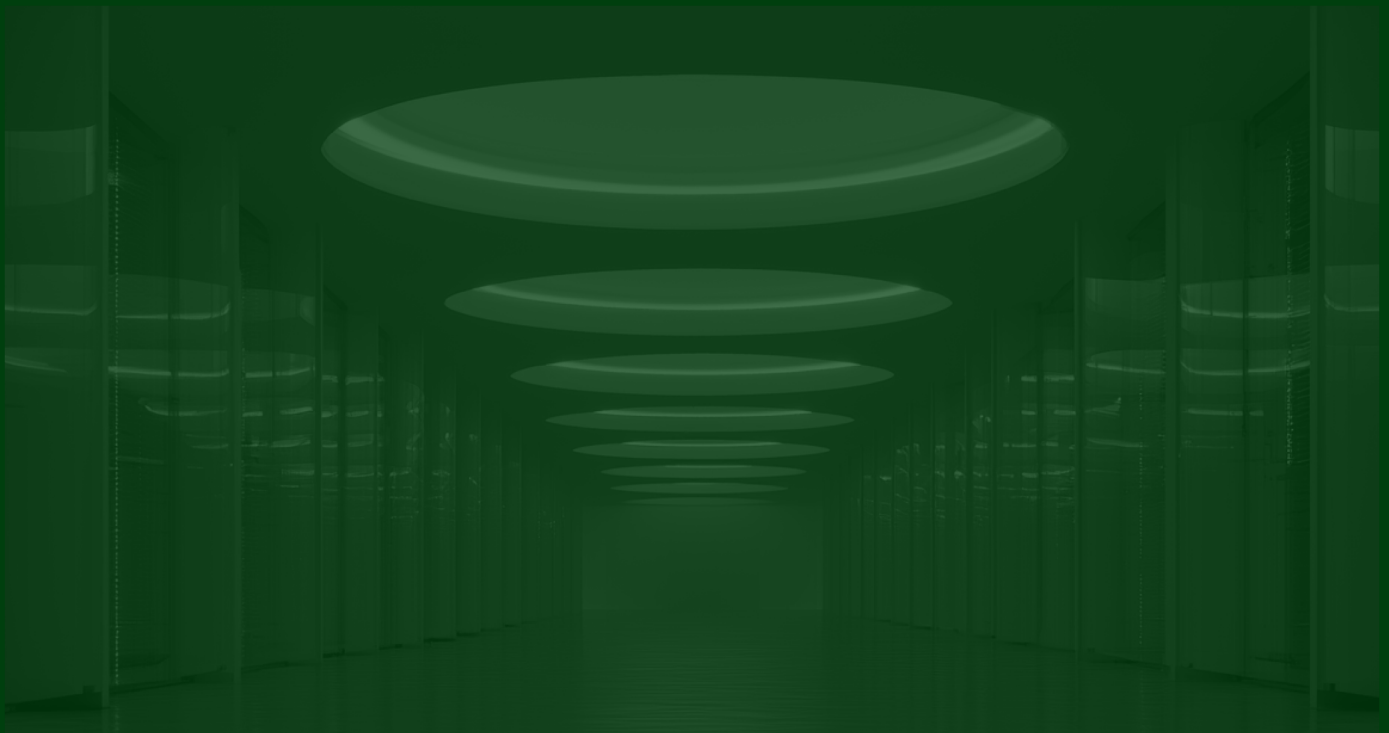


KR1 plc

Annual Report and Financial Statements for the Year Ended 31 December 2025

Registered Number: 015310V (Isle of Man)



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Company Information

for the year ended 31 December 2025

Company name:	KR1 plc
Executive Directors:	George McDonough Keld van Schreven
Non-executive Directors:	Rhys Davies Mona El Isa Aeron Buchanan
Registered office:	First Names House Victoria Road Douglas Isle of Man IM2 4DF
Registered agent:	IQEQ (Isle of Man) Limited
Registered number:	015310V (Isle of Man)
Bankers:	Standard Bank Isle of Man Limited Standard Bank House One Circular Road Douglas Isle of Man IM1 1SB Rothschild & Co Bank AG Zollikerstrasse 181 8034 Zurich Switzerland
English Legal Adviser to the Company:	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Isle of Man Legal Adviser to the Company:	Cains Advocates Limited Fort Anne Douglas Isle of Man IM1 5PD
Auditor:	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD United Kingdom

About KR1 plc

KR1 plc is a digital asset technology company listed on the London Stock Exchange, focused on the infrastructure layer of decentralised networks. By securing Ethereum and other major networks, the Company compounds its asset base alongside strategic investments - turning active network participation into long-term value for shareholders.

- Established ten-year performance history
- Deep domain expertise
- Founder led
- Strong balance sheet
- Operating a portfolio of digital assets that are majority aligned with Ethereum

Mission

We are building the leading public-market vehicle for exposure to the core infrastructure powering the global migration of assets onchain.

Values

KR1 was founded in 2016 as a crypto-native company and continues to operate with that mindset. We are aligned with the permissionless, decentralised ethos of the networks we support and participate in directly as an active infrastructure operator. Our disciplined, research-led approach enables us to commit capital to protocols we have studied closely, hold positions with conviction through cycles, and generate infrastructure income from the networks we help secure and scale.

Performance Snapshot (FY25)

£49.6m

Net Asset Value

£41.7m

Market Cap (as at 31 Dec 25)

£4.8m

Infrastructure Income

27.9p

NAV/Share

£nil

Borrowings

Bridging Digital Assets & Public Markets Since 2016

March 2016	George McDonaugh and Keld van Schreven embark on KR1 plc's journey
September 2016	The Company ticker becomes 'KR1'
April 2017	Seed funded Cosmos
September 2017	Seed-funded Rocket Pool (Ethereum proof-of-stake protocol)
February 2018	Name changed to become KR1 plc
March 2019	Commenced Technology Infrastructure operations via staking activities
December 2020	Seed-funded Lido (Ethereum proof-of-stake protocol)
March 2021	Appointment of Mona Elisa, Rhys Davies becomes Chairman
April 2022	Appointment of Aeron Buchanan
February 2023	Commenced staking activities on Ethereum via Lido
December 2024	Income from staking activities of £12.8m for 2024
November 2025	KR1 plc migrates listing to the London Stock Exchange (LSE: KR1)

Investment Case

A structural migration of global assets onto open blockchain networks is underway, driven by three converging demand vectors.

Stablecoin demand is established. More than \$300 billion in stablecoins now circulates onchain, with Ethereum hosting over half of the supply. Transaction volume reached approximately \$33 trillion in 2025, increasing 72% year-on-year, with Q4 2025 alone reaching approximately \$11 trillion.¹ The U.S. Treasury projects the dollar-stablecoin market could reach \$2 trillion by 2028.²

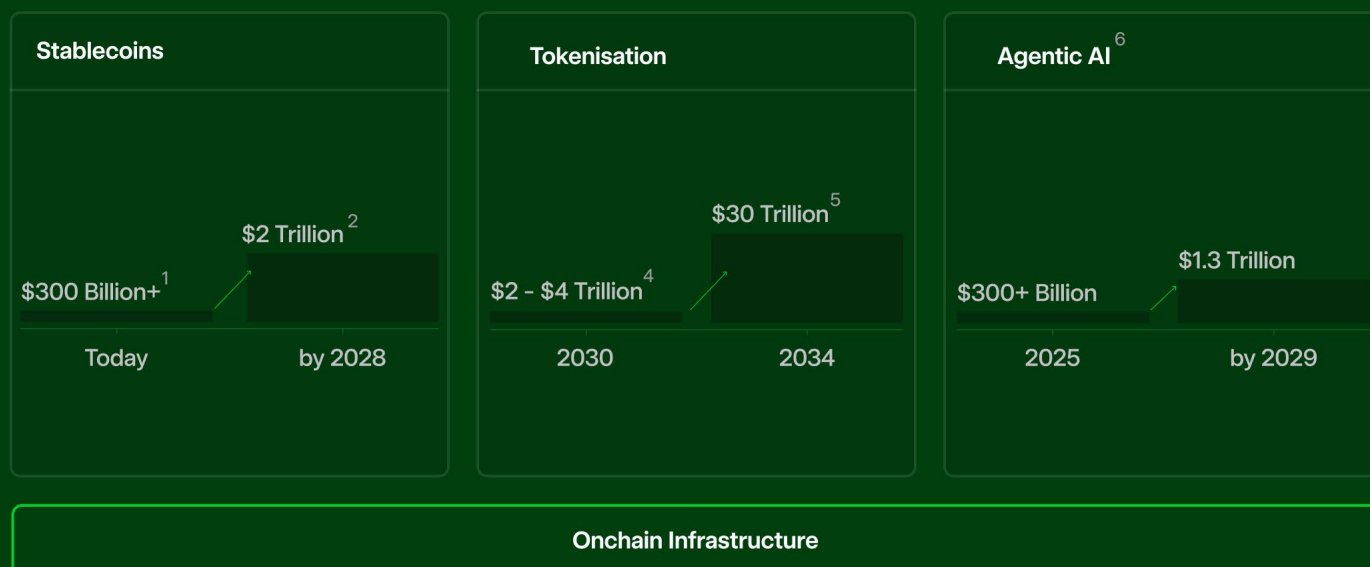
Tokenisation demand is earlier but accelerating. Tokenised real-world assets onchain have surpassed \$30 billion, growing approximately 400% year-on-year,³ with projections of \$2-4 trillion by 2030⁴ and \$30 trillion by 2034.⁵ Tokenised assets settle in seconds, trade continuously across global markets, and compose natively with other onchain applications and protocols. These properties are unique to open, permissionless infrastructure and will reshape how the world's assets are issued, held and exchanged.

Agentic AI demand is the earliest of the three vectors and may ultimately prove the most consequential. Autonomous AI agents transacting at machine speed require financial infrastructure that is programmable, permissionless and continuously available. These agents are native to onchain networks and structurally absent from intermediated, human-initiated systems. Global AI spend is projected to reach \$1.3 trillion by 2029, growing at an estimated 31.9% annually.⁶ As agentic activity scales, a growing share of that demand will, by necessity, settle onchain. Alongside decentralised AI compute removes single-point-of-control risk from the intelligence layer and this is critical as we become ever more reliant on AI.

KR1 plc has operated across the digital asset ecosystem since 2016, seed-funding foundational infrastructure projects through multiple network generations. Over that period, the Company has developed a repeatable process for identifying high-potential networks, allocating capital to productive digital assets, and converting network participation into infrastructure income. Cumulative infrastructure income between 2020 and 2025 totalled approximately £40 million.

KR1 is structurally distinct from passive crypto instruments. The Company operates income-generating strategies across onchain networks, compounding its digital asset base while retaining long-term exposure to the growth of the onchain economy. KR1's 2020 investment in Lido (LDO) illustrates the approach: Lido is now Ethereum's largest staking platform, with more than \$20 billion in total value locked.⁷ Alongside its LDO position, KR1 stakes the majority of its ETH directly, contributing to Ethereum's security and earning protocol rewards in return. The same logic runs across the portfolio, from PoS validators on major networks, to data availability infrastructure on Celestia, to oracle networks such as RedStone that underpin decentralised finance. In each case, KR1 deploys capital to essential network functions and earns protocol-defined, token-denominated income.

KR1's advantage is built on a decade of operational expertise across multiple market cycles, enabling early identification of high-potential networks, conviction-led capital allocation, and the systematic conversion of network participation into infrastructure income. For investors, KR1 plc offers an institutional-grade vehicle for exposure to productive digital assets and the core infrastructure powering the global migration of assets onchain.



(1) Sources: DeFiLlama, Stablecoins Market Capitalisation by Chain, accessed April 2026; Bloomberg, citing Artemis Analytics stablecoin transaction volume data, January 2026.

(2) Source: U.S. Treasury Secretary Scott Bessent, public remarks on stablecoin market growth, June 2025.

(3) Source: RWA.xyz, Tokenised Real-World Assets Market Data, accessed April 2026.

(4) Source: McKinsey & Company, tokenised financial assets market outlook and global asset class estimates, June 2024.

(5) Source: Standard Chartered and Synpulse, "Real-World Asset Tokenisation: A Game Changer for Global Trade", June 2024.

(6) Source: International Data Corporation (IDC), Worldwide AI and Generative AI Spending Forecast, August 2025.

(7) Source: DeFiLlama, Lido Total Value Locked Data, accessed April 2026.

Market Overview

Today's financial system relies on a web of intermediaries to move and settle value. Onchain networks replace legacy systems with open, programmable infrastructure where assets can be issued, transferred, collateralised and settled directly, 24/7, without permission and significantly less friction. Stablecoins are the first wave of this transition; tokenised real-world assets are the second.

Global Demand for Onchain Infrastructure

Stablecoins TAM

Global Tokenised Assets TAM

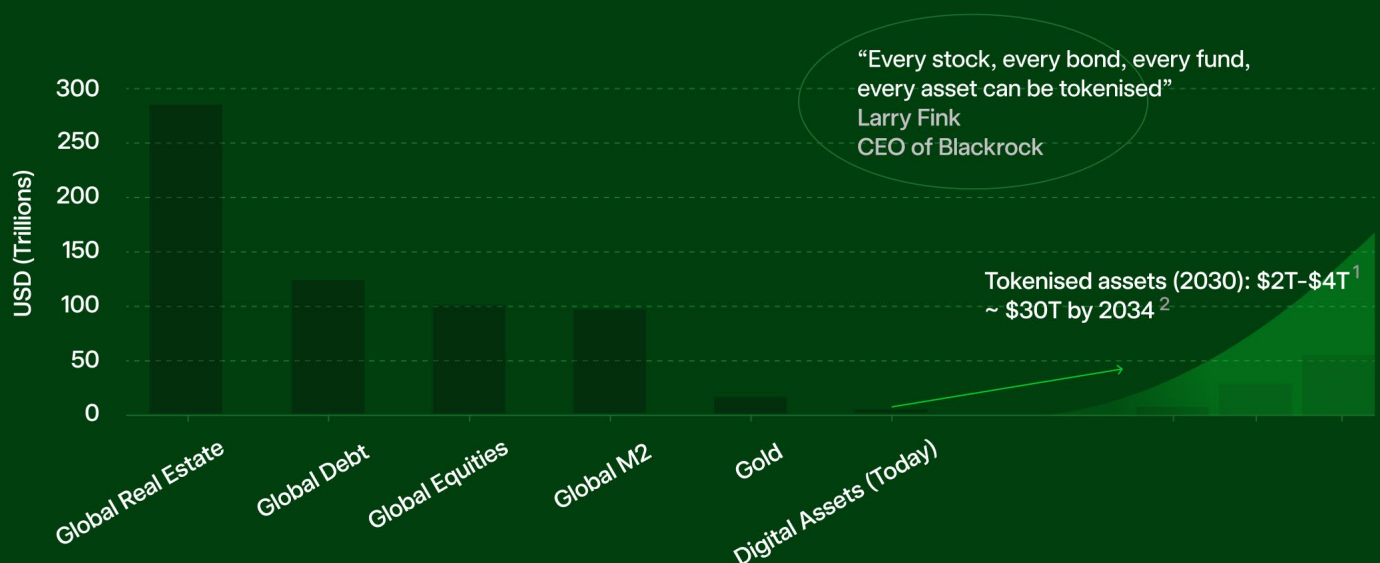


(1) Source: DeFiLlama, Stablecoins Market Capitalisation Data, accessed April 2026.
(2) Source: U.S. Treasury Secretary Scott Bessent, public remarks on stablecoin market growth, June 2025.

(3) Source: RWA.xyz, Tokenised Real-World Assets Market Data, accessed April 2026.
(4) Source: McKinsey & Company, “From ripples to waves: The transformational power of tokenizing assets”, June 2024.

Onchain Infrastructure as a Share of Global Asset Value

The traditional financial system facilitates hundreds of trillions in assets across siloed, intermediated infrastructure. As those assets move onchain to benefit from frictionless movement and global neutrality, they will require settlement, data availability, oracle networks and other forms of productive digital asset infrastructure KR1 has been investing in and operating since 2016.



(1) Source: McKinsey & Company, tokenised financial assets market outlook and global asset class estimates, June 2024.
(2) Source: Standard Chartered and Synpulse, tokenised real-world assets market projection, June 2024.

