chrysalis investments

Chrysalis Investments Limited

Annual Report and Audited Financial Statements

For the year ended 30 September 2024

Contents

Next era potential: Transformative tech that changes our world.

Performance Headlines

“Successful exits over the year enhanced the liquidity position, enabling shareholder returns. There is further optimism around additional exits in the near and medium term."

Richard Watts and Nick Williamson
Managing Partners, Chrysalis Investment Partners LLP

141.26p

NAV per share increase of 6.61p or 5%

The increase in the fair value of the portfolio was 13.29p, offset by an adverse movement in foreign exchange of 5.59p. Increases in the value of Starling Bank, Klarna, Smart Pension and Featurespace were partially offset by a material decline in the value of wefox and the write-off of Tactus.

93.30p

Share price increase of 31.10p or 50%

The share price closed at a 34% discount to NAV, narrowing from 46% in the prior year.

£54 million

Proceeds from realisations

The Company realised positions in Graphcore (£45 million) and Wise (£9 million) and post period end received £79 million from the sale of Featurespace.

£23 million

Capital deployed

Capital was deployed in ongoing support of two existing portfolio companies, wefox (£17 million) and Smart Pension (£6 million).

£47 million

Available liquidity at 30 September 2024

The portfolio remains well funded, with the majority either profitable or funded to profitability. The Company ended the year with an improved level of liquidity available to support both the existing portfolio, and the commencement of the share buyback, which forms part of the Company’s Capital Allocation Policy.

£132 million

Portfolio profitability[1]

Portfolio profitability improved by 45% in the period and revenue growth remained robust. All portfolio companies saw profits rise or losses narrow.

[1] Measured as the sum of the product of the individual portfolio company profits/losses for the last twelve months to 30 September 2024 (typically underlying EBITDA) and that company's weight in the portfolio. For the active portfolio, excludes Wise PLC.

Strategy

At Chrysalis we aim to deliver value for our shareholders and partners by investing in and supporting innovative businesses with the potential to transform their sectors.

Backing Winning Ideas

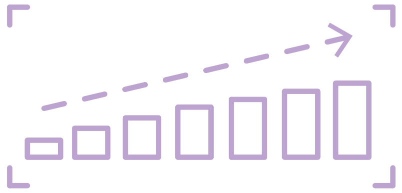
We seek high growth innovative businesses which are leading transformation within their sectors.

Technology has the power to transform the world in which we live. We look to invest in those businesses that have the ability to achieve meaningful change.

Capturing Growth

We identify opportunities for significant growth and help companies carve out clear pathways to profit.

Operating in huge addressable markets, the companies we choose to support offer best-in-class scalable technologies, enabling them to drive and capitalise on societal change.



Empowering Our Partners

We actively engage in building long-term relationships with our partner businesses.

Collaborating with businesses, we provide them with the support, knowledge, experience, and flexible capital necessary to empower the delivery of transformational technology.

Delivering Value

We create value by taking a high conviction approach.

We de-risk and enhance the competitive edge of our partners, whilst offering shareholders the opportunity to access and gain returns from these exciting private and public companies.

Chairman's Statement

The year, which saw a welcome return to growth in NAV per share – up 5% over the year to 141.26 pence, driven by Starling Bank and Klarna revaluations which offset the write downs on wefox and Tactus – was one of significant change for Chrysalis Investments Limited ("Chrysalis" or "the Company"). Not only has it seen the market for exits reopen, which I will cover in more detail below, but it has also witnessed a shift in the way the Company has been managed.

Following lengthy discussions, the Board, Investment Adviser and Jupiter agreed to move the advisory team out of the employment of Jupiter and into a separate structure. The Board has overseen this process, and I am pleased to report this transition has passed off seamlessly. I believe this new structure provides a better foundation for the management of your Company in the future.

