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This announcement contains inside information.

1 March 2021

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

Portfolio Update

As announced on 26 February 2021, the Company's net asset value ("NAV") per ordinary share was 180.75p as of 31 December 2020.

Today, the Company can report that Klarna Holding AB ("Klarna") has announced the success of a \$1bn funding round that values the company at \$31 billion post new money.

The round, which was four-times oversubscribed, has been undertaken at a valuation that represents a material mark up in the Company's current carrying value of the asset. Given investment restrictions, the Company did not participate in the round.

It is estimated that the revised valuation of the Company's investment in Klarna due to this funding round 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. 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.

The significant increase in the valuation of Klarna, compared with the valuation of \$10.65 billion achieved in September 2020, reflects the business's strong growth over 2020, the highlight of which was approximately a 40% increase in revenue to c\$1.2bn (c\$850 million in 2019). Gross merchandise volumes grew 48% in 2020 on a constant currency basis having accelerated across the year. Within this, the US is showing exceptional growth. Klarna experienced a 200% increase in monthly active US users year-on-year in December 2020, with a million customers a month being added over 4Q 2020, taking total US customers to 15 million by January 2021. Over the course of 2020 its app was downloaded close to 4 million times more in the US than its nearest competitor. Klarna launched its pay later offering in four new markets in 2020: Australia, Belgium, Spain and Italy with four further market launches expected during 2021.

The new round saw significant interest from a wide range of new investors and from Klarna's existing shareholder base. As a result of the round, Klarna is now the highest-valued private fintech in Europe and the second highest globally. The proceeds of the latest funding round will enable Klarna to accelerate international expansion and further capture global retail growth. In

addition, 1% of the capital raised will be committed to a new initiative to focus on key sustainability challenges around the world.

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

"Klarna's strong growth over the last twelve months and exceptional market position and proposition have now been reflected in this significant valuation uplift, which confirms its position as one of the world's leading fintech companies.

We believe this funding round demonstrates many major, global investors have endorsed Klarna's business model and trajectory of growth, and see material valuation upside potential in the Klarna investment case from this new valuation level. We concur with this view. Buy Now, Pay Later's share of online checkout was c0.9% in 2019 in the US, versus nearly 6% in Europe (Source: Worldpay Global Payments Report). This low penetration in one of the biggest online markets in the world, succinctly highlights the significant growth opportunity still ahead for Klarna.

The substantial oversubscription of this round also demonstrates how difficult it can be to access this type of investment, particularly for retail investors, further demonstrating the attractiveness of the Chrysalis proposition to a wide investor audience. We look forward to supporting Klarna through its ambitious plans for 2021 and beyond as it confirms its status as a market leader and enters its next stage of growth."

-ENDS-

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

<https://www.jupiteram.com/uk/en/professional/chrysalis-investments-limited/>

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