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29 July 2021

**Chrysalis Investments Limited ("Chrysalis" or the "Company")**

**Portfolio Update**

The Company can today announce the sale of Embark Group Limited ("**Embark**") to Scottish Widows Group Limited, part of Lloyds Banking Group plc ("**Lloyds**") for £390 million. Completion of the transaction is subject to regulatory approval.

Existing shareholders of Embark, including Chrysalis, will retain the Rowanmoor SIPP and SSAS administration business of Embark ("**Rowanmoor**"). Rowanmoor will be operated by the existing management team as a standalone business and will continue to provide specialist services to its scheme members. Completion of the transfer of the Rowanmoor business is also subject to regulatory approval.

As per the portfolio update released by the Company on 6 July 2021, Embark currently represents approximately 5% of the Net Asset Value of the Company. The Company first invested in Embark in July 2019 and invested further follow-on capital in May 2020. The sale price represents an estimated current IRR of 63% to Chrysalis shareholders on invested capital, with the final IRR on the investment to be determined by the future performance and capital requirements of Rowanmoor.

The prevailing valuation of the investment had already factored in the potential sale. As a result, the terms of the transaction are not expected to have a material impact on the NAV per ordinary share of the Company.

**Richard Watts and Nick Williamson (co-portfolio managers) comment:**

*"Embark has grown materially since our first investment, assisted by the funds we committed to complete value accretive M&A, making it one of the UK's fastest growing digital retirement and savings businesses. We congratulate the board and management team at Embark on this transaction, which represents Chrysalis' first trade sale event.*

*The exit IRR demonstrates strong returns for shareholders, and, following regulatory approval, the sale proceeds will be recycled to fund our exciting pipeline of investment opportunities."*

**-ENDS-**

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A copy of this announcement will be available on the Company's website at

<https://www.chrysalisinvestments.co.uk/>

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