The majority of the portfolio continues to perform strongly. As detailed in the Investment Adviser's report, aggregate revenue growth remained robust, at approximately 22% over the year; however, the reversal in value at wefox is frustrating. The Investment Adviser has been working hard to refocus the business under new management with a revised business plan which is covered in more detail in the Investment Adviser report. Despite this situation, I am pleased to say that the year has been notable for the return of liquidity to the Company, which I had highlighted as a possibility in my statement last year.

The first liquidity event came in the form of an exit from Graphcore, which generated initial cash proceeds of approximately £45 million. This allowed a valuable recycling of capital, used to fund the initial tranche of the share buyback and was, I believe, the best possible result for shareholders in the circumstances, generating a significant uplift to the carrying value and recouping the bulk of the cost of the original investment.

The sale of Featurespace to Visa, which closed post period end, has generated strong returns for shareholders and is likely to yield a 3.0x money-on-money multiple once full proceeds have been received (initial proceeds of approximately £79 million were received post period end). The completion of this transaction unlocks the ability of the Company to meet the second pillar of its Capital Allocation Policy ("CAP"), endorsed by shareholders, namely the return of up to £100 million of capital.

I am optimistic that further liquidity will be generated in 2025 with the expected IPO of Klarna, which has been long mooted, where the company recently announcing it had filed its F-1 with the SEC as a prelude to a listing. The Investment Adviser believes the first half of 2025 offers an obvious window for its IPO, and notes that news flow regarding product announcements has been building in recent months.

Capital Allocation

The Capital Allocation Policy ("CAP") is the cornerstone of the Company's three-year extension strategy, balancing shareholder returns with long-term growth, and the Board was delighted that shareholders so comprehensively supported all the proposals put to them at the Company's AGM in March 2024. During this extension period, we anticipated the Company would dispose of investments in an orderly way, to fund both buybacks and, potentially in time, new investments. Within the first year of the extension, the Company has generated substantial liquidity, demonstrating significant progress towards its commitments, thus placing itself in a good position from which to refine its approach to reinvestment and long-term value creation.

As a recap, four core potential uses of capital were set out in the CAP:

i. to support existing portfolio companies

ii. to fund the Company's working capital (for operating costs and fees)

iii. to invest in late-stage growth opportunities in accordance with the Company's investment policy

iv. to return available capital to shareholders through share buybacks (or equivalent programmes) where it is economically attractive to do so.

Further, the uses of capital in the future would consider:

i. the prevailing discount to NAV per share at which the Company's shares are trading

ii. the likely timeline of realisations

iii. the likely uses of capital to fund existing investee companies

iv. the strength of any new investment opportunities

We remain committed to enacting the second pillar of the CAP – the return of up to £100 million of capital, as well as supporting the existing portfolio – to ensure the best possible returns for our shareholders. We also expect to return at least 25% of net realised gains on further asset sales, thus ensuring further capital returns to shareholders are possible.

Shortly before the end of the year the Company agreed a two-year, £70 million debt facility with Barclays Bank plc, the full £70 million being drawn down shortly after period end. The facility was designed to cover the "buffer" element of the CAP, to support existing portfolio companies and fund working capital.

We were then able to commence the buyback programme at the end of September 2024; the Board, its advisers, and the Investment Adviser continue to monitor its progress. As of the end of December, the Company had bought back approximately 28 million shares at a cost of £26.5 million, representing 66% of the initial buyback size of £40 million, and 27% of the maximum second pillar of the CAP, namely the return of up to £100 million.

Hitherto, we have chosen to return capital to shareholders via share buybacks, which we believe maximise the NAV per share accretion available to shareholders, but the appropriate mechanism of capital return will be kept under review. While only just over one quarter of the total capital return available under the full programme has been enacted, our initial assessment of its "success" is positive. From a share price of 87 pence prior to the announcement of the commencement of the share buyback, the shares closed the calendar year at 108 pence. In comparison, the FTSE250 was broadly unchanged, meaning our shares outperformed their market segment by approximately 25% over the three months to December 2024.

Way Forward

I am grateful for the time and input provided by several of our shareholders since we gave our trading update in October, and I am sorry I have not been able to discuss our views with more, but those that I have spoken to account for approximately 40% of the shareholder base.