Strategy

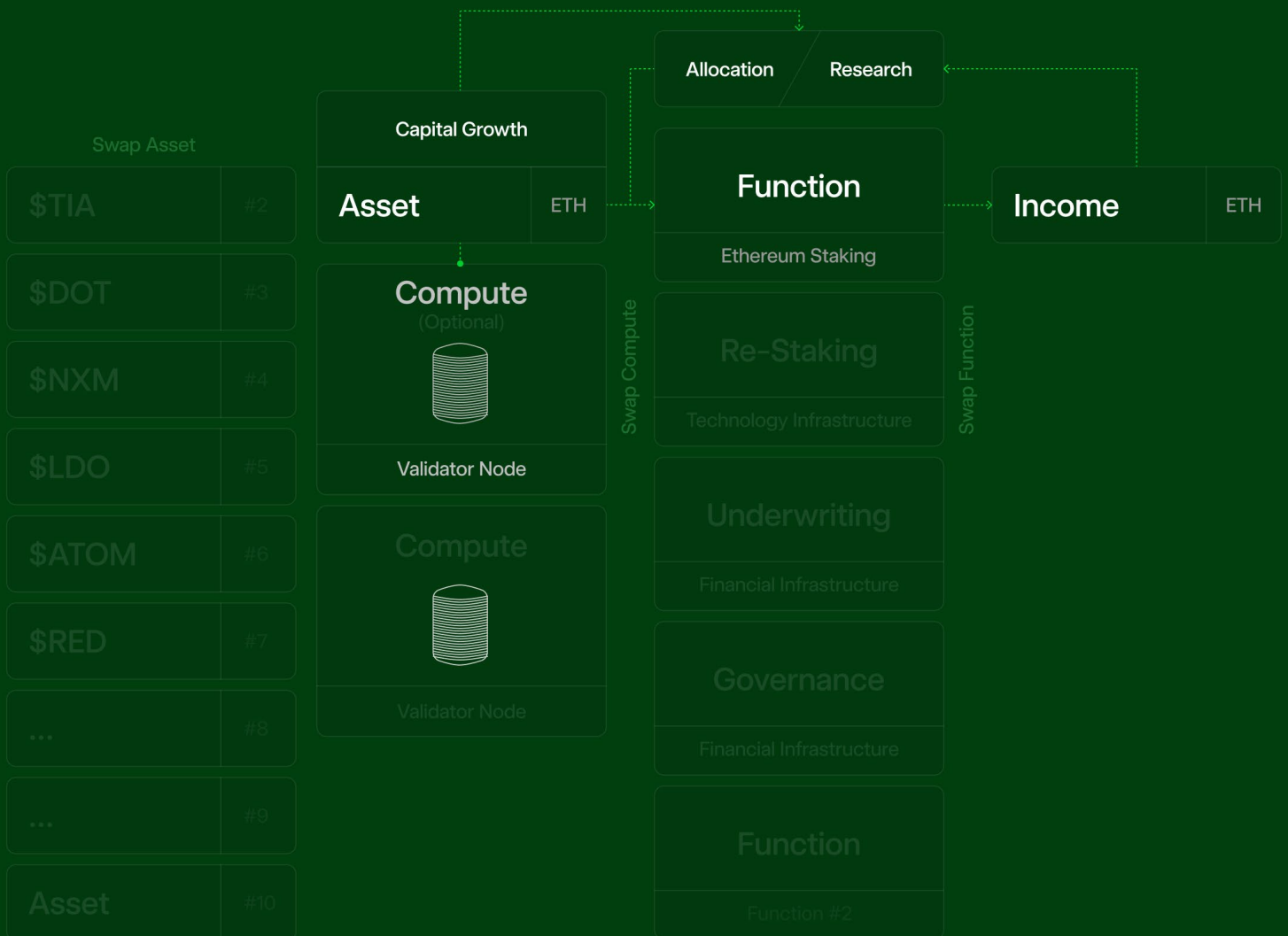
2016

Bridging Digital Assets and Public Markets Since 2016

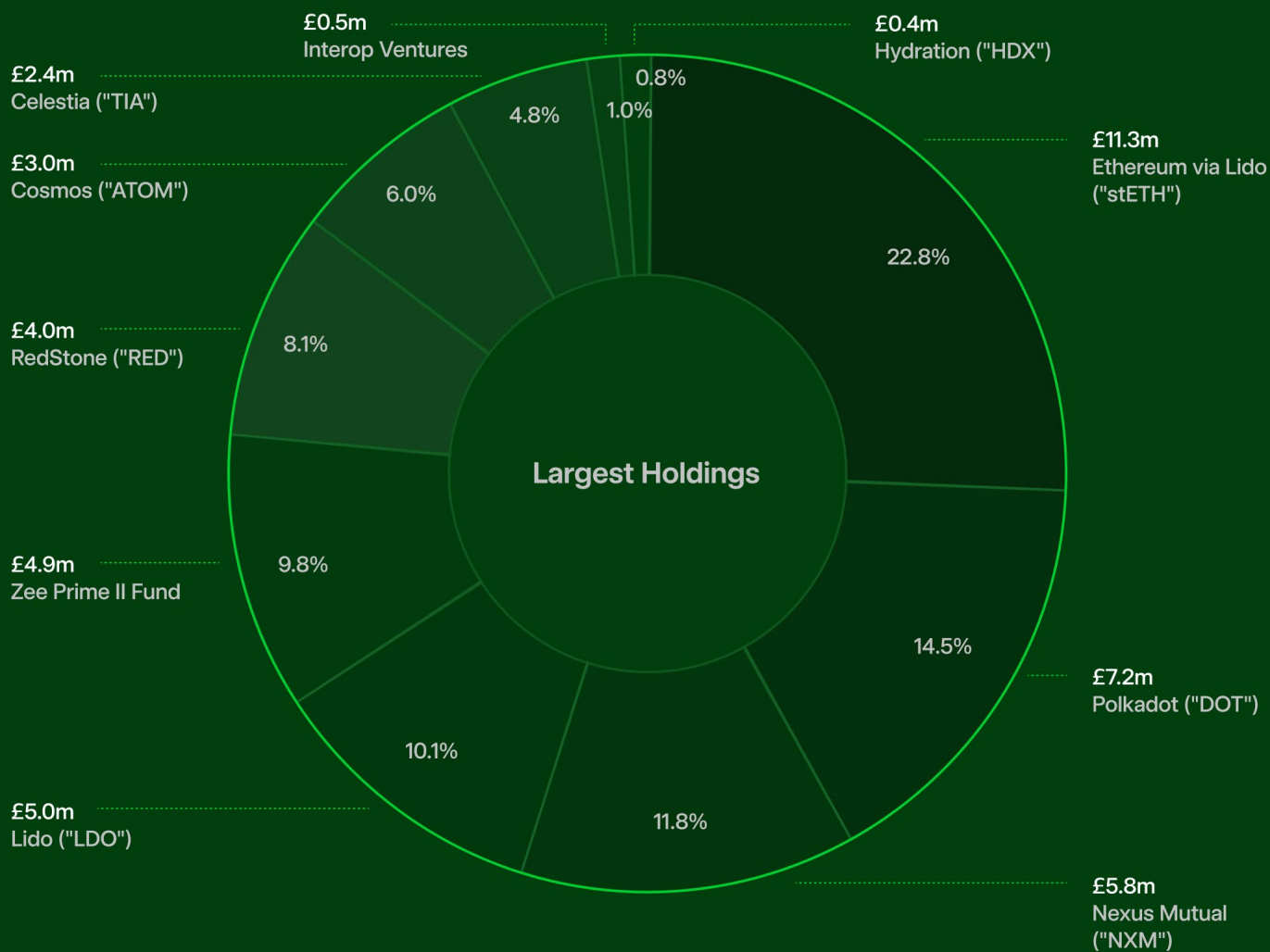
KR1's strategy is proven at scale: a research-driven framework for allocating capital to productive digital assets across decentralised networks and protocols. The asset changes; the framework does not. As networks mature or exhibit differentiated value capture, the same income-generating model can be deployed to compound both capital and operational resources across the portfolio.

Since 2019, KR1 has executed this framework at scale, beginning with proof-of-stake validation across major blockchains and progressively extending into adjacent infrastructure roles. Each new function type is adopted where operational requirements, incentive structures and risk characteristics are well understood. The result is a portfolio where assets are not held passively but deployed actively to earn protocol-defined income that compounds as the networks and protocols grow. This active strategy differentiates KR1 from passive ETNs or Digital Asset Treasury companies.

A repeatable framework for turning productive digital assets into compounding onchain infrastructure income.



Portfolio



Active Infrastructure Operations (FY25)

Six infrastructure operations were active during FY2025, with productive digital assets deployed into staking functions that secure the underlying networks and generate protocol-defined income.

Network	Asset	Function	Income (in-kind)	Income (£) ¹
Ethereum	stETH	Staking	stETH: 155	£0.3m
Polkadot	DOT	Staking	DOT: 662,388	£2.0m
Celestia	TIA	Staking	TIA: 676,074	£1.1m
Cosmos	ATOM	Staking	ATOM: 405,696	£1.3m
Kusama	KSM	Staking	KSM: 4,685	£0.04m
Moonbeam	GLMR	Staking	GLMR: 1,236,841	£0.06m

(1) Income is recognised at fair value on the date of receipt.

Portfolio Highlights

Certain protocol developments referenced below occurred after 31 December 2025 and are included to provide context on the current portfolio.

Ethereum (“ETH”)

Highlights:

- Bridged Total Value Locked (TVL): \$390 billion
- Stablecoin supply: \$164 billion (52% of total)
- 39 million ETH staked (approx. 32% of supply)

Ethereum is the dominant smart contract platform and settlement layer for decentralised finance, with approximately \$390 billion in bridged Total Value Locked (TVL)¹ and approximately 39 million ETH (~32% of circulating supply)². The network generates the vast majority of DeFi activity, hosts the restaking ecosystem (\$9 billion TVL via EigenLayer and others), and serves as the preferred onchain infrastructure for institutional entrants including BlackRock and Franklin Templeton.

RedStone (“RED”)

Highlights:

- Securing over \$6 billion in TVS
- Recently went live on Tempo (Stripe/Paradigm)
- Serving funds inc. BlackRock’s BUIDL (via Securitize)

RedStone is a modular blockchain oracle delivering reliable price feeds for established and emerging DeFi assets, including LSTs, BTCfi, and tokenised RWA. RedStone’s gas-efficient data feeds span 110+ chains and rollups, securing over \$6 billion in TVS with zero mispricing or downtime events.³ Trusted by over 170 projects, including Compound, Morpho, Venus, Pendle, Euler, Spark and Securitize. As the official oracle provider for major tokenised funds, including BlackRock BUIDL (via Securitize), Apollo ACRED, VanEck VBILL, and Hamilton Lane SCOPE, RedStone bridges traditional finance with decentralized infrastructure.

Polkadot (“DOT”)

Highlights:

- Hard cap of 2.1 billion DOT introduced
- ~50% reduction in annual issuance from March 2026
- Expected roll-out of JAM upgrade

Polkadot is a Layer-0 multichain protocol providing shared security and native cross-chain interoperability. The ecosystem is progressing beyond the original parachain slot model through Agile Coretime and the expected rollout of JAM, a next-generation architecture designed to increase flexibility and throughput. The “Pi Day Reset” on 14 March 2026 introduced a hard cap of 2.1 billion DOT, reduced annual issuance from 120 million DOT to 55 million DOT, and shortened staking unbonding from 28 days to approximately 24–48 hours.⁴

(1) Source: DeFiLlama, Ethereum bridged TVL, accessed April 2026.

(2) Source: Token Terminal, Ethereum Stablecoin Supply Data, accessed April 2026.

(3) Source: DeFiLlama, Lido Total Value Locked Data, accessed April 2026.

(4) Source: Dune Analytics, Lido Ethereum staking market share dashboard, accessed April 2026.

(5) Source: RedStone, protocol and ecosystem data, accessed April 2026.

(6) Source: Nexus Mutual, “Nexus Mutual v3: A Year of Progress in Onchain Risk Infrastructure”, January 2026.

(7) Source: Nexus Mutual, protocol and ecosystem data, accessed April 2026.

(8) Source: Polkadot Forum and Polkadot Cloud, tokenomics, unbonding and JAM materials, accessed April 2026.

(9) Source: Manta Network documentation and Binance Research, accessed April 2026.

(10) Source: Celestia Foundation Matcha upgrade materials and CoinDesk, accessed April 2026.

Lido (“LDO”)

Highlights:

- Second largest DeFi application by Total Value Locked (TVL)
- \$22 billion in staked ETH (stETH, liquid staking token)
- 23% of all Ethereum staked

Lido is the largest liquid staking protocol and second largest DeFi application by TVL, with approximately \$22 billion locked³ and ~24% share of total Ethereum staking.⁴ Users deposit ETH into Lido and receive stETH, a liquid token that accrues staking rewards automatically while remaining freely tradeable and deployable as collateral across DeFi lending, restaking and yield protocols. This solves a capital efficiency problem: ETH stakers can help secure the network and participate in DeFi simultaneously.

Nexus Mutual (“NXM”)

Highlights:

- \$5.7 million in cover fees (2025)
- Net cash flow of \$14.3 million
- Targeting 98% of currently uninsured DeFi TVL

Nexus Mutual is a leading onchain cover protocol for smart contract, protocol and custodial risks, structured as a UK-domiciled discretionary mutual governed via NXM. Its capital pool holds approximately \$100 million and cumulative coverage sold exceeds \$6 billion since 2019.⁵ In 2025, the protocol generated over \$5.7 million in cover fees and closed the year with \$14.3 million in net cash flow.⁷ With less than 2% of DeFi TVL currently insured, Nexus operates in a structurally under-penetrated market where institutional demand is the primary growth driver.

Celestia (“TIA”)

Highlights:

- Leading dedicated data availability network
- Matcha upgrade (Q1 2026): block sizes double to 128MB and protocol inflation cuts from 5% to 2.5%

Celestia is a modular data availability network. Rather than executing transactions itself, Celestia orders and makes transaction data, or “blobs”, available, allowing execution and settlement to operate on separate layers. This design lets developers launch scalable networks without building their own consensus and data availability infrastructure. Major ecosystem integrations and users include Eclipse, Manta Network and Dymension’s RollApp ecosystem.⁹ The recent Matcha upgrade increases maximum block size from 8MB to 128MB and reduces TIA inflation from 5% to 2.5%, while Celestia’s Fibre roadmap targets up to 1 Tb/s of blockspace throughput for high-volume applications.¹⁰

Board of Directors and Management Team

KR1 plc is overseen by an experienced leadership and board with deep domain expertise and over 40 years of combined experience across decentralised networks and digital asset infrastructure.

George McDonough (Managing Director & Co-Founder)

George co-founded KR1 plc in 2016 after discovering Bitcoin in 2011 while working as a copywriter in London, having earned a Master's degree in advertising from Edinburgh Napier University. Convinced by the power and potential of Bitcoin, he left advertising to focus on educating and promoting decentralised technologies full-time. By 2016, Ethereum was gaining in popularity and George was organising blockchain meet-ups in the City, building a broad network of professionals, researchers and developers in the field.

Janos Berghorn (Chief Investment Officer)

Janos joined KR1 plc shortly after its inception as part of the founding team. He became interested in digital assets as an emerging asset class while studying economics and finance at Maastricht University and Bocconi University. He has extensive knowledge of decentralised systems and a broad network in the digital asset industry built over years attending industry meetups and technical developer conferences.

Mona El Isa (Non-Executive Director)

Mona joined KR1 plc in 2021 as a non-executive independent director and is the CEO of Avantgarde Finance. Mona also founded blockchain based protocol Enzyme, known for tokenised structured products in finance. She previously held roles at Goldman Sachs and Jabre Capital. Mona also served as Chair of NEAR Foundation from 2023 to 2024, having served as a Trustee from 2019 to 2023. Mona holds a degree from University College London (UCL).

Keld van Schreven (Managing Director & Co-Founder)

Keld is a veteran web and mobile entrepreneur with over three decades of experience in technology startups. Keld co-founded KR1 plc in 2016 after having founded and grown several companies in the payments and enterprise space to millions of users and multi-million-pound turnover between 1994 and 2016, he has a proven track record of innovation and success. Keld discovered Bitcoin in 2013 and was among the first to embrace Ethereum at its launch in 2015. Keld holds a Bachelor of Arts with Honours from the University of the Arts London and is currently a mentor to a startup accelerator program within Imperial College London.

Rhys Davies (Chairman and Non-Executive Director)

Rhys joined KR1 plc's Board of Directors as a non-executive independent director in December 2020 and became the Company's non-executive independent chairman in March 2021. Rhys is also the Founder and Chairman of Creselly Investments AG and Creselly Immobilien AG. Rhys has over 30 years' experience of making investments in public and private markets and has served as a director of many listed and unlisted companies and investment funds. Prior to founding Creselly, Rhys worked for The Boston Consulting Group and Schroder Investment Management. Rhys holds degrees from the University of Wales, Cardiff and Imperial College, London, as well as the Chartered Financial Analyst (CFA) designation.

Aeron Buchanan (Non-Executive Director)

Aeron joined KR1 plc in 2022 as a non-executive independent director and is the Vice Chair of the Web3 Foundation, having previously been the Chair of the Web3 Foundation. Aeron is also a co-founder of Parity Technologies and Grid Singularity, and previously worked as a Researcher and Regulatory Compliance Expert at the Ethereum Foundation and served as their COO. Aeron earned his PhD in Robotics in the field of Computer Vision from the University of Oxford.

Key Terms and Glossary

KR1 plc (“KR1” or the “Company”)

The Company’s annual report and financial statements for the financial year ended 31 December 2025 (“**Annual Report and Financial Statements 2025**” or, together, the “**Results**”)

Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow (together the “**Financial Statements**”) with the notes to all financial statements forming an integral part of these (the “**Notes to the Financial Statements**”)

Board of directors of the Company (the “**Directors**” or “**Board**”)

Non-Executive Chairman of the Company (the “**Chair**” or “**Chairman**”)

Executive directors of the Company, being George McDonagh and Keld van Schreven (the “**Executive Directors**” or “**Managing Directors**”)

Non-executive directors of the Company, being Rhys Davies, Mona Elisa and Aeron Buchanan (the “**Non-Executive Directors**”)

The articles of association of the Company as adopted on 20 November 2025 (the “**Articles**”)

London Stock Exchange (“**LSE**”)

Ordinary shares of £0.0019 each in the capital of the Company (the “**Ordinary Shares**”)

The Company’s Ordinary Shares that are held in treasury and do not carry voting rights (the “**Treasury Shares**”)

The Company’s issued share capital less the Treasury Shares (the “**Equity Shares**”)

The UK Corporate Governance Code 2024 as published by the Financial Reporting Council (together the “**Code**”)

Task Force on Climate-related Financial Disclosures (“**TCFD**”)

Decentralised Finance (“**DeFi**”)

Effective Interest Rate method (“**EIR method**”)

Chairman's Report

for the year ended 31 December 2025

We are pleased to present KR1 plc's Annual Report and Financial Statements for the twelve months ended 31 December 2025.

This marks our first set of full-year results following the Company's successful migration to the Main Market of the London Stock Exchange. The migration of the Company's listing reflects the maturation of KR1 plc's operations and underscores the ongoing commitment to rigorous corporate governance, transparency and providing institutional-grade exposure to the digital asset industry on the London public markets.

While 2025 has been a challenging year in the digital asset markets, resulting in decreased income and net asset value for the Company, we continue to generate a robust income from our operations in the digital asset ecosystem, testament to the resilience of our strategies.

For the twelve months ended 31 December 2025, KR1 plc generated £4.8 million in infrastructure income as compared with £12.8 million for the previous financial year. The infrastructure income originated from staking activities and represented 99.1% of the Company's income from digital assets in 2025 as compared with 98.3% in the previous financial year.

Further, as at 31 December 2025, the net asset value of KR1 plc was 27.93 pence per share as compared with 78.76 pence per share a year earlier and the net asset value of the Company was £49.6 million, as compared with £139.4 million a year earlier.

In total, the Company reported a loss per share for the year of 20.23p as compared to earnings per share of 4.43p in the previous financial year.

However, looking ahead, the Board shares a strong sense of optimism. We are diligently executing the strategy outlined in our Prospectus and recent communications, with KR1 plc being best placed to provide credible digital asset exposure on the London public markets. Further, we remain confident of our ability to deliver long-term value to our shareholders through the Company's active operations and involvement in Ethereum and other networks and protocols shaping the digital asset industry today.

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

Sincerely yours,



Rhys Davies
Chairman and Non-Executive Director
27/04/2026

Managing Directors' Report

for the year ended 31 December 2025

On 25 November 2025, KR1 plc became the first, and to date, only diversified digital asset company listed on the London Stock Exchange. This was a historic moment in the digital asset industry and for public markets in the UK, and a pivotal moment for the Company.

The demands of the listing process, including the ongoing dialogue with the FCA, and active policy engagement, meant the transition from the Aquis Growth Market to the LSE Main Market was a significant undertaking, absorbing substantial management resources and operational capacity. This limited the capacity of the Company to materially expand business operations, strategy and investments. KR1's diversified approach sets it apart on the public markets, a distinction we believe will become increasingly significant as institutional demand for onchain infrastructure exposure grows.

The financial results for 2025 reflected both the operational demands of this listing process and the difficult market conditions that prevailed throughout. The surge in institutional inflows that drove Bitcoin to successive highs via ETFs proved narrowly contained. Ethereum benefited to a degree, but capital largely stopped at the ETF wrapper and did not rotate meaningfully into the broader innovation digital asset ecosystem, leaving the rest of the market and the majority of our holdings largely behind. The broader digital asset market also suffered from the 10 October 2025 liquidation event, from which many participants are still recovering.

Throughout the financial year, our Net Asset Value per share fell from 78.76 pence to 27.93 pence over the course of the year, and total Net Assets shrunk from £139.4 million to £49.6 million. Infrastructure income, from staking activities, compressed from £12.8 million in 2024 to £4.8 million in 2025, reflecting a loss of investor appetite in risk-on assets as the economy stalled, Trump's tariffs took effect and geopolitical tensions persisted. We weren't alone, every major digital asset investor and operator felt the strain of the broader market climate.

Now, in 2026, with confidence returning to the market, we are operating from a position of real momentum. As the first diversified digital asset company operating on the LSE, with our operations around Technology and Financial Infrastructure alongside the Venture and strategic investments facing-side of the Company firmly in place, we are in the strongest position of our decade-long history.

We enter this next phase not as a new entrant, but as an established operator with deep domain expertise, extensive network relationships and live infrastructure operations across a range of networks and protocols with a diversified balance sheet of productive digital assets actively shaped to reflect where we believe the most significant wave of demand has yet to arrive. Unlike passive Digital Asset Treasury companies or Exchange Traded Funds (or Notes) that rely solely on market movements, KR1 is an active, operational and income-generating operator at the frontier of the onchain economy that we believe will define the next decade.

With the launch of our Financial Infrastructure operations since the start of the year, KR1 entered a new and important phase of its evolution, establishing a dedicated and growing stream of income that sits alongside our Technology Infrastructure operations, where we have been powering decentralised proof-of-stake networks since 2019 as well as our venture activities since the Company's inception. Initially anchored in Bitcoin and Ethereum yield strategies, this operation is building toward and operating what we believe will become the essential layer of global asset movement, activities we refer to collectively as 'Onchain Infrastructure'.

As part of our operations, the Company has utilised an allocation of its existing Nexus Mutual holding to participate in staking pools, supporting a select group of established and rigorously vetted protocols within Ethereum's decentralised finance ecosystem to generate income from this holding. However, this represents just the first steps on the Financial Infrastructure front, we are not stopping with Nexus Mutual and are working on adding additional income streams across other protocols in the near future.

The convergence of AI with onchain infrastructure is, we believe, a structural demand driver of a different order of magnitude to anything we have previously observed. AI agents, autonomous systems capable of managing capital and assets without human intervention, require programmable money, verifiable data and tamper-resistant execution environments that centralised financial infrastructure is fundamentally ill-equipped to provide.

Blockchains, and Ethereum in particular, are purpose-built for the agentic economy. Ten years mature, global and permissionless, Ethereum carries the strongest network effects, the largest developer ecosystem and the deepest application layer of any smart contract network. It is the settlement layer of choice for machine economies, with developments such as the x402 micropayment standard and a growing ecosystem of onchain agent frameworks cementing that position. KR1's substantial Ethereum holding (through Lido Staked ETH) already provides meaningful exposure to this theme, and we are building on that foundation deliberately. It represents the natural next step for a company that has spent a decade at the frontier of decentralised networks, and we believe the timing, as autonomous agent activity and compute begins to scale onchain in earnest, could not be better.

