)
Loss/(gain) on disposal of intangible assets	1,024,359	(12,115,075)
Movement in fair value of digital assets held under the cost model	(10,847)	859,749
Non-cash income from digital assets	(13,028,305)	(8,653,547)
Other non-cash transactions	12,505	1,053
Forex Exchange Loss	38,232	79,057
Movement in fair value of financial assets at fair value through profit and loss	Â	Â
(Increase)/ decrease in debtors	(1,739,030)	716,921
(Decrease) in creditors	(172,808)	82,721
(Decrease) in creditors	(149,711)	(401,962)
Â	Â	Â
Net cash (outflow) from operating activities	(6,174,505)	(4,693,212)
Â	Â	Â
Cash flows from investing activities		
Sales of investments	8,794,129	10,669,295
Purchases of investments	(2,502,464)	(5,135,782)
Net cash inflow from investing activities	6,291,665	5,533,513
Â	Â	Â
Cash flows from financing activities		
Share buybacks	(298,044)	-
Redemption of Class C and Class D deferred shares	(2)	-
Net cash outflow from financing activities	(298,046)	-
Â	Â	Â
Net (decrease)/ increase in cash	(180,886)	840,301
Â	Â	Â
Cash and at the beginning of the year	1,395,407	634,163
Effect of exchange fluctuations on cash	(38,230)	(79,057)
Â	Â	Â
Cash as at 31 December	1,176,291	1,395,407
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Represented by:		
Cash at bank	671,838	286,423
Cash held on trading platforms	504,453	1,108,984
Â	1,176,291	1,395,407

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 The Notes to the Financial Statements contained in the Company's Annual Report form part of the Financial Statements.

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 The Company's Annual Report and Financial Statements were approved by the Board of Directors on 12 May 2025 and were signed on its behalf by George McDonald (Managing Director & Co-Founder) and Keld van Schreven (Managing Director & Co-Founder).

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 The financial information set out in this announcement does not constitute statutory accounts. The financial information has been extracted from the Company's Annual Report and Financial Statements for the year ended 31 December 2024.

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

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About KR1 plc
 KR1 plc is a leading publicly listed digital asset company focused on decentralised technologies. Started in March 2016, and publicly listed on

Londonâ€™s Aquis Exchange (KR1:AQSE), KR1 plc has been a pioneer in digital assets and proof-of-stake networks.

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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).
