

Chrysalis Investments Limited

As at 31 March 2025

Investment Opportunity

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

Key Facts (As at 31 March 2025)

Shares in Issue:	542,192,153
Share Price:	91.9p
NAV per share:	152.62p
Market Cap:	£498m
Total Net Assets:	£827m
Share Price Premium/(Discount):	(39.79%)
Listing:	Closed Ended Investment Fund Segment Main Market LSE
Ticker:	CHRY (LON)
LEI:	213800F9SQ753JQHSW24
ISIN:	GG00BGJYPP46
Incorporation:	Guernsey

Investment Adviser

chrysalis
investment
partners

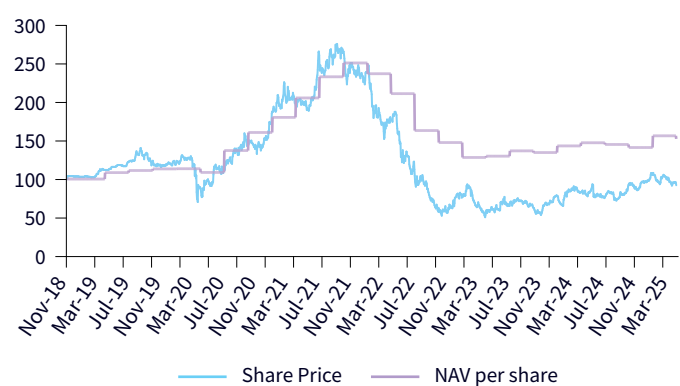
Nick Williamson
Managing Partner

Richard Watts
Managing Partner



Chrysalis Investment Partners LLP is the investment adviser to G10 Capital Limited. G10 Capital Limited is the AIFM to Chrysalis Investments Limited.

NAV per share and Share Price



Cumulative Performance (%)

	3 month	1 year	3 years	SI
Fund NAV	-2.55	3.50	-27.93	52.62
Fund Share Price	-14.91	10.72	-48.08	-8.10

Discrete Performance (%)

	12 months to 31/03/2025	12 months to 31/03/2024	12 months to 31/03/2023	12 months to 31/03/2022	12 months to 31/03/2021
Fund NAV	3.50	13.41	-38.60	2.72	89.74
Fund Share Price	10.72	41.40	-66.84	-9.46	122.34

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



Utilising permanent capital to invest in crossover opportunities to help de-risk future IPOs. Chrysalis Investments has the scale, expertise and relevance to be a crossover investor.



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



Chrysalis Investment Partners LLP is the Investment Adviser to G10 Capital Limited. The team members experience across public and private markets has given the Investment Adviser the insight and expertise to help later-stage businesses deliver profitable growth and successful outcomes.

Chrysalis Investments Limited

As at 31 March 2025

Overview

The Company announces that as at 31 March 2025 the unaudited net asset value (“NAV”) per ordinary share was 152.62 pence.

The NAV calculation is based on the Company’s issued share capital as at 31 March 2025 of 542,192,153 ordinary shares of no par value.

March’s NAV per share represents a 4.0 pence per share (2.6%) decrease since 31 December 2024. The decrease in the fair value of the portfolio accounted for approximately 4.3 pence per share, with foreign exchange generating a headwind of approximately 1.7 pence per share. The share buyback led to 2.4 pence per share of accretion; other income, fees and expenses make up the balance.

Portfolio Activity

Chrysalis invested \$3 million (c£2.4 million) into InfoSum in the period, as part of a dual track process involving a potential equity funding round and a trade sale. This investment generated a return for Chrysalis of over \$6 million within approximately two months.

Over the period, the Company bought back approximately 25 million shares at an average share price of 100.5 pence, resulting in a total cost of £25.1 million. This led to 2.4p of positive accretion to NAV (circa 1.5% increase in NAV per share versus December 2024); as of 6 May 2025, the Company had spent £57.3 million on buying back shares.

Portfolio Update

Starling

Starling’s valuation was broadly unchanged over the period.

In January 2025, Starling Bank made notable additions to its executive team, with Joe Gordon appointed as the new Chief Operating Officer (COO), and Raghu Narula joining as Chief Banking Officer from NatWest Group. These appointments are part of CEO Raman Bhatia’s efforts to strengthen the bank’s leadership team following his own appointment in March 2024.

As of February 2025, Starling Bank discontinued interest payments on personal current account balances, which had previously earned 3.25% interest rate on balances up to £5,000. As an alternative for savers, the bank launched an easy-access savings account with a 4% interest rate. By March 2025, the bank announced that deposits in this Easy Saver account had reached £1.5 billion.

Smart Pension

The carrying value of Smart was unchanged in the period.

In March 2025, Smart Pension announced it had surpassed 1.5 million members in its Master Trust, marking a significant increase in its customer base. In addition, the company was featured in The Times’ list of top software companies, ranking 37th with an annual sales growth of 92% over three years. This acknowledgment highlights the company’s significant expansion and its role as a major workplace pension provider in the UK.

Smart Pension also shared its thoughts on the Chancellor’s Pensions Investment Review: the company welcomed the consultation and its proposals, particularly those aimed at making it easier for legacy contract-based schemes to consolidate, as long as competition is not restricted.