Further, through our Zee Prime II specialised fund holding, we already have existing look-through exposure to Gensyn, a decentralised AI compute network aggregating idle GPU and CPU resources into a single verifiable compute layer, an early and considered entry into machine learning infrastructure at the heart of the agentic AI boom. Networks like Gensyn are important as they remove single-point-of-control risk from the intelligence layer, critical as global reliance on AI deepens.

On the broader AI and crypto convergence, we are actively evaluating and researching opportunities and operational strategies. It is worth noting that distributed compute is not a new theme for KR1. Shortly after KR1's inception in 2016, we backed Golem, one of our earliest investments, and our renewed interest is a continuation of long-held conviction. What is new is the convergence of decentralised compute alongside agentic AI, and the scale of the opportunity it presents. We are fully focused on this convergence, and we have rarely felt more energised about what lies ahead. As AI grows in global importance, the imperative to decentralise it, to eliminate fragility, reduce single points of failure, and return power to open networks becomes ever more urgent. This has been KR1's core thesis since 2016, now applied to what may be the defining technology of our time.

As this new frontier develops, AI demand directed at the digital asset settlement layers, oracle networks and data availability protocols that KR1 already participates in and operates could represent a wave of adoption that is, today, difficult to fully anticipate. Against this backdrop, we are in the final stages of launching KR1's dedicated network infrastructure operations in the form of validators on Ethereum. As onchain activity scales across tokenisation, stablecoin volumes and decentralised AI, validator rewards and fee generation follow, and this infrastructure expansion positions KR1 to capture that upside directly. It represents the natural next step for an operator that has spent a decade at the frontier of decentralised networks, and we believe the timing, as autonomous agent activity and compute begins to scale onchain in earnest, could not be better.

With RedStone, the fast-growing oracle provider we supported through both seed and follow-on funding, we are exploring opportunities for KR1 to take an active role in the network as a RedStone operator. The pace and quality of RedStone's recent integration wins speaks for itself: primary data feed infrastructure for Canton Network, an institutional RWA blockchain backed by Goldman Sachs and Citadel Securities hosting over \$6 trillion in tokenised assets; core oracle provider for Tempo, the payments blockchain co-developed by Stripe and Paradigm which also houses their Agentic AI Machine Payment Protocol; and the purpose-built HyperStone oracle stack powering over \$1.5 billion in trading volume across Hyperliquid's permissionless perpetuals markets. Spanning institutional RWA, global payments and high-performance derivatives, Redstone is the common thread across three of the most significant oracle integrations in the space. With the additional launch of CLARA, its agent-to-agent communication and marketplace layer, Redstone is positioning itself as foundational plumbing for the new onchain economy in its entirety, and our relationship and potential operator role places us well to benefit from that trajectory.

We are also evaluating opportunities in the data availability space, including operations with Celestia and other protocols we hold, where we see a meaningful opportunity to operate as active infrastructure participants rather than passive holders.

After navigating a challenging 2025 we believe the 2026 macroeconomic environment is becoming meaningfully more constructive. Liquidity will return, and when it does, it will flow toward quality. We are entering what may prove to be one of the most consequential years in the history of digital assets, with the convergence of agentic AI, decentralised compute, real world asset tokenisation and institutional adoption creating conditions that favour precisely the kind of patient, infrastructure-oriented approach KR1 has taken. The networks, validators and decentralised AI and agentic compute layers being built today will form the backbone of a new financial and computational internet, and KR1 is now positioning itself as an active participant in that buildout.

Managing Directors Report (continued)

We would like to thank our shareholders for their continued support and patience, and we look forward to demonstrating, through our actions and results, why KR1 is the most credible, institutional-grade digital asset vehicle on the London markets on its path to build out the premium blue chip digital asset company on the LSE, the next chapter for KR1 is just getting started.



George McDonough
Managing Director & Co-Founder
Date: 27/04/2026



Keld van Schreven
Managing Director & Co-Founder

Strategic Report

for the year ended 31 December 2025

The directors present their strategic report for the year ended 31 December 2025.

Review of business

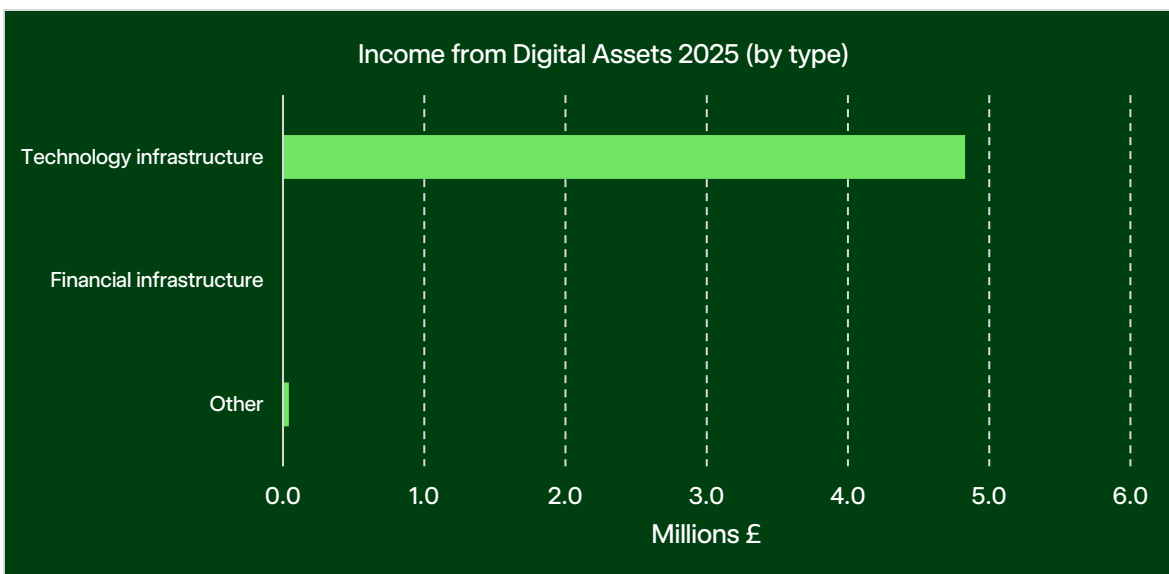
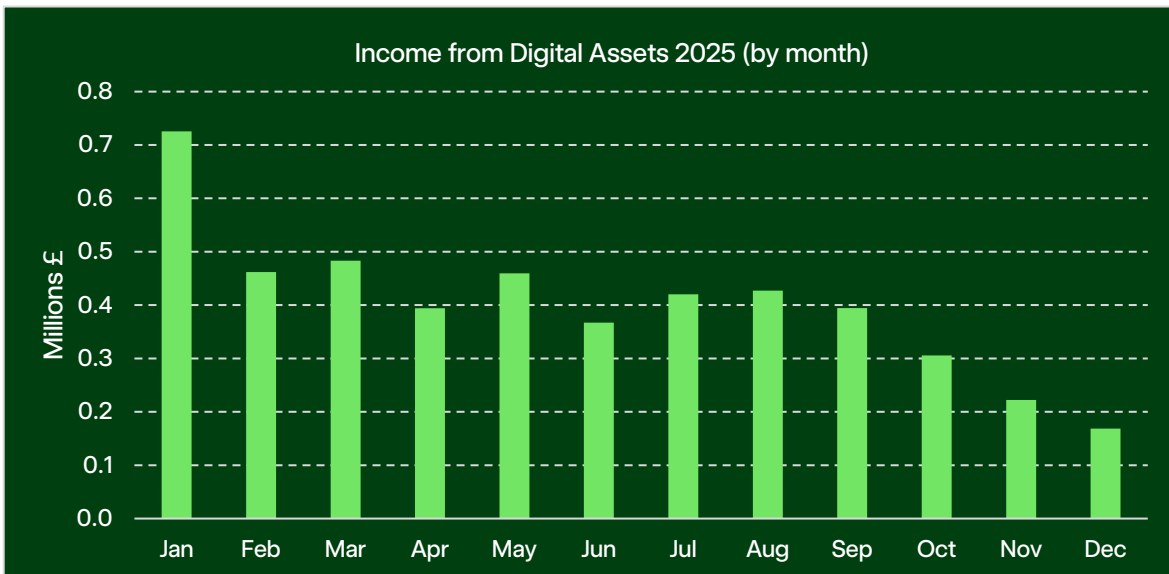
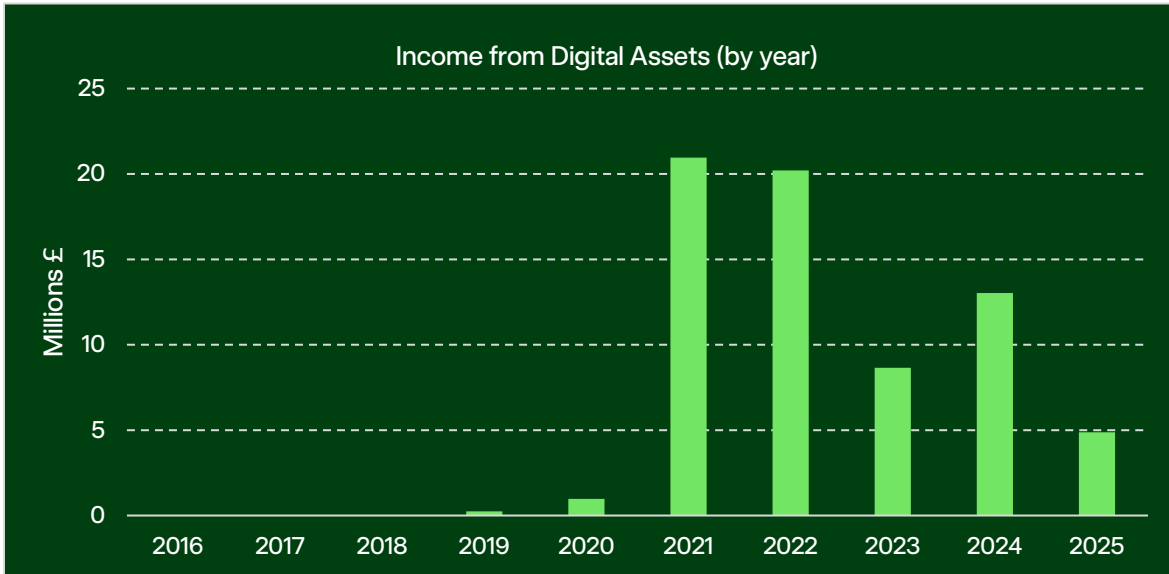
The annexed Financial Statements, including the Notes thereto, in conjunction with the Managing Directors' Report and Chairman's Report as well as this Strategic Report provide an in-depth review of the Company for the financial year.

Key performance indicators

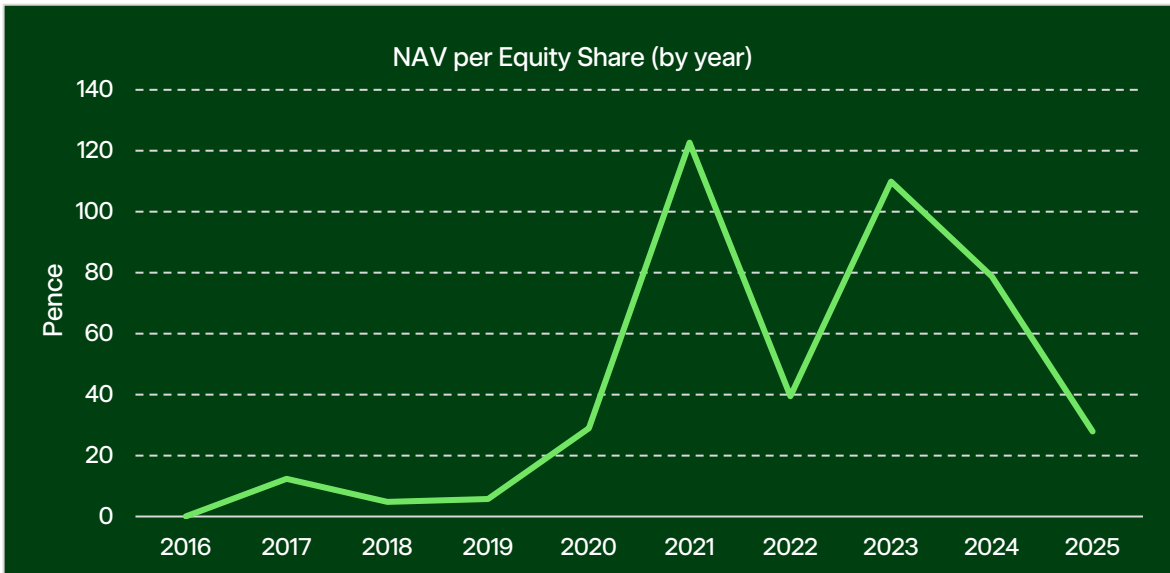
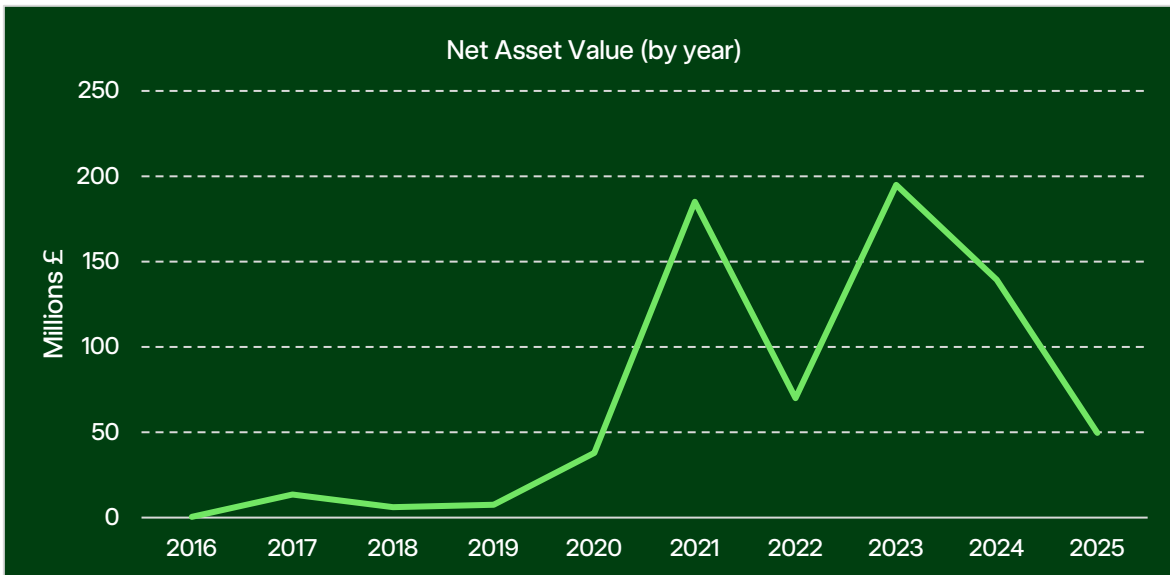
Key Performance Indicators ("KPIs") include the Company's income from digital assets and its earnings per share as well as the Company's net asset value and its net asset value per share. Given the detail provided in the Financial Statements regarding KPIs as well as the detail provided in the Managing Directors' Report and Chairman's Report, the Company's Directors are of the opinion that these collectively provide a good understanding of the Company's development, performance and position. Furthermore, detailed overviews of the Company's operations, holdings as well as strategy are provided in the Company Overview as well as throughout the results and in the Notes to the Financial Statements, which all contributes to a comprehensive understanding of the Company.

To further aid understanding of the Company's activities, performance, position and its KPIs, visual representations and graphs of relevant financial data, such as the Company's income from digital assets, in particular from staking activities, and the Company's net assets can be found below.

Income



Net Asset Value



Financial Review

Loss on disposal of digital assets

During the year the Company made disposals of some intangible assets generating a loss of £8,479,992 as follows:

Asset	profit/(loss)	cash generated*	non fiat proceeds	Counter asset
MOVR	-3,626,094	79,719		
ASTR	-2,422,496	220,703		
SDN	-939,516	20,226		
ACA	-815,225	82,711		
DOT	-643,235	1,116,314		
ATOM	-598,999	581,995		
DIVER	-182,060		101,420.00	USDC
ICP	-153,254	333,585		
BSX	-68,753	10,489		
USDC	-22,826	1,372,286		
HDX	-1,251.00	16,679		
TIA	429,127	1,242,563	22,404	USDC
ETH	1,081	1,208,576		
NYM	6,922	133,175		
RPL	86,611	162,007		
STETH	489,504	-	1,208,956	ETH
Other	-19,528	6,399	14,507.28	
Total	-8,479,992	6,587,427	1,347,287	

As prescribed by the Company's accounting policies income generated is equal to the fair value of the digital assets on the date of receipt and therefore a corresponding increase in the cost of the respective asset is recognised. Most assets are of no material direct cost to the Company, and in particular digital assets received as rewards have a cash cost of £nil to the Company. are assigned. It is therefore highly possible for the disposal of digital assets to result in a positive cash flow despite the loss generated. By way of example:

- Moonriver ("MOVR"), acquired for £nil via participation a in Parachain auction locking Kusama ("KSM") and further compounded by way of staking rewards.
- Astar ("ASTR") resulting from Lockdrop and Parachain participation via locking of Ethereum ("ETH") with the cash cost of the full position £nil.
- Shiden Network ("SDN"), resulting from Lockdrop and Parachain participation with the cash cost of the entire position £nil.
- The Acala ("ACA") holding represents a hybrid of early-stage funding in a simple agreement for future tokens ("SAFT") and follow on investment cash costs \$65,000 and \$100,000 respectively plus tokens rewarded from parachain participation cash cost £nil.
- Both Cosmos ("ATOM") and Polkadot ("DOT") were among the earliest investments made by the Company with staking activities beginning in 2019 and 2020. Additionally, the DOT provided the Company with KSM tokens, being the DOT canary network for cash £nil. Both DOT and KSM generated significant staking rewards having previously been partially deployed across various parachains resulting in rewards including ACA, GLMR, ASTR, HDX, INTR, BSX, KINT, KAR, SDN and MOVR

Throughout the year, and prior to disposal of assets, the Board have monitored and evaluated potential losses and have considered the context of such disposals concluding that they raise no concerns regarding the losses whereby a net positive cash flow is resulting.

Expenses associated with the London Stock Exchange listing

The Company's operating expenses for the year were elevated due to exceptional one-off costs totalling £1.72 million, which were directly attributable to the successful migration of the Company's listing to the London Stock Exchange as detailed below:

Service	Service Provider	Work fee £	Success fee £	Total £
Corporate Finance	Singer Capital Markets	260,000	200,000	460,000
Legal	Stephenson Harwood	204,000	348,000	552,000
Reporting Accountant	PKF	234,038		234,038
Corporate Finance Legal	Norton Rose Fulbright	288,000		288,000
Admission	LSE	110,406		110,406
Listing Fees	FCA	18,490		18,490
Printing	B&C	6,679		6,679
Legal (IOM)	Cains	55,000		55,000
	Total:	1,176,613	548,000	1,724,613

Revaluation reserve

The Company holds digital assets classified as Intangible Assets in accordance with IAS 38 and the revaluation model has been applied as there is an active market for the digital assets. In accordance with Note 4.1.2 revaluation increases in the carrying amount are recognised in other comprehensive income and accumulated in the revaluation surplus within equity. Revaluation decreases which offset previous increases are charged in other comprehensive income and debited to the revaluation surplus directly in equity. All other decreases are charged to the income statement. As at 1st January 2025, the revaluation surplus brought forward totalled £53,822,045, however during the year the value of the digital assets held at fair value decreased by £76,432,589. The revaluation surplus has therefore been decreased by £53,822,045 to £nil with the remaining £22,610,544 being allocated directly to the income statement.

Principal risks and uncertainties

For a comprehensive overview of principal risks and uncertainties, including operational, industry, regulatory, technological, and broader financial risks please refer to the Principal Risks and Uncertainties section, which is incorporated into the Strategic Report by reference.

Events since the end of the year

As announced on 9 February 2026, KR1 plc introduced its Financial Infrastructure Strategy to complement existing technology operations, primarily through the Company's staking activities, with a view to over time diversify its income streams. This involves deploying key digital assets within the decentralised finance ecosystem and the Board views this strategic expansion as complementary to the Company's existing Technology Infrastructure operations and select investment activities.

More information relating to events since the end of the year are given in the **Notes to the Financial Statements**.



George McDonough
 Managing Director & Co-Founder
 Signed on behalf of the Board on 27/04/2026



Keld van Schreven
 Managing Director & Co-Founder

Principal risks and uncertainties

for the year ended 31 December 2025

Risks relating to the company and its business

Strategic Objective Execution

The Company may fail to achieve its strategic objective of generating income from digital assets and achieving capital growth through exposure to the infrastructure layer of decentralised networks and protocols.

