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30 June 2022

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

Interim Results

Financial Summary

	31 March 2022	30 September 2021	% Decrease
NAV per share	211.76p	251.96p	16.0%
Share price	177.00p	267.00p	33.7%
Total net assets	£1.260 billion	£1.379 billion	8.6%

Highlights

- NAV per share of 211.76p, representing a 16.0% decrease over the first half of the financial year, driven by weakening valuations of listed peers in the tech space
- Net realisations of c£33 million were generated in the period, following the sale of Embark Group, net of follow-ons made in Smart Pension, THG and Sorted
- Private markets have switched focus from growth to profitability; the Investment Adviser expects investors to become more selective over the business models they wish to back
- Approximately 40% of the portfolio is already profitable, including the major unit in Starling Bank; comments by Klarna, which accounts for c19% of the portfolio, in its 1Q22 report potentially indicates it is also driving towards break-even
- The Investment Adviser has been working with the unprofitable companies within the portfolio on refining funding plans and on how to elongate cash runways. The average cash runway for this group is approximately 14 months
- The Company has sufficient cash – c£55 million as of 27 June 2022 – to extend these runways substantially, assuming it invests according to its pro rata ownership alongside other investors
- Supporting the existing portfolio will be the Company's primary objective in this challenging environment; capital allocation remains under constant review
- As has been previously announced, from 1st July, the Company will be a self-managed AIFM. The nature of the portfolio advisory services provided by Jupiter will remain unchanged, as will the investment team

Andrew Haining, Chair, commented:

"The investment landscape has changed materially over the last six months with central banks responding to elevated levels of inflation by tightening monetary policy. Rising yields have impacted the valuations of long duration assets, with the derating of growth stocks being particularly marked. The appetite or ability to provide capital has reduced and, consequently, those investors who are providers of capital are demanding very attractive terms. Therefore, Chrysalis has positioned itself with enough capital to ensure it can support its portfolio appropriately."

Nick Williamson and Richard Watts, co-portfolio managers, commented:

"Profitability, not growth at any cost, is now the focus as companies look to extend funding runways. Chrysalis' portfolio companies have not been immune to this environment, although for our profitable companies, or those with very strong balance sheets, the difficult funding market is of less or no concern.

In spite of the difficult backdrop, the portfolio continues to demonstrate its ability to deliver robust growth and operationally is performing well in aggregate. With approximately 40% of the portfolio already profitable, our focus *has been working with the 60% that has yet to break even, where we have supported a number of companies to balance opex budgets with growth aspirations. This has extended cash runways, which currently average approximately 14 months for this group.*

The current cash position allows us to extend the cash runways of our unprofitable companies by at least a year, should current conditions persist. The listed portion of the portfolio will provide potential further liquidity on top of this if needed.

Material falls in listed valuations typically create headwinds for our near-term NAV progression, but in our experience, shakeouts of this type also provide opportunities for the best companies to exploit in the medium term.

While we recognise the current discount to NAV Chrysalis trades on, our current stance is that we should reserve sufficient capital to support the existing portfolio while this market dislocation remains. If and when market conditions allow, or Chrysalis generates capital, share buybacks or new investments might be considered."

-ENDS-

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

The information contained in this announcement regarding the Company's investments has been provided by the relevant underlying portfolio company and has not been independently verified by the Company. The information contained herein is unaudited.

Chairman's Statement

The six-month period from September 2021 to March 2022 and through June 2022 has seen a reversal of much of the value growth seen in our sector over the last couple of years. This downward movement in asset prices has been driven by a number of macro forces in the world economy – increased geopolitical risk with the war in eastern Europe, supply dislocations caused by COVID globally and Brexit for the UK, reduced availability of skilled labour in most markets – all coupled with an unwinding of almost universal central bank expansionary policies. The net result has been to see inflation return as a concern, central bank interest rates rising and economies struggling to generate satisfactory growth rates.

Against this backdrop, I am pleased to say that our portfolio companies continue to generate above average growth rates in their sectors. Our NAV, which is, for the majority of our investments, valued using comparable metrics with public company peers, declined in the period from 251.96p per share to 211.76p per share; subsequent to the period end, the derating in the key comparables continues – this is explored in more detail in the Investment Adviser's report.

Whilst "growth" has seemingly fallen out of favour in stock market terms, we believe growth in our underlying companies is the key to driving Chrysalis shareholder value and hopefully our share price over time. So our focus, and that of the Investment Adviser, is how to ensure our companies are positioned correctly to continue to grow in challenging markets and also take advantage of opportunities that such conditions typically bring.

Given the nature of our portfolio of unlisted investments, the Company's NAV necessarily provides a snapshot at an historic point in time and reflects the best estimate of portfolio and Company value by your Board and its advisers at that time. Given the profile of a number of our investments, press reports on potential funding rounds post the quarter end do emerge. For example, two of our larger investments are rumoured to be raising capital – Klarna at a discount and Wefox at a premium to our holding values. To the extent these funding rounds are verified before our next quarterly valuation, these will be reflected in the next valuation, but it is not our intention to comment on unverified events.

Given the current market dislocation, the Company has focused its attention on its existing portfolio as opposed to seeking out new investments. We firmly believe that investment in our portfolio during the next 12 to 18 months will ensure that our companies are best placed to benefit from the cyclical recovery as and when it comes.

When we consider the outlook for the portfolio, we have in mind both the relative strengths of our portfolio assets' business cases, but also their growth and profit potential. Looking across our investments, we believe we have a number of companies with market-leading propositions, typically with substantial runways for growth and high near-term growth potential.

So, despite the recent market uncertainty, on a medium-term view, we believe the portfolio should be able to drive robust value creation for our shareholders. The Investment Adviser goes into much greater detail on both the macro and micro factors affecting our individual investments in its review. We remain confident that we have a portfolio of outstanding potential across a number of tech-enabled sectors. If we can continue to support these businesses with both strategic guidance, and further capital where needed, we believe we will be able to build valuable growth into the portfolio over the medium term.

There are a number of corporate initiatives which your Board has been pursuing through the first half of this year which we believe will also assist in generating shareholder value.

Environmental, Social and Corporate Governance Report ("ESG")

I set out in the last set of interims, and in more detail in our year-end report, the ESG approach the Board wanted to see adopted both by our companies, and by the Investment Adviser. I would like to thank Jupiter for its ongoing work in this area.

We firmly believe that in order to grow successfully, companies and their founders must not only execute strategically; they must also lay the foundations for future growth by fostering a healthy corporate culture, a talented and diverse workforce, and creating appropriate corporate governance structures.

Not only should Chrysalis' investee companies show how they have minimised their direct and indirect negative impact on the environment and broader society, they should also be expected to each demonstrate how they positively contribute solutions to these global issues.

We have set out in our Environmental, Social and Governance Report more detail as to how this is both implemented and how it impacts our investee companies. We were pleased that Jupiter has allocated a dedicated ESG executive to the portfolio to assist the investment team and our investee companies.

Self-Management

As has been previously announced, from 1st July, the Company will be a self-managed AIF. The nature of the portfolio advisory services provided by Jupiter will remain unchanged, as will the investment team. The two key reasons for adopting this approach are efficiency and independence.

The Company will be making savings on the fees it was paying for the provision of AIFM services by going in-house; the Board will be using risk and management consultants to assist it to perform the necessary oversight, but their costs should show a saving over the current arrangement.

Perhaps more importantly, this self-management approach has enabled the Board to assemble an independent Valuation Committee, as previously announced. The three new members of that committee, Lord Rockley, Diane Seymour Williams and Jonathan Biggs bring significant and relevant experience to the valuation process. I would like to take this opportunity of thanking the Jupiter Unlisted Asset Valuation Committee for their work over the last two years.

We believe the new approach will enable us to continue to improve the valuation process. Credibility and confidence in our valuation process is fundamental to what I believe shareholders need and expect.

Performance Fee Structure

In last year's annual report, the Board said that it would be reviewing the management fee arrangements with Jupiter. To assist these deliberations, it asked Rothschilds to conduct a perception study of our top 20 investors; I am grateful to those shareholders for contributing to this work.

The Board has been able to derive useful ideas from that study and I have had discussions directly with a number of those shareholders subsequently.

The study confirmed that these shareholders shared the Board's view of the shortcomings of the existing performance fee structure and wished to see amendments made. The Board has provided Jupiter with a framework for how a new arrangement could work, which would align the payment of any performance fee due to Jupiter with shareholders more appropriately over the medium term. The Board is working with Jupiter over the next quarter to finalise this and aims to provide shareholders with more details prior to the Company's year end, with the intention that the new arrangement would operate from the beginning of the next financial year.

Buy Back Policy

The Board has the authority to buy back shares and originally this was designed to enable distribution of excess capital after asset liquidations (absent further investment opportunities).

At the current time, both the Board's and Investment Adviser's firm belief is that the best use of our available capital is to support the development of our portfolio of assets. This is elaborated on in our Investment Advisory report.

Our share price has moved in a very similar way to our peer group and now stands at a significant discount to NAV. Given this disconnect, buying back shares at a discount is accretive, and potentially attractive for those shareholders who choose to stay on the register. However, we believe that greater asset value growth will occur by the Company being in a position to manage these next 12 to 18 months appropriately. We have to assume that capital markets stay closed for the foreseeable future and therefore any available liquid capital should be held for reinvestment, not buy backs. Moreover, we are seeing the private capital market fundraising processes quite naturally reflecting the scarcity of cash with increasingly punitive terms for those investors who choose not to support their growth companies.

Consequently, for both positive and defensive reasons, we believe deploying capital in our underlying companies will offer the best value accretion for all shareholders over time.

Given the exceptionally dynamic nature of current markets, considerations around our capital allocation decisions are under regular review.

Finally, I'd like to extend the Board's thanks to our shareholders for their support. While the current conditions are proving tricky for growth valuations, I share the Investment Adviser's confidence in the ability of the portfolio to drive value over the medium term.

Andrew Haining
Chairman
29 June 2022

Portfolio Statement

As at 31 March 2022

Company	Location	Cost (£'000)	Opening value (£'000)	Net invested / returned (£'000)	Fair value movements (£'000)	Closing Value (£'000)	% of net assets
Starling Bank Limited	UK	88,248	210,767	-	48,505	259,272	20.6
Klarna Holding AB	Sweden	64,381	386,999	-	(145,943)	241,056	19.1
wefox Holding AG	Germany	65,624	108,657	-	33,074	141,731	11.2
Smart Pension Limited	UK	90,000	88,600	15,000	9,240	112,840	9.0
The Brandtech Group LLC (formerly You & Mr Jones LLC)	USA	46,440	94,837	-	8,926	103,763	8.2
Graphcore Limited	UK	57,589	61,545	-	(1,638)	59,907	4.8
Featurespace Limited	UK	24,546	34,729	97	5,485	40,311	3.2
Tactus Holdings Limited	UK	40,130	40,079	-	(346)	39,733	3.2
Wise PLC	UK	15,287	108,700	(17,630)	(56,420)	34,650	2.7
Cognitive Logic Inc. ("InfoSum")	USA	47,126	48,435	-	(16,134)	32,301	2.6
Deep Instinct Limited	USA	47,289	48,430	-	(17,253)	31,177	2.5
Revolution Beauty Group PLC	UK	44,879	41,373	-	(10,519)	30,854	2.4
Sorted Holdings Limited	UK	27,941	17,705	12,940	(1,455)	29,190	2.3
THG PLC	UK	74,018	86,683	15,220	(80,857)	21,046	1.7
Secret Escapes Limited	UK	21,509	24,427	-	(8,518)	15,908	1.2
Growth Street Holdings Limited	UK	11,372	1,332	(1,240)	-	93	0.0
Rowanmoor Group Limited	UK	13,363	-	13,363	(13,363)	-	0.0
Embark Group Limited	UK	-	56,900	(70,601)	13,701	-	0.0
Total investments		**779,742**	**1,460,198**	**(32,851)**	**(233,515)**	**1,193,832**	**94.7**
Cash and cash equivalents						72,503	5.8
Other net current liabilities						(6,046)	(0.5)
Total net assets						**1,260,289**	**100.0**

Investment Adviser's Report

Overview

The first six months of the financial year saw continued robust revenue growth from our portfolio assets in aggregate. However, the backdrop of weakening share prices for a number of listed market peers used by the valuer to assess fair value of our unlisted holdings, meant that Net Asset Value (NAV) per share fell 16%.

The median revenue growth of the portfolio companies has been relatively consistent since 2020, at around 40%. However, the blended revenue growth for the portfolio, weighted by position size, has been materially better than this, reflecting the fact that many of our larger holdings are growing more quickly.