Most shareholders with whom I have spoken recognise that private growth capital investing still has a place in institutional and private portfolios and that there are very few vehicles through which to access that market. We agree that there remains a need for late-stage venture capital provision in Europe and firmly believe that the platform that Chrysalis has established since IPO provides just such a vehicle, with a collection of growth capital assets that we expect will, over time, grow in value and generate capital returns for our shareholders.

Chairman's Statement
(continued)

However, as acknowledged by shareholders, the need to achieve and maintain "scale" for such a vehicle is paramount to its future success. The CAP therefore looked to balance the demand to return capital to shareholders, where it is economically attractive to do so – which, by its nature, will reduce scale – with the recycling of some of that capital to cement the long-term viability of the product. If capital is simply returned, then portfolio concentration increases, and firepower and scale decrease. If this continued, it would effectively imply a winding-down of the vehicle. Not only is this contrary to the continuation vote of March 2024, but, as recognised by many shareholders, it is likely to limit the Company's ability to realise assets at fair value and is, consequently, a far from optimal outcome. To minimise these risks, such a process is likely to take considerable time, and cost, to execute.

We believe there are further ramifications of a de facto wind-down, with decreased scale and increased concentration in the portfolio potentially resulting in an increase in the perception of "risk" around the Company. This could lead to the discount the shares trade at versus NAV beginning to widen again, thus undoing the impact of the capital return undertaken to date.

With the prospect of liquidity improving in 2025 and the Company's prevailing discount to NAV having materially tightened, the Board and Investment Adviser continue to evaluate how to ensure that the Company can maximise the value delivered to shareholders. Our overarching aims are twofold: first, to minimise the discount to NAV the shares trade at and second, to maximise NAV growth potential in the portfolio. Further announcements will be made in the first half of 2025, and I look forward to discussing this topic directly with as many shareholders as possible.

I would like to thank all those who have contributed to the Company's development over the year – the management teams and employees of all our investee companies, the team at the Investment Adviser, our legal and financial advisers and all of my colleagues on the Board. It has been a very busy and productive year.

It only remains for me to thank our shareholders for their engagement and support over the year. I believe there are grounds for optimism for the fiscal year ahead, with the prospects of further liquidity, and thus capital returns, that hopefully will make 2025 another year of development.

Signed on behalf of the Board by:

Andrew Haining
Chairman
9 January 2025

Portfolio Statement

As at 30 September 2024

Company	Principal place of business	Cost (£'000)	Opening Value (£'000)	Net invested/ (returned) (£'000)	Fair value movements (£'000)	Closing Value (£'000)	% of net assets
Starling Bank Limited	UK	118,349	141,696	–	112,745	254,441	30.3
Smart Pension Limited	UK	108,570	79,683	6,070	37,681	123,434	14.7
Klarna Group PLC	UK	71,486	56,913	–	63,649	120,562	14.3
Featurespace Limited	UK	29,546	49,588	–	31,803	81,391	9.7
The Brandtech Group LLC	USA	46,440	103,881	–	(23,651)	80,230	9.5
Deep Instinct Limited	Israel	62,226	51,514	–	(9,705)	41,809	5.0
wefox Holding AG	Switzerland	86,538	188,633	17,351	(169,767)	36,217	4.3
Cognitive Logic Inc.	USA	48,453	27,231	–	2,697	29,928	3.6
Secret Escapes Holding Limited	UK	28,009	25,030	–	298	25,328	3.0
Wise PLC	UK	655	10,284	(9,025)	756	2,015	0.2
Sorted Holdings Limited	UK	316	316	–	–	316	0.1
Graphcore Limited	UK	–	16,506	(44,866)	28,360	–	0.0
Growth Street Holdings Limited	UK	–	63	(67)	4	–	0.0
Rowanmoor Group Limited	UK	13,363	–	–	–	–	0.0
Tactus Holdings Limited	UK	42,129	29,038	–	(29,038)	–	0.0
Total investments		**656,080**	**780,376**	**(30,537)**	**45,832**	**795,671**	**94.7**
Cash and cash equivalents						44,612	5.3
Other net current assets						48	0.0
Total net assets						**840,331**	**100.0**