Asset Performance and Market Volatility

The Company generates substantially all its income and comprehensive income from digital assets and fair value movements in its digital asset holdings. Consequently, the Company's financial condition and ability to generate operating cash flows are highly dependent on the underlying value and liquidity of these assets. Digital assets are subject to extreme historical volatility, momentum pricing, and shifting investor confidence. Rapid declines in asset values can easily outweigh yields generated through income from digital assets and may result in the Company underperforming the broader sector. Such volatility can have an immediate, material adverse effect on the Company's share price and financial stability.

Reliance on Staking Operations and Proof-of-Stake Networks

With substantially all income from digital assets for the financial year derived from staking, the Company relies heavily on the continuous operation and integrity of decentralised Proof-of-Stake networks. The Company's ability to generate income from digital assets through staking activities is exposed to several specific, inherent risks:

- **Reward Dynamics:** Potential declines in reward issuance, network inflation adjustments, or the real value of staking rewards.
- **Slashing Penalties:** Irreversible forfeiture of staked assets due to validator misbehaviour, downtime, or protocol violations.
- **Network Security:** Vulnerability to malicious attacks (e.g., "51% attacks"), hacks, and distributed denial-of-service (DDoS) attacks.
- **Network Disruptions:** Liveness or finality failures, hard forks, and informal governance challenges that affect network usability.
- **Infrastructure & Operations:** Hardware/software failures, power outages, and the need for continuous technological reinvestment.
- **Market Viability:** Failure of networks to resolve scaling challenges, manage transaction congestion, or retain user and developer adoption.
- **External Threats:** Negative market perception (e.g., environmental or financial crime concerns), regulatory restrictions, and advancements in quantum computing that could compromise cryptographic security.

Reliance on Third-Party Infrastructure Providers

The Company currently conducts its staking activities entirely through centralised third-party service providers (e.g. Coinbase, Kraken) and decentralised protocols (e.g. Lido), though it is transitioning toward operating its own dedicated validator nodes. Reliance on third parties introduces counterparty risks, including operational failures, mismanagement, and financial insolvency, which could lead to suspended operations or the loss of staked assets. Furthermore, the Company has limited control over these providers, restricting its ability to directly mitigate "slashing" penalties. Third parties may also alter fee structures, suspend services, or rely on liability caps, further impacting the Company's profitability.

Intense Market Competition

The digital asset industry is characterised by low barriers to entry and permissionless systems. Rapid increases in market participants can lead to higher network staking rates, which inherently dilutes staking rewards per token. As the market matures and new, well-capitalised entrants emerge, increased competition and pricing pressures could reduce the Company's percentage returns over time.

Liquidity and Counterparty Risks in Investments

Certain digital assets held by the Company may experience periods of illiquidity. This illiquidity may prevent the prompt disposal of assets at favourable prices to generate operating cash flows, potentially forcing asset sales at a loss. Additionally, investments in specialised digital asset funds carry significant risks, which can result in total capital loss for those specific holdings.

Key Personnel Dependency

The Company's success is highly dependent on the efforts, abilities, and retention of key personnel including its Management Team. The inability to retain key personnel or attract appropriately qualified replacements without offering significantly higher compensation could materially and adversely affect the Company's business prospects and operational continuity.

Termination of the Reflexivity Services Agreement could Impact Operations

The Company has entered into a services agreement with Reflexivity Research Limited and the current members of the Management Team. As the Reflexivity Services Agreement plays a crucial role in structuring the Management Team's remuneration, incentivisation and retention, termination of this agreement, whether initiated by the Company or Reflexivity, could pose certain risks to the Company such as that it could increase the likelihood of these individuals departing, depriving the Company of their expertise and potentially hindering the Company's ability to meet its business objectives. The agreement further grants the Company an exclusive license to use certain intellectual property owned by Reflexivity (including the KR1 brand). Termination of the agreement could result in the Company losing access to these assets, potentially causing disruption to the Company's brand recognition and market profile.

Performance Fees may Incentivise Riskier or more Speculative Investments

Pursuant to the Reflexivity Services Agreement, Reflexivity is entitled to a Performance Fee calculated as 20 per cent of the Company's adjusted Net Asset Value growth above a high-water mark, assessed annually at the end of each calendar year. While the Board believes that the Performance Fee incentivises the Management Team to maintain and grow the business, aligning their interests with the Company's long-term success, the potential for a Performance Fee to be payable may create an incentive for the Management Team to make riskier or more speculative investments than they would otherwise make in the absence of such fee. In such circumstances, the Company may be exposed to greater risk, which could have a material adverse effect on the Company's performance.

Concentration Risk

The Company's business strategy is primarily focused on digital assets, with its holdings primarily consisting of digital assets and holdings in digital asset businesses, which exposes it to concentration risk. Due to the high correlation often seen across digital asset markets, this lack of diversification amplifies the Company's exposure to sector-specific market crashes, regulatory shifts, and technological threats compared to traditional, multi-asset class portfolios.

Borrowing and Gearing Risks

Should the Company utilise borrowing facilities to enhance returns in the future, it will be exposed to interest rate fluctuations and the gearing effect, which magnifies financial losses during market downturns. In a liquidation scenario, secured lenders would rank ahead of Shareholders, increasing the risk of total investment loss.

Access to Banking Services

Traditional financial institutions frequently restrict or withdraw banking services from digital asset businesses due to perceived compliance risks and costs. The inability to secure or maintain reliable banking facilities could severely disrupt the Company's day-to-day operations and negatively impact the broader utility and perception of the sector.

Information Technology Vulnerabilities

The Company's operations are entirely reliant on robust IT and telecommunications systems. Vulnerabilities to cyberattacks, malware, usage errors, or infrastructure outages could lead to operational paralysis, data breaches, reputational damage, and resultant legal or financial liabilities.

Simple Agreements for Future Tokens (SAFTs)

The Company invests in early-stage projects via SAFTs, which provide conditional contractual rights to future digital assets. If a network fails to launch or commercial conditions are not met, the expected tokens may never be issued or vest. In such instances, the Company is highly unlikely to recover its initial capital, resulting in a loss of investment.

Risks relating to digital assets

Uncertainty of Widespread Adoption and Asset Valuation

The long-term viability, adoption, and value of digital assets remain uncertain due to their status as an evolving and relatively young asset class. The collapse of major networks could occur due to technological failures, security breaches, regulatory restrictions, or fundamental shifts in market demand. Consequently, the market remains speculative and highly volatile. A sustained decline in the price of major digital assets could severely impact investor confidence, materially affecting the Company's financial position and the value of its Ordinary Shares.

Emergence of Alternative Assets and Market Competition

The Company's strategy is highly dependent on the market prices of its core digital asset holdings, such as Ethereum, Polkadot, Celestia, and Cosmos. However, the industry is constantly evolving, with thousands of active digital assets and new consensus mechanisms continually emerging. The Company faces risks if its concentrated holdings lose market share or relevance, which would negatively impact asset values and staking income. Furthermore, the development of private or permissioned blockchains by financial institutions, the increasing use of stablecoins, and the introduction of Central Bank Digital Currencies introduce significant competition. These alternatives could potentially replace open-source digital assets as mediums of exchange or stores of value, thereby adversely affecting the Company's operations and Shareholder returns.

Irreversible Loss of Private Keys and Custodial Risks

Digital assets are controlled exclusively by unique private keys; if a key is lost, destroyed, or compromised without a backup, the associated assets may become permanently inaccessible, resulting in irreversible financial loss. While the Company predominantly utilises institutional third-party custody providers and exchanges, these services may not offer the same regulatory protections or comprehensive insurance coverage as traditional financial custodians. Furthermore, holding assets in smart contracts and engaging with decentralised finance platforms exposes the Company to smart contract vulnerabilities, liquidity constraints, and unregulated environments. The Company is also exposed to counterparty risks, as custodians or exchanges may impose withdrawal limits, suspend operations, or become insolvent, potentially leading to total capital loss, which may be exacerbated by service provider liability caps. Although robust internal systems and controls are implemented, including multi-party approvals, whitelisting, and two-factor authentication, these safeguards cannot absolutely guarantee protection against sophisticated cyberattacks, software vulnerabilities, or operational misconduct.

Lack of Comprehensive Insurance Coverage

The Company does not currently maintain insurance against the loss, theft, or misappropriation of its digital assets across its wallets, exchanges, or decentralised platforms, and acquiring such comprehensive coverage may not be possible in the future. While certain third-party custodians hold limited insurance, it may not extend to all Company assets and is often subject to significant exclusions. Consequently, any losses resulting from cyberattacks, fraudulent activity, human error, or technical malfunctions may be entirely unrecoverable, materially impacting the Company's financial condition.

Cryptographic Vulnerabilities from Quantum Computing

The cryptographic security underpinning digital assets may become increasingly vulnerable to rapid advancements in quantum computing. If quantum technologies mature before quantum-resistant cryptographic solutions are widely developed and implemented across blockchain networks, the underlying encryption of the Company's digital asset holdings could be compromised.

Consensus Mechanism and Network Manipulation

A malicious actor or coordinated network could potentially obtain a significant portion of the decision-making power within a blockchain's consensus mechanism. In Proof-of-Stake networks, an attacker controlling a substantial share of staked assets could manipulate transaction validation, delay network finality, or censor transactions. Networks with lower participation rates or weaker governance structures may be vulnerable to such manipulation even if the attacker controls less than a majority share, potentially undermining the integrity and value of the affected digital assets.

Risks relating to law and regulation

Extensive and Evolving Regulatory Landscape

The Company operates in a highly complex and rapidly evolving legal and regulatory environment across multiple jurisdictions, including the United Kingdom. Its activities intersect with broad regulatory frameworks spanning financial services, digital asset exchange, data privacy, cybersecurity, tax, and anti-money laundering. Because many of these regimes predate the advent of digital assets, their application to the Company's operations involves significant uncertainty and is subject to frequent, sometimes conflicting, modifications. The novelty of the digital asset sector requires the Company to exercise judgment in interpreting its compliance obligations. Should regulatory bodies disagree with the Company's interpretations, the Company could face substantial fines, criminal penalties, reputational damage, and severe restrictions on its operations, which would adversely affect its financial condition.

Regulatory Status and Future Compliance Obligations

Currently, the Company is not required to be regulated under the UK Financial Services and Markets Act 2000 or the Isle of Man's Regulated Activities Order 2011, as it transacts solely as a principal and does not operate as a crypto asset exchange, custodian, or derivative provider for retail consumers. However, the Company is still subject to specific rules, such as the UK financial promotions regime. As the regulatory landscape matures, new legislation or judicial interpretations may expand the scope of regulated activities. Such shifts could compel the Company to obtain new licenses, incur significant compliance costs, or face outright bans on certain digital asset activities. Any material change in relevant multi-jurisdictional laws could adversely restrict the Company's ability to execute its strategic objectives and materially impact the value of its Ordinary Shares.

Risks relating to taxation

Changes in Taxation Legislation and Practice

Changes in tax legislation or practice across the Isle of Man, the United Kingdom, or other jurisdictions could adversely affect the value of the Company's investments and its ability to provide returns to Shareholders. Such changes may also impact the personal tax treatment of Shareholders regarding their investments. The value of any particular tax reliefs will depend entirely on the individual circumstances of each Shareholder. Investors are strongly advised to consult their own independent tax advisers regarding their specific tax situations, as current tax laws and authority practices remain subject to change.

Onerous Due Diligence and Reporting Obligations

The Isle of Man participates in numerous international arrangements, including the Foreign Account Tax Compliance Act and the Common Reporting Standard, designed to facilitate the exchange of information and combat global tax evasion. Under these agreements, the Company may face onerous due diligence and reporting obligations, including the requirement to collect and report specific information regarding Shareholders and other account holders to His Majesty's Revenue and Customs ("HMRC"). HMRC may subsequently share this information with tax authorities in other jurisdictions. Any failure by the Company to fully comply with these rigorous reporting requirements could result in the imposition of significant fines, which would adversely affect the Company's overall financial performance.

Forward looking statement

This document contains forward-looking statements, including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or similar expressions. Such forward- looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements.

While the Directors believe the factors described above represent the most material risks and uncertainties that could impact the Company at the date of signing, this list is not exhaustive. Additional risks and uncertainties not currently known to the Board, or that are currently deemed immaterial, may also adversely affect the Company's performance and strategic objectives.



George McDonough
Managing Director & Co-Founder
Signed on behalf of the Board on 27/04/2026



Keld van Schreven
Managing Director & Co-Founder

Governance Report

for the year ended 31 December 2025

Chair's introduction to governance

On behalf of the Board, I am pleased to present the Company's Corporate Governance Report for the year ended 31 December 2025.

This period marked a significant corporate milestone with the Company's successful admission on the 25 November 2025 to the Main Market of the London Stock Exchange under the Equity Shares (Commercial Companies) category, alongside the formal adoption of the UK Corporate Governance Code 2024 ("the Code").

To support the migration of the listing, the Board implemented several key governance enhancements during the year:

- **Board Composition and Independence:** Conducted a rigorous review of Director independence. The Board confirms that all three Non-Executive Directors are independent in character and judgement, ensuring that independent Directors comprise more than half of the Board in strict alignment with the Code.
- **Committee Structuring:** Established the Audit and Risk Committee and strategically restructured the Supervisory Committee to reflect the Company's evolving operations. Membership and formal Terms of Reference for each committee have been aligned with Code recommendations (and any departures from the Code have been explicitly explained within this report).
- **Risk and Oversight Framework:** Comprehensively reviewed and updated the Company's principal risks and uncertainties, ensuring alignment with our strategic trajectory.
- **Policy Ratification:** Conducted a thorough review of all core corporate policies, including Anti-Bribery and Corruption, Whistleblowing, Fraud Response, Data Protection, and Employee Personal Dealings. All frameworks were updated where necessary, deemed appropriate, and are subject to regular review.

The Board remains committed to maintaining these robust, proportionate governance structures to promote the Company's long-term sustainable success within the digital asset sector.

Board of Directors

Full details of the Board's composition, including the names, professional biographies, and relevant sector experience of each Director serving during the financial year, are set out within the **Board of Directors and Management Team** overview within the **About KR1 plc** section. This information, demonstrating the Board's collective expertise and competence is incorporated into this Corporate Governance Report by reference.

Corporate Governance Report

Statement of Compliance with the UK Corporate Governance Code 2024

In accordance with the Listing Rules and the UK Corporate Governance Code 2024, the Board confirms that the Company formally adopted the Code upon its admission to the Main Market of the London Stock Exchange in November 2025. The Board considers that, from the date of admission through to 31 December 2025, the Company has complied with all relevant principles and provisions of the Code, except where expressly stated otherwise. Prior to admission, the Company maintained corporate governance frameworks appropriate for its previous market listing and stage of development.

Full details of how the Company has applied each of the Code's core principles are set out in this report below. Relevant explanations for any deviations are set out within the **Departures from the Code** section.

Section 1 – Board leadership and company purpose

1.A. Effective and Entrepreneurial Leadership

The Company complies with the **Code's** requirement for effective and entrepreneurial leadership through its founder-led Board, whose primary role is to promote long-term sustainable success and generate shareholder value whilst contributing to the wider decentralised technology ecosystem. Furthermore, the Board ensures that the necessary resources, policies, and practices are continuously in place to meet the Company's objectives, with performance measured against these details within the **Strategic Report (KPIs)** and the **Managing Directors' Report**.

1.B. Purpose, Values, Strategy, and Culture

In compliance with the **Code**, the Board has established the Company's **purpose, values, and strategy**, and actively ensures that these core elements remain fully aligned with the corporate **culture**.

A comprehensive outline of KR1 plc's purpose and strategy is detailed in the **About KR1 plc** section, specifically, the Company's purpose is incorporated herein by reference to the Mission subsection, its strategy by reference to the Strategy subsection, and additional information on values are detailed. Within its governance remit, the Board focuses on active oversight, continually monitoring management's execution to ensure that capital allocation, risk frameworks, and daily operations remain strictly aligned with these core elements and the delivery of long-term shareholder value.

As a crypto-native firm aligned with the ethos of the digital asset ecosystem, KR1 plc operates with a small, specialised team. The Company's culture is fundamentally shaped by its values, specifically discipline, meritocracy, technical competency, individual accountability, and a commitment to rigorous, research-driven analysis. Guided by a high-conviction, long-term vision, KR1 plc acts as an active operator within decentralised networks rather than passive capital. To balance this active participation, the Board ensures the Company's operations are rooted in proven, repeatable processes and prudent risk management, holding KR1 plc to the highest public market standards of transparency and auditability. Furthermore, the Board places a strong emphasis on the requirement that all directors act with integrity and lead by example to actively promote the Company's culture and embed these values across all operations.

1.C. Governance Reporting and Departures

In compliance with the **Code**, the Company ensures its governance reporting focuses on Board decisions and their outcomes in the context of the Company's strategy and objectives.

Where the Company reports on departures from the **Code's** provisions, notably with the absence of a Senior Independent Director and separate Remuneration and Nomination Committees, it provides clear explanations and ensures these responsibilities are effectively met by the Board as a whole.

Further details regarding these governance arrangements and decisions are set out throughout this **Corporate Governance Report** and the **Strategic Report**.

1.D. Engagement with Shareholders and Stakeholders

In compliance with the **Code**, the Board ensures that the Company meets its responsibilities by fostering effective engagement and encouraging active participation from both shareholders and wider stakeholders, as well as considering shareholder feedback as part of its decision-making process.

During the financial year, shareholders engaged with the Company through investor meetings, electronic communication as well as communication through the Company's advisers. Primary interests from shareholders for this year as well as in previous years were a desire to migrate the Company's listing to a more senior exchange as well as improve communication and investor relation functions of the Company.

As part of the Company's completed listing migration process to the Main Market of the London Stock Exchange during this financial year, the Company now also maintains a dedicated internal investor relations function. The Company further collaborates closely with its advisers to facilitate regular dialogue with shareholders and prospective investors.

The Board ensures a transparent flow of regulatory and non-regulatory information to the market through the Company's public announcements and digital channels as well as through engagements with external media, carefully considering the appropriate balance between transparency and protecting commercial interests of the Company.

While the Company is incorporated under the Isle of Man Companies Act 2006 and is therefore not statutorily subject to Section 172 of the UK Companies Act 2006, the Board fully embraces the underlying principles of stakeholder consideration and responsible governance. Beyond its shareholder base, the Company also actively engaged with stakeholders more broadly during the financial year, cultivating strong relationships across the digital asset ecosystem with investees, partners, and relevant organisations playing a role in major decentralised networks and protocols. Furthermore, as a digital asset technology specialist listed on the Main Market of the London Stock Exchange, the Company actively engages with the wider UK public market industry as well as constructively contributes to policy initiatives with relevant regulators and the UK government.

Relevant information is available within the investor section of the Company's website, and the Company continues to monitor shareholder feedback and welcomes direct inquiries from shareholders and stakeholders to ensure effective and appropriate engagement.

1.E. Workforce Policies and Practices

In compliance with the **Code**, the Board ensures that the Company's workforce policies and practices are fully consistent with its core values, promoting integrity and long-term sustainable success. The Company's entire team adheres to a robust framework of internal policies designed to uphold these high ethical standards across all operations. Furthermore, to ensure that the workforce can confidently and securely raise any matters of concern, the Company maintains clear and accessible whistleblowing procedures, which are subject to ongoing Board oversight.

Section 2 – Division of responsibilities

2.F. Role of the Chair

In compliance with the Code, the Non-Executive Chairman of the Company leads the Board and assumes responsibility for its overall effectiveness in directing the Company. Exercising objective judgement, the Chair cultivates a boardroom culture rooted in openness and constructive debate, whilst facilitating positive relations and the effective contribution of all directors, including Non-Executive Directors. Furthermore, working in close collaboration with the Company's team, the Chair ensures that the entire Board receives accurate, timely, and clear information to support robust and independent decision-making.

2.G. Board Composition and Division of Responsibilities

In compliance with the Code, the Board maintains an appropriate balance of Executive and Independent Non-Executive Directors, ensuring that no single individual or group dominates the decision-making process.

There is a clear and formal division of responsibilities between the leadership of the Board and the executive leadership of the Company's business. The Board is responsible for determining the Company's strategy and maintains overall responsibility for its activities, including the supervision of service providers and the review of performance. To ensure operational efficiency, the Board delegates the management of day-to-day operations to the Management Team, which operates subject to the overall policies and directions set by the Board.

The Directors meet regularly to exercise their duties and provide robust independent oversight, with further details regarding the specific profiles and roles found in the **Board of Directors and Management Team** overview within the **About KR1 plc** section.