As of March 2022, the year-on-year blended revenue growth over the first half of the Company's year was over 80%, similar to the level of a year earlier. The 2021 performance was assisted by an extremely strong performance from Starling Bank, as lending began to drive revenue growth, which has now annualised out. This has been partly offset by a first-time contribution from Smart Pension, which has seen a period of exceptional growth. Our expectation is that this growth rate could be viewed as "super-normal" and may attenuate somewhat in the coming periods, but nevertheless, still represents a very strong performance.

Against a backdrop of increased geopolitical and macroeconomic stresses, the private market continued to see significant levels of activity over the period, as shown below.

Given prevailing market conditions, and despite the strong start to 2022, we expect investors to:

• become more selective in committing capital over the coming months, which has already led to a slowdown in funding activity post period end;
• put pressure on deal pricing, particularly for assets with weaker economics; and
• look to increase the use of investor protections via capital structuring.

With this in mind, our current focus is on managing liquidity within the portfolio, to ensure we can support the growth of our existing units, and react appropriately to any further volatility in the markets. We explore the market dynamics and our funding situation in more detail below, but suffice to say we believe we have sufficient capital to support those of our holdings that are currently unprofitable for a considerable period, giving substantial leeway for the current turmoil in investment markets to abate.

Activity

Activity over the six months was at a more measured pace than that seen over most of the preceding periods. No new investments were made, with the focus on follow-on investments – as articulated in the rationale for our December 2021 fund raise – where we invested approximately £43 million. The largest part of this was the acquisition of further shares in Smart Pension (approximately £15 million), following very strong progress since our initial investment, with a similar amount invested in THG – the bulk of which was undertaken at a price of 195p. In addition, approximately £12.5 million was invested in Sorted, as part of a $40 million fund raise, to enable the acquisition of Clicksit, which operates in the US automated returns market. We believe this investment will meaningfully boost Sorted's addressable market and product offering.

Against these investments, approximately £76 million was realised, the majority (approximately £57 million) coming from the sale of Embark Group to Lloyds Bank PLC. In addition, approximately £18 million was raised via disposals of Wise – partly to increase liquidity in light of the war in Ukraine – at an average sale price of 588p. There were also two separate realisations from the liquidation process being undertaken at Growth Street, which netted slightly over £1 million, at a valuation in line with the position's carrying value.

Thus, the Company's investment activities over the period generated a net capital increase of approximately £33 million. This position was supplemented by the £60 million fund raise undertaken in December, primarily to provide funds to drive existing portfolios companies via follow-on investments. This takes the total funds raised by the Company to date to £830 million.

Markets and market developments

Equity markets struggled to make significant progress over the six months to 31 March 2022, driven by concerns over rising yields as a result of growing inflationary pressures, further exacerbated later in the period by the war in Ukraine. While many major indices reported gains, for example the FTSE All Share was up 3.2% and the tech-heavy NASDAQ recorded a marginal 1% increase, this masked considerable intra-period volatility, as well as certain rotations occurring between sectors and themes in the market. One of the most high-profile of these themes was the weakness of certain technology names, particularly those that are currently unprofitable.

The Goldman Sachs Non-Profitable Tech Index, which comprises approximately 60 US technology stocks that have yet to achieve profitability, fell by approximately 35% over the period. Logically, the long duration nature of unprofitable companies means that as yields, and thus discount rates, rise they are more exposed to valuation pressure than those companies with near-term cash flows.

Looking at this index as of 31 March 2022 and freezing the index weights, it is apparent that forecasts for revenue growth for 2022 have actually risen over the six-month period, meaning that valuation has been the driver of this index performance. We estimate this performance has led to a contraction in the 2022 EV/sales metric, based on the 31 March 2022 index weights, from approximately 8 times to less than 6 times.

Post period end, market weakness became more pronounced, with the NASDAQ falling approximately 24% from the end of March to the time of writing, and the Goldman Sachs Non-Profitable Tech Index falling approximately 38%. This means that these two indices are down approximately 32% and 71% respectively from their peaks and down 23% and 60% respectively from their 30 September 2021 levels.

What does this mean for Chrysalis?

In answering this question, we would differentiate between the likely short term and long term impacts.

In the short term, the impact of weaker stock markets is likely to feed through into valuations for our portfolio assets, given the requirement for the valuer to determine “fair value” at the respective valuation dates. This is an effect we have already seen to some degree, with the Company’s NAV as of 31 March 2022 16% lower than the peak in September 2021, which roughly coincided with the recent peaks in the NASDAQ and Goldman Sachs Non-Profitable Tech indices. While we do have protection mechanisms – typically in the form of capital structuring instruments, which should help to offset valuation declines – certeris paribas, further falls in equity markets are likely to have an impact on the Company’s NAV.

Accepting both that we have no way to influence the path of markets, and that the current environment is definitively worse than it was even six months ago, our focus is on the long term, where we can have an impact on the outcome for shareholders.

With much more difficult funding markets now upon us, our long term focus is on helping our portfolio companies to weather the storm, and allow them to emerge in the best possible shape. Experience has taught us that, although current market conditions are grim, they will pass in time. So, given that there are likely to be casualties in the market, those companies that can successfully navigate the current conditions are also likely to find plenty of opportunities to continue to grow and disrupt.

With that in mind, our focus has been on:

- ensuring our companies are prepared for tighter funding conditions; and
- ensuring Chrysalis has the required capital to assist our companies across a potentially prolonged period.

The discussions and considerations we have had vary by company, but, at a high level, the key differentiator is whether a particular company is profitable, and thus more likely to be self-sustaining, or not. As of March 2022, approximately 59% of the portfolio is unprofitable. This includes names such as Klarna, where the underlying unit economics at maturity are highly profitable and where it has demonstrated profitability at a group level historically.

Klarna’s decision to expand aggressively in new markets, notably the US, has driven significant sales growth, but has moved the company back into losses, as expected. This implies 41% of the portfolio, however, is profitable. This includes the listed names as well as our major unit in Starling, which first achieved profitability in late 2020.

Anecdotally, we believe investors are becoming more discerning about profitability, which is corroborated by the relative outperformance of many profitable technology names versus unprofitable ones.

As a result, our main focus has been on the unprofitable companies in the portfolio, where we have been having discussions with them over recent months regarding the state of the market, and what this is likely to mean in terms of availability of capital. Typically, this results in a discussion about cash "burn" rates and the resulting cash runways – or how long the current cash position will last – with a view to looking at ways in which to elongate the runway, with as little impact on growth as possible. To a large degree, the tightness that has been in evident in hiring markets, particularly for software engineers, has meant that companies have secured staff in advance of their deployment in projects, meaning that there are efficiencies available. While these are difficult conversations for founders – who have been used to a growth-focused environment – to have, this is occurring on an industry wide basis, and for good reason.

We have also been working on how to best place Chrysalis to respond to these changing conditions, which primarily centres around our ability to provide capital. This ranges through a variety of scenarios, from continuing to help fund growth – potentially exploiting opportunities that this selloff will generate – to ensuring we can protect our shareholdings and avoid dilution in more extreme scenarios, where funding is required to extend cash runway.

Considering this unprofitable element of the portfolio, the average cash runway is 14 months. Given the uncertainty over how long the current environment will persist, we believe it is prudent to budget conservatively. To do that, we consider each of our unprofitable companies' cash burn, and what is the likely cash requirement for one year's extra funding. We can then calculate the capital commitment that would be needed to maintain the Company's shareholding, i.e. investing pro rata to its current percentage ownership, in the event of a funding round. This is particularly relevant if the funding round is struck at a lower valuation than previously – a "down round" – as, while the lower valuation is likely to have a negative impact on our short-term NAV, our ability to participate will help prevent dilution of the Company's stake.

On this basis, we believe our current available cash position, invested pro rata alongside other existing investors, is sufficient to elongate the runway of all of the companies within the unprofitable basket for at least one year should they look to raise capital, and our total liquidity (including our listed assets) would give at least two years of extra runway, implying over three years of total runway for these companies, when combined with their current cash positions.

In our minds, this should provide ample runway for our companies to transit this moment of particular stress.

Looking more generally, our expectation is that private market investors will become increasingly discerning in terms of what they choose to fund and will focus on best-in-class operators. While we are not complacent about the current conditions, in this regard we feel well positioned, with many of our portfolio assets, particularly our larger holdings, such as Klarna, Starling and wefox, leading their respective market segments.

Outlook

As at 31 March 2022, the Company had approximately £72.5 million of cash available for investment, with another £86.6 million held in listed assets, giving total potential liquidity of approximately £159.1 million. At the time of writing, the war in Ukraine is still ongoing, heightening geopolitical and macroeconomic uncertainty.

In addition, investors are grappling with the likely speed of tightening monetary policy by central banks, particularly the US Federal Reserve, to control inflation. As of 30 September 2021, the market was implying a relatively flat Fed Funds curve, rising from approximately 10 basis points ("bps") to 75 bps two years out; by 31 March 2022 expectations had risen sharply, to approximately 280 bps two years out. Post period end, they have risen further, to approximately 340 bps as of late June.

These changes in the yield environment have shifted the primary driver of valuations away from a company's ability to grow and more on to its ability to generate cash flow. While long term, we still believe growth will be one of the key determinants of a business' terminal valuation, we accept that we must adjust to the current market conditions, and so too do our companies.

As discussed in the previous section, we believe we have the capital required to see our portfolio companies through a prolonged period of stress, and this is our primary consideration. While we recognise the current share price discount to NAV is significant, and thus there is a valid question over the possibility of buybacks, the impact of undertaking the latter on the former must be considered.

At the current time, we believe undertaking a buyback of a sufficient quantum to be meaningful, over a sufficient time period to prove effective, and with sufficient reserve "dry powder" to be credible, would put at risk our ability to fund our companies, which could prove highly damaging to the Company's long term prospects.

In a similar way that many of our portfolio companies are adjusting to the "new normal", so we have also needed to pivot. The realities of the current capital position, while being adequate to protect the hard work since IPO of building out a portfolio of exciting assets, is that it is not of a sufficient scale to allow us to either expand the portfolio with new investments or look to retire a significant quantum of shares.

So saying, our capital allocation process is dynamic and involves continual reassessment of the best use of our capital base. This means that buybacks could well become appropriate in future.

The Company section below gives commentary around how each of the individual assets has performed. While the market backdrop has been difficult, we are pleased to report that the portfolio in aggregate continues to perform very well operationally.

Company section

Starling Bank Limited ("Starling")

Progress at Starling continues to be rapid.

At the start of 2022, the bank had opened over 2.7 million accounts, including 475,000 small and medium enterprise ("SME") accounts. The growth in SME accounts is particularly impressive, given the business bank was only opened in 2018, and has managed to grow to approximately half the market share of Barclays (by number of accounts), which was founded over 125 years ago, in a bit over three years.

Growth in other metrics has also been impressive. As of early 2022, the deposit base was £8.4 billion, having grown 75% over the year, and lending had expanded by over 60% to £3.1 billion.

Starling has consistently said it has been profitable since October 2020 – a rarity among global neobanks – despite operating at a lowly 37% loan to deposit ratio ("LDR"). The rapid shift in yield expectations, driven by inflation in the global economy, has profound implications for banks that have been operating in a low yield environment for many years.

For Starling, the ramifications are highly significant: the implied £5.3 billion sitting in treasury, and earning minimal yield over the course of 2021, will begin to generate meaningful amounts of income, which crucially, is risk-free.

Starling: illustrative impact of rising yields on revenues

£bn	Jan-22
Deposits	8.4
Loans	3.1
Implied treasury	5.3
LDR	37%

	Dec-21	Apr-22	Mar-23
Base rates	0.10%	0.75%	2.50%
Implied treasury revenue (£m)	5	40	133

Source: Jupiter and Bloomberg

Looking at market derived base rate expectations, which are predicted to rise to over 3% by March 2023, compared to the 10bps experienced since the onset of COVID-19, there is the potential for Starling to generate over £160 million of revenue on an incremental basis, if it chose to maintain its treasury balances – in other words, do nothing.

In practice, there should be opportunities to increase lending. To this end, last year saw the acquisition of Fleet Mortgages Limited – a Buy-to-Let mortgage originator – to supplement organic lending undertaken via COVID-19, government backed schemes.

In April 2022, Starling closed a £130.5 million funding round. This means the bank is not only profitable, but also extremely well funded, and this will provide the capital to explore organic origination opportunities, in addition to possible forward flow agreements, and the potential to target the acquisition of select lending businesses.

Starling is also looking to further develop its Software as a Service ("SaaS") offering and in the period launched "engine by Starling". This enables any bank to set up and run a digital bank efficiently and quickly. An example of this was Standard Chartered's use of Starling's technology to launch its new green savings product, Shoal. In our view, this opens up an exciting new avenue for generating shareholder returns, by investing in the types of recurring revenues streams that investors typically value highly.