The Investment Adviser believes that the proposals as drafted are likely to lead to further consolidation in the industry, which should be beneficial to Smart, due to the efficiencies inherent in its technology platform. This should lead to an encouraging back drop for the Smart Pension Master Trust, which already has assets under management of over £6 billion.

Klarna

The value of Klarna fell in the period as a result of decreases in the valuations of listed peers.

In March, Klarna publicly filed a registration statement with the U.S. Securities and Exchange Commission for a proposed IPO. In early April, Klarna decided to pause its IPO plans due to market volatility, following the Trump administration’s announcement of new trade tariffs, which led to significant market instability. Despite this, the Investment Adviser considers the company to still be ‘IPO ready’.

The spate of recent relationship announcements continued, with DoorDash integrating Klarna’s buy-now-pay-later (BNPL) payment options into its delivery app, allowing customers to pay for orders in instalments. In addition, Klarna has teamed up with OnePay to offer instalment loans to Walmart’s customers in the US, a market which generated \$462 billion of revenue for the latter in the year to January 2025.

The Investment Adviser believes relationships of this nature are likely to enable Klarna to continue growing GMV at rates well above that of general e-commerce and should help it to sustain these rates of growth for longer than otherwise would be the case.

Shortly post period end, Klarna marked the one-year anniversary of its subscription service, Klarna Plus, in the U.S. The service, which offers members exclusive benefits and savings, averaged nearly 35,000 signups per month since its launch in January 2024.

Chrysalis Investments Limited

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Portfolio Update (continued)

Brandtech

Brandtech saw a decrease in carrying value, due to falls in the valuations of listed peers.

In collaboration with Google, Brandtech hosted an event at Google's St. John's Terminal in New York City in January, declaring 2025 as "The Year of Tectonic AI Disruption." The event showcased advancements in Gen-AI and their implications for the marketing industry. The Investment Adviser attended a similar event at Google's UK HQ, which highlighted the significant advances made over the last year in AI-generated content.

Brandtech managed to generate advertisements via AI for a group of key clients in early 2025 greater than 60% faster, more than 50% cheaper and with circa 40% better return on investment, versus traditional means. Currently, the company estimates only 1% of ads are created via Gen-AI globally.

Brandtech also announced a collaboration to integrate Google's video-generation model, Veo 2, into its generative AI marketing platform, Pencil. This integration aims to provide clients with advanced video generation tools, enhancing the efficiency and quality of AI-driven content creation. Additionally, Japan Airlines leveraged this partnership by deploying Veo 2 and Google's Gemini models to enhance passenger experiences. Select flights featured AI-generated films showcasing Japanese destinations, created in under 15 hours by teams from Brandtech's Jellyfish and Pencil units.

These developments underscore Brandtech's commitment to integrating cutting-edge AI technologies into marketing solutions, which the Investment Adviser believes underpins the company's claim to be the leader in Gen-AI marketing.

wefox

wefox was written up in the period, reflecting the terms of the recent funding round.

In January, wefox Insurance AG transferred a run-off portfolio—including motor damage, third-party liability, private liability, and property business across Germany, Italy, and Switzerland—to DARAG, a legacy acquirer focused on the European and UK markets. In addition, wefox Holding AG agreed to sell its Liechtenstein-based insurance carrier, wefox Insurance AG, to a consortium of Swiss companies led by BERAG, an independent Swiss pension service provider. These disposals reflect the ongoing strategic realignment of wefox Group towards insurance distribution.

With new management and funding, the Investment Adviser is cautiously optimistic that wefox can build a valuable European business.

Cash Update

As of 31 March, the Company had gross cash and equivalents of approximately £114 million and a position in Wise of approximately £3 million, to give a total liquidity position of approximately £117 million. The gross cash position decreased over the quarter as a result of the ongoing share buyback being pursued by the Company.

Outlook

Overall, the portfolio continues to perform well. The top five assets now account for 81% of net assets (85% of the portfolio) mainly due to the sale of Graphcore and Featurespace. Following the recent restructuring at wefox, all of the top five assets are now operating at breakeven or are profitable, resulting in 88% of the portfolio being profitable versus 44% in the prior year; this reflects the proactive measures our investee companies have taken.

Shortly post period end, the sale of InfoSum to WPP plc was announced at a 16.4% uplift to the Company's December carrying value, equating to an increase in NAV of approximately 1.2 pence per share. The Company has now received proceeds of approximately \$63 million (£49 million), which significantly improves its liquidity position.

We continue to see a substantial opportunity to grow NAV over the coming years, driven by the performances of the major assets, which are well placed to capitalise on various growth opportunities and structural tailwinds. Starling remains the largest position within the portfolio, and we believe the company has multiple levers for growth, some of which have the potential to transform its valuation basis.