2.H. Role and Commitment of Non-Executive Directors

In compliance with the Code, the Non-Executive Directors provide the Board with a robust range of expertise, encompassing significant experience in institutional finance, public markets, and specialised digital asset technologies. This diverse background enables them to offer high-level strategic guidance and specialist advice, while ensuring they provide constructive challenge and hold the Management Team to account.

The Board ensures that all Non-Executive Directors dedicate sufficient time to fulfil their responsibilities effectively. Their combined experience, ranging from professional backgrounds in institutional finance, academia and digital assets, ensures the Board maintains the necessary depth to oversee the Company's long-term success.

2.I. Board Support and Resources

In compliance with the Code, the Board ensures it has the necessary policies, processes, and resources to function effectively. This is supported through the Company's team and service providers, including the Company's Registered Agent, which provides administrative and secretarial services. Working in coordination with the Company's team, these providers contribute to an efficient flow of information and assist in the management of Board proceedings, enabling the Directors to discharge their duties and maintain robust governance standards.

Section 3 – Composition, succession and evaluation

3.J. Board Appointments and Succession Planning

In compliance with the Code, the Board ensures that all appointments are subject to a formal, rigorous, and transparent procedure based on merit and objective criteria. Given the Company's current size, these responsibilities are managed by the Board as a whole as the Company does not currently have in place a separate Nomination Committee. This collective approach ensures that any new members are fully aligned with the Company's long-term strategy and bring a diverse range of skills, backgrounds, and cognitive strengths in line with relevant principles.

Although regular re-election of Board members happens every year during the AGM, the Company does not currently maintain formalised succession plans for the Board or senior management (the Management Team). Given the Company's current size, the Board considers this departure appropriate at this stage as robust and aligned long-term executive management arrangements are in place, providing needed assurance and operational stability. The Board regularly reviews its composition and will formalise these structures as the Company matures and as governance requirements evolve.

3.K. Board Skills, Experience, and Renewal

In compliance with the Code, the Board possesses a highly effective combination of skills, experience, and knowledge tailored to the Company's strategic focus. This encompasses extensive expertise in institutional finance, public markets, and specialised digital asset technologies, providing the necessary depth for robust oversight and constructive challenge.

The Board actively considers the length of service of its members as a whole to maintain independence and objectivity. To ensure membership is regularly refreshed in alignment with underlying governance provisions, all Directors are subject to annual re-election. This guarantees the Board's composition remains appropriately balanced to promote long-term sustainable success and generate shareholder value.

3.L. Board Evaluation

In compliance with the Code, the Board is committed to a regular evaluation process to assess its overall performance, composition, and diversity, alongside how effectively members collaborate to achieve the Company's strategic objectives.

Following the Company's recent listing and adoption of the Code, this evaluation programme is being formally integrated into the annual governance cycle. The process encompasses individual assessments to ensure each Director continues to contribute effectively, demonstrating the necessary commitment to maintain robust oversight and drive long-term shareholder value.

The Board recognises that a broad range of skills, perspectives and experiences supports effective governance and decision-making, in line with Provision 23 of the UK Corporate Governance Code. As a relatively small company with a compact leadership structure, the Board focuses on ensuring that its members collectively possess the capabilities required to support the Company's strategy and long-term sustainable success. Individual Directors' backgrounds and experience are set out in the Board of Directors section of this report.

Given the size and stage of the Company, the Board does not set formal diversity targets. Appointments to the Board, senior management and the wider team are made on merit, with the overriding priority being the diversity of skills, qualifications and experience relevant to the role. The Company does not collect personal data relating to certain protected characteristics, as it considers such information private and not relevant to assessing suitability for employment or Board appointment.

The Board remains committed to fair, inclusive and unbiased recruitment and succession-planning processes, and will continue to consider diversity in its broadest sense as the organisation grows.

Section 4 – Audit, risk and internal control

In compliance with the Code, the Audit and Risk Committee oversees the Company's financial reporting processes through formal and transparent policies. The Committee is responsible for ensuring the independence and effectiveness of the external auditor and for satisfying itself on the integrity of the Company's financial and narrative statements.

Given the Company's size and operational structure, it does not maintain a dedicated internal audit function. The Board considers the existing internal controls, combined with rigorous oversight from the Audit and Risk Committee, the Management Team, and external service providers, to be robust and appropriate. The Committee regularly reviews the need for an internal audit function to ensure oversight mechanisms evolve alongside the Company's growth.

4.N. Fair, Balanced, and Understandable Assessment

In compliance with the Code, the Board assumes full responsibility for ensuring the Annual Report and financial statements present a fair, balanced, accurate, and understandable assessment of the Company's position, performance, and prospects. To guarantee the integrity of this assessment, the Board applies robust accounting policies and exercises prudent judgement in the valuation of the Company's holdings, as detailed in the Notes to the Financial Statements. This rigorous framework, supported by independent external audits and the publication of regular comprehensive financial updates, ensures shareholders receive the transparent information necessary to accurately evaluate the Company's business model and strategic execution.

4.O. Risk Management and Internal Controls

In compliance with the Code, the Board maintains an effective risk management and internal control framework, determining the nature and extent of the principal risks the Company is willing to take to achieve its long-term strategic objectives.

This framework is underpinned by robust financial and operational procedures designed to safeguard the Company's assets, operations and promote sustainable success. In alignment with underlying governance provisions, the Board and the Management Team continuously monitor the effectiveness of these material controls. Through this ongoing oversight, the Board ensures a rigorous assessment of both principal and emerging risks, maintaining proportionate procedures that adapt to the Company's evolving operational scale.

Board Confirmation and Internal Controls Assessment

In strict compliance with Provision 28 of the UK Corporate Governance Code, the Board confirms that it has completed a robust assessment of the Company's risk management and internal control systems during the financial year. This comprehensive evaluation of all material financial, operational, and compliance controls was carried out by the Company through the rigorous due diligence process with support from the Company's sponsor, legal advisers, and reporting accountant in preparation for the Main Market admission and publication of the Prospectus. As part of this process, the Board also formally adopted an updated suite of robust risk management policies and internal controls.

Identification and Management of Emerging Risks

The Board continuously and proactively monitors the digital asset sector to identify potential emerging risks that could threaten the Company's business model, future performance, solvency, or liquidity. In addition to the Board, the identification, evaluation and management of emerging risks is also embedded at all levels of the Company. The Company's entire team is actively encouraged to escalate any potential threats, which are logged and assessed within the Company's Risk Register. Further, the Supervisory Committee as well as the Audit and Risk Committee form an important part in the identification and management of emerging risks with details of these committees being set out in the Committees section of the Governance Report below.

Principal Risks and Uncertainties

A comprehensive description of the Company's principal risks and uncertainties is set out within the Principal Risks and Uncertainties section and is incorporated into this Corporate Governance Report by reference. However, it is noted that this shall not be deemed to be an exhaustive list of risk factors and there may be risk factors not currently known to the Company.

Section 5 – Remuneration

5.P. Remuneration Policies and Strategy Alignment

In compliance with the Code, the Board ensures remuneration policies are designed to support strategy and promote long-term sustainable success.

Remuneration for Executive Directors, the Non-Executive Directors, the Management Team and the wider team is aligned with the Company's purpose, values, and the successful delivery of its long-term strategy. This is achieved through competitive base salaries, a robust and aligned long-term executive management arrangement, and the potential of discretionary bonuses that ensure that the interests of all personnel remain directly linked to the Company's ongoing performance and the generation of shareholder value.

5.Q. Procedure for Determining Remuneration

In compliance with the **Code**, the Board maintains a formal and transparent procedure for developing remuneration policy for Directors, the Management Team, and the wider team. However, due to the Company's size and the current scale of operations, the **Board does not currently maintain a separate Remuneration Committee** as suggested by Provisions 32 and 33. Instead, remuneration matters are determined collectively by the Board in accordance with the Company's Articles of Association. To ensure robust governance within this collective structure and avoid conflicts of interest, the procedure explicitly dictates that no Director is involved in deciding their own remuneration outcome, guaranteeing independent and objective compensation decisions. In relation to Provision 37, the Company does not currently include formal malus or clawback provisions within the service contracts of the Executive Directors or the appointment letters of the Non-Executive Directors. The Board has considered this departure from the Code and believes it is appropriate at this stage of the Company's development in line with the compact leadership structure. The Executive Directors are co-founders of the Company, who individually (as well as collectively as the Management Team through the executive management arrangement) hold significant ownership of the Company, which provides robust and sustainable long-term alignment with shareholder interests and serves as an incentive for sustainable performance. For the Non-Executive Directors and the wider team any bonus elements remain entirely discretionary, allowing the Board to adjust or withhold awards at the point of assessment. The Board continues to monitor the necessity of formal recovery provisions as the Company grows. All Executive Director service contracts are subject to a notice period of less than a year, which is consistent with the requirements of the Code.

Details regarding director remuneration, staff costs, director interests and the executive management arrangement are set out within the **Directors' Remuneration Report**.

5.R. Independent Judgement and Discretion

In compliance with the Code, the Board exercises independent judgement and discretion when authorising all remuneration outcomes. As established, in the absence of a Remuneration Committee, these decisions are made collectively. To maintain strict objectivity, any affected individuals abstain entirely from discussions and voting regarding their own remuneration.

When determining these outcomes, the Board gives comprehensive consideration to Company and individual performance, prevailing market conditions, and the long-term interests of shareholders. The Board considers this collective framework to be appropriate and proportionate to the Company's current scale, with the establishment of a separate Remuneration Committee remaining under regular review as the Company's complexity and governance structures mature.

Departures from the Code

Audit and Risk Committee Composition

Contrary to the Code's recommendations, the Chairman of the Board serves as the Chair of the Audit and Risk Committee. The Board considers this arrangement appropriate as the Chairman holds the Chartered Financial Analyst (CFA) designation, satisfying the Code's requirement for recent and relevant financial experience. The Board believes this structure enhances committee effectiveness, supported by robust safeguards to manage potential conflicts of interest.

Nomination Committee and Succession Planning

The Company does not currently maintain a separate Nomination Committee or formalised succession plans for the Board and senior management. Given the Company's size, appointments are managed collectively by the Board. The absence of a formal succession plan is mitigated by robust, long-term executive management arrangements that provide ongoing operational stability, with governance structures remaining under regular review.

Remuneration Committee

The Company does not currently maintain a separate Remuneration Committee due to its stage of development. Instead, remuneration policies and outcomes are determined collectively by the Board. To ensure robust governance and objective decision-making, strict procedures dictate that affected individuals abstain entirely from discussions and voting regarding their own remuneration.

Application of the Code

Internal Audit Function

In accordance with the Code, the Company does not currently maintain a dedicated internal audit function due to its size and operational structure. The Board ensures robust risk management and assurance through existing internal controls, external service providers, and rigorous oversight by the Audit and Risk Committee. This Committee regularly reviews the ongoing requirement for an internal audit function as the Company evolves.



Rhys Davies
Chairman and Non-Executive Director
Signed on behalf of the Board on 27/04/2026

Committees

Audit and Risk Committee Report

Introduction

Following its formal establishment during this financial year in conjunction with the Company's Main Market admission, I am pleased to present the inaugural Audit and Risk Committee Report for the year ended 31 December 2025.

Purpose

The Committee's primary mandate is to oversee the Company's financial reporting, risk management frameworks, and internal controls, whilst managing the relationship with the external auditor. Full details of the Committee's responsibilities are set out in its Terms of Reference, available on the Company's website.

Composition

As the Audit and Risk Committee was formed on 23rd October 2025, there have been no formal meetings during the financial year under review, however, since inception the Committee has, in whole or in part, attended various informal meetings with the Company's management and operations teams, including with the Head of Finance.

The Committee comprises Mona El Isa and myself, Rhys Davies, as Chair. As detailed in the *Departures from the Code* statement, the Board is satisfied that the Committee possesses the requisite sector expertise, and that the Chair holds recent and relevant financial experience to effectively guide its mandate.

Engagement and Key Activities

The Committee actively engaged in rigorous preparatory and informal oversight sessions with the Management Team, the Operations Team, and the Head of Finance.

During these sessions, the Committee's principal activities included:

Asset Valuation: Reviewing and robustly challenging management's assessments, methodologies, and assumptions regarding the valuation and impairment of the Company's financial and digital assets.

External Audit Oversight: Assessing the ongoing independence, objectivity, and overall effectiveness of the external auditor, PKF Littlejohn LLP.

Auditor Independence and Non-Audit Services

During the financial year, PKF Littlejohn LLP's Transaction Services division acted as Reporting Accountants in relation to the Company's admission to the London Stock Exchange. To entirely mitigate any threat to auditor independence, strict operational barriers were enforced, ensuring the Transaction Services and Audit teams remained separate and distinct, with no reliance placed on each other's work. Consequently, the Committee is completely satisfied that PKF Littlejohn LLP's objectivity and independence remain uncompromised.



Rhys Davies
Chairman and Non-Executive Director
Signed on behalf of the Audit and Risk Committee on 27/04/2026

Supervisory Committee

Purpose and composition

While not a requirement of the UK Corporate Governance Code, the Board has established a bespoke Supervisory Committee to provide dedicated oversight of the Company's day-to-day digital asset operations.

To ensure a balance of operational expertise and independent oversight, the Committee mandates a tripartite structure comprising at least one Non-Executive Director, one member of the Management Team, and one member of the Operations Team. The Committee is currently chaired by Rhys Davies. Crucially, all formal decisions require a majority vote that must include the affirmative approval of a Non-Executive Director.

Principal Duties

The Committee acts as a vital conduit between day-to-day operations and the Board. Its core responsibilities include:

- **Staking Parameters:** Enforcing limits on the Company's technology infrastructure operations on an asset-by-asset basis
- **Authorisation for Asset Allocation:** Reviewing and authorising the acquisition or disposal of digital assets to ensure strict alignment with the Company's strategic objectives.
- **Exposure Monitoring:** Continuously reviewing aggregate digital asset holdings and network exposures to manage operational risk and optimise portfolio performance.

The Chair of the Supervisory Committee formally reports to the Board following each meeting, ensuring seamless integration with the Company's broader governance and risk management frameworks.

Whistleblowing and Anti-Fraud Framework

In strict accordance with the UK Corporate Governance Code, the Company maintains a robust whistleblowing policy that provides a confidential and, if desired, anonymous mechanism for all members of the Company to raise concerns regarding potential improprieties. Complementing this is a comprehensive Anti-Fraud Policy and Response Plan designed to deter misconduct, safeguard Company assets, and provide a structured framework for swift, rigorous investigation. The Board routinely reviews these frameworks to ensure they foster a culture of high ethical standards, with any lessons learned seamlessly integrated into the continuous improvement of the Company's internal controls.

Share Capital and Control (DTR 7.2.6 Disclosure)

The Company is incorporated in the Isle of Man and is therefore not subject to the UK Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Accordingly, the requirements of DTR 7.2.6R in relation to the disclosures set out in Schedule 7 to those Regulations do not apply to the Company.

Climate-Related Financial Disclosures Report

for the year ended 31 December 2025

Climate-Related Financial Disclosures

In compliance with the FCA's Listing Rules for Equity Shares (Commercial Companies), the Company is disclosing and has assessed its climate-related financial disclosures against the 11 recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

For the financial year ended 31 December 2025, the Company is pleased to confirm that it complies with 9 of the 11 recommendations. Where the Board has opted to 'explain' rather than comply (specifically relating to recommendations regarding Strategy and Metrics & Targets), the rationale and future roadmap are detailed below.

Governance (complying with 2 out of 2 recommendations)

The Company complies with the recommendation to disclose the organisation's governance around climate-related risks and opportunities. The Board maintains ultimate responsibility for overseeing all principal risks, including those related to climate change. These considerations are integrated into the broader governance framework to inform strategic decision-making, applying both to the Company's ongoing operations and when evaluating new activities, operations, or assets. Led by the Company's Managing Directors, the management team is responsible for the continuous identification, assessment, and integration of these factors. This approach ensures that climate risks and opportunities are proactively monitored across the existing business and systematically assessed during the appraisal of new opportunities before being escalated to the Board.

Strategy (complying with 2 out of 3 recommendations)

The Company complies with the recommendation to disclose the actual and potential impacts of climate-related risks and opportunities on its strategy and financial planning, with the exception of undertaking formal climate scenario analysis. Over the short, medium, and long term, identified risks primarily relate to regulatory shifts impacting broader financial markets and digital assets as an asset class. Strategically, as a company focused on technological innovation and the infrastructure layer of decentralised networks, the Company leverages opportunities by generally maintaining a minimal environmental footprint and focusing on highly energy-efficient operations within the digital asset industry. An example of this forms the Company's technology infrastructure operations through staking activities on Ethereum and a range of other proof-of-stake networks, which consume substantially less energy than high-performance computing traditional datacentres (often used in AI) or proof-of-work mining businesses.

Regarding the recommendation to describe strategic resilience under various climate scenarios, including a 2°C model, the Company explains its non-compliance. Given the inherently low carbon intensity of the business and its focus on energy-efficient technologies, complex scenario modelling is currently deemed disproportionate. The Board considers the core business model naturally resilient to climate transition risks, making granular scenario analysis unnecessary.

Risk Management (complying with 3 out of 3 recommendations)

The Company complies with the recommendations to describe its processes for identifying, assessing, and managing climate-related risks, and how these are integrated into the organisation's overall risk management. Rather than evaluating climate risk in isolation, these considerations are fully integrated into the Company's principal risk management framework and standard due diligence procedures. When appraising opportunities, network participation, operational activities or individual digital assets, the management team assesses potential climate-related impacts, such as energy intensity and regulatory exposure, alongside traditional financial, technological, and operational metrics. This integrated approach ensures that any material climate risks are continuously monitored, appropriately managed, and systematically escalated to the Board in alignment with the Company's established risk appetite.

Metrics & Targets (complying with 2 out of 3 recommendations)

The Company complies with the recommendations to disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, with the exception of quantifying greenhouse gas emissions and setting specific climate targets. As a Company with a relatively small team, limited physical infrastructure, and highly efficient operations, the Company's direct carbon footprint is negligible. Consequently, Scope 1 and Scope 2 emissions are deemed wholly immaterial to the business.

Regarding Scope 3 emissions, the Company explains its non-compliance with quantitative disclosure. Accurately measuring the carbon footprint of decentralised digital asset networks remains an industry-wide challenge lacking a standardised methodology. Nevertheless, the Company conceptually manages this indirect exposure by focusing its activities on proof-of-stake technologies, which inherently consume a fraction of the energy required by traditional proof-of-work mining businesses. Given this structurally low-impact operating model and the unpredictable nature of technological innovation in the digital asset sector, the Board considers the implementation of formal, quantifiable climate metrics and targets to be unnecessary and disproportionate at this time.

Departures from TCFD Recommendations

In accordance with the Financial Conduct Authority's "comply or explain" provisions, the Company currently departs from full compliance with the TCFD recommendations regarding the undertaking of formal climate scenario analysis, the quantification of Scope 1, 2, and 3 greenhouse gas emissions, and the establishment of specific, quantifiable climate targets. The detailed rationale for these specific departures is set out within the Strategy and Metrics & Targets sections above.

The Company maintains active oversight of these departures to ensure they remain subject to continuous review. Should the Company's operations scale materially, its business model evolve, or reliable industry-standard emissions reporting methodologies emerge for digital assets, the Board will reassess its approach to determine if adopting formal quantitative tracking, target-setting, and scenario analysis becomes proportionate and appropriate. Furthermore, the Board continues to monitor the regulatory transition towards the UK Sustainability Reporting Standards, based on the International Sustainability Standards Board framework (established by the IFRS Foundation), to ensure the Company's readiness for future disclosure requirements, noting that Task Force on Climate-related Financial Disclosures has been disbanded since October 2023.

Directors' Report

for the year ended 31 December 2025

The Directors present the Annual Report and Financial Statements of KR1 plc for the year ended 31 December 2025.

Principal activity

The principal activity of the Company in the year under review was that of a digital asset technology company focused on the infrastructure layer of decentralised networks and the generation of income from digital assets, primarily through staking activities on proof-of-stake networks.

Future developments

The Company continues to focus on the infrastructure layer of decentralised technologies and operates in the digital asset industry as discussed further in the Managing Director's Report.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Going concern and viability statement

The Board has evaluated the Company's financial forecasts and projections, comprehensively assessing principal risks alongside broader macroeconomic and geopolitical factors. Following this rigorous review, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of assessment.