Klarna Holding AB ("Klarna")

Klarna continued to exhibit strong growth over 2021, driven by the success of the US market. The compound annual growth rate ("CAGR") in Gross Merchant Value ("GMV") was 27% between 2017 to 2019, reflecting the period before the US expansion strategy was implemented. Post the focus on the US, which Chrysalis helped to fund over two capital raises in 2019 and 2020, group growth has accelerated to a CAGR of over 50% between 2019 and 2021.

Over the year, US GMV rose more than threefold, we believe substantially outperforming US credit card originations. For example, Mastercard US payments volumes (excluding cash) grew at 29% over 2021 – rebounding from a contraction caused by COVID-19 in 2020. This implies that Klarna's US growth was at least seven times as fast as Mastercard's, and likely quicker.

This was achieved while tightly controlling credit losses. While the rate of impairment (as a percentage of GMV) rose in 2021 to 67bps (equivalent to approximately USD500m) from 56bps in 2019, much of this increase came from volume growth in new markets, including the US. Expansion in the US was anticipated to attract higher loss rates, so this was not unexpected (credit losses as a percentage of GMV in the US have begun to moderate and are down 60% as a percentage of GMV since 2019, despite a fivefold increase in the number of customers). Adjusting for this new market effect, and improved underwriting on mature markets, losses (based on 2019 volumes) would have fallen to 36bps.

In May 2022, Klarna detailed its 1Q22 results, which saw GMV growth of a more modest 19% - reflecting the fact it was lapping a very strong comparative from 1Q21, and likely some throttling of credit. Given the change in market sentiment, Klarna said it will be making some job cuts and will balance its focus on profitability versus growth more evenly, which we believe is a sensible response to the current market environment.

We believe these comments will mark a turning point in Klarna's financial performance, and could see the company move towards profitability during 2023. Looking back at 2021, a significant investment in opex, as well as an increase in impairments, drove the company further into loss. Of these, the increase in non-staff opex was the biggest driver, being the largest element of the cost base and seeing the largest increase year-on-year: over 2021, non-staff opex almost doubled to over $1.3 billion.

Our assumptions regarding Klarna's ability to move into profit are:

- revenues grow at a compound rate of 25% over 2022 and 2023 – a conservative level versus recent history, but roughly in line with 1Q22;
- the cost cutting measures that Klarna is looking to enact this year limit non-staff opex to roughly the same level in 2023 as in 2021;
- 10% staff opex cuts are achieved; and
- impairments trend back towards their historical levels.

The impact of these changes would mean Klarna could be at a point of breakeven in 2023, as illustrated below.

If Klarna is able to achieve breakeven in 2023, and it should be remembered that it has been profitable for most of its existence, prior to tackling the US, in our view this would substantially transform the perception of the company in the eyes of the market.

wefox Holding AG ("wefox")

Following a record $650 million Series C funding round in June 2021, wefox has continued to scale rapidly. The company has more than doubled its annual turnover every year since its inception in 2015 and reported revenues of over $300 million in 2021. wefox has successfully expanded across channels, as well as across geographies, and is now present in five territories across Europe. The company has indicated that it will increase its presence in Europe in 2022 and look to expand into both Asia and the US in the medium term.

Over the past few months, listed InsureTech assets such as Lemonade, Hippo and Root Inc. have materially derated. The extent of that derating has been exacerbated by the fact that each of these companies is heavily loss-making, with an apparently long path to profitability. The direct insurance model – where companies sell straight to consumers – that they operate currently is hampered by unit economics that are compromised by high loss ratios and customer acquisition costs; the combined ratio makes it virtually impossible to generate a profit and a huge amount of capital is therefore required to reach scale.

wefox operates a very different business model to these peers, and it is the reason why we initially invested in the business and why the company is on track to reach profitability. wefox focuses on digitising indirect distribution channels (advisers, brokers and affinity partners) which in total represent 90% of its target markets. Lower customer acquisition costs through indirect acquisition and lower loss ratios through targeted selection is allowing the company to scale quickly internationally, at superior unit economics.

As a result, wefox is gaining market share in its core markets, which, along with its offering's ease of use, is allowing it to grow rapidly.

Smart Pension Limited ("Smart")

2021 was an exceptional year for Smart with a number of notable achievements, including the continued rollout of technology partnerships with financial institutions in the US, Ireland and Dubai; securing a cornerstone technology transformation contract in Hong Kong; and growing revenue by +300% year-on-year.

Originally set up to provide a digital solution to pension auto-enrolment in the UK, Smart realised its technology platform was applicable internationally, especially as many countries face similar savings problems as the UK: an aging population that has not saved enough. This has pushed other countries to consider auto-enrolment schemes of their own.

Over the course of 2022, Smart completed the strategic acquisition of the US managed account provider, Stadion Money Management, further bolstering its product capabilities in the world's largest defined contribution market. Smart will also be launching organically with a small plan focused 401k offering later in the first half of 2022, targeting the five million US workers who currently lack access to a workplace saving plan.

As of March 2022, nearly two million savers have entrusted over £4 billion in assets to the Smart Platform (+150% growth year-on-year), and the company anticipates seeing a significant acceleration in the near term, through continued growth of the captive Smart Master Trust and the licensing of technology to leading insurers, banks and asset managers in the UK and core international territories (USA, Australia and the Middle East).

To date, outside of the US, Smart's international expansion includes a programme in Ireland to deliver a bespoke Platform as a Service (PaaS) offering to New Ireland Assurance; an employee workplace savings scheme in Dubai for 22,000 members in partnership with Zurich; and an agreement to tackle the Australian market with Link Group.

As a result of numerous avenues for growth, Smart expects to end 2022 with approximately $10 billion (£8 billion) of AUM on its platform.

The Brandtech Group LLC (formerly You & Mr Jones LLC)

You & Mr Jones was renamed The Brandtech Group LLC ("Brandtech") earlier this year and aims to help businesses do their marketing better, faster and cheaper using technology. The Brandtech is now a global market leader in content in-housing and is delivering enterprise-level marketing solutions for some of the world's biggest brands, including Unilever, Google, Adidas, Microsoft, LVMH, Danone, Uber and Reckitt Benckiser.

The company generated 27% and more than 50% organic net revenue growth in 2020 and 2021 respectively, and recently reported on-going strong growth into 1Q22; we consider these rates of growth to be market leading.

Total growth has been boosted by selective M&A and Brandtech recently acquired DP6, which is Latin America's leading marketing technology and data company, and Acorn-i, an ecommerce SaaS platform.

DP6 is based in Brazil and delivers technology and data solutions for many of the region's largest businesses as well as numerous global brands, including Carrefour, CNN, BASF, Nubank and Whirlpool. The company provides technology and data expertise, from data measurement to media attribution, data science, AI-powered analytics, and content optimisation.

Acorn-i helps brands to market on ecommerce platforms, particularly Amazon where it helps companies to improve advertising effectiveness and search engine optimisation.

Brandtech generated more than $500 million in revenues in 2021 and we now consider the company to be a global platform. In 2019, David Jones described the business as "strongly profitable" and we believe EBITDA margins in this sector typically range from 15% to 25%. Brandtech is well positioned to serve enterprise clients at scale, and this is critical given the emergence of digitisation and other technologies and trends such as AI, Blockchain and the Metaverse.

Graphcore Limited ("Graphcore")

Technical progress at Graphcore continues to be impressive. Following on from its strong showing in the MLPerf industry measure of comparative benchmark testing, which showed a significant advantage (between 1.3x-1.6x) for Graphcore over incumbent Nvidia on a performance-per-dollar basis, the company has recently released new hardware.

The third-generation system, called Bow, is the first chip ever to feature wafer-on-wafer technology, which allows a significant improvement in performance, at greater efficiency. Bow contains 1,472 independent cores that can allow 9,000 separate programmes to be run at the same time, for true parallel computing.

Performance gains in the industry are key, as model sizes have been rising aggressively. When we first invested in late 2018, models contained about 330 million parameters. Fast forward to today, and models of up to one trillion parameters are on the cards. Bow also increases the performance advantage over Nvidia's comparable machines, with a fivefold decrease in time to train and a tenfold lower total cost of ownership.

The company has greater ambitions in the pipeline. Graphcore is working on an Ultra Intelligence Machine alongside several technology third parties, that will be able to handle up to 500 trillion parameters.

While both the hardware and software have come on significantly since our initial investment, the company now needs to demonstrate that it can successfully commercialise its products widely across the market.

Featurespace Limited ("Featurespace")

Featurespace continued to demonstrate strong growth over the first half, with considerable sales traction, driven by its award-winning product.

As evidence of the quality of its offering it:

- won the Next Generation Payments award in the 2021 FinTech Rankings;

- was recognised as Best-in-Class among fraud and AML (Anti Money Laundering) machine learning platforms by Aite-Novarica Group;
- won “Best Technology Initiative” via Worldpay’s Fraudsight (powered by Featurespace) at the 2022 Cards & Payments Awards; and
- was a finalist in the 2021-22 Cambridge Independent Science and Technology Awards for AI Company of the Year and Technology Company of the Year.

This enabled the company to win over 70 new customers, both directly and indirectly, over the course of last year, including Marqeta and eftpos – Australia’s debit card system, which handled over 2 billion card transactions in 2020. NASDAQ listed Marqeta – which provides a cloud-based card issuing platform to customers that include Klarna – partnered with Featurespace to deliver real-time decisioning for card transactions to help manage payment fraud and allow customers to monitor and modify rules as threats develop.

The global market for fraud detection and prevention is expected to grow at a CAGR of over 20% from 2022 to 2029, supporting our expectation of on-going strong growth from Featurespace, particularly given the quality of its offering.

Tactus Holdings Limited (“Tactus”)

The gaming industry is now the largest and fastest growing form of entertainment globally, with the gaming PC market rapidly expanding as more gamers, from casual players to e-sports professionals, immerse themselves in their own virtual communities. As a leading provider of own and third-party branded custom gaming PCs, component parts, equipment, and accessories, Tactus is ideally positioned to benefit from these structural dynamics.

Tactus is looking to strengthen its position in the gaming and technology sector and has completed a number of acquisitions over the last twelve months including PC gaming specialist CCL, coding and robotics firm pi-top, B2B IT hardware provider BIST Group and award winning PC gaming brand Chillblast. More recently, Tactus announced the acquisition of online gaming and technology retailer Box.

Box is an online retailer of consumer technology and specialist devices, with a customer base across the UK and Europe. Founded in 1996, the company had grown to over £100 million of revenues in 2021.Box takes the group’s headcount to over 350 individuals and its purpose built 120,000 sq ft logistics centre significantly expands the scale of Tactus’ supply chain and operations across the UK and beyond, while providing enhanced capacity to accommodate future growth.

As a result of organic growth and this significant acquisition activity, Tactus has experienced very strong revenue growth over the course of the last year.

Wise PLC (“Wise”)

Since successfully listing on the London Stock Exchange in July 2021, Wise has continued to trade well. The company reported strong financials during the period and has consistently exceeded market guidance.

Wise released its 3Q trading update (for the quarter to December 2021) on 19 January which demonstrated strong financial and operational progress since the Initial Public Offering (“IPO”). Over 4 million customers transacted on Wise over the period with the number of active personal customers increasing +26% year-on-year to 4.1 million while the number of active business customers increased +39% year-on-year to 250,000. Volume grew +38% year-on-year to £20.6 billion (driven by customer growth and volume per customer growth) and revenues grew +34% year-on-year and +13% quarter-on-quarter to £149.8 million (broadly in line volume growth). Sequential volume added was £2.6 billion, which was more than double some consensus estimates (approximately £1.2 billion), representing the highest level of sequential volume ever added quarter-on-quarter. Following the trading update, Wise increased its full year revenue guidance to +30% (from mid-to-high 20s at H1) which we view as highly encouraging.

Wise has a relentless focus on customer service and user experience, and we have been pleased to see that the company has continued to invest in these areas. The time it takes to complete a transfer continues to improve with 40% of all transfers delivered instantly. At the same time, Wise continues to make transfers more convenient, and customers can now send money to India using their smartphones, without needing to know their recipients bank details. The launch of "Assets" in the UK gives customers a potential return on their Wise cash balance by holding it in a different asset classes.

Wise's business proposition is also improving. Business customers can now attach notes to card transactions, delegate tasks, approve payments and assign spending limits to accountants and team members. Business customers can also get verified quicker with 98% of verification tasks resolved within 24 hours.