Investment Adviser's Report

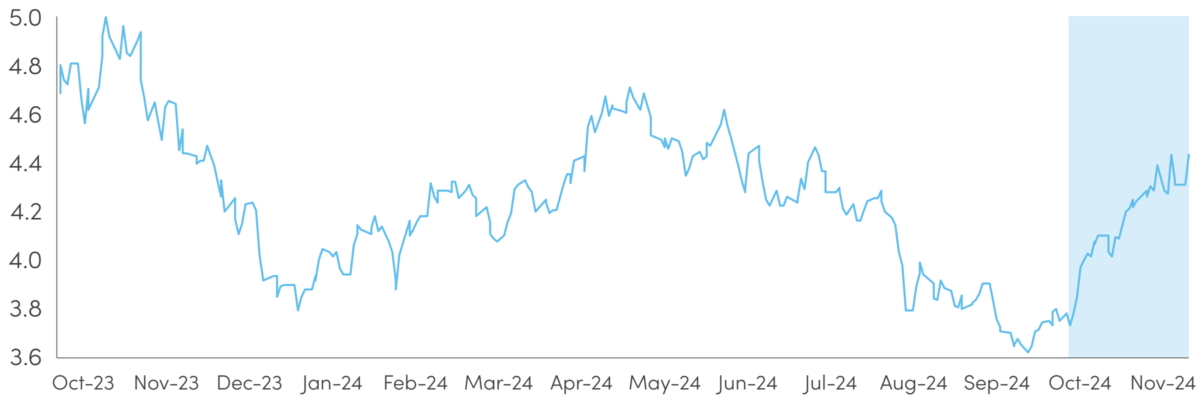
Richard Watts and Nick Williamson of Chrysalis Investment Partners LLP

Market Context

As discussed at the Interim results, the Investment Adviser ("Chrysalis Investment Partners LLP" or "CIP LLP") continues to believe that the market backdrop for growth assets is improving.

Despite some volatility, the NASDAQ 100 rose approximately 35.2% over the year to 30 September 2024, with the FTSE All Share following suit, rising by 10.8%. US ten-year yields trended down from a recent peak of nearly 5% in October 2023 to approximately 3.8% by year end, which likely supported valuations to some extent, despite concerns in certain quarters over the health of the US economy.

US 10-year yields (%, post period end shaded)



Source: Bloomberg and Chrysalis Investment Partners LLP

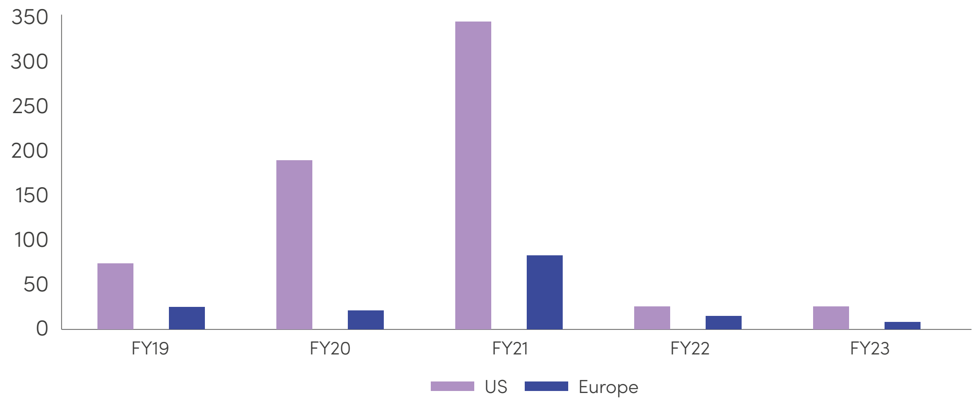
Wanted: Teams looking to reshape our tech world.

