

Chrysalis Investments Limited

As at 31 December 2020

RICHARD WATTS, PORTFOLIO MANAGER | NICK WILLIAMSON, PORTFOLIO MANAGER

Investment Opportunity

Aims to provide access to returns available from investing in later stage private companies with long-term growth potential, an investment class that has traditionally been difficult to access for individual investors.

Key Facts (As at 31 December 2020)

Shares in Issue:	400,931,613
Share Price:	188.00p
NAV per share:	180.75p
Market Cap:	£754m
Total Net Assets:	£725m
Share Price Premium/(Discount):	4.0%
Listing:	Premium Segment Main Market LSE
Ticker:	CHRY
LEI:	213800F9SQ753JQHSW24
ISIN:	GG00BGJYPP46
Incorporation:	Guernsey

Managed by

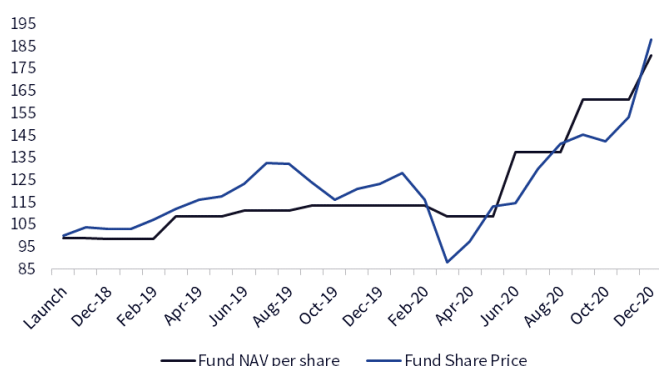


Nick Williamson
Portfolio Manager

Richard Watts
Portfolio Manager



NAV and Share Price



Cumulative Performance (%)

	3month	6month	1year	SI
Fund NAV	12.3	31.7	59.3	82.9
Fund Share Price	29.7	64.2	52.8	88.0

Past performance is not a guide to future performance. The Company NAV per share is calculated on a quarterly basis. The Share Price is available daily, source London Stock Exchange. Since inception (SI) is from 6 Nov 2018.



Utilising permanent capital to invest in crossover opportunities to help de-risk future IPOs. Jupiter Investment Management Limited (JIML) has the scale, expertise and relevance to be a crossover investor.



To generate long-term capital growth through investing in a portfolio consisting primarily of equity or equity related investments in unquoted companies.



The company is advised by JIML's award-winning UK small- and mid-cap desk, which manages £5.7bn.

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Overview

Chrysalis Investments continued to demonstrate strong NAV progression through Q4. A £95m funding round was completed in October to fund an investment in You & Mr Jones, and Net Assets as at the end of the period were approximately £725m. The NAVPS increased by 12.3% to 180.75p, and this was driven by THG's strong share price performance and an increase in several other assets including Klarna, TransferWise and Starling Bank.

The trading performance of key assets continues to be strong and the average rate of revenue growth for the portfolio over 2020 was around 70%. We did complete several small follow-on investments during the quarter, with many of them agreed earlier in the year, but we did not initiate any new holdings. The only asset to complete a funding round with strong third-party participation was Graphcore, which completed a \$222m Series E funding round.

Portfolio Commentary

The company entered the period with c£16m of cash and cash equivalents. We completed a funding round on the 6th October raising £95m and \$60m of those proceeds were used to fund the investment into You and Mr Jones. We made follow-on investments in Sorted, Secret Escapes and wefox totaling c£33m and trimmed our THG exposure into strength. The closing cash position at the end of the period was c£35m.

Highlights include:

- **Graphcore** completed a \$222m Series E funding round. The round valued Graphcore at \$2.77bn post money versus the Series D valuation of \$1.95bn. The company now has \$440m in cash on the balance sheet.
- **THG** traded well over the period and raised its FY20 earnings guidance. THG Ingenuity continues to gain momentum and several contract wins were announced. The company also announced the \$350m acquisition of Dermstore, the number one pure-play online retailer of prestige skincare and specialty beauty brands in the US.
- **Starling Bank** released a trading update announcing that it has become the first of the new breed of digital banks to break even, thanks to strong momentum in customer accounts and revenues. Starling now has over 2 million accounts, £4bn in deposits and £1.5bn of lending.
- **Sorted** raised a \$15m funding round to enable it to execute its growth strategy following a number of high-profile enterprise customer wins.
- A successful fund raise for Chrysalis of £95m brings totals funds raised to date to £470m.

Outlook

We enter 2021 with a portfolio that is trading well versus our expectations and a very strong pipeline of opportunities. We spent a significant amount of time working with our portfolio companies over the course of 2020 and in many instances we have been able to provide follow-on capital to accelerate their business plans and drive success. We have also conducted extensive primary thematic research and met with several prospective companies and we are increasingly confident that we will be able to grow the number of holdings through 2021 without diluting the overall quality of our portfolio. We have a number of assets that we describe as 'IPO ready' and we are hopeful that this will lead to further realisation events that will demonstrate our crossover credentials and ultimately drive NAV progression.

Recent portfolio developments

Since the publication of the December 2020 net asset value on 26th February, 2021, the following portfolio developments are likely to affect the net asset value of the Company:

Klarna - On 1 March 2021, the Company announced an estimated revised valuation of the Company's investment in Klarna Holding AB, due to the successful completion of a funding round by Klarna, which would result in a gross increase in the NAV per ordinary share of approximately 32p (based on Swedish Krona foreign exchange rates as of 26 February 2021) as compared to the Company's last reported NAV per ordinary share.

Starling Bank - On Monday 8th March, the Company announced an estimated revised valuation of the Company's investment in Starling Bank, due to the successful completion of a funding round by Starling Bank, which would result in a gross increase in the NAV per ordinary share of approximately 6p compared to the Company's last reported NAV per share.