Cognitive Logic Inc. ("InfoSum")

Despite Google's decision to delay its self-imposed deadline to deprecate third-party cookies in its Chrome browser, InfoSum is benefitting from many structural tailwinds that are also driving the purchasing decisions of prospective clients. The launch of App Tracking Transparency by Apple in April 2021 and regulatory changes such as GDPR in the UK and CCPA in the US are making it increasingly difficult for brands and publishers alike to gather information on consumers, and thus to target specific cohorts.

These tailwinds have led to the emergence and increased momentum of data clean rooms – secure environments where Personally Identifiable Information can be anonymised and processed to gain insights into customer cohort behaviours, in a privacy-compliant way – in recent months. Disney publicly announced a data clean room solution in October 2021 for advertisers, harnessing more than one thousand first-party data segments to boost measurement and campaign insights, using InfoSum as a partner. InfoSum also announced a partnership with The Trade Desk in an effort to scale its clean room network.

InfoSum continues to expand internationally and, in the first half of the year, the company announced that it has entered Germany, Italy, Australia and New Zealand. We recognised the scale of the opportunity globally for InfoSum at the point of investment and are encouraged by the company's progress in these jurisdictions.

Deep Instinct Limited ("Deep Instinct")

Deep Instinct's review of the cyber security market over 2021 makes for sobering reading. While the rate of growth in one of the highest profile threats, ransomware, has slowed since its peak over COVID-19, it still recorded an approximate 16% increase over the year in incidences. However, there was a 125% increase in all threat types combined, confirming that the post COVID-19 level of cyber-attack activity is significantly elevated compared with those in existence pre the pandemic.

A number of the attacks are now focusing on short-duration, high-impact events. Notable was the breach at Colonial Pipelines, which caused a halt to operations for several days, triggering major disruption across the US and an increase in gas prices. Events like this demonstrate the importance of cybersecurity to combat an increased prevalence of attack.

In terms of the efficacy of its offering, Deep Instinct took part in the MITRE Engenuity ATT&CK Evaluations for the first time. MITRE Engenuity is a tech foundation set up for the public good, and Deep Instinct was pleased to announce a 100% prevention score against simulated attacks in the vein of two well know malicious threat groups.

With strong market growth and a product boasting greater than 99% zero-day accuracy, we believe Deep Instinct is excellently positioned to grow strongly in the coming years. In terms of commercial development, the partnership with Tanium, announced in late 2021, could be highly significant. Tanium is trusted by nearly half of the Fortune 100 to give visibility and control over their endpoints and offers another route for Deep Instinct to go-to-market.

Revolution Beauty Group PLC ("Revolution Beauty")

Revolution Beauty's share price has been reasonably resilient over the period, considering market conditions, (albeit post period end it suffered more significant declines) and we are highly encouraged by the trading performance of the business, particularly versus many other retailers.

The company released a trading update for its year to the end of February 2022, which was broadly in line with market expectations. Revenues were £194 million over the year, which compared to analysts' consensus of approximately £198 million, and represented a growth rate of 42% year-on-year.

We consider this to be positive progress given the tough backdrop and a volatile trading environment. Adjusted EBITDA of £22 million implies a growth rate of 73% year-on-year and a margin of 11.3%; the margin for FY21 was 8.6%.

The strength of Revolution Beauty's financial results demonstrates the resilience of the omnichannel model. For example, UK store sales grew +85% year-on-year as high street footfall recovered post-pandemic and Makeup Revolution was launched in Boots stores. Similarly, Rest-of-World ("ROW") stores were +79% year-on-year with ROW now representing 35% of the global business. Retail stores currently represent 79% of the sales mix.

The USA is now Revolution's biggest single market at 20% of sales and delivered sales growth of +27% for the full year. This growth was achieved against a strong FY21 comparator, where Makeup Revolution was rolled out across Target stores for the first time.

At a share price of 82p, Revolution Beauty currently trades on 1.0x FY23 revenue and 8.0x EBITDA. We view these multiples as particularly undemanding and are still seeing private beauty businesses that generate strong rates of organic growth transact at 4-7x revenues.

Our original thesis on Revolution Beauty therefore remains unchanged: we still think management is capable of doubling revenues over a 3–5-year period and we believe that there is rerating potential in the medium term; this should contribute to a strong IRR for Chrysalis.

Sorted Holdings Limited ("Sorted")

As Sorted looks to enter its next stage of growth, a decision was made to recruit a new CEO and senior leadership team. In October 2021, Sorted announced Carmen Carey, who has been a Non-Executive Director on Sorted's board of directors for the past two years, as its new CEO. Carmen has a strong SaaS background and was previously CEO at Brady Technologies, Big Data Partnership and ControlCircle and COO at Metapack (a major carrier platform competitor to Sorted).

Other key appointments made include an interim COO, the Vice President of Product, and Vice President of Sales. The company also appointed Colin Tenwick as its new chairman, who currently serves as non-executive chairman of ecommerce platform Wowcher.

The company closed a Series C funding round of $40 million in December 2021, which enabled it to acquire Clicksit, an automated returns company. This acquisition marks Sorted's continued expansion into the US market and will also enable the group to target the Small and Mid-sized Business ("SMB") market. Returns are a crucial step in the customer journey and Clicksit will enable Sorted to provide a complete delivery experience platform to both enterprise and SMB clients.

We note that Sorted saw a +137.5% increase in UK shipment volume in 2021 year-on-year through its returns platform, which highlights both the continued growth in ecommerce and Sorted's ability to win market share.

THG PLC ("THG")

THG's share price performance has been disappointing over the period, driven by both negative sentiment towards the company and due to wider ecommerce sector issues.

Elevated shipping, freight and labour costs hit margins through H2 2021, but the company has continued to report double-digit organic growth – despite very strong sales growth in the comparable period in 2020 – and good progress has been made scaling Ingenuity, the company's proprietary technology platform.

For the financial year ending 31 December 2021, Group revenues increased +35% year-on-year to £2.2 billion. On a two-year basis, THG has grown revenues +95%; effectively doubling the size of the business. Revenues have been driven organically and through selective M&A. Acquisitions such as Dermstore, Cult Beauty and Bentley Laboratories, which are the three largest acquisitions since IPO, enhance the THG Beauty offering; provide additional scale to its US operations; and increase control of the supply chain through vertical integration.

Adjusted EBITDA rose to £161 million over the same period, which implies a margin of 7.4%. This compares against an adjusted EBITDA margin of 9.3% in FY20, and reflects the substantial cost headwinds the company faced in the second half of 2021. This is a trend we have witnessed across the sector and broader economy, with commodity inflation, foreign exchange movements, increased cost of labour, and freight and duty having an impact on profitability. We believe that these headwinds will ease through H2 2022 and that THG is still capable of generating an adjusted EBITDA margin of 9-10% in the medium term, consistent with the expectations set out by the company at the point of IPO.

THG's monetisation of its Ingenuity platform has been a central part of our investment thesis, and considerable progress has been made from a standing start a few years ago. Ingenuity Commerce revenues increased +135% year-on-year through FY21 to £45.4 million, with FY22 revenue guidance increased from £90 million to approximately £110 million in the Q3 2021 trading update. A record number of customers were signed in H2 2021 and the Ingenuity operational infrastructure and technology platform is now powering an expansive list of global brands across a range of sectors, and the number of third-party websites on the platform more than doubled during over 2021.

Ingenuity ecommerce revenue development 2018-2022E

Secret Escapes Limited (“Secret Escapes”)

Secret Escapes has continued to develop its customer proposition over the past twelve months with an increased focus on the “Always-on Hotel-Only” offering, which has resonated well with customers. The company has also developed its website and smartphone application further and these initiatives appear to be driving key performance indicators and unit economics.

However, the trading environment for the business has been extremely challenging since the onset of the COVID-19 Pandemic in early 2020 since when booking patterns and consumer behaviour have remained volatile and difficult to predict. Secret Escapes has taken proactive measures to embed operational efficiencies, and this has proven effective at driving profitability when bookings have improved. Frustratingly, a series of travel restrictions and the war in Ukraine have perpetuated the “stop-start” environment since the start of the pandemic, masking the benefits of this improved operating model.

Secret Escapes has got a very strong customer proposition and has more recently proven its ability to generate robust profit margins from a much lower revenue base. This has given us increased confidence in the outlook of the business. As demand-side shocks ease, we believe the business has a strong chance of realising its potential.

Growth Street Holdings Limited

The company is currently going through the final stages of liquidation. Chrysalis has already received most of the expected proceeds from the liquidation of the business and this is reflected in the carrying value of the asset.

Embark Group Limited / Rowanmoor Group (“Embark”)

During the period Embark was sold to Scottish Widows Group Limited, a subsidiary of Lloyds Banking Group plc for £390 million. Chrysalis received net cash proceeds of £57 million as part of the transaction which implies a cash-on-cash return of 2.1x from the date of our initial investment in July 2019. This deal represents a great outcome for our shareholders and a key milestone for Chrysalis, given that it is the company’s first full realisation.

When Chrysalis first invested in Embark, the platform was approaching scale and had approximately £16 billion of Assets under Administration (“AuA”). Through selective M&A, Embark was able to scale AuA to over £35 billion which drove revenues and profitability and resulted in the asset becoming strategically valuable to a number of incumbent self-invested personal pension administrators. This highlights the importance of being able to provide follow-on capital and the extent to which we can maximise value and drive returns across our portfolio.

Chrysalis maintains an interest in the Rowanmoor SIPP and SSAS administration business. Due to ongoing issues in the business the investment has a zero carrying value.

Environmental, Social and Corporate Governance Report

The role of ESG in our investment process

Chrysalis provides primary capital to innovative and disruptive businesses. Although no new investments were made during the period, we have continued to implement the ESG policy established by the Board and Investment Adviser to enhance the systematic integration of ESG analysis across the portfolio.

The investment team continues to engage with portfolio company leadership teams and provide input on how to meet their strategic objectives, as well as discussing broader governance and sustainability topics. We have also developed a dashboard of metrics we use to track our companies' ESG performance and development.

We firmly believe that in order to grow successfully, companies and their founders must not only execute their strategies; they must also lay the foundations for future growth by fostering a healthy corporate culture, a talented and diverse workforce and creating appropriate corporate governance structures. They must also seek to minimise any direct and indirect negative impact on the environment and broader society.

As investors with decades of experience in investing in public markets, we believe we are well-placed to advise companies not only on their growth strategy, but also on their ESG development as they prepare to be acquired by a strategic buyer, or IPO.

The portfolio

From an ESG perspective, the type of businesses we invest in are likely to be significant job creators, with positive spill over effects elsewhere in the economy. We estimate that Chrysalis companies have collectively increased their headcount by over 13,600 employees since the initial date of our investment, illustrating the powerful second order effects of the primary capital we deploy. We are pleased that many of the jobs created are in the UK.

The current portfolio includes many companies which provide solutions to urgent business problems with broader societal costs - such as fraud, cyber risks, data privacy and affordable pension provision - or which disrupt highly profitable financial services incumbents and share cost savings with consumers. The demand to reduce these broader societal costs are a crucial driver which underpins the long-term growth story of these investments.

We also have investments in other consumer-facing companies which are taking tangible steps to enhance the sustainability profile of their operations, using techniques such as ethical sourcing of raw materials, reduced freight emissions and building circular economy principles into their manufacturing capabilities. We support these strategies and believe they will translate into a stronger brand proposition and a closer relationship with customers over time, while mitigating a range of risks posed by changing customer preferences and future regulatory costs.

Tracking performance

Metric	Number of portfolio companies	Percentage of AUM
Scope 1 & 2 Greenhouse Gas Emissions ("GHG") calculated	8/15	63%
Net zero commitment made	5/15	53%
Independent board chair	6/15	48%
Female CEO	3/15	26%

Average proportion of women in senior leadership roles (CEO and direct reports)	24%	N/A

We have developed an internal dashboard of metrics we use to assess our portfolio companies' ESG performance. This data is collected directly from our private investee companies or sourced from the sustainability disclosures of our listed holdings. It covers a broad range of environmental, social and governance factors drawing on recognised public sustainability frameworks and the stewardship experience of the investment adviser.

We use the metrics to assess each company's ESG performance relative to its level of corporate development and maturity. We incorporate insights gained into our dialogue with company leadership teams in order to assist their continued development. The data also provides us with a baseline for the sustainability characteristics of the portfolio, and a set of criteria with which to assess potential new investments. We will continue to develop the metrics and will use the data to provide our clients with increased transparency on the sustainable characteristics of their portfolio. For example, the majority of our portfolio companies have calculated their operational (Scope 1 and 2) GHG emissions. We encourage all remaining portfolio companies to measure and reduce their emissions and we intend to disclose the weighted average carbon intensity of our portfolio once the underlying data is available.