Post period end, yields have risen again, likely due to a combination of certain economic indicators proving more optimistic than feared and then further fuelled by the expectation, and then reality, of the ramifications of a Trump presidency. Despite the negative connotations of rising yield for growth stocks, the NASDAQ has performed well post period end, helped by the expectation of benign conditions for certain sectors, including fintech, that the new political backdrop will bring.

This environment has led to a more favourable backdrop for risk assets, as seen by the continued improvement in IPO markets over the period. While the Investment Adviser has consistently pointed out that IPO is only one possible exit route for the Company's investments, it is of the view that it does provide a good indicator of investor risk appetite.

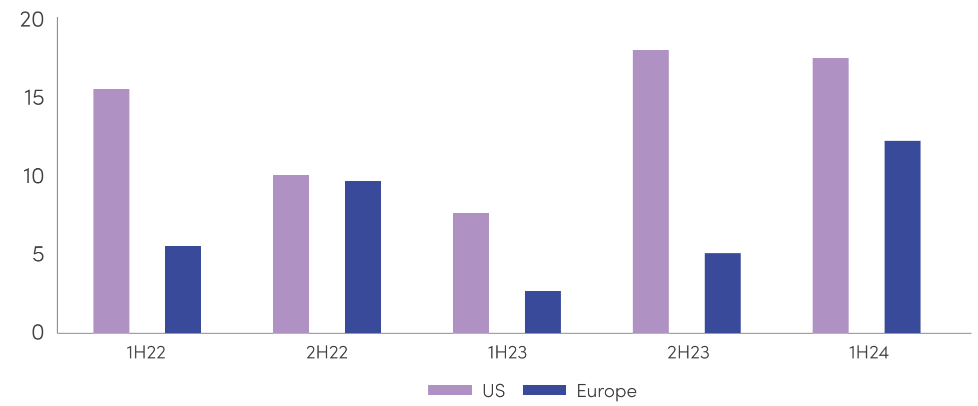
While the five-year picture of IPO activity in both Europe and the Americas (which is predominantly the US), remains muted, volumes have picked up materially recently.

IPO activity by region CY19-CY23 (US$ billions)



Source: PwC IPO Watch

IPO activity by region 1H22 – 2H23 (US$ billions)



Source: PwC IPO Watch

Investment Adviser's Report
(continued)

Evidence of this improvement in market dynamics has been seen in the portfolio over the year, namely both the sale of Graphcore to SoftBank Group Corp ("SoftBank") and Featurespace to Visa, the latter of which completed in December 2024. While both of these deals were trade sales, it demonstrates that there is activity occurring in parts of the market that the Company has invested in.

Klarna has also indicated that it is looking to IPO and announced it had made a draft filing to the SEC in November 2024 in relation to a public offering.

While no precise timetable has been publicly released, the Investment Adviser believes that the first half of 2025 could be realistic. An exit of Klarna – a position valued at £121 million as of September 2024 – would not only provide the Company with significant further liquidity, but could result in an uplift to the current valuation. This would be consistent with other investments which have exited above their carrying value.

It is likely that pressure for exits is growing. As of July 2024, Forge Private Markets estimated that the total IPO pipeline value for technology stocks stood at approximately $102 billion, which equates to roughly three years of the volume of the annualised 1H24 issuance in the US.

Activity

With the Company's shares still trading at a material discount to NAV per share, the Investment Adviser has continued to focus on follow-ons to support existing investments, rather than looking to source new ideas.