Shareholders should note that the gross increase does not include the fees that may accrue as a result of the changes to this valuation, or any other portfolio company revaluations and associated foreign exchange movements that may be included when the Company next calculates its NAV per ordinary share as at 31 March 2021.

March 2021 equity raise: Intermediaries Offer

On 10th March, the Company announced an equity raise which includes an intermediaries offer for retail investors, who can apply through their usual platform. Please see the Prospectus for details. The timetable for the offer is as follows:

10th March: Intermediaries Offer opens

11am on 24th March: Latest time and date for applications

26th March: Results of Offer announced.

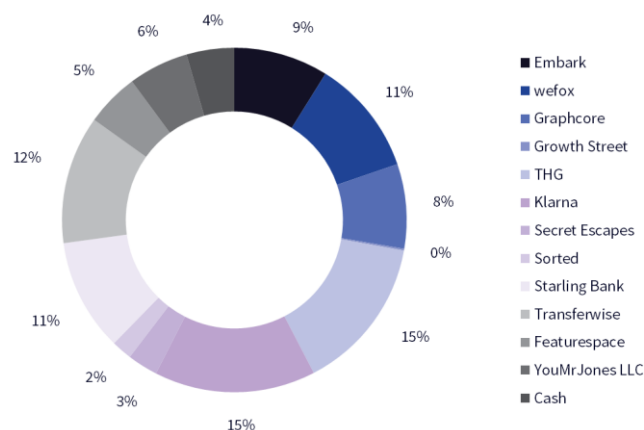
8am on 30th March: Shares listed

Chrysalis Investments Limited

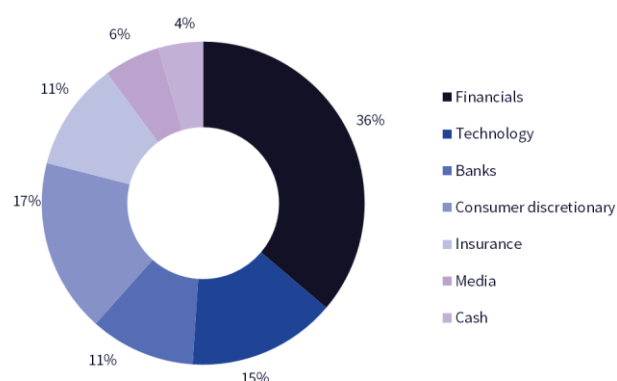
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Top Holdings



Sector Exposure



Holdings Details (As at 31 December 2020)

Name	Description
TransferWise	Platform payments business that aims to reduce fees associated with FX
Secret Escapes	Travel company that helps hotels minimise unsold inventory
The Hut Group	E-commerce business with proprietary technology platform powering sales of its own and third-party brands online
Graphcore	Leading artificial intelligence processor business, which has developed the Intelligent Processing Unit and the related software toolchain
Growth Street	Innovative P2P lending product targeted at SMEs, replacing overdrafts and invoice factoring
Starling Bank	Digital challenger bank that delivers financial services to retail and SMEs
Embark Group	Full-scale retirement solutions provider, with platform, investment wrap, e-SIPP, SIPP, SSAS, fund research and employee benefits consulting capabilities
Klarna Bank	A leading global payments company that provides direct payments, pay after delivery options and instalment plans for customers online
Sorted Group	A global Software as a Service (SaaS) company that has developed a Delivery Management Platform which allows retailers (both digital and physical) to effectively manage their delivery / returns
FinanceApp (wefox Group)	Europe's largest digital insurance platform with significant existing scale in Germany, Austria and Switzerland
Featurespace	Featurespace is a world leader in financial crime risk management. The company utilises real time machine learning software risk scores events in 180 countries to reduce Fraud and AML
You & Mr Jones	A digital advertising and marketing services holding company that enables marketers to build their brands better, faster and cheaper by using technology

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Company and Fund Information

Listing Date	06-Nov-18
AIFM	Maitland Institutional Services Limited
Administrator & Company Secretary	Maitland Administration (Guernsey) Limited
Registrar	Computershare Investor Services (Guernsey) Limited
Legal Adviser	Travers Smith LLP
Auditor	KPMG Channel Islands Limited
Corporate Brokers	Liberum Capital Limited, Numis Securities Limited
Investment Adviser	Jupiter Investment Management Limited



Chrysalis Investments Limited

3rd Floor,
1 Le Truchot,
St Peter Port
Guernsey, GY1 1WD

For Information

ClientServices@jupiteram.com
www.chrysalisinvestments.co.uk

Directors

Andrew Haining (Chairperson),
Stephen Coe,
Simon Holden,
Anne Ewing,
Tim Cruttenden

Important Information

As of 15th February 2021, Merian Global Investors (UK) Limited became Jupiter Investment Management Limited. This communication is issued by Jupiter Investment Management Limited ("Jupiter"), The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ, United Kingdom, authorised and regulated by the Financial Conduct Authority (FRN: 171847). Investors may only subscribe for or purchase any shares in Chrysalis Investment Company Limited ("CICL") on the basis of the information in the prospectus published by CICL. The prospectus and key information document are available at <http://www.chrysalisinvestments.co.uk/>. Jupiter only acts for the funds to which it provides regulated investment management and transaction services and does not act for or advise potential investors in connection with acquiring shares in CICL and will not be responsible to potential investors for providing them with protections afforded to clients of Jupiter. Prospective investors are strongly advised to take their own legal, investment and tax advice from independent and suitably qualified advisers. The value of investments may go up as well as down and you may not get back the full amount of your investment. Past performance is not a guide to future performance.

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