Our stewardship approach

Stewardship is an important responsibility and a core aspect of our investor approach. We aim to partner with companies for the long-term and assist them on their respective journeys to become the best businesses that they can be. The structure of Chrysalis suits this approach: the permanence of its capital, compared with fixed life funds, gives us the ability to continue to fund growth post initial investment, and as such we remain actively engaged and well-positioned to influence companies on ESG and other topics.

There is a continuous process of dialogue with the leadership teams of our investee companies. Our ability to influence companies varies depending on the size of our shareholding and whether we have board observer status and access to management information. Where we have a board seat or board observer status, we attend board meetings of investee companies and provide our input where we believe we can advise companies on how to meet their strategic objectives. This includes regular dialogue on ESG related topics. Our dialogue with companies where we do not have direct access to management information will typically take place via regular meetings with management.

The leadership teams of our portfolio companies recognise the importance of ESG to the long-term success of their businesses. A particular focus of our recent dialogue has been the importance of embedding ESG principles and creating an open and inclusive culture in order to attract and retain a highly skilled and diverse workforce, in an environment where the competition for talent is fierce.

We are encouraged by this alignment with our own perspective and will continue to report on our activities in this area in future.

Investment Objective and Policy

Investment objective

The investment objective of the Company is to generate long term capital growth through investing in a portfolio consisting primarily of equity or equity-related investments in unquoted and listed companies.

Investment policy

Investments will be primarily in equity and equity-related instruments (which shall include, without limitation, preference shares, convertible debt instruments, equity-related and equity-linked notes and warrants) issued by portfolio companies. The Company will also be permitted to invest in partnerships, limited liability partnerships and other legal forms of entity where the investment has equity like return characteristics.

For the purposes of this investment policy, unquoted companies shall include companies with a technical listing on a stock exchange but where there is no liquid trading market in the relevant securities on that market (for example, companies with listings on The International Stock Exchange and the Cayman Stock Exchange). Further, the Company shall be permitted to invest in unquoted subsidiaries of companies whose parent or group entities have listed equity or debt securities.

The Company may invest in publicly traded companies (including participating in the IPO of an existing unquoted company investment), subject to the investment restrictions below.

In particular, unquoted portfolio companies may seek IPOs from time to time following an investment by the Company, in which case the Company may continue to hold its investment without restriction.

The Company is not expected to take majority shareholder positions in portfolio companies but shall not be restricted from doing so. Further, there may be circumstances where the ownership of a portfolio company exceeds 50% of voting and/or economic interests in that portfolio company notwithstanding an initial investment in a minority position. While the Company does not intend to focus its investments on a particular sector, there is no limit on the Company's ability to make investments in portfolio companies within the same sector if it chooses to do so.

The Company will seek to ensure that it has suitable investor protection rights through its investment in portfolio companies where appropriate.

The Company may acquire investments directly or by way of holdings in special purpose vehicles, intermediate holding vehicles or other fund or similar structures.

Investment restrictions

The Company will invest and manage its assets with the objective of spreading risk, as far as reasonably practicable. No single investment (including related investments in group entities) will represent more than 20% of Gross Assets, calculated as at the time of that investment. The market value of individual investments may exceed 20% of Gross Assets following investment.

The Company's aggregate equity investments in publicly traded companies that it has not previously held an investment in prior to that Company's IPO will represent no more than 20% of the Gross Assets, calculated as at the time of investment.

Subject in all cases to the Company's cash management policy, the Company's aggregate investment in notes, bonds, debentures and other debt instruments (which shall exclude for the avoidance of doubt convertible debt, equity-related and equity-linked notes, warrants or equivalent instruments) will represent no more than 20% of the Gross Assets, calculated as at the time of investment.

The Company will not be required to dispose of any investment or rebalance its portfolio as a result of a change in the respective value of any of its investments.

Board Members

The Board comprises six independent non-executive Directors (of whom one third are female) and meets at least quarterly, in addition to ad hoc meetings convened in accordance with the needs of the business, to consider the Company's affairs in a prescribed and structured manner. All Directors are considered independent of the Investment Adviser for the purposes of the Association of Investment Companies Code of Corporate Governance (the "AIC Code") and Listing Rule 15.2.12A.

The Board is responsible for the Company's long term sustainable success and the generation of value for shareholders and in doing so manages the business affairs of the Company in accordance with the Articles of Incorporation, the investment policy and with due regard to the wider interests of stakeholders as a whole. Additionally, the Board have overall responsibility for the Company's activities including its investment activities and reviewing the performance of the Company's portfolio. The Board are confident that the combination of its members is appropriate and is such that no one individual or small group of individuals dominates the Board’s decision making.

The Directors, in the furtherance of their duties, may take independent professional advice at the Company’s expense, which is in accordance with provision 19 of the AIC Code. The Directors also have access to the advice and services of the Company Secretary through its appointed representatives who are responsible to the Board for ensuring that the Board’s procedures are followed, and that applicable rules and regulations are complied with.

To enable the Board to function effectively and allow the Directors to discharge their responsibilities, full and timely access is given to all relevant information.

Comprehensive board papers are circulated to the Board in advance of meetings by the Company Secretary, allowing time for full review and comment by the attending parties. In the event that Directors are unable to attend a particular meeting, they are invited to express their views on the matters being discussed to the Chairman in advance of the meeting for these to be raised accordingly on their behalf. Full and thorough minutes of all meetings are kept by the Company Secretary.

The Directors are requested to confirm their continuing professional development is up to date and any necessary training is identified during the annual performance reviews carried out and recorded by the Remuneration and Nomination Committee.

The current Board have served since the Company’s inception in October 2018, with the exception of Margaret O’Connor who was appointed on 6 September 2021, and have been carefully selected against a set of objective criteria. The Board considers that the combination of its members bring a wealth of skills, experience and knowledge to the Company as illustrated in their biographies below:

Director Biographies

Andrew Haining (Chairman) (independent)

Andrew has had a 31-year career in banking and private equity with Bank of America, CDC (now Bridgepoint) and Botts & Company. During his career, Andrew has been responsible for over 20 private equity investments with transactional values in excess of $1 billion.

Andrew holds several Guernsey and UK board positions.

Stephen Coe (senior independent)

Stephen serves as Chairman of the Audit Committee. He is currently a Non-Executive Director of River and Mercantile UK Micro Cap Investment Company Limited. Stephen has been involved with offshore investment funds and managers since 1990, with significant exposure to property, debt, emerging markets and private equity investments. Stephen qualified as a Chartered Accountant with Price Waterhouse Bristol in 1990 and remained in audit practice, specialising in financial services, until 1997. From 1997 to 2003 Stephen was a director of the Bachmann Group of fiduciary companies and Managing Director of Bachmann Fund Administration Limited, a specialist third party fund administration company. From 2003 to 2006 Stephen was a director with Investec in Guernsey and Managing Director of Investec Trust (Guernsey) Limited and Investec Administration Services Limited. Stephen became self-employed in August 2006, providing services to financial services clients.

Simon Holden (independent)

Simon, a Guernsey resident, brings board experience from both private equity investing and portfolio company operations roles at Candover Investments and then Terra Firma Capital Partners. Since 2015, Simon has been an independent director to listed alternative investment companies, private equity funds and trading company boards including pro-bono roles to the States of Guernsey overseeing infrastructure critical to the Island including the airport, harbours and two maritime fuel supply vessels.

Simon is a Chartered Director (CDir) accredited by the UK Institute of Directors, graduated from the University of Cambridge with an MEng and MA in Manufacturing Engineering and is an active member of UK and Guernsey fund management interest groups.

Anne Ewing (independent)

Anne has over 35 years of financial services experience in banking, asset and fund management, corporate treasury, life insurance and the fiduciary sector. She has an MSc in Corporate Governance, is a Chartered Fellow of the Securities Institute and has held senior roles in Citibank, Rothschilds, Old Mutual International and KPMG and latterly has been instrumental in the start-ups of a Guernsey fund manager and two fiduciary licensees.

Anne has several non-executive directorships roles in investment companies and a private wealth banking and trust company group in the Channel Islands and in London.

Tim Cruttenden (independent)

Tim is Chief Executive Officer of VenCap International plc, a UK-based asset management firm focused on investing in venture capital funds. He joined VenCap in 1994 and is responsible for leading the strategy and development of the firm. Prior to joining VenCap, Tim was an economist and statistician at the Association of British Insurers in London. He received his Bachelor of Science degree (with honours) in Combined Science (Economics and Statistics) from Coventry University and is an Associate of the CFA Society of the UK. Tim is a non-executive director of Polar Capital Technology Trust.

Margaret O'Connor (independent)

Margaret has had a 30-year career building value in technology companies across the US, Asia, Africa, and Europe as an operator, corporate executive, and investor. She currently Chairs the Launch Africa Venture Fund, the Investment Committee of Five35 Ventures and a Fintech. She's an active member of the Private Equity Women Investor Network (PEWIN.org) and gender lens investment networks.

Prior to this, she was a Silicon Valley VC-funded MarketingTech entrepreneur and a founding member of the MasterCard Asia Pacific management team in Singapore and the MasterCard Global New Technology Communications group in New York. She earned her BA from Rutgers University and studied International Relations at Princeton University before moving to Seoul, Korea in 1987 to work for the Korean Ministry of Finance.

Interim Management Report

For the 6 month period ended 31 March 2022

Risks and Uncertainties

There are several potential risks and uncertainties which could have a material impact on the Company's performance and could cause actual results to differ materially from expected and historical results.

The Alternative Investment Fund Manager ("AIFM") has overall responsibility for risk management and control within the context of achieving the Company's objectives. The Board agrees the strategy for the Company, approves the Company's risk appetite and the AIFM monitors the risk profile of the Company. The AIFM also maintains a risk management process to identify, monitor and control risk concentration.

The Board's responsibility for conducting a robust assessment of the principal and emerging risks is embedded in the Company's risk map, which helps position the Company to ensure compliance with the Association of Investment Companies Code of Corporate Governance (the "AIC Code").

The main risks that the Company faces arising from its financial instruments are:

(i) market risk, including:

- Price risk, being the risk that the value of investments will fluctuate because of changes in market prices;
- interest rate risk, being the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates; and
- foreign currency risk, being the risk that the value of financial assets and liabilities will fluctuate because of movements in currency rates.

(ii) credit risk, being the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Company.

(iii) liquidity risk, being the risk that the Company will not be able to meet its liabilities when they fall due. This may arise should the Company not be able to liquidate its investments.

(iv) company failure, being the risk that companies invested in may fail and result in loss of capital invested.

To manage such risks the Company shall comply with the investment restrictions and diversification limits provided for in the Prospectus.

The Company will invest and manage its assets with the objective of spreading risk. Further to the investment restrictions discussed, the Company also seeks to manage risk by:

- not incurring debt over 20% of its NAV, calculated at time of drawdown. The Company will target repayment of such debt within twelve months of drawdown; and

- entering from time to time into hedging or other derivative arrangements for the purposes of efficient portfolio management, managing where appropriate, any exposure through its investments to currencies other than Sterling.

Emerging risks

On 24 February 2022, Russia launched a military invasion of Ukraine. In response, sanctions have been imposed on key Russian institutions, businesses and individuals by major world powers including the US, UK and the EU. Russia is a major exporter of oil, gas, and coal while both Russia and Ukraine are major exporters of grain.

The Company's portfolio has very limited exposure to the Russian and Ukrainian markets and so the sanctions imposed, as a result of the Russian invasion, are not expected to have a material impact. Certain portfolio companies have withdrawn services from the Russian market, a move which the Investment Adviser supports. Notwithstanding this, certain investee companies are exposed to the wider economic headwinds resulting from the invasion, but the Investment Adviser remains confident about the resilience of the portfolio in aggregate to continue to grow and has sufficient liquidity to support these companies to deliver their business plans.

In response to this emerging risk, the Directors have carried out a robust assessment of the Company's processes for monitoring operating costs, share price discount, the Investment Adviser's compliance with the investment objective and policy, asset allocation, the portfolio risk profile, counterparty exposure, liquidity risk and financial controls. At 31 March 2022, the Company had cash and cash equivalents of £72,503,000 and net current assets of £66,457,000. Therefore, the Company is able to settle its liabilities and continue its business with no interruptions.

The Board will of course continue to assess the position as the nature of the conflict evolves.

The Directors continue to monitor the evolution of the Covid-19 pandemic and consider the potential impact of new variants as they emerge. Having weathered the worst of the pandemic the Board still believes the portfolio is well positioned from a thematic perspective and the strategy of the Company remains unchanged.