In making this assessment, the Directors have exercised significant judgement in assuming that the digital asset markets and the associated blockchain infrastructure on which the Company's staking activities depend will continue to operate and develop in a manner broadly consistent with current conditions over the three-year period. In making this viability statement the Directors have also considered market downturn in the fair value of digital asset holdings of 10% and 50% per annum and a reduction in staking income of 10% and 50% per annum, with 50% being a worst-case scenario. Consequently, the Board considers it entirely appropriate to continue adopting the going concern basis of accounting in the preparation of the Financial Statements.

Dividends

The Directors do not recommend the payment of a dividend in respect of the financial year ended 31 December 2025 (2024: £nil), as the Board continues to prioritise the reinvestment of capital to support the Company's long-term strategic growth objectives.

Directors

The Executive Directors (Managing Directors) shown below have held office during the period from 1 January 2025 to the date of this report:

- George McDonough
- Keld van Schreven

The Non-Executive Directors who have sat on the Board during the financial year and to date are:

- Rhys Davies
- Mona El Isa
- Aeron Buchanan

Directors' Interests

Directors' share holdings	Ordinary Shares at 31 December 2025	Percentage of Issued Share Capital 2025
George McDonough*	3,226,315	1.82%
Keld van Schreven*	2,714,484	1.53%
Rhys Davies**	1,347,236	0.76%
Mona El Isa	-	-
Aeron Buchanan	400,000	0.23%

*Inclusive of 200,000 shares held by their respective partners.

**Inclusive of 580,000 shares held by a fully owned Company.

Details regarding director remuneration are set out within the **Director's Remuneration Report** as well as in the **Notes to the Financial Statements** and are incorporated by reference.

Conflicts of interest

Save as set out below, as at the date of this report, none of the Directors or Management Team has any conflict of interest or potential conflicts of interest between any duties to the Company and their private interests and any other duties.

As at the date of the report, it is noted that both Executive Directors, George McDonough, Keld van Schreven, and Janos Berghorn, a member of the Management Team, each hold a 33.33 per cent interest in Reflexivity and that the Company has engaged Reflexivity to provide certain key personnel and services to the Company, in return for which Reflexivity is entitled to receive a monthly Consultancy Fee and, subject to the Company meeting certain performance criteria, a Performance Fee.

The fact that the Executive Directors are shareholders of Reflexivity creates the potential for a conflict of interest concerning the Company's arrangements with Reflexivity. This risk is managed by ensuring that all material decisions relating to the Company's arrangements with Reflexivity are approved by the Board and that the Executive Directors do not vote on, and do not count towards the quorum for, those Board decisions. In addition, the Board regularly reviews the Company's arrangements with Reflexivity to ensure that they remain on arm's length terms and in the best interests of the Company and its Shareholders as a whole.

The Board also maintains oversight of potential conflicts regarding the valuation of assets, particularly as Reflexivity's performance fees are linked to the Company's audited net asset value. To ensure the integrity of financial reporting, the Audit and Risk Committee periodically review the Company's valuation policies and procedures to provide adequate internal controls. The valuation process is further strengthened by the fact that the majority of the Company's holdings are liquid digital assets traded in active markets, where fair value is determined by observable, independent market inputs. Finally, all material asset valuations are subject to rigorous annual review by the Company's Auditor as part of the year-end audit to ensure compliance with UK-adopted international accounting standards.

Note on Previously Issued Options and Option Schemes

Legacy Option Scheme Termination and Option Surrender

In connection with the Company's successful migration to the Main Market of the London Stock Exchange, the legacy 2017 Share Option Scheme was terminated during the year. As part of this transition, Non-Executive Directors Mona El Isa and Aeron Buchanan surrendered their existing options over 77,519 and 145,631 Ordinary Shares, respectively. In recognition of their work facilitating the listing migration, the Board awarded one-off bonuses to the Non-Executive Directors. Mona El Isa and Aeron Buchanan each received a cash bonus of £45,000 (which was contingent upon the aforementioned surrender of options).

Updated Share Option Schemes

On 23 October 2025, the Company adopted two new discretionary share option frameworks: the UK tax-advantaged KR1 plc 2025 Company Share Option Plan (the "CSOP Scheme") and the KR1 plc 2025 Additional Share Option Plan (the "Additional Scheme").

No awards have been made in the financial year under review; however, it is expected that initial awards totalling 990,000 options are going to be granted in due course to three employees (330,000 options each), allocated across the CSOP and Additional Schemes based on relevant jurisdictional tax treatments. These initial awards will be granted with an average exercise price of 31.5 pence per Ordinary Share and are subject to vesting conditions over a 24-month period.

Internal control

The Board acknowledges its ultimate responsibility for the Company's systems of risk management and internal control, and for routinely reviewing the effectiveness of these systems. These frameworks are specifically designed to manage, rather than eliminate, the risk of the Company failing to achieve its strategic objectives. Consequently, it must be recognised that such systems can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. The Directors have elected to prepare the Financial Statements for each financial year in accordance with UK-adopted international accounting standards. These statements must give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable international accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclosing with reasonable accuracy at any time the financial position of the Company. They are equally responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Furthermore, the Directors confirm that they consider the Annual Report and Financial Statements, taken as a whole, to be fair, balanced, and understandable, providing the information necessary for shareholders to assess the Company's position, performance, business model, and strategy.

Incorporation by Reference

To provide a comprehensive overview of the Company's performance, strategy, and oversight, this Directors' Report should be read in conjunction with the wider Annual Report. Detailed discussions regarding the review of the Company's business model and key performance indicators are set out within the Strategic Report. Furthermore, full details of the Board's oversight, internal controls, and application of as well as compliance with the UK Corporate Governance Code are provided in the Corporate Governance Report. The information contained in these sections is incorporated into this Directors' Report by reference.

Website publication

The Directors are responsible for ensuring the Annual Report and Financial Statements are made available on the Company's website. These documents are published in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules. The maintenance and integrity of the Company's website is the responsibility of the Directors, a responsibility that explicitly extends to the ongoing integrity of all financial statements contained therein.

Statement as to disclosure of information to the auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's Auditor is unaware. Each Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that the Company's Auditor is aware of that information.



George McDonagh
Managing Director & Co-Founder
Signed on behalf of the Board on 27/04/2026



Keld van Schreven
Managing Director & Co-Founder

Directors' Remuneration Report

for the year ended 31 December 2025

Key achievements and areas of focus

The key focus of the board during the year ended 31 December 2025 was the migration of the Company's listing from the Apex segment of London's AQSE Growth Market to trading on the Main Market of the London Stock Exchange. This was achieved successfully with admission and dealings in the ordinary shares commenced under the ticker "KR1" on 25 November 2025.

Directors' Remuneration

As described in the Corporate Governance Report due to the Company's size and the current scale of operations, the Board does not currently maintain a separate Remuneration Committee. Remuneration matters are determined collectively by the Board in accordance with the Company's Articles of Association.

Given the results are heavily tied to the digital asset markets the board recognises that a performance-based assessment based on results would be more based on market trends than on individual performances. We continue to assess meaningful ways of evaluating performance.

Details of the Directors' remuneration for the year ended 31 December 2025 are as follows:

Director	Fee £	Bonus £	Total £
G McDonagh	75,000	-	75,000
K Van Screven	75,000	-	75,000
R Davies*	120,000	-	120,000
M El Isa	45,000	45,000	90,000
A Buchanan	45,000	45,000	90,000

During the year, in connection with the successful publication of the Prospectus and migration of the Company's listing, 580,000 Ordinary Shares were issued to Rhys Davies for a nominal amount of £1,102.

Directors' Remuneration Report (continued)

Details of the Directors' remuneration for the year ended 31 December 2024 are as follows:

Director	Fee £	Bonus £	Total £
G McDonough	75,000	-	75,000
K Van Schreven	75,000	-	75,000
R Davies	120,000	-	120,000
M El Isa	45,000	45,000	90,000
A Buchanan	45,000	45,000	90,000

Statement of directors' shareholding and share interests

Details of Directors who held office as at 31 December 2025 and who had beneficial interests in the Ordinary Shares of the Company can be found in the **Directors' Report**.

Other matters

The Company does not currently have any annual or long-term incentive schemes in place for any of the directors and as such there are no disclosures in this respect.



George McDonough
Managing Director & Co-Founder
Signed on behalf of the Board on 27/04/2026



Keld van Schreven
Managing Director & Co-Founder

Independent Auditor's Report

for the year ended 31 December 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KR1 PLC

Opinion

We have audited the financial statements of KR1 Plc (the 'Company') for the year ended 31 December 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its loss for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included reperforming a sensitivity analysis based on a variety of factors including, varying the net asset value of digital assets held at year end, significantly increasing expenditure as well as performing a combination of the two in order to assess the Company's ability to withstand significant market downturn.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the entity's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors' considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

Overall materiality for the financial statements was set at £990,000 (2024: £3,400,000). This was calculated based on 2% (2024: 2.5%) of net assets. We selected net assets as the benchmark as this in our judgement is the key area of focus for the users of the financial statements as well as the most significant risk from an audit perspective. That is, the valuation of complex digital assets carries specific risks, requiring specified procedures to address them. KR1 derives its revenue from staking rewards and revaluation of assets - all of which rely on the relative net assets to determine how much income is generated.

Performance materiality was set at £740,000 (2024: £2,300,000), 75% (2024: 70%) of the overall materiality figure. The performance materiality was based on our assessment of the relevant risk factors specific to the digital assets industry. Despite the inherent risk associated with blockchain based entities being high, 75% was deemed appropriate as, aside from revenue and crypto assets (intangible assets), the remaining items on the financial statements did not attract the same level of risk.

We agreed to report to those charged with governance to report all audit differences in excess of £49,000 (2024: £170,000), being 5% (2024: 5%) of the overall materiality.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors which includes valuation of financial asserts at fair value through profit or loss and the recognition and valuation of digital assets. We also addressed the risk of management override of controls, including an evaluation of whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

All work was undertaken by PKF Littlejohn LLP and we did not rely on the work of any external experts.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) we identified, including 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Valuation and Existence of Digital Assets (Note 13)	
<p>As at 31 December 2025 the Company held intangible assets, consisting of digital assets valued at £41.9m.</p> <p>The carrying value of these assets is a highly material balance. In line with IAS 38 <i>Intangible Assets</i>. This balance is measured at fair value by reference to an active market.</p> <p>The inherent volatility of digital assets presents additional risks of material misstatement since values can change significantly in short time periods. The existence of digital assets is more complex than ordinary intangible assets as their existence is often decentralised. The balances are held in wallets, cold storage and with custodians (i.e. Crypto exchanges).</p>	<p>Our work in this area included performing testing over each digital asset depending on the way it was being stored:</p> <p><u>Digital Assets held in Wallets:</u></p> <ul style="list-style-type: none"> Obtaining a list of all wallets held by the Company along with the total amount of tokens of each digital asset held on the wallet. Comparing the public addresses of the wallets provided using various reputable blockchain explorers and ensuring the address and token amount matched the client breakdown as at year end.

<p>We have deemed the valuation and existence of digital assets as a key audit matter due to their nature and complexity, as well as the level of judgement involved. Any changes in the carrying value of these assets will have a material impact on the financial statements.</p>	<ul style="list-style-type: none"> • Comparing the individual token value used with that of a reputable token valuation website as at midnight 31 December 2025. • Inspecting the transaction log of each wallet on the relevant blockchain explorers to ensure that digital assets were not being transferred in or out just before year end in order to inflate balances. <p><u>Digital Assets held on an Exchange/with Custodians:</u></p> <ul style="list-style-type: none"> • Obtaining a breakdown of assets held in each separate exchange used by the Company from the respective exchanges, namely Kraken, Coinbase, Bitcoin Suisse and Fireblocks. • Reviewing the ledger history of all transactions that occurred during the year from each exchange/custodian and agreeing the closing balances of each token to the provided third party breakdowns or statements. • Comparing the individual token value used with that of a reputable token valuation website as at midnight 31 December 2025. • Reviewing daily market trading volumes to ensure that the individual tokens held by the Company have sufficient volumes to allow for the resale of the entire token balance without having a material negative effect on the price of the token.
<p>Valuation of Financial Assets at Fair Value Through Profit and Loss (Note 6)</p>	
<p>Included within the statement of financial position are financial assets at fair value through profit and loss of £6.2m. These are investments made in blockchain technology and fintech companies. The Company has a non-controlling interest in all the investments and thus does not operate/control any of the companies or exert significant influence.</p> <p>The Company designates these assets under IFRS 9 <i>Financial Instruments</i> at fair value through profit or loss. The investments are generally in early-stage private companies which do not always have readily available and verifiable fair values. The valuation basis will therefore need to be closely reviewed in accordance with IFRS 13 <i>Fair Value Measurement</i>.</p> <p>Where cost is concluded as the most accurate measure of fair value, an assessment for impairment shall be undertaken.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Confirming good title to the investments through agreement to signed contracts. • Undertaking substantive testing on fair value movements in the year. • Assessing and testing the valuation basis applied by management to the equity investments including latest available valuations, net asset values, latest fundraise price and at cost less impairment. • Performing a post year-end review of regulatory news service announcements, board minutes, bank statements and ledgers to identify transactions to support the 31 December 2025 carrying value. • Enquiring of management regarding the existence of any indicators of impairment in the investee companies.

<p>We have deemed valuation of financial assets at fair value through profit and loss as a key audit matter due to the complexity and level of judgement involved in determining their fair value. Any changes in the valuation of these assets will have a material impact on the financial statement.</p> <p>The valuation of unquoted financial assets held at fair value through profit and loss involves significant judgement, as the carrying values are dependent on the investee companies achieving their forecast growth plans and securing sufficient ongoing financing. There is a risk that if projected performance is not realised, or further funding is not obtained as anticipated, the resultant future economic benefits may be lower than expected, which could lead to a reduction in fair value.</p>	<ul style="list-style-type: none"> Ensuring that appropriate disclosures are included in the financial statements.
<p>Completeness of Income Derived from Staking Activities (Note 8)</p>	
<p>During the year, the Company generated £4.8m of staking rewards.</p> <p>This income stream is significant, and it must be assessed whether it has been accurately recorded in the financial statements.</p> <p>The inherent volatility of crypto assets presents additional risks of material misstatement since values can change significantly in short time periods. This can result in fluctuations in the value of staking rewards received depending on the timing and amount of the rewards received and when these are recognised. Staking rewards can therefore be vulnerable to fraud and misstatement once received, particularly if there is a lack of segregation of duties.</p> <p>We have deemed the completeness of income derived from staking activities as a key audit matter due to their nature and complexity, as well as the level of judgement involved. Any changes in the amount of income recorded will have a material impact on the financial statements.</p>	<p>Our work in this area was split into two testing areas:</p> <p><u>Rewards received from Exchanges/ Custodians</u></p> <ul style="list-style-type: none"> Inspecting the transaction ledger received from the exchange/custodian to confirm the completeness of the rewards received throughout the financial year. Cross referencing the public addresses of the tokens held on the exchange with wallets held by the Company and custodians to assess if there are any unknown transactions that have occurred. Scrutinising the respective crypto asset trading volumes to determine whether amounts recognised in the financial statements in respect of staking rewards are accurate. <p><u>Rewards received directly into private wallets</u></p> <ul style="list-style-type: none"> Obtaining a list of all wallets involved in staking activities. Inspecting the transaction ledger on the appropriate blockchain to confirm the completeness of the rewards received. Scrutinising the respective crypto asset trading volumes to determine whether amounts recognised in the financial statements in respect of staking rewards are accurate.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified;
- Directors' explanation as to their assessment of the entity's prospects, the period this assessment covers and why the period is appropriate;
- Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities;
- Directors' statement that they consider the annual report and the financial statements, taken as a whole, to be fair, balanced and understandable;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the audit committee.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control 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 financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from:
 - Isle of Man Companies Act 2006
 - Securities law
 - Anti money laundering legislation
 - Disclosure Guidance and Transparency Rules for listed entities
 - Local tax laws and regulations
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included, but were not limited to:
 - A review of the board minutes throughout the year and post year-end
 - A review of the Regulatory News Service announcements
 - A review of general ledger transactions
 - Discussions with management
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the risks relating to the valuation of digital assets and income generated from staking rewards.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 25 February 2026. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Zahir Khaki (Engagement Partner)

30 Churchill Place

For and on behalf of PKF Littlejohn LLP

London

Registered Auditor

E14 5RE

27 April 2026

Statement of Comprehensive Income

for the year ended 31 December 2025

	Note	2025 £	2024 £
Continuing operations			
Income			
Income from digital assets	8	4,872,546	13,028,305
Interest received	8	-	3,382
Direct costs	9	(305,127)	(621,429)
Gross profit		4,567,419	12,410,258
Administrative expenses	9	(5,599,139)	(5,284,676)
(Loss) on disposal of intangible assets held at fair value	8	(8,479,992)	(1,024,359)
(Loss) on disposal of intangible assets held at cost	8	(325,709)	-
Gain on disposal of financial assets	8	171,904	-
Movement in fair value of intangible assets at fair value through profit and loss	13	(22,610,544)	-
Movement in fair value of financial assets at fair value through profit and loss	6	(4,076,470)	1,739,030
Movement in fair value of intangible assets held under the cost model	13	374,310	10,847
Share option surrender	16	149,852	-
Operating (loss)/profit		(35,828,369)	7,851,100
Taxation on loss	11	-	-
(Loss)/profit after taxation		(35,828,369)	7,851,100
Other comprehensive income:			
Movement in fair value of intangible assets	13	(53,822,045)	(63,104,474)
Total other comprehensive income for the year		(53,822,045)	(63,104,474)
Total comprehensive income attributable to the equity holders of the Company		(89,650,414)	(55,253,374)
Earnings per share attributable to the equity owners of the company (pence):			
Basic earnings per share	12	(20.23)	4.43
Diluted earnings per share	12	(20.23)	4.43

The Notes on pages 56 to 79 form part of these financial statements.

The Company has elected as an accounting policy to present one single statement, statement of profit or loss and other comprehensive income, rather than to present two separate statements, a statement of profit or loss and a statement of comprehensive income.

Statement of Financial Position

for the year ended 31 December 2025

	Note	2025 £	2024 £
Assets			
Non-current assets			
Intangible assets	13	272,889	-
Intangible assets receivable	13,14	2,384,806	3,375,391
Total non-current assets		2,657,695	3,375,391
Current assets			
Intangible assets	13	37,513,886	121,414,750
Intangible assets receivable	13,14	2,382,209	1,869,927
Financial assets at fair value through profit and loss	6	6,155,680	12,337,947
Cash and cash equivalents		1,306,081	1,176,291
Trade and other receivables	14	201,626	215,657
Total current assets		47,559,482	137,014,572
Total assets		50,217,177	140,389,963
Equity and liabilities			
Current liabilities			
Trade and other payables	15	614,000	987,622
Total current liabilities		614,000	987,622
Net assets		49,603,177	139,402,341
Equity			
Share capital	16	338,107	337,005
Share premium	17	36,602,619	36,602,619
Capital redemption reserve	17	471,751	471,751
Revaluation reserve	17	-	53,822,045
Option reserve	16	-	149,852
Treasury shares	17	(298,044)	(298,044)
Retained reserves	17	12,488,744	48,317,113
Total equity		49,603,177	139,402,341
Total equity and liabilities		50,217,177	140,389,963

The Notes on pages 56 to 79 form part of these financial statements.