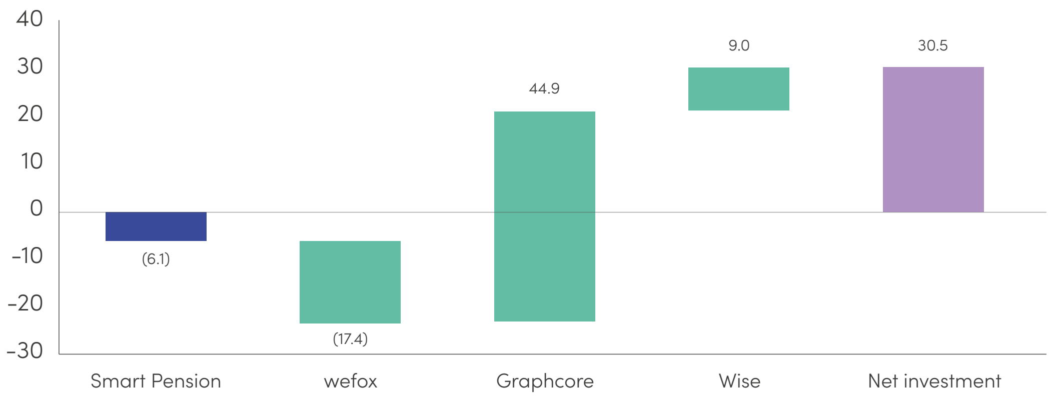
Over the year, approximately £23 million was invested, of which:

- circa £6 million was injected into Smart Pension in two tranches to support the company's growth ambitions and enable it to drive towards profitability. The terms of this transaction led to a write up of the Company's carrying value of this asset; and,
- circa £17 million was invested in wefox to enable the company to continue to pursue profitability and to allow it to consider its strategic direction.

On the other side of the coin, approximately £54 million was realised, of which:

- circa £45 million came from the sale of Graphcore to SoftBank via trade sale. While the original investment thesis on Graphcore did not play out as envisaged – despite the strong growth experienced in the AI market – the Company's positioning in the capital structure enabled it to recover 74% of its initial investment in US dollar terms; and,
- circa £9 million was realised from the holding in Wise, which has been used to fund other corporate activities

Net investment over the year (£ millions)



Source: Chrysalis Investments Limited

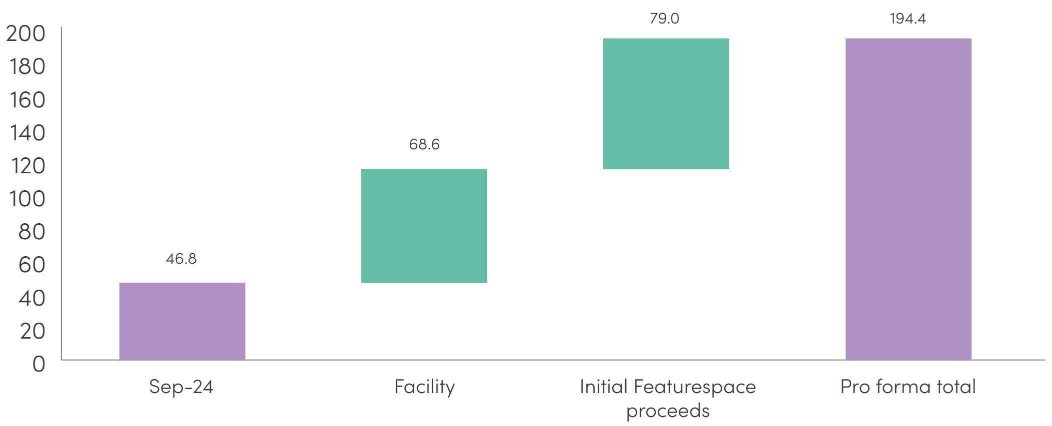
The upshot of these transactions has been a net capital inflow into Chrysalis of almost £31 million. This has rebuilt the Company's liquidity position substantially, to the extent that once the "cash buffer" element of the CAP was advanced by the debt facility from Barclays Bank PLC ("Barclays"), net realised proceeds were used to commence the buyback of the Company's shares, starting on 30 September 2024.

During the period, the Company entered into a debt facility agreement with Barclays, with the following characteristics:

- A two-year tenor, which the Investment Adviser believes should provide sufficient time for further realisations to occur in the portfolio, while falling within the three-year continuation period;
- A committed facility of £70 million;
- An uncommitted accordion of £15 million;
- A margin over SONIA that the Investment Adviser believes is market standard; and
- The ability to repay after one year with no cost.