Going Concern

In assessing the going concern basis of accounting, the Directors have assessed the guidance issued by the Financial Reporting Council and considered recent market volatility, the potential impact of COVID-19 virus, uncertainties surrounding Russia's invasion of Ukraine and sanctions that have been imposed on key Russian institutions, businesses and individuals by major world powers including the US, UK and the EU, on the Company's investments.

After making enquiries and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the Unaudited Condensed Interim Financial Statements. For this reason, they continue to adopt the going concern basis in preparing the Unaudited Condensed Interim Financial Statements.

At 31 March 2022, the Company had cash and cash equivalents of £72,503,000 and net current assets of £66,457,000. Therefore, the Company has sufficient liquidity to meet its obligations. For this reason, the Directors continue to adopt the going concern basis in preparing the Interim Report and Unaudited Condensed Interim Financial Statements.

Important events and financial performance

Highlights from financial year to date are as follows:

Highlights	Ordinary Shares 31 March 2022
Net Asset Value per share	211.76p
Share Price	177.00p
% of capital deployed	95%

The table below provides bi-annual performance information:

Date	NAV per share	% change in price
30.09.20	160.97	17.3% increase on 30 June 2020 NAV
31.03.21	206.15	28.1%
30.09.21	251.96	22.2%
31.03.22	211.76	(16.0)%

The net loss for the six month period ended 31 March 2022 amounted to £220,585,000.

Further details of the Company's performance for the period are included in the Investment Adviser's Report on pages 5 to 21, which includes a review of investment activity and adherence to investment restrictions.

Discount

As at 31 March 2022, the share price was trading at a discount to the last published NAV per share at that point of 30 September 2021.

Related party transactions

Details of related party transactions are given in note 15 to the Unaudited Condensed Interim Financial Statements.

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU; and
- the interim management report (which includes the Chairman's Statement, Interim Management Report and the Investment Adviser's Report) includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal or emerging risks and uncertainties for the remaining six months of the financial year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or the performance of the entity during that period and any changes in the related party transactions described in the last annual report that could do so.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of the condensed set of financial statements. Legislation in Guernsey governing the preparation and dissemination of the condensed set financial statements may differ from legislation in other jurisdictions.

Stephen Coe
Director
29 June 2022

Independent Review Report to Chrysalis Investments Limited

Conclusion

We have been engaged by Chrysalis Investments Limited (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2022 of the Company which comprises the unaudited condensed statement of comprehensive income, the unaudited condensed statement of financial position, the unaudited condensed statement of changes in equity, the unaudited condensed statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2022 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules (the "DTR") of the UK's Financial Conduct Authority (the "UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Barry Ryan
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey
29 June 2022

Unaudited Condensed Statement of Comprehensive Income

For the 6 month period ended 31 March 2022

				Period from 1 October 2021 to 31 March 2022 (unaudited)			Period from 1 October 2020 to 31 March 2021 (unaudited)
	Notes	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Investments							
Net (losses) / gains on investments held at fair value through profit or loss	10	–	(233,515)	(233,515)	–	249,691	249,691
Gains on currency movements		–	5	5	–	216	216

Net investment (losses) / gains		**–**	**(233,510)**	**(233,510)**	**–**	**249,907**	**249,907**
Interest income		60	–	60	508	–	508
Gain on settlement of financial liability	5	–	17,907	17,907	–	–	–
Total income		**60**	**17,907**	**17,967**	**508**	**–**	**508**
Investment management and performance fees	5	(3,304)	–	(3,304)	(1,820)	(49,339)	(51,159)
Other expenses	6	(1,726)	–	(1,726)	(1,856)	–	(1,856)
(Losses) / gains before finance costs and taxation		**(4,970)**	**(215,603)**	**(220,573)**	**(3,168)**	**200,568**	**197,400**
Finance costs		(12)	–	(12)	(45)	–	(45)
(Losses) / gains before taxation		**(4,982)**	**(215,603)**	**(220,585)**	**(3,213)**	**200,568**	**197,355**
Tax expense		–	–	–	–	–	–
Total (losses) / gains and comprehensive income for the period		**(4,982)**	**(215,603)**	**(220,585)**	**(3,213)**	**200,568**	**197,355**
(Losses) / gains per Ordinary Share (pence)	7	**(0.87)**	**(37.85)**	**(38.72)**	(0.81)	50.32	49.51

The total column of this statement represents the Unaudited Condensed Statement of Comprehensive Income of the Company prepared under IAS 34.

The supplementary revenue and capital return columns are prepared under guidance published by the Association of Investment Companies ("AIC").

All items in the above statement derive from continuing operations.

The notes on pages 35 to 57 form an integral part of these Unaudited Condensed Interim Financial Statement.

Unaudited Condensed Statement of Financial Position

As at 31 March 2022

	Notes	31 March 2022 £'000 (unaudited)	30 September 2021 £'000 (audited)
Non-current assets			
Investments held at fair value through profit or loss	10	**1,193,832**	**1,460,198**
Current assets			
Cash and cash equivalents		72,503	49,794
Other receivables		135	427
		72,638	**50,221**
Total assets		**1,266,470**	**1,510,419**
Current liabilities			
Performance fee payable	5	-	(112,077)

	Note		
Management fee payable	5	(5,085)	(3,333)
Other payables		(1,096)	(1,075)
Loan payable	9	-	(15,000)
Total liabilities		**(6,181)**	**(131,485)**
Net assets		**1,260,289**	**1,378,934**
Equity			
Share Capital	11	860,890	758,950
Capital reserve		417,817	633,420
Revenue reserve		(18,418)	(13,436)
Total equity		**1,260,289**	**1,378,934**
Net Asset Value per Ordinary Share (pence)	12	**211.76**	251.96
Number of Ordinary Shares in issue	11	**595,150,414**	547,273,076

Approved by the Board of Directors and authorised for issue on 29 June 2022 and signed on their behalf:

Stephen Coe
Director

The notes on pages 35 to 57 form an integral part of these Unaudited Condensed Interim Financial Statements.

Unaudited Condensed Statement of Changes in Equity

For the 6 month period ended 31 March 2022

	Share capital 2022 £'000	**Revenue reserve 2022 £'000**	**Capital reserve 2022 £'000**	**Total 2022 £'000**
For the period 1 October 2021 to 31 March 2022 (unaudited)				
At 1 October 2021	758,950	(13,436)	633,420	1,378,934
Share issue	102,614	–	–	102,614
Share issue costs	(674)	–	–	(674)
Total losses and comprehensive loss for the period	–	(4,982)	(215,603)	(220,585)
At 31 March 2022	**860,890**	**(18,418)**	**417,817**	**1,260,289**

	Share capital 2021 £'000	**Revenue reserve 2021 £'000**	**Capital reserve 2021 £'000**	**Total 2021 £'000**
For the period 1 October 2020 to 31 March 2021 (unaudited)				
At 1 October 2020	370,367	(5,134)	176,810	542,043
Share issue	395,000	–	–	395,000
Share issue costs	(6,188)	–	–	(6,188)

Total gains / (losses) and comprehensive income for the period	–	(3,213)	200,568	197,355
At 31 March 2021	**759,179**	**(8,347)**	**377,378**	**1,128,210**

The notes on pages 35 to 57 form an integral part of these Unaudited Condensed Interim Financial Statements.

Unaudited Condensed Statement of Cash Flows

For the 6 month period ended 31 March 2022

	Notes	Period from 1 October 2021 to 31 March 2022 £'000 (unaudited)	Period from 1 October 2020 to 31 March 2021 £'000 (unaudited)
Cash flows from operating activities			
Interest paid		(12)	(45)
Other expense payments	13	(54,520)	(82,054)
Interest income		60	508
Purchase of investments	10	(42,817)	(45,058)
Sale of investments	10	75,668	12,028
Net cash outflow from operating activities		**(21,621)**	**(114,621)**
Cash flows from financing activities			
Issue of Ordinary Shares	11	59,999	395,000
Share issue costs	11	(674)	(6,188)
(Repayment) / Proceeds of loan payable		(15,000)	15,000
Net cash inflow from financing activities		**44,325**	**403,812**
Net increase in cash and cash equivalents		**22,704**	**289,191**
Cash and cash equivalents at beginning of period		49,794	15,559
Net gains on cash currency movements		5	216
Cash and cash equivalents at end of period		**72,503**	**304,966**
Cash and cash equivalents comprise of the following:			
Cash at bank		72,503	304,966
		72,503	**304,966**

The notes on pages 35 to 57 form an integral part of these Unaudited Condensed Interim Financial Statements.

Notes to the Unaudited Condensed Interim Financial Statements

For the 6 month period ended 31 March 2022

1. Reporting Entity

Chrysalis Investments Limited (the “Company”) is a closed-ended investment company, registered in Guernsey on 3 September 2018, with registered number 65432. The Company’s registered office is 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD.

The Company is a Registered Closed-ended Collective Investment Scheme regulated by the Guernsey Financial Services Commission (“GFSC”), with reference number 2404263, pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 2020, as amended and the Registered Closed-ended Investment Scheme Rules 2015.

The Company’s 595,150,414 shares in issue (of which 47,877,338 shares were issued during the period raising gross cash proceeds of £59,999,000) under ticker CHRY, SEDOL BGJYPP4 and ISIN GG00BGJYPP46 have a premium listing and are admitted to trading on the London Stock Exchange’s Main Market for listed securities. The Unaudited Condensed Interim Financial Statements of the Company are presented for the 6 month period ended 31 March 2022. The Company invests in a diversified portfolio consisting primarily of equity and equity-related securities issued by unquoted companies. The Company became a FTSE 250 company on 23 March 2021.

The Company and its Alternative Investment Fund Manager received investment advice from Jupiter Investment Management Limited (“JIML”) during the 6 month period ended 31 March 2022. The administration of the Company is delegated to Maitland Administration (Guernsey) Limited (“MAGL”) (the “Administrator”).

2. Significant accounting policies

(a) Basis of accounting

The Unaudited Condensed Interim Financial Statements have been prepared on a going concern basis in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and applicable Guernsey law. These Unaudited Condensed Interim Financial Statements do not comprise statutory Financial Statements within the meaning of the Companies (Guernsey) Law, 2008, they do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at 30 September 2021, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS”). The accounting policies adopted in these Unaudited Condensed Interim Financial Statements are consistent with those of the previous financial period and the corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

Where presentational guidance set out in the Statement of Recommended Practice (“SORP”) for investment companies issued by the Association of Investment Companies (“AIC”) updated in April 2021 is consistent with the requirements of IFRS, the Directors have sought to prepare the Unaudited Condensed Interim Financial Statements on a basis compliant with the recommendations of the SORP.

(b) Going concern

The Directors have adopted the going concern basis in preparing the Unaudited Condensed Interim Financial Statements.

In assessing the going concern basis of accounting, the Directors have assessed the guidance issued by the Financial Reporting Council and considered recent market volatility, the potential impact of COVID-19 virus, uncertainties surrounding Russia's invasion of Ukraine and sanctions that have been imposed on key Russian institutions, businesses and individuals by major world powers including the US, UK and the EU on the Company’s investments. After making enquiries and bearing in mind the nature of the Company’s business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the Unaudited Condensed Interim Financial Statements. For this reason, they continue to adopt the going concern basis in preparing the Unaudited Condensed Interim Financial Statements.

At period end, the Company has a current cash position of £72,503,000 and net current assets of £66,457,000. Therefore, the Company has sufficient liquidity to meet its obligations. For this reason, the Directors continue to adopt the going concern basis in preparing the Interim Report and Unaudited Condensed Interim Financial Statements.

(c) Segmental reporting

The chief operating decision maker is the Board of Directors. The Directors are of the opinion that the Company is engaged in a single segment of business with the primary objective of investing in securities to generate capital growth for shareholders. Consequently, no business segmental analysis is provided.

The key measure of performance used by the Board is the Net Asset Value of the Company (which is calculated under IFRS). Therefore, no reconciliation is required between the measure of profit or loss used by the Board and that contained in these Unaudited Condensed Interim Financial Statements.

(d) Taxation

The Company has been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 amended by the Director of Income Tax in Guernsey for the current period. Exemption is applied and granted annually and subject to the payment of a fee, currently £1,200.

3. Use of estimates and critical judgements

The preparation of Unaudited Condensed Interim Financial Statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Unaudited Condensed Interim Financial Statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. There were no significant accounting estimates or significant judgements in the current period, except for the use of estimates in the valuation of the unquoted investments detailed in note 14.

4. New and revised standards

The following accounting standards and their amendments were in issue at the period end but will not be in effect until after this financial period end. The Directors have considered their impact and have concluded that they will not have a significant impact on the Unaudited Condensed Interim Financial Statements.