The financial statements were approved by the Board of Directors on 27/04/2026 and were signed on its behalf by:

George McDonough

George McDonough
Managing Director & Co-Founder

Keld van Schreven

Keld van Schreven
Managing Director & Co-Founder

Statement of Changes in Equity

for the year ended 31 December 2025

	Share Capital	Treasury shares	Capital redemption reserve	Share premium	Revaluation reserve	Option reserve	Retained Reserves	Total
	£	£	£	£	£	£	£	£
Balance at 1 January 2024	808,756	-	-	36,602,619	116,926,519	149,852	40,466,013	194,953,759
Profit for the financial year	-	-	-	-	-	-	7,851,100	7,851,100
Total other comprehensive income for the year	-	-	-	-	(63,104,474)	-	-	(63,104,474)
Total comprehensive income for the year	-	-	-	-	(63,104,474)	-	7,851,100	(55,253,374)
Purchase of treasury shares	-	(298,044)	-	-	-	-	-	(298,044)
Redemption of deferred shares	(471,751)	-	471,751	-	-	-	-	-
Transactions with owners, recorded directly in equity	(471,751)	(298,044)	471,751	-	-	-	-	(298,044)
Balance at 31 December 2024	337,005	(298,044)	471,751	36,602,619	53,822,045	149,852	48,317,113	139,402,341

Statement of Changes in Equity (continued)

	Share capital	Treasury shares	Capital redemption reserve	Share premium	Revaluation reserve	Option reserve	Retained reserves	Total
	£	£	£	£	£	£	£	£
Balance at 1 January 2025	337,005	(298,044)	471,751	36,602,619	53,822,045	149,852	48,317,113	139,402,341
(Loss) for the financial year	-	-	-	-	-	-	(35,828,369)	(35,828,369)
Total other comprehensive income for the year	-	-	-	-	(53,822,045)	-	-	(53,822,045)
Total comprehensive income for the year	-	-	-	-	(53,822,045)	-	(35,828,369)	(89,650,414)
Issue of ordinary shares at par	1,102	-	-	-	-	-	-	1,102
Surrender of share options	-	-	-	-	-	(149,852)	-	(149,852)
Transactions with owners, recorded directly in equity	1,102	-	-	-	-	(149,852)	-	(148,750)
Balance at 31 December 2025	338,107	(298,044)	471,751	36,602,619	-	-	12,488,744	49,603,177

The Notes on pages 56 to 79 form part of these financial statements

Statement of Cash Flows

for the year ended 31 December 2025

	2025 £	2024 £
Cash flows from operating activities		
(Loss)/profit after tax for the financial year	(35,828,369)	7,851,100
Other Comprehensive Income	(53,822,045)	(63,104,474)
Adjustments for:		
Movement in fair value of intangible assets	76,432,588	63,104,474
Loss on disposal of intangible assets held at fair value	8,479,992	1,024,359
Loss on disposal of intangible assets (early-stage)	325,709	-
Gain on disposal of financial assets	(171,904)	-
Movement in fair value of digital assets held under the cost model	(374,310)	(10,847)
Non-cash income from digital assets	(4,872,546)	(13,028,305)
Other non-cash transactions	3,711	12,505
Share Option surrender	(149,852)	-
Forex Exchange Loss	104,539	38,232
Movement in fair value of financial assets at fair value through profit and loss	4,076,470	(1,739,030)
Decrease/(increase) in debtors	14,031	(172,808)
(Decrease) in creditors	(373,622)	(149,711)
Net cash (outflow) from operating activities	(6,155,608)	(6,174,505)
Cash flows from investing activities		
Sales of investments	6,629,109	8,794,129
Purchases of investments	(240,274)	(2,502,464)
Net cash inflow from investing activities	6,388,835	6,291,665
Cash flows from financing activities		
Share buybacks	-	(298,044)
Share issue at par	1,102	-
Redemption of Class C and Class D deferred shares	-	(2)
Net cash inflow/(outflow) from financing activities	1,102	(298,046)
Net increase/(decrease) in cash	234,329	(180,886)
Cash and at the beginning of the year	1,176,291	1,395,407
Effect of exchange fluctuations on cash	(104,539)	(38,230)
Cash as at 31 December	1,306,081	1,176,291
Represented by:		
Cash at bank	448,165	671,838
Cash held on trading platforms	857,916	504,453
	1,306,081	1,176,291

The Notes on pages 56 to 79 form part of these financial statements.

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

Notes to the Financial Statements

for the year ended 31 December 2025

1 The Company

KR1 plc (“the Company”) was incorporated in the Isle of Man. The registered office is First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF. The principal activity of the Company is that of a digital asset technology company focused on the infrastructure layer of decentralised networks and the generation of income from digital assets, primarily through staking activities on proof-of-stake networks.

On 25 November 2025, the Company completed the migration of its listing to the London Stock Exchange through the admission of its entire share capital to trading on the Main Market of the London Stock Exchange and the simultaneous cessation of trading on the Apex segment of London's AQSE Growth Market.

2 Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards.

The financial statements are presented in Pounds Sterling (“GBP”). The Company’s functional currency is also GBP and has been assessed by the Directors based on consideration of the currency and economic factors that mainly influence the Company’s digital assets, investments, operating costs, financing and related transactions. Changes to these factors may have an impact on the judgement applied in the determination of the Company’s functional currency.

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

The preparation of financial statements in conformity with UK-adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.1 Going concern

The preparation of financial statements requires an assessment on the validity of the going concern assumption.

The Board has evaluated the Company’s financial forecasts and projections, comprehensively assessing principal risks alongside broader macroeconomic and geopolitical factors. Following this rigorous review, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of assessment.

In making this assessment, the Directors have exercised significant judgement in assuming that the digital asset markets and the associated blockchain infrastructure on which the Company’s staking activities depend will continue to operate and develop in a manner broadly consistent with current conditions over the three year period. In making this viability statement the Directors have also considered market downturn in the fair value of digital asset holdings of 10% and 50% per annum and a reduction in income from digital assets of 10% and 50% per annum, with 50% being a worst case scenario. Consequently, the Board considers it entirely appropriate to continue adopting the going concern basis of accounting in the preparation of the Financial Statements.

2.2 Changes in accounting policies

2.2.1 New standards, interpretations and amendments adopted from 1 January 2025

The following new standards have come into effect this year however they have no impact on the Company:

- Amendment to IFRS 16: Lease Liability in Sale and Leaseback
- Amendment to IAS 1: Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- The following amendments are effective for the period beginning 1 January 2026:
- Amendments to IAS 21: Lack of Exchangeability
- Amendments to the SASB standards to enhance international applicability

2.2.2 New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments
- Amendment to IFRS 9: Contractual Cash Flow Characteristics (SPPI assessment)
- Amendment to IFRS 9: Non-recourse Features and Contractually Linked Instruments
- Amendment to IFRS 9: Derecognition of Financial Liabilities Settled via Electronic Transfer
- Amendments to IFRS 7: Additional Disclosures for Equity Instruments at FVOCI
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements (ongoing enhanced disclosures)
- IFRS 18: Presentation and Disclosure in Financial Statements (effective 1 January 2027)
- Amendments to IAS 12: International Tax Reform – Pillar Two (continued disclosure requirements)

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments will have a significant impact on the Company's financial statements in the future.

2.2.3 Other

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the company.

3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The most significant judgements applied in these financial statements include the valuation of financial assets and digital assets. For unlisted financial assets the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry as further detailed in Note 6.4. Such models are also applied to early-stage digital asset investments (Note 13.2). Digital assets held at fair value are also assessed by the Board with regards market liquidity, and in the case the liquidity is considered insufficient in proportion to the Company's holding the fair value may be adjusted to nil.

The Board regularly monitors the values of the digital assets and any market forecasts. During the period, the Company entered into digital asset transactions, which were assessed for fair value in line with the requirements of IAS 38, Intangible Assets, adopting the revaluation model. Revaluations were made with such regularity that as at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value. All revaluations were made with reference to level 1 information, as disclosed in Note 13.1.

Revaluations made with reference to level 3 include unlisted equity investments as disclosed in Note 6.4 and early-stage investments for future tokens as disclosed in Note 13.2.

4 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

4.1 Measurement convention

The financial statements have been prepared under the historical cost convention except for the following items:

- listed financial assets which are carried at fair value; and
- intangible assets traded in an active market which are carried at fair value.

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

4.2 Income

Income from digital assets represents amounts received from staking activities, distributions, governance rewards and during the comparative year income from parachains.

Other Income represents amounts received from the disposal of intangible assets, the disposal of financial assets and during the comparative year bank interest was also received.

Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss and from changes in fair value of intangible assets are presented in the statement of comprehensive income within movement in fair value of financial assets at fair value through profit or loss and movement in fair value of intangible assets respectively in the period in which they arise.

Income from the disposal of digital assets is recognised on the date of the sale and income from staking, parachains, distributions and bonus tokens are recognised on an accruals basis as earned.

4.3 Intangible assets

4.3.1 Digital assets

The Company holds digital assets which do not qualify for recognition as cash and cash equivalents or financial assets. The Company does not meet the definition of a broker-trader under IAS 2 "Inventories" as the assets are not principally acquired for the purpose of selling in the near future and brokerage in nature. The assets are held with a view to participate in proof-of-stake networks and with a view to medium to long term capital growth.

Considering this, the digital assets have been classified as Intangible Assets in accordance with IAS 38 and the revaluation model has been applied as there is an active market for the digital assets. The assets are identifiable; separable and future economic benefits are expected. Intangible assets held are measured initially at cost and are subsequently carried at a revalued amount based on fair value.

All assets in this class are accounted for using the same model unless there is no active market for those assets. A class of intangible assets is a grouping of assets of a similar nature and use in an entity's operations. The items within a class of intangible assets are revalued simultaneously as is required, and to avoid selective revaluation of assets and the reporting of amounts in the Financial Statements representing a mixture of costs and values as at different dates.

Revaluation increases in the carrying amount are recognised in other comprehensive income and accumulated in the revaluation surplus within equity. Revaluation decreases which offset previous increases are charged in other comprehensive income and debited to the revaluation surplus directly in equity. All other decreases are charged to the income statement.

The digital assets have indefinite useful lives and are reviewed at each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

4.3.2 Early-stage investments for future tokens

Projects and entities looking to launch a decentralised blockchain network or product (including proof-of-stake networks) may make use of agreements such as a 'Simple Agreement for Future Tokens' ("SAFT") or a 'Simple Agreement for Future Equity' ("SAFE") in combination with a Token Warrant (warrant to purchase digital assets).

Whereby an investment takes the form of a SAFE and Token Warrant the equity element (SAFE) is classified as a financial asset in accordance with Note 6 whereas the Token Warrant, to be exercised at a negligible value, is the element classified as an early-stage investment for future tokens. Once the digital assets are "issued" the corresponding SAFE is evaluated for full impairment if no further economic benefits are expected.

The early-stage investments for future tokens in the Company consist of SAFTs and Token Warrants, whereby the investor provides upfront funding to a project in exchange for an entitlement to receive a variable number of digital assets or tokens in the future upon a successful launch of the respective project. Details in agreements can vary, impacting the determination of the accounting treatment including (but not limited to) the characteristics and features that the digital asset or tokens will have, and the rights to which the future holders will be entitled through such agreements for future tokens. These investments are accounted for at cost less impairment.

Considering this it has been determined that the investments do not meet the definition of a financial asset as they do not give the holder the right to cash or another financial asset. The investments do meet the definition of an identifiable non-monetary asset without physical substance and hence an intangible asset under IAS 38. The investments are assets that are controlled by the Company as a result of past events and from which future economic benefits are expected.

Unlike the digital assets held, there is no active market for these agreements and hence these are held under the cost model and subsequent to initial recognition will be held at cost less impairment. No amortisation will be charged to the assets as the investment is entered into with the outcome expected that digital assets will be provided at the end of the agreement following a projects' launch.

4.4 Financial instruments

4.4.1 Financial assets

Financial assets are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: financial assets at fair value through profit or loss and loans and receivables.

4.4.2 Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their market value. Upon initial recognition attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

4.4.3 Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortised cost using the effective interest method, less any impairment losses. Receivables comprise trade and other receivables.

Digital assets and which are legally owned by the Company originating from early-stage investments for future tokens may be distributed to Company owned accounts or blockchain wallets under the Company's control by the investee team over time in accordance with the terms of contractual agreements between the Company and the investees. The Company recognises these owned but yet-to-be-received digital assets as Intangible assets receivable.

4.4.4 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and cash held on trading platforms and comprises cash balances and call deposits with original maturities of three months or less.

4.4.5 Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

4.4.6 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

4.4.7 Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

4.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the reporting date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

4.6 Treasury shares

The costs of repurchasing ordinary shares including transaction costs are recognised in the Statement of Changes in Equity and accounted for on a trade date basis. The Company must not exercise any right in respect of the treasury shares (e.g. attending or voting at meetings) and no dividend or distribution can be paid to them (including any distribution of assets to members on a liquidation) and therefore treasury shares are excluded from NAV and EPS calculations.

4.7 Capital redemption reserve

The capital redemption reserve is created further to the redemption of Class C and Class D shares below par. The difference between nominal value and the redemption amount is recognised within equity as a capital redemption reserve which is a distributable reserve.

5 Segmental information

The Board has determined that the Company is operating in a single operating segment being that of decentralised technologies and digital assets. In the financial year 97.00% (2024: 99.04%) of the assets of the Company consist of digital assets and holdings in the decentralised technologies industry.

Further, throughout the financial year 2025, 100% (2024: 99.79%) of the Company's income is from digital assets and of that 99.12% (2024: 98.28%) was generated from the Company's staking activities on a range of decentralised networks.

Due to the nature of decentralised networks and digital assets, it is not possible to provide a geographical split of the Company's income stream and its assets as digital assets are traded worldwide and are not specific to a geographical area.

6 Financial instruments and risk management

6.1 Principal financial instruments

The Company is exposed, in varying degrees, to a variety of financial related risks including liquidity risk, credit risk and market risk. These risks arise through directly held investments and activities of the Company and are actively managed by the board of Directors on an ongoing basis.

The principal financial instruments used by the company from which financial instrument risk arises is as follows:

- Cash and cash equivalents
- Investments in listed and unlisted equity securities; and
- Trade and other payables

6.2 Financial instruments by category

Financial assets	2025 £	2024 £
Cash and cash equivalents	1,306,081	1,176,291
Equity investments	6,064,948	12,210,804
Debt securities	90,732	127,143
Total	7,461,761	13,514,238

Financial liabilities	2025 £	2024 £
Trade and other payables	614,000	987,622
Total	614,000	987,622

6.3 Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other payables. Due to their short-term nature, the carrying value of cash and cash equivalents and trade and other payables approximates their fair value.

6.4 Financial instruments measured at fair value

Financial instruments held by the Company carried at fair value include private equity investments.

The table below analyses the Company's financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Company's perceived risk of that instrument. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgement by the Company.

Notes to the Financial Statements (continued)

A market is regarded as active if quoted prices are readily and regularly available from an exchange. The quoted market price used for financial assets held by the Company is the current bid price. The fair value of financial assets and liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the year end date. The Company holds listed equity investments with a value of £15,591 (2024: £16,373) at the year-end which are considered as a Level 1 in the fair value hierarchy.

For instruments for which there is no active market, the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity and options, for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The following tables present the Company's financial assets and liabilities that are measured at fair value at 31 December 2025 and 31 December 2024. The classification of a financial instrument within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement.

Financial assets at fair value through profit and loss	Level 1 £	Level 2 £	Level 3 £
Listed equity investments	15,591	-	-
Unlisted equity investments	-	-	6,049,357
Debt securities	-	-	90,732
Balance at 31 December 2025	15,591	-	6,140,089

The table below shows the valuation techniques and key assumptions applied to the underlying unlisted investments.

Valuation technique	Significant unobservable inputs	Unlisted investment £
Level 3:		
Unlisted equity investments	Cost less impairment	6,049,357
Debt instrument	Cost less impairment	90,732
Balance at 31 December 2025		6,140,089

There were no transfers between levels in the period.

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below:

Level 3 reconciliation	2025 £	2024 £
Level 3:		
Balance at 1 January	12,321,574	8,862,084
Acquisition of investments	-	1,718,812
Disposal of investments	(931,980)	-
Reclassification of intangible assets	(1,173,816)	-
Movement in net unrealised gain/(loss)	(4,075,689)	1,740,678
Balance at 31 December	6,140,089	12,321,574

During the year the total movement in fair value of financial assets at fair value through profit and loss was loss £4,076,470 (2024: profit £1,739,030) as follows:

	2025 £	2024 £
Listed equity investments	(782)	(1,648)
Unlisted equity investments – funds	(2,735,260)	2,750,899
Unlisted equity investments	(1,345,698)	(1,004,054)
Debt instrument	5,270	(6,167)
Total	(4,076,470)	1,739,030

6.4.1 Sensitivity analysis

If the average fair values of the unlisted equity investments at fair value through profit or loss had increased/decreased by 10% during 2025 with all other variables held constant, the Company's profit for the year would have moved by +/- £604,936 (2024: +/- £1,219,443).

If the average fair values of the debt instruments at fair value through profit or loss had increased/decreased by 10% during 2025 with all other variables held constant, the Company's profit for the year would have moved by +/- £9,073 (2024: +/- £12,714).

6.5 Financial Risk Management

The Company's financial risk management objective is to identify, monitor, and minimise potential adverse effects on its financial performance arising from its exposure to financial instruments. The Company is primarily exposed to market risk (including foreign currency risk and other price risk related to financial instruments), credit risk, liquidity risk, and capital risk.

While the quantitative disclosures, maturity profiles, and sensitivity analyses relating to these specific financial instruments are detailed in the following sections, a comprehensive overview of principal risks and uncertainties, including operational, industry, regulatory, technological, and broader risks impacting the Company's assets and operations set out within the Principal Risks and Uncertainties section, which is incorporated into the Notes to the Financial Statements by reference.

6.6 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

6.6.1 Foreign currency risk

The Company invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency. Consequently, the Company is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value of future cash flows of that portion of the Companies financial assets or liabilities denominated in currencies other than British Pounds.

The Company's total net exposure to fluctuations in foreign currency exchange rate at the statement of financial position date is as follows:

31 December 2025	£	USD
Cash	1,134,856	1,526,113
Liabilities	(15,538)	(20,895)
Prepayments	7,894	10,616
31 December 2025	£	EUR
Prepayments	66,259	75,945
31 December 2025	£	CHF
Cash	26,452	28,228

31 December 2024	£	USD
Cash	668,052	836,127
Liabilities	(26,700)	(33,417)
Prepayments	8,482	10,616
31 December 2024	£	EUR
Prepayments	57,093	69,041
31 December 2024	£	CHF
Liabilities	(43,177)	(49,052)

If the USD exchange rate had increased/decreased by 10% at 31 December 2025 with all other variables held constant, the Company's profit for the year would have increased/decreased by £112,721 (2024: £64,983).

If the EUR exchange rate had increased/decreased by 10% at 31 December 2025 with all other variables held constant, the Company's profit for the year would have increased/decreased by £6,626 (2024: £5,709).

If the CHF exchange rate had increased/decreased by 10% at 31 December 2025 with all other variables held constant, the Company's profit for the year would have increased/decreased by £2,645 (2024: £4,318).

6.6.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal, as it holds no long-term interest-bearing debt. Its sole exposure to interest rate fluctuations relates to interest earned on fiat cash balances maintained for standard working capital purposes. Consequently, the impact of market interest rate movements on the Company's financial statements is considered negligible, and no quantitative sensitivity analysis is required.

6.6.3 Other price risk and concentration of risks

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from foreign currency or interest rate). For the Company, this risk primarily arises from its strategic investments in unquoted equity instruments and other financial instruments within the digital asset ecosystem. The Board manages this exposure through rigorous pre-investment due diligence, continuous monitoring of investee performance, and maintaining a diversified portfolio.

The Company's primary activities and holdings are concentrated in the digital assets and decentralised technologies sector. Price volatility risk relating specifically to the Company's holdings of intangible digital assets, including sensitivity analysis, is evaluated separately within Note 13 Intangible Assets.

6.7 Credit risk

Credit risk is the risk that the Company is exposed to financial loss if a counterparty fails to meet its contractual obligations, such as through the Company's cash and cash equivalents, at bank and on trading platforms. The Directors continually review credit ratings (when available) of counterparty financial institutions on a regular basis. At the reporting date the financial assets exposed to credit risk amounted to the following:

	2025 £	2024 £
Cash at bank	448,165	671,838
Cash held on trading platforms	857,916	504,453
Total	1,306,081	1,176,291

Cash balances are placed with a creditworthy financial institution. Standard Bank Group Limited is used for the majority of the Company's operational transactions and is rated, by Moody's, Ba2 with a stable outlook while Rothschild is not rated.

6.8 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Board of Directors closely monitors the Company's cash and cash equivalent balances and other assets of the Company on a regular basis and assets are sold when there is a requirement to meet liabilities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the date of the Statement of Financial Position to the contractual maturity dates on an undiscounted basis. There is no difference between the discounted and undiscounted values.

6.9 Capital risk

The Company defines capital as total Shareholders' equity. The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for Shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the distributions paid to Shareholders or return capital to Shareholders. The Board monitors the Company's capital structure and the return on capital to Shareholders.

7 Staff costs / Director remuneration

	2025 £	2024 £
Executive Director remuneration	150,000	210,000
Non-Executive Director remuneration	300,000	240,000
Consultancy fees paid to key management	75,000	105,000
Staff salaries	267,273	199,257
Social security costs	217,582	132,113
Total	1,009,855	886,370

The average monthly number of directors during the year was as follows:

	2025	2024
Directors	5	5

The average monthly number of employees during the year was as follows:

	2025	2024
Employees	2	2

The Company operates a Performance Incentive Scheme whereby Reflexivity Research Limited is entitled to receive a performance fee equal to 20% (2024: 20%) of the portfolio appreciation for the relevant period.

