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26 May 2021

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

Quarterly NAV Announcement

Net Asset Value

The Company announces that as at 31 March 2021 the unaudited net asset value ("NAV") per ordinary share was 208.16 pence.

The above NAV calculation is based on the Company's issued share capital as at 31 March 2021 of 547,273,076 ordinary shares of no par value.

March's NAV represents a 15.2% uplift since 31 December 2020, driven by funding rounds for two key assets (which were referred to in the Company's announcements on 1 March and 8 March), modestly reduced by weakness in the share price of THG plc ("THG"). The following investee companies were the most significant drivers of NAV movement in the quarter:

- Klarna Holding AB ("Klarna") – which undertook a \$1bn funding at a valuation of \$30bn pre new-money, compared with a post new-money valuation of \$10.65bn in September 2020, and which represented a material mark up in the Company's carrying value of the asset;
- Starling Bank Limited ("Starling") – which undertook a £272m funding round at a £1.3bn post new-money valuation, which was a material uplift to the Company's carrying value of Starling; and
- THG – which saw its share price weaken from 780p as of December 2020 to 623.5p, despite continued strong operating performance.

Overview

The trading performance of the portfolio over the period has remained strong. A good example is THG that saw growth accelerate to 58% year-on-year in the quarter to March 2021, versus 51% in the prior quarter, and 42% across calendar 2020 as a whole. While a number of the Company's investee companies initially saw COVID-19 drive customer sign up, the Investment Manager believes the impetus many of them experienced will persist and allow them to continue to grow robustly across the remainder of this year.

Portfolio activity

During the quarter, the following follow-on investments were undertaken:

- the Company invested circa \$10m in Graphcore as part of its series-E funding round; and

- the Company invested circa £4m in Featurespace as a secondary investment.

In addition, the Company successfully closed a £300m funding round to support its on-going strategy of diversifying the portfolio with new investments and continuing to provide follow-on growth capital to its existing investee companies.

Portfolio Composition

As of 25 May 2021 the portfolio composition was as follows:

Portfolio Company	% of investment portfolio
Klarna	20.5%
Starling	8.9%
THG	8.9%
Wise	8.4%
wefox	7.5%
Embark	5.8%
Graphcore	5.2%
You & Mr Jones	3.9%
Featurespace	3.2%
Secret Escapes	2.4%
Sorted	1.5%
Growth Street	0.1%
Cash	23.8%

Source: Jupiter Asset Management. Holding sizes, as of 25 May 2021, are calculated using 31 March 2021 valuations, adjusted for FX as of 25 May 2021 and capturing transactions concluded post the NAV calculation period, and thus using cash as of 25 May. The holding value of THG is based on the closing share price of 623.5p, as at period end. Due to rounding the figures may not add up to 100%.

Investment Manager Outlook

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

“While there has been some pull-back in valuations of certain listed tech names as investors consider whether short-term inflationary pressures will persist, the NAV continued to perform well over the quarter; we believe this reflects the strong growth being delivered by the portfolio. Looking forward, we do not believe inflation is necessarily “here to stay”; regardless, our view is the underlying growth dynamics of our investments should continue to deliver value to shareholders.

Following our £300m raise at the end of March, our focus is on deploying capital. To this end, we are currently in the latter stages of due diligence on two potential new investments and have line-of-sight to two further follow-ons. In addition, the new investment pipeline looks strong, and we continue to source a wide variety of interesting investment opportunities for consideration.”

Factsheet

An updated Company factsheet will shortly be available on the Company’s website:
<https://www.chrysalisinvestments.co.uk>

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LEI: 213800F9SQ753JQHSW24

A copy of this announcement will be available on the Company's website at <https://www.chrysalisinvestments.co.uk>

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