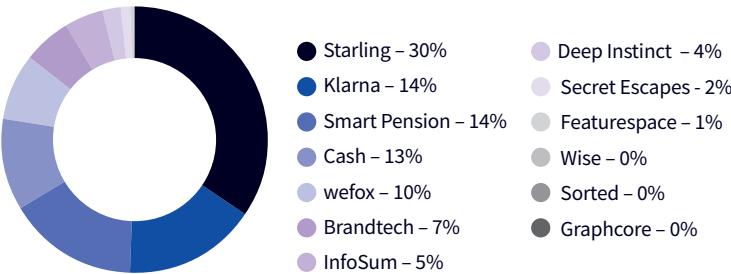
While it is disappointing that recent stock market volatility has delayed the IPO of Klarna, we do not believe these conditions will have a detrimental impact on its financial performance, placing it in a good position to float when uncertainty abates.

The Company currently has a gross liquidity position of approximately £153 million, equating to £83 million, net of the Barclays loan facility; these figures represent 30% and 16% of the Company's current market capitalisation.

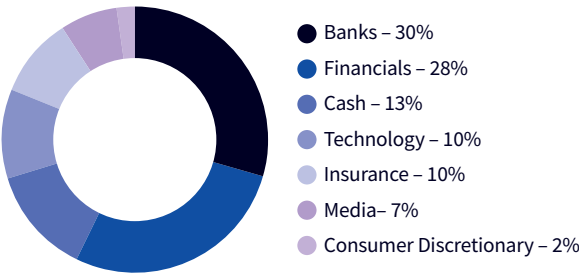
Chrysalis Investments Limited

As at 31 March 2025

Top Holdings



Sector Exposure



Holdings Details (As at 31 March 2025)

Name	Description
Starling	Digital challenger bank that delivers financial services to retail and SMEs
Klarna	A leading global payments company that provides direct payments, pay after delivery options and instalment plans for customers online
Smart Pension	A provider of workplace and automatic enrolment pension schemes for SMEs
wefox	One of Europe’s largest digital insurance platform with significant existing scale in Germany, Austria and Switzerland
Brandtech	A digital advertising and marketing services company that enables marketers to build their brands better, faster and cheaper by using technology
InfoSum	Data collaboration platform
Deep Instinct	A US cybersecurity company
Secret Escapes	Travel company that helps hotels minimise unsold inventory
Featurespace (exited)	Featurespace is a world leader in financial crime risk management. The company utilises real time machine learning software risk scores events in 180 countries to reduce Fraud and AML
Wise	Platform payments business that aims to reduce fees associated with FX
Sorted (exited)	A global Software as a Service (SaaS) company that has developed a Delivery Management Platform which allows retailers (both digital and physical) to effectively manage their delivery / returns
Graphcore (exited)	Leading artificial intelligence processor business, which has developed the Intelligent Processing Unit and the related software toolchain

Chrysalis Investments Limited

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Company and Fund Information

Listing Date	06-Nov-18
AIFM	G10 Capital Limited
Administrator & Company Secretary	IQEQ Fund Services (Guernsey) Limited
Registrar	Computershare Investor Services (Guernsey) Limited
Legal Adviser	Travers Smith LLP
Auditor	KPMG Channel Islands Limited
Corporate Brokers	Liberum Capital Limited, Numis Securities Limited
Investment Adviser	Chrysalis Investment Partners LLP



Chrysalis Investments Limited

Fourth Floor,
Plaza House,
Admiral Park,
St Peter Port,
Guernsey, GY1 2HU

For Information

enquiries@chrysalisllp.co.uk
www.chrysalisinvestments.co.uk

Directors

Andrew Haining (Chairperson),
Stephen Coe,
Simon Holden,
Anne Ewing,
Tim Cruttenden,
Margaret O'Connor

Important Information

G10 Capital Limited is the Alternative Investment Fund Manager ("AIFM") to Chrysalis Investments Limited (the "Company"). Chrysalis Investment Partners LLP is the investment adviser to G10 Capital Limited. Chrysalis Investment Partners LLP is an appointed representative of G10 Capital Limited which is authorised and regulated by the Financial Conduct Authority (FRN 648953).

The contents of this document have been prepared and approved solely for the purposes of section 21 of the Financial Services and Markets Act 2000 (as amended) ("FSMA").

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Key Risks

Any return you receive depends on future market performance and is uncertain. The Company does not seek any protection from future market performance so you could lose some or all of your investment.

Before purchasing any securities or otherwise investing in the Company, persons viewing this document should ensure that they understand and accept fully the risks the Company is exposed to as disclosed in the Company's Annual Report, Key Information Document or Article 23 Disclosure Document, available at chrysalisinvestments.co.uk/investor-relations/

Past Performance

Past performance is not a guide to future performance. The value of investments may fall as well as rise and is not guaranteed. An investor may receive back less than the original amount invested. This Company may not be appropriate for investors who plan to withdraw their money within the short to medium term.

Target Market

The Company is suitable for investors seeking an investment that aims to deliver total returns over the longer term (at least five years), is compatible with the needs for retail clients, professional clients and eligible counterparties, and is eligible for all distribution channels. The Company may not be suitable for investors who are concerned about short-term volatility and performance, have low or no risk tolerance or are looking for capital protection, who are seeking a guaranteed or regular income, or a predictable return profile. The Company does not offer capital protection. Prospective investors are strongly advised to take their own legal, investment and tax advice from independent and suitably qualified advisers.