Amendments to following standards

- IAS 1 - Presentation of Financial Statements

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.
Effective date - 1 January 2023

- IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates.
Effective date - 1 January 2023

- IAS 12 – Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future.

Effective date - 1 January 2023

- IAS 37 – Provisions, Contingent Liabilities and Assets

Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.
Effective date - 1 January 2022

- IFRS 9 – Financial Instruments

Annual Improvements to IFRS Standards 2018–2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.
Effective date - 1 January 2022

5. Investment management fees

	1 October 2021 to 31 March 2022 £'000	**1 October 2020 to 31 March 2021 £'000**
Investment management fee	3,304	1,820
Investment Adviser's performance fee – charged to capital	–	49,339
Total investment management fees	3,304	51,159

Jupiter Unit Trust Managers Limited ("JUTM") is the Alternative Investment Fund Manager ("AIFM"). JUTM has sub delegated portfolio management to Jupiter Investment Management Limited ("JIML") which is a member of the same group. From 1 July 2022 the Company will become a self-managed AIF and will procure portfolio management services directly from JIML.

Management fee

The monthly management fee is equal to 1/12 of 0.5% of the Net Asset Value (the "Management Fee"). The management fee is calculated and paid monthly in arrears.

If at any time the Company invests in or through any other investment fund or special purpose vehicle and a management fee or advisory fee is charged to such investment fund or special purpose vehicle by JUTM or any of its Associates and is not waived, the value of such investment will be excluded from the calculation of NAV for the purposes of determining the management fee.

As at 31 March 2022, an amount of £5,085,000 (30 September 2021: £3,333,000) was outstanding and due to JUTM in respect of management fees.

Performance fee

In accordance with an agreement between the Company and JUTM dated 29 November 2021 (the "Agreement"), the Company settled 54% (£60,522,000) of the performance fee due to JUTM for the year ended 30 September 2021 in ordinary shares issued by the Company. The remaining 46% (£51,555,000) of the performance fee amount was settled in cash.

The value of the 22,667,415 ordinary shares issued under the Agreement on 28 January 2022 was £42,615,000. The difference between the value of the liability settled through the issuance of ordinary shares and the value of the shares issued on 28 January 2022, being £17,907,000, is recognised within gains on settlement of financial liability within the Unaudited Condensed Statement of Comprehensive Income in the period ended 31 March 2022.

For the year ended 31 September 2022, a performance fee may be payable, the sum of which is equal to 20% of the amount by which the Adjusted Net Asset Value at the end of a Calculation Period exceeds the higher of: (i) the Performance Hurdle; and (ii) the High Water Mark (the "Performance Fee"). The calculation period for the current period will be the period commencing on 1 October 2021 and ending on 30 September 2022 (the "Calculation Period").

Adjusted Net Asset Value at the end of a Calculation Period shall be the audited NAV in Sterling at the end of the relevant Calculation Period:

(i) plus an amount equal to any accrued or paid performance fee in respect of that Calculation Period or any prior Calculation Period;

(ii) plus an amount equal to all dividend or other income distributions paid to shareholders that have been declared and paid on or prior to the end of the relevant Calculation Period;

(iii) minus the amount of any distribution declared in respect of the Calculation Period but which has not already reduced the audited NAV;

(iv) minus the Net Capital Change where the Net Capital Change is positive or, correspondingly, plus the Net Capital Change where such net Capital Change is negative (which for this purpose includes the Net Capital Change in the relevant Calculation Period and each preceding Calculation Period); and

(v) minus any increase in the NAV during the Calculation Period attributable to investments attributable to C shares prior to the conversion of those C shares.

"Performance Hurdle" means, in relation to the Calculation Period, (A multiplied by B) + C where:

"A" is 8% (expressed for the purposes of this calculation as 1.08) (calculated as an annual rate and adjusted to the extent the Calculation Period is greater or shorter than one year).

"B" is:

(i) in respect of the first Calculation Period, the Net Issue Proceeds; or

(ii) in respect of each subsequent Calculation Period, the sum of this calculation as at the end of the immediately preceding Calculation Period: plus (where sum is positive) or minus (where such sum is negative) the Net Capital Change attributable to shares issues and repurchases in all preceding Calculation Period (the amount in this paragraph (b) being the "Aggregate NCC"), in each case, plus (where such sum is positive) or minus (where such sum is negative) the sum of:

(x) in respect of each share issue undertaken in the relevant Calculation Period being assessed, an amount equal to the Net Capital Change attributable to that share issue multiplied by the sum of the number of days between admission to trading of the relevant shares and the end of the relevant Calculation Period divided by 365 (such amount being the "issue adjustment"); minus

(y) in respect of each repurchase or redemption of shares undertaken in the relevant Calculation Period being assessed, an amount equal to Net Capital Charge attributable to that share purchase or redemption multiplied by the number of days between the relevant disbursement of monies to fund such repurchase or redemption and the end of the relevant Calculation Period divided by 365 (such amount being the "reduction adjustment").

"C" is the sum of:

the issue adjustment for the Calculation Period;

the reduction adjustment for the Calculation Period; and

the Aggregate NCC multiplied by -1.

"Net Capital Change" equals I minus R where:

"I" is the aggregate of the net proceeds of any share issue over the relevant year (other than the first issue of ordinary shares); and

"R" is the aggregate of amounts disbursed by the Company in respect of the share redemptions or repurchases over the relevant period.

"High Water Mark" means the Adjusted Net Asset Value as at the end of the Calculation Period in respect of which a performance fee was last earned or if no performance fee has yet been earned, an amount equal to the Net Issue Proceeds (as such term is defined in the prospectus); and

"Calculation Period" means each twelve-month period ending on 30 September, except that the first Calculation Period shall be the period commencing on Admission and ending on 30 September 2019.

Under the terms of the portfolio management agreement, any accrued and unpaid performance fees will crystallise and become payable to JUTM upon certain termination events.

The accrued performance fee shall only be payable by the Company to the extent that the Payment Amount is greater than the sum of the performance fee (which shall both be calculated as at the end of each Calculation Period) and, to the extent that the Payment Amount is less than the sum of the performance fee for that Calculation Period, an amount equal to the difference shall be carried forward and included in the performance fee calculated as at the end of the next Calculation Period (and such amount shall be paid before any performance fee accrued at a later date).

"Payment amount" is the sum of:

(i) aggregate net realised profits on investments since the start of the relevant Calculation Period; plus

(ii) an amount equal to each IPO investment unrealised gain where the initial public offering of the relevant investment takes place during the relevant Calculation Period; plus or minus (as applicable)

(iii) an amount equal to the listed investment value change attributable to that calculation period; plus

(iv) the aggregate amount of all dividends or other income received from investments of the Company in that Calculation Period (other than investments made pursuant to the cash management policy of the Company as stated in the Investment Policy).

No performance fee is payable out of the assets attributable to any C Shares in issue from time to time.

As at 31 March 2022, the Company had not exceeded the High Water Mark and Performance Hurdle therefore an accrual of £nil (30 September 2021: £112,077,000) for performance fees has been reflected within these Unaudited Condensed Interim Financial Statements.

6. Other expenses

	1 October 2021 to 31 March 2022 £'000	1 October 2020 to 31 March 2021 £'000
Directors' fees	164	218
Directors' expenses	3	–
Administration fee	141	95
Arrangement fees	–	160
AIFM fee	298	96
Auditor's remuneration for:		
– audit fees	64	68
– non-audit fees	23	107
Secretarial fees	19	18
Printing fees	11	34
Registrars' fees	21	21
Listing fees	22	127
FCA fees	10	8
Legal fee and professional fees:		
– ongoing operations	610	742

– purchases	204	53
Depositary fees	50	32
Directors' liability insurance	33	24
Sundry	53	53
	1,726	1,856

7. (Losses) / gains per Ordinary Share

	31 March 2022		31 March 2021	
	Net return £'000	**Per share pence**	**Net return £'000**	**Per share pence**
Revenue return	(4,982)	(0.87)	(3,213)	(0.81)
Capital return	(215,603)	(37.85)	200,568	50.32
At 31 March	**(220,585)**	**(38.72)**	**197,355**	**49.51**
Weighted average number of Ordinary Shares		569,677,684		398,561,496

The return per share is calculated using the weighted average number of ordinary shares.

8. Dividends

The Board has not declared an interim dividend (6 months ended 31 March 2021: £nil).

9. Loan payable

	31 March 2022 £'000	**30 September 2021 £'000**
Barclays Bank PLC	-	15,000

During the prior financial year, the Company entered into a revolving loan facility with Barclays Bank PLC. The facility had an interest rate of LIBOR +2.5%. The outstanding loan, of £15,000,000, was repaid in full on 15 October 2021 and the facility has subsequently been terminated.

10. Investments held at fair value through profit or loss

	31 March 2022 £'000	**30 September 2021 £'000**
Opening book cost	758,013	404,480
Opening investment holding unrealised gains	702,185	201,807
Opening valuation	1,460,198	606,287
Movements in the period / year		
Purchases at cost	56,620	380,199
Sales – proceeds	(89,471)	(94,707)

Net (losses) / gains on investments held at fair value through profit or loss	(233,515)	568,419
Closing valuation	**1,193,832**	1,460,198
Closing book cost	779,742	758,013
Closing investment holding unrealised gains	414,090	702,185
Closing valuation	**1,193,832**	1,460,198

	1 October 2021 to 31 March 2022 £'000	**1 October 2020 to 30 September 2021 £'000**	**1 October 2020 to 31 March 2021 £'000**
Movement in unrealised gains during the period / year	105,232	501,083	237,652
Movement in unrealised (losses) / gains during the period / year	(393,327)	(705)	4,521
Realised gain on sale of investments	54,580	68,041	7,518
Net (losses) / gains on investments held at fair value through profit or loss	**(233,515)**	568,419	249,691

Included within purchases and sales above is an amount of £13,363k which was contributed into Rowanmoor. The contribution was deducted from the gross proceeds of the Embark sale.

11. Share capital

	No of shares	**£'000**
Ordinary Shares at no par value		
Opening balance as at 1 October 2020	336,742,424	370,367
Issue of shares	210,530,652	395,000
Issue costs	–	(6,417)
At 30 September 2021	547,273,076	758,950
Opening balance as at 1 October 2021	547,273,076	758,950
Issue of shares	47,877,338	102,614
Issue costs	–	(674)
At 31 March 2022	595,150,414	860,890

The holders of Ordinary Shares have the right to receive notice of and attend, speak and vote in general meetings of the Company. They are also entitled to participate in any dividends and other distributions of the Company.

Included within the value of the issue of shares is £42,615,000 relating to the settlement of the performance fee payable at 30 September 2021 (see Note 5).

12. Net Asset Value per Ordinary Share

The Net Asset Value per Ordinary Share and the Net Asset Value at the period end calculated in accordance with the Articles of Incorporation were as follows:

	31 March 2022		30 September 2021	
	NAV per share pence	**NAV attributable £'000**	**NAV per share pence**	**NAV attributable £'000**
Ordinary Shares: basic and diluted	211.76	1,260,289	251.96	1,378,934

The Net Asset Value per Ordinary Share is based on 595,150,414 (2021: 547,273,076) Ordinary Shares, being the number of Ordinary Shares in issue at the period end.

13. Other expenses payments

	31 March 2022 £'000	**30 September 2021 £'000**
Total (losses) / gains and comprehensive income for the period / year	(220,585)	448,308
Net losses / (gains) on investments held at fair value through profit or loss	233,515	(568,419)
Other income	(17,907)	-
Interest income	(60)	(851)
Finance costs	12	238
Forex (gains) / losses	(5)	42
Movement in working capital		
Decrease / (increase) in other receivables	292	(160)
(Decrease) / increase in payables	(49,782)	82,855
At 31 March 2022	(54,520)	(37,987)

14. Financial instruments and capital disclosures

The Company's activities expose it to a variety of financial risks; market risk (including other price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Unaudited Condensed Interim Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's Audited Financial Statements as at 30 September 2021.

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1, if they reflect actual and regularly occurring market transactions on an arm's-length basis.

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).

Level 2 inputs include the following:

- quoted prices for similar (i.e., not identical) assets in active markets;
- quoted prices for identical or similar assets or liabilities in markets that are not active. Characteristics of an inactive market include a significant decline in the volume and level of trading activity, the available prices vary significantly over time or among market participants or the prices are not current;
- inputs other than quoted prices that are observable for the asset (for example, interest rates and yield curves observable at commonly quoted intervals); and
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (market-corroborated inputs).