The portfolio appreciation is calculated with reference to the Company's audited financial statements as:

Audited Net Assets (as at the end of the relevant period prior to any performance incentive scheme accrual)

Less:

- the previous years Audited Net Assets, where a performance fee was due (31 December 2021)
- any capital injections in the period between the above two Audit Net Asset positions

Add:

- any accrued but unpaid performance fee in respect of the calculation period for which the Adjusted Net Asset Value calculation is being performed.

Any performance fee awarded to Reflexivity Research Limited under this arrangement will be satisfied entirely by the issue of ordinary shares of 0.19p each in the Company with the issue price determined by the net asset value per Share at the end of a relevant period.

At the year-end an accrual for the performance fee relevant to the year has been calculated at £nil (2024: £nil).

8 Income by Type

Income, see Note 4.2, is generated from digital assets, including through staking activities and rewards, parachain rewards, distributions and bonus tokens. Additional income is derived from the disposal of intangible assets and bank interest.

A breakdown of income stream types is detailed below:

	2025	2024
	£	£
Income from digital assets		
Distributions	41,694	149,944
Parachain rewards	-	71,322
Staking rewards	4,829,528	12,807,039
Other digital asset income	1,324	-
Total income from digital assets	4,872,546	13,028,305

	2025	2024
	£	£
Other income		
Bank interest received	-	3,382
(Loss) on disposal of intangible assets held at fair value	(8,479,992)	(1,024,359)
(Loss) on disposal of intangible assets (early stage)	(325,709)	-
Gain on disposal of financial assets	171,904	-
Total other (expenses)/income	(8,633,797)	(1,020,977)
Total (expenses)/income	(3,761,251)	12,007,328

Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss and from changes in fair value of intangible assets are presented in the statement of comprehensive income within movement in fair value of financial assets at fair value through profit or loss and movement in fair value of intangible assets respectively in the period in which they arise.

9 Expenses by Type

	2025	2024
	£	£
Direct costs		
Bank charges and trading commissions	18,952	22,864
Custody fees	235,783	442,773
Legal and professional fees	50,392	155,792
Total direct costs	305,127	621,429

	2025 £	2024 £
Administrative expenses		
Administration expenses	235,180	266,150
Promotional fees	251,292	305,852
Subscriptions	43,686	39,544
Advisory fees	43,578	79,391
Charitable donation	-	19,998
Foreign exchange losses	104,539	38,232
Insurance fees	123,796	133,998
Legal and professional fees	387,716	340,970
Consultancy fees paid	1,616,516	3,113,667
Salary, remuneration and other staff costs	1,009,855	886,370
Travel and subsistence	40,827	56,215
Migration to London Stock Exchange*	1,724,613	
Other expenses	17,541	4,289
Total administrative expenses	5,599,139	5,284,676

* Details of all fees relating to the migration to London Stock Exchange are incorporated in the Strategic Report.

10 Auditors' remuneration

	2025 £	2024 £
In relation to statutory audit services (excluding VAT)	160,000	105,000
Additional fee in relation to 2024 audit (excluding VAT)	45,000	-
As reporting accountant (excluding VAT)	195,031	-
Total auditors' remuneration	400,031	105,000

11 Taxation on profit

The company is subject to tax in the Isle of Man at a rate of 0% (2024: 0%).

12 Earnings per share

The basic earnings per share is calculated by dividing the profit after tax of the Company for the year attributable to equity shareholders by the weighted average number of shares in issue.

The diluted earnings per share is calculated by dividing the profit after tax of the Company or the year attributable to equity shareholders by the weighted average number of shares in issue plus the number potential ordinary shares (share options as further described in Note 16).

Profit after tax of the Company for the year: loss £35,828,369 (2024: £7,851,100)

Weighted average number of Ordinary 0.19p Shares in issue: 177,103,452 (2024: 177,145,867).

Options exercisable at the year-end: nil (2024: 223,150)

Basic earnings per share: loss 20.23p (2024: 4.43p).

Diluted earnings per share: loss 20.23p (2024: 4.43p)

13 Intangible assets

13.1 Digital assets

The intangible assets consist of digital assets and early-stage investments for future tokens. As detailed in the accounting policies (Note 4.3) the digital assets are intangible assets held under the revaluation model and early-stage investments for future tokens are also held as intangible assets at cost less impairment and amortisation.

	2025 £	2024 £
Digital assets	41,884,528	124,822,006
Early-stage investments for future tokens	669,262	1,838,062
Balance at 31 December	42,553,790	126,660,068

Digital assets that are legally owned by the Company from early-stage investments for future tokens may be distributed to Company owned accounts or blockchain wallets under the Company's control by the investee team over time in accordance with the terms of contractual agreements between the Company and the investees. The Company recognises these owned but yet-to-be-received digital assets as Intangible assets receivable (see Note 14).

Whilst, under such circumstances the Company generally forfeits its ability to sell or otherwise transfer its locked digital assets, no other entity obtains the right to direct their use and the Company is still the primary entity holding the risks and rewards of ownership. Locked digital assets may be unlocked as a full tranche or may be subject to unlock and vesting schedules.

The Company does not derecognise time locked or vesting digital assets which are classified and measured in the same manner as non-locked digital assets.

The Company classifies digital assets which are due for release no later than one year after the year end as intangible assets held as current assets. Digital assets, which are due for release more than one year after the year end are classified as intangible assets held as non-current assets.

Digital assets receivable from third parties subject to unlock and vesting schedules, or as distributions and rewards are classified as intangible assets receivable (see Note 14).

Intangible assets held at fair value	2025 £	2024 £
Intangible assets held as current assets	37,513,886	121,414,750
Intangible assets held as non-current assets	272,889	-
Intangible assets receivable held as current assets	2,382,209	1,869,927
Intangible assets receivable held as non-current assets	2,384,806	3,375,391
Balance at 31 December	42,553,790	126,660,068

The following tables present the Company's digital assets subject to time lock at 31 December 2025 and 31 December 2024.

31 December 2025

Asset	Lock type	Number of tokens	Fair value £	Release date*
	Time locked	2,500,000	48,400	04/09/2029
	Time locked	250,444	13,700	**
	Time locked	12,500,000	59,975	14/01/2027
	Time locked	50,900,000	407,455	29/04/2027
	Time locked	996,807	2,566	06/06/2026
	Time locked	125,000,000	54,475	07/04/2027
	Time locked	25,454,545	4,024,364	06/09/2027
	Time locked	16,939,394	156,080	09/07/2027
	Time locked	25,000,000	307,000	29/01/2028
	Total		5,074,015	

*Vesting schedules generally comprise of monthly linear unlocks beginning one year after the Token Generation Event. The release date of time locked digital assets stated being the last tranche and marking the end date of the unlock schedules.

** ALTHEA release date subject to Governance vote

31 December 2024

Asset	Lock type	Number of tokens	Fair value £	Release date*
AVAIL	Time locked	12,500,000	1,121,500	14/01/2027
CLEAR (NEXT)**	Time locked	2,947,770	227,568	06/06/2026
GRAV	Time locked	3,787,512	6,958	09/12/2025
MODE	Time locked	125,000,000	3,896,250	07/04/2027
TIA	Time locked	4,166,667	15,349,401	31/10/2025
	Total		20,601,677	

*Vesting schedules generally comprise of monthly linear unlocks beginning one year after the Token Generation Event. The release date of time locked digital assets stated being the last tranche and marking the end date of the unlock schedules.

** During the prior year there was a 1:1 migration of NEXT to CLEAR

Notes to the Financial Statements (continued)

At the year end the Company held digital assets as detailed below:

2025 Assets	Number of coins or tokens	Cost £	Fair Value £
Lido Staked ETH (stETH)	5,119	7,371,480	11,289,391
Polkadot (DOT)	5,398,208	21,087,316	7,182,277
Nexus Mutual (NXM)	110,698	217,363	5,832,682
Lido (LDO)	11,749,998	89,300	5,034,874
Redstone (RED)	25,454,545	296,660	4,024,364
Cosmos (ATOM)	2,103,439	9,460,892	3,013,991
Celestia (TIA)	7,007,187	7,246,375	2,372,388
Hydration (formerly Hydra DX) (HDX)	144,138,446	888,572	434,577
Build on Bitcoin (BOB)	50,900,000	71,318	407,455
Anoma (XAN)	25,000,000	804,537	307,000
Moonbeam (GLMR)	17,354,130	5,541,345	296,889
Astar (ASTR)	39,993,433	3,746,208	284,367
Kusama (KSM)	46,036	1,720,830	233,342
Tanssi (TANSSI)	20,000,000	298,240	184,280
Automata Network (ATA)	13,348,983	253,720	167,263
USDC (USDC)	186,886	142,517	138,923
Other minor holdings		5,423,976	680,465
Balance at 31 December 2025		64,660,649	41,884,528

2024 Assets	Number of coins or tokens	Cost £	Fair Value £
Celestia (TIA)	7,500,004	6,942,517	27,628,935
Polkadot (DOT)	5,180,465	20,803,938	27,462,704
Lido (LDO)	11,749,998	89,300	16,396,525
Lido Staked ETH (stETH)	5,464	7,733,401	14,550,744
Cosmos (ATOM)	1,976,481	9,471,370	9,767,270
Nexus Mutual (NXM)	110,680	216,040	6,630,843
Mode (MODE)	125,000,000	159	3,896,250
Astar (ASTR)	68,230,000	6,391,144	3,223,185
Moonbeam (GLMR)	16,117,288	5,472,887	3,179,983
Automata Network (ATA)	13,348,983	253,720	1,860,848
Rocket Pool (RPL)	200,000	131,850	1,812,619
Hydration (formerly Hydra DX) (HDX)	147,052,068	906,534	1,320,381
Internet Computer (ICP)	152,352	486,845	1,200,824
Avail (AVAIL)	12,500,000	780,640	1,121,500
Kusama (KSM)	41,350	1,672,363	1,088,543
Acala (ACA)	10,000,000	898,635	840,400
Other minor holdings		8,914,195	2,840,452
Balance at 31 December 2024		71,165,538	124,822,006

Revaluation increases in the carrying amount are recognised in other comprehensive income and accumulated in the revaluation surplus within equity. Revaluation decreases which offset previous increases are charged in other comprehensive income and debited to the revaluation surplus directly in equity. All other decreases are charged to the income statement.

13.1.1 Sensitivity analysis for digital assets

If the average fair values of the digital assets at fair value had increased/decreased by 10% during 2025 with all other variables held constant, the Company's profit for the year would have moved by +/- £4,188,483 (2024: +/- £12,482,201).

13.2 Early-stage investments for future tokens

Early-stage investments for future tokens are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

13.2.1 Accumulated amortisation, impairment and revaluation

	2025 £	2024 £
Balance at 1 January	1,838,062	1,512,596
Acquisition of intangible assets	297,846	1,095,259
Disposals of intangible assets	(365,090)	-
Reclassification (Intangible assets at fair value)	(1,475,866)	(780,640)
Change in fair value of intangible assets	374,310	10,847
Balance at 31 December	669,262	1,838,062

Due to the nature of the intangible assets an infinite useful economic life has been used for the asset. Once the early-stage investments generate tokens (i.e. the Company received the digital assets) the assets are held at revaluation. Subsequent to the issue of digital assets, the investments are held until such a time that the Company disposes of them in the market.

Upon a successful token launch (i.e. the Company received the digital assets), early-stage investments for future tokens are reclassified as digital assets.

14 Trade and other receivables

	2025 £	2024 £
Debtors	-	-
Prepayments	201,626	215,657
Accrued income	-	-
Balance at 31 December	201,626	215,657

Digital assets which are legally owned by the Company from early-stage investments for future tokens may be distributed to Company owned accounts or blockchain wallets under the Company's control by the investee team over time in accordance with the terms of contractual agreements between the Company and the investees. The Company recognises these owned but yet-to-be-received digital assets as intangible assets receivable (see Note 13).

	2025 £	2024 £
Intangible assets receivable (non-current)	2,384,806	3,375,391
Intangible assets receivable (current)	2,382,209	1,869,927
Balance at 31 December	4,767,015	5,245,318

The following tables present the Company's digital assets receivable 31 December 2025 and 31 December 2024:

14.1 Non-current intangible assets receivable

Asset	Number of tokens	Fair value £	Release date*
AI3	1,718,750	33,275	04/09/2029
ALTHEA	250,444	13,700	**
AVAIL	3,125,000	14,994	14/01/2027
BOB	32,301,923	258,577	29/04/2027
MODE	20,833,333	9,079	07/04/2027
RED	12,727,273	2,012,182	06/09/2027
TANSSI	4,666,667	42,999	09/07/2027
Total		2,384,806	

2024 Assets	Number of tokens	Fair Value £	Release date*
AVAIL	7,812,500	700,937	14/01/2027
CLEAR	996,807	76,954	06/06/2026
MODE	83,333,333	2,597,500	17/05/2027
Balance at 31 December		3,375,391	

The release date of non-current intangible assets receivable being the end date of the vesting schedules.

14.2 Current intangible assets receivable

2025 Assets	Number of tokens	Fair Value £	Release date**
AI3	781,250	15,125	04/09/2029
AVAIL	9,375,000	44,981	14/01/2027
BOB	18,598,077	148,878	29/04/2027
CLEAR	996,806	2,566	06/06/2026
MODE	104,166,667	45,396	17/05/2027
RED	12,727,273	2,012,182	06/09/2027
TANSSI	12,272,727	113,081	09/07/2027
Balance at 31 December		2,382,209	

2024 Assets	Number of tokens	Fair Value £	Release date**
AVAIL	4,687,500	420,563	14/01/2027
CLEAR	1,950,964	150,614	06/06/2026
MODE	41,666,667	1,298,750	17/05/2027
Balance at 31 December		1,869,927	

** The release date of current intangible assets receivable being on or before that date in accordance with the unlock or vesting schedules.

All other digital assets receivable are resulting from early-stage investments for future tokens and are distributable by the investee team in accordance with the terms of the respective vesting schedule.

15 Trade and other payables

	2025 £	2024 £
Trade creditors	281,670	742,936
Accrued expenses	332,330	201,509
Bank overdraft	-	43,177
Balance at 31 December	614,000	987,622

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

16 Share capital

Allotted, issued and fully paid Number:	Class	Nominal value	2025 £	2024 £
177,949,520** (177,369,520 in 2024)	Ordinary	0.19p	338,107	337,005
Balance at 31 December			338,107	337,005

* The Company's ordinary shares that are held in treasury do not carry voting rights nor rights in respect to dividends in accordance with the Company's Articles of Association and are therefore disregarded in accordance with the equity share capital of the Company. As at 31 December 2025, the Company held 363,000 Treasury Shares. Therefore, the total number of voting rights for shareholders in the Company is 177,586,520.

The below table shows a reconciliation of ordinary shares for the year:

	Ordinary shares	£
Balance at 1 January 2025	177,369,520	337,005
Issue of shares to Rhys Davies	580,000	1,102
Balance at 31 December 2025	177,949,520*	338,107

*Shares in issue

On 31 October 2025, in connection with the publication of the Prospectus, 580,000 Ordinary Shares were issued to Rhys Davies for a nominal amount of £1,102.

On 25 January 2022 1,973,684 ordinary shares of 0.19p each in the Company were issued following the exercise of an option granted under the Company's Share Option Scheme. The shares were exercised at a price of 0.19p a share generating £3,750 of proceeds and resulted in the nominal value of the ordinary share capital increasing by £3,750.

On 21 October 2021 1,973,684 ordinary shares of 0.19p each in the Company were issued following the exercise of an option granted under the Company's Share Option Scheme. The shares were exercised at a price of 0.19p a share, generating £3,750 of proceeds and resulted in the nominal value of the ordinary share capital increasing by £3,750.

On 4 August 2021 1,000,000 ordinary shares of 0.19p each in the Company were issued following the exercise of an option granted under the Company's Share Option Scheme. The shares were exercised at a price of 0.19p a share, generating £1,900 of proceeds and resulted in the nominal value of the ordinary share capital increasing by £1,900.

On 9 July 2021 1,973,684 ordinary shares of 0.19p each in the Company were issued to each of George McDonough and Keld Van Schreven following the exercise of an option granted under the Company's Share Option Scheme. The shares were exercised at a price of 0.19p a share, generating £7,500 of proceeds and resulted in the nominal value of the ordinary share capital increasing by £7,500.

On 7 July 2021 767,236 ordinary shares of 0.19p each in the Company were issued to Rhys Davies following the exercise of an option granted under the Company's Share Option Scheme. The shares were exercised at a price of 19.55p a share, generating £150,000 of proceeds and resulted in the nominal value of the ordinary share capital increasing by £1,458, with the remaining £148,537 being allocated to share premium.

On 22 February 2021 973,684 ordinary shares of 0.19p each in the Company were issued following the exercise of an option granted under the Company's Share Option Scheme. The shares were exercised at a price of 0.19p a share generating £1,850 of proceeds and resulted in the nominal value of the ordinary share capital increasing by £1,850.

17 Other reserves

The share premium reserve is a non-distributable reserve and represents the amount subscribed for share capital in excess of nominal value.

The revaluation reserve account represents the net unrealised gains on intangible assets. This is a non-distributable reserve.

Retained reserves represents retained earnings and is a distributable reserve.

The capital redemption reserve is created further to the redemption of Class C and Class D shares below par. The difference between nominal value and the redemption amount is recognised within equity as a capital redemption reserve and is a distributable reserve.

The treasury share reserve is created further to the repurchasing ordinary shares including transaction costs which are recognised in Equity and accounted for on a trade date basis.

In April 2024, the Company announced a resolution, passed by poll at the Extraordinary General Meeting authorising KR1 to make market purchases of up to 14.99% of the Companies issued new ordinary share capital. The Company purchased 363,000 shares for a total consideration of £298,044, including transaction costs of £595 and held these in treasury with no voting rights.

18 Related party disclosures

Director remuneration, consultancy fees paid to key management and salaries are disclosed in Note 7. At the year end the amount owed to the Executive Directors was £nil (2024: £nil) whilst the amount owed to Non-Executive Directors was £nil (2024: £nil) and the amount owed to key management personnel was £nil (2024: £nil).

During the year, in connection with the publication of this Prospectus, 580,000 Ordinary Shares were be issued to Rhys Davies for a nominal amount of £1,102. A Contingent Bonus of £45,000 was awarded to each of Mona El Isa and Aeron Buchanan contingent on them surrendering their existing share options in the Company over 77,519 and 145,631 Ordinary Shares respectively. As a result, there are no issued share options at the year end.

At the year-end there were no outstanding options issued.

Reflexivity Research Limited receives Consultancy fees and Performance fees (if applicable – see Note 7). Both of the Company's Executive Directors and a member of key management personnel are also directors of Reflexivity Research Limited and each hold 33.33% of the shares in Reflexivity Research Limited.

Consultancy fees are calculated based on the Company's unaudited net assets as published on a monthly basis by RNS. During the year, consultancy fees totalling £1,616,516 (2024: £3,088,667) were incurred from Reflexivity Research Limited. At the year end the amount owed to Reflexivity Research Limited was £171,842 (2024: £663,125)

19 Ultimate controlling party

There is not deemed to be an ultimate controlling party.

20 Net asset value per share

The company has a net asset value per Equity Share of 27.93p (2024: 78.76p).

21 Post Balance Sheet Events

On 9 February 2026 the Company announced the introduction of its Financial Infrastructure Strategy in order to evolve and complement existing operations and income streams. As part of this Bitcoin ("BTC") and further Ethereum ("ETH") have been added to the Company assets. Bitcoin and Ethereum will both be utilised by the Company within DeFi alongside a risk mitigation strategy through Nexus Mutual smart contract cover. This enables a low-risk approach whilst providing the opportunity to generate higher yields relative to market alternatives.

Further on 18 February 2026 the Company announced an addition to its Financial Infrastructure Strategy through the Nexus Mutual ("NXM") protocol. The Company has committed an initial allocation of its existing NXM holdings to underwrite discretionary cover across Ethereum's decentralised finance ecosystem ("DeFi") via Nexus Mutual staking pools.

On 16 April 2026 the Company announced an update on the holding in Bitway. Following the launch of the BTW token on 3 March, KR1 plc holds a total of 100,000,000 BTW, acquired through the Company's US\$300,000 investment in Bitway's (formerly Side Protocol) pre-seed funding round as announced on 26 July 2023. Based on the BTW market price as at 15 April 2026, the Company's holding is valued at approximately US\$1.7 million. The Company's BTW tokens are subject to an initial lock-up of 12 months from token launch and thereafter a linear unlock over a further 24 months.