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

At 31 March 2022	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Quoted equity	86,550	–	–	86,550
Unquoted equity	–	–	1,107,282	1,107,282
	86,550	–	1,107,282	1,193,832

At 30 September 2021	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Quoted equity	236,756	–	–	236,756
Unquoted equity / Convertible debt	–	–	1,223,442	1,223,442
	236,756	–	1,223,442	1,460,198

The following table shows the valuation techniques used for Level 3 fair values, as well as the significant unobservable inputs used for Level 3 items:

Unlisted Investments 2022					
Fair Value as at 31 March 2022 (£000s)	**Valuation Technique**	**Significant Unobservable Inputs**	**Range**	**Sensitivity %**	**Sensitivity to changes in significant unobservable inputs**
259,272	Comparable Company performance	Selection of comparable companies Price/2022E revenue multiples	2.68x - 26.90x	10%	If input comparable company performance changed by +/- 10%, the value of the companies in this group would change by +/- 25,927,185
788,010	Market approach using comparable traded multiples	EV/LTM EBITDA multiples and LTM 2022E, 2023E EV/revenue multiples	0.18x - 43.15x	10%	If revenue/EBITDA multiples changed by +/- 10%, the value of the companies in this group would change by + 68,029,599 / - 67,564,213

59,907	Scenario Analysis	N/A	N/A	N/A	N/A
93	Wind Down	N/A	N/A	N/A	N/A

The following table shows the valuation techniques used for Level 3 fair values, as well as the significant unobservable inputs used for Level 3 items:

Unlisted Investments 2021					
Fair Value as at 30 September 2021 (£000s)	**Valuation Technique**	**Significant Unobservable Inputs**	**Range**	**Sensitivity %**	**Sensitivity to changes in significant unobservable inputs**
840,358	Market approach using comparable traded multiples	EV/2022E revenue multiples EV/LTM revenue multiples EV/2021E revenue multiples	5.47 – 18.50x	10%	If revenue multiples changed by +/- 10%, the value of the companies in this group would change by +/- £76,875,162
1,332	Wind Down	N/A	N/A	N/A	N/A
307,147	Recent transaction price	N/A	N/A	N/A	N/A
74,605	Indicative Offer	N/A	N/A	N/A	N/A

The Company has an established control framework with respect to the measurement of fair values. The Unlisted Asset Valuation Committee ("UAVC") of the AIFM is responsible for valuation of the Company's investments.

The UAVC regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair vales, then the UAVC assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the standards, including to the level in the fair value hierarchy in which the valuation should be classified.

The following table shows a reconciliation of the opening balance to the closing balance for Level 1 and 3 fair values:

	March 2022 £'000 Level 1	**September 2021 £'000 Level 1**	**March 2022 £'000 Level 3**	**September 2021 £'000 Level 3**
Opening balance	236,756	94,213	1,223,442	512,074

Transferred to Level 1	-	161,161	-	(161,161)
Purchases at cost	15,219	64,101	46,401	316,098
Sales at cost	(17,630)	(94,707)	(76,841)	-
Total gains / (losses) included in net gains on investments in the Statement of Comprehensive Income				
– on assets sold	11,079	68,041	43,501	-
– on assets held at period/year end	(158,874)	(56,053)	(129,221)	556,431
	86,550	**236,756**	**1,107,282**	**1,223,442**

The change in unrealised gains or losses (net gain) for the period included in the Unaudited Condensed Statement of Comprehensive Income relating to those Level 3 assets held at the reporting date amount to £142,921,927 (30 September 2021: £474,928,000).

The transfer of £161,161,000 during the year ended 30 September 2021 relates to Wise PLC, which has moved from being a Level 3 asset to a Level 1 asset as a result of its listing in July 2021.

Investments are transferred between levels at the point of the trigger event.

There have been no significant changes in the management of risk or in any risk management policies since the last Statement of Financial Position date.

15. Related parties

On 1 May 2021 the Company appointed Jupiter Unit Trust Managers Limited ("JUTM") as its new AIFM, replacing Maitland Institutional Services Limited whose appointment was terminated at the same time. JUTM subsequently sub delegated portfolio management to Jupiter Investment Management Limited which is a member of the same group.

JIML continues to act as Investment Adviser and the change does not impact the provision of services to the Company by the existing management team at the Investment Adviser. The management and performance fees previously payable to JIML are now payable to JUTM. JUTM is also entitled to an AIFM fee.

	1 October 2021 31 March 2022 £'000	1 October 2020 30 September 2021 £'000	1 October 2020 31 March 2021 £'000
Management fee charged by JUTM:			
Total management fee charged	3,304	2,840	–
Management fee outstanding	5,085	2,840	–
Performance fee charged by JUTM:			
Total performance fee charged	–	112,077	–
Performance fee outstanding	–	112,077	–
AIFM fee charged by JUTM:			
Total AIFM fee charged	298	147	–
AIFM fee outstanding	506	147	–
Management fee charged by JIML:			
Total management fee charged	–	2,313	1,820
Management fee outstanding	–	493	1,820

Performance fee charged by JIML:			
Total performance fee charged	–	–	49,339
Performance fee outstanding	–	–	49,339
AIFM fee charged by Maitland Institutional Services Ltd			
Total AIFM fee charged	–	248	96
AIFM fee outstanding	–	129	44
Directors' fees			
Total Directors' fees charged	164	354	218
Directors' fees outstanding	–	–	–

As detailed in note 5, on 28 January 2022 JUTM received 22,667,415 shares in satisfaction of the performance fee payable at 30 September 2021.

As at 31 March 2022 the following Directors had holdings in the Company:

Director	Number of Ordinary Shares	% Ordinary Shares issue as at 31 March 2022
Andrew Haining	79,000	0.0133
Stephen Coe	50,909	0.0086
Simon Holden	72,500	0.0123
Anne Ewing	40,000	0.0067
Tim Cruttenden	21,298	0.0036
Margaret O'Connor	-	-

On 20 October 2021, Samuel Cruttenden (son of Tim Cruttenden) purchased 3,795 shares in the Company at 236.97p per share.

As at 30 September 2021 the following Directors had holdings in the Company:

Director	Number of Ordinary Shares	% Ordinary Shares issue as at 30 September 2021
Andrew Haining	64,000	0.0117
Stephen Coe	50,909	0.0093
Simon Holden	72,500	0.0132
Anne Ewing	32,500	0.0059
Tim Cruttenden	14,968	0.0027
Margaret O'Connor	-	-

The following funds, which are also managed by Jupiter, hold an investment in the Company.

	Total holdings at 30 September 2021	**Shares purchased during the period**	**Shares sold during the period**	**Total holdings at 31 March 2022**	**Value of holdings at 31 March 2022 £'000**
Related party					
Jupiter UK Smaller Companies Focus Fund	6,567,286	–	(1,062,191)	5,505,095	9,744
Jupiter UK Specialist Equity Fund	7,009,168	–	(1,233,180)	5,775,988	10,223
Jupiter UK Mid-Cap Fund	77,592,375	7,600,007	–	85,192,382	150,791
Jupiter UK Smaller Companies Fund	17,820,552	–	(1,750,000)	16,070,552	28,445
Jupiter Investment Fund – Jupiter Managed European Portfolio	742,325	3,633	-	745,958	1,320
Jupiter Investment Fund -Jupiter Merlin International Balanced	668,092	3,270	-	671,362	1,188
Jupiter Investment Fund - Jupiter Merlin International Equities	946,275	4,724	-	950,999	1,683
Jupiter Investment Fund - Jupiter Merlin Real Return Portfolio	1,559,644	7,268	-	1,566,912	2,773
Jupiter Fund of Investment Trusts	2,000,000	-	-	2,000,000	3,540
Jupiter Merlin Real Return Portfolio	103,926	509	-	104,435	185
Jupiter Merlin Worldwide Portfolio	8,532,956	43,605	-	8,576,561	15,181
Jupiter UK Smaller Companies Equity Fund	1,750,000	500,000	-	2,250,000	3,983
Total	**125,292,599**	**8,163,016**	**(4,045,371)**	**129,410,244**	**229,056**

	Total holdings as at 30 September 2020	**Shares purchased during the period**	**Shares sold during the period**	**Total holdings at 30 September 2021**	**Value holdings at 30 September 2021 £'000**
Related party					
Jupiter UK Smaller Companies Focus Fund	5,520,882	2,637,000	(1,590,596)	6,567,286	17,535
Jupiter UK Specialist Equity Fund	8,112,820	–	(1,103,652)	7,009,168	18,714
Jupiter UK Mid-Cap Fund	51,451,305	26,141,070	–	77,592,375	207,172
Jupiter UK Smaller Companies Fund	14,601,552	3,219,000	–	17,820,552	47,581
Jupiter Investment Fund - Jupiter Managed European Portfolio	-	742,325	-	742,325	1,982
Jupiter Investment Fund -Jupiter Merlin International Balanced	-	668,092	-	668,092	1,784

Jupiter Investment Fund -Jupiter Merlin International Equities	-	946,275	-	946,275	2,527
Jupiter Investment Fund -Jupiter Merlin Real Return Portfolio	-	1,559,644	-	1,559,644	4,164
Jupiter Fund of Investment Trusts	-	2,000,000	-	2,000,000	5,340
Jupiter Merlin Real Return Portfolio	-	103,926	-	103,926	277
Jupiter Merlin Worldwide Portfolio	-	8,532,956	-	8,532,956	
Jupiter UK Smaller Companies Equity Fund	-	1,750,000	-	1,750,000	
Total	**79,686,559**	**48,300,288**	**(2,694,248)**	**125,292,599**	

16. Post balance sheet events

On 19 April 2022, the Company invested a further £10 million into Starling Bank as a part of Starling's Series D funding round.

On 12 May 2022, Simon Holden (Independent Director of the Board) purchased 17,000 shares in the Company at 119.7p per share.

On 27 May 2022, Anne Ewing (Independent Director of the Board) purchased 15,000 shares in the Company at 129.4p per share.

On 7 June 2022, the Board announced the appointment of a new independent valuation committee in preparation for its previously announced move to a self-managed structure from 1 July 2022. The Company will assume direct responsibility for the valuation process. The existing arrangement, under which it is the responsibility of the external AIFM to provide the Board with valuations for unlisted holdings, will cease as of 30 June 2022.

There has not been any other matter or circumstance occurring subsequent to the end of the interim financial period that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial period.

Corporate Information

Directors
Andrew Haining, Chairman
Anne Ewing
Simon Holden
Stephen Coe (Senior Independent Director)
Tim Cruttenden
Margaret O'Connor

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

Alternative Investment Fund Manager
Jupiter Unit Trust Managers Limited ("JUTM")
The Zig Zag Building
70 Victoria Street
London, SW1E 6SQ

Investment Adviser
Jupiter Investment Management Limited
("JIML")
The Zig Zag Building
70 Victoria Street
London, SW1E 6SQ

Financial Adviser and Corporate Broker
Liberum Capital Limited
Ropemaker Place Level 12
25 Ropemaker Street
London, EC2Y 9LY

Numis Securities Limited
45 Gresham Street
London, EC2V 7BF

Administrator and Company Secretary
Maitland Administration (Guernsey) Limited
3rd Floor
1 Le Truchot
St Peter Port
Guernsey, GY1 1WD

Registrar
Computershare Investor Services (Guernsey) Limited
1st Floor, Tudor House
Le Bordage
St Peter Port
Guernsey, GY1 DB

Depositary
Citibank UK Limited
Citigroup Centre
Canada Square
Canary Wharf
London, E14 5LB

On 9 October 2021 the depositary changed to Citibank UK Limited from Citibank Europe plc

English Legal Adviser to the Company

Travers Smith LLP
10 Snow Hill
London, EC1A 2AL

Guernsey Legal Adviser to the Company
Ogier (Guernsey) LLP
Redwood House
St Julian's Avenue
St Peter Port, GY1 1WA

Independent Auditor
KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey, GY1 1WR

Definitions

BENCHMARK PERFORMANCE
With reference to investment valuation, application of the performance of a benchmark or pool of comparable companies to an unlisted company to determine a valuation.

NAV PER SHARE
Net Asset Value expressed as an amount per share.

NAV PER SHARE GROWTH
With reference to fund performance, NAV at end of stated year / NAV at beginning of stated year as a percentage.

IRR
Internal Rate of Return – with reference to investment performance, calculated using excel XIRR formula.

TRADING MULTIPLE
With reference to investment valuation, enterprise value / annual revenue of company.

DRAWDOWN
With reference to index performance, the maximum percentage loss in value over a given time period.

DISCOUNT / PREMIUM
The amount by which the market price per share of an investment company is lower or higher than its net asset value per share. The discount or premium is normally expressed as a percentage of the net asset value per share.

NET ASSET VALUE (NAV)
The Net Asset Value (NAV) is the amount by which total assets exceed total liabilities, i.e., the difference between what the Company owns and what it owes.