As of period end, the Company had a liquidity position of approximately £46.6 million (representing a position in Wise of £2 million and cash of £44.6 million). Post period end, the Company called down the full £70 million committed facility, which has substantially increased liquidity. In addition, the sale of Featurespace to Visa post-period end has yielded a further £79 million of capital initially, eventually rising to £89 million once proceeds deferred in escrow are received. If both of these events had occurred at year end, the Company would have had a liquidity position of approximately £195 million (net of facility fees), representing 35% of the Company's market capitalisation as of September 2024.

Year end and pro-forma liquidity position (Sep-24)



Source: Chrysalis Investments Limited

Investment Adviser's Report
(continued)

Outlook

At the interim stage, the Investment Adviser described an emphasis on two areas, which remain its key focus. These are:

i. Maximising investee company potential to boost valuations; and

ii. Closing the discount to NAV at which the Company's shares trade.

Maximising investee company potential to boost valuations

The process of driving towards profitability has been a constant trend of the last few years in the market and this has been replicated in the portfolio.

Over the course of the year, material progress has been made at an individual investee company level, which has driven increased profitability at a portfolio level. This has meant that portfolio profitability, as measured by cumulative weighted average profits/losses, has improved by approximately 45%. Revenue growth remained robust at 22%.

Across the active portfolio, all companies either saw profits rise, or losses narrow, which the Investment Adviser believes demonstrates the dedication of the portfolio company management teams to drive towards profitability.

Examples of this include Featurespace and Smart Pension ("Smart").

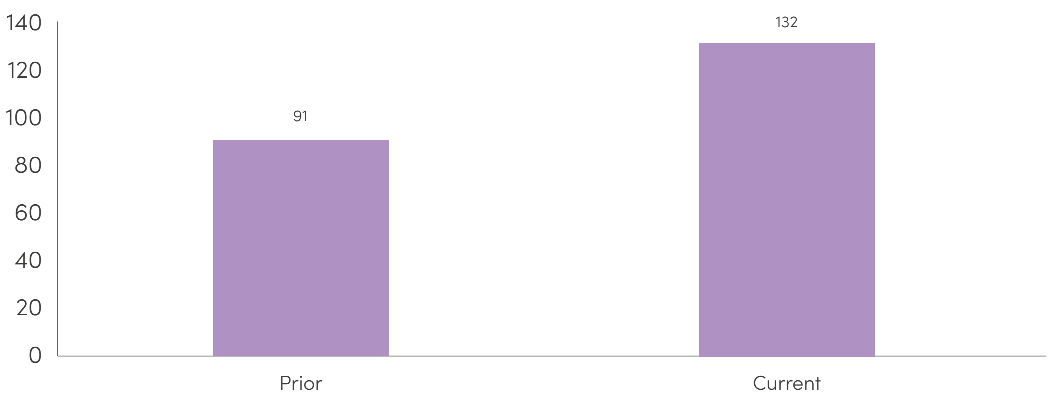
At Featurespace, the company continued to invest in its offering as well as developing new products, such as TallierLTM, which the company believes is the first application of a large AI model to the fraud market. As a result of this investment, growth over calendar year 2023 was 47% year-on-year, up from 28% in 2022. Due to strong operational gearing, losses fell from £20.9 million in 2022 to £8.1 million in 2023.

As previously mentioned, the Company invested approximately £6 million into Smart in early 2024, in a Series E extension round, to enable it to continue to pursue its growth agenda, including providing firepower for M&A; the main Series E round having taken place in early 2023. In July 2024 Smart signed a deal with STM Group PLC to take on members of the Options Workplace Pension Trust through a bulk transfer to the Smart Pension Master Trust; in the Investment Adviser's experience, these types of replatforming deals can generate high unit economics for the acquirer.

As part of the extension round, Smart made the difficult decision to rationalise its cost base, including headcount, which was reduced by 150 to 427 as of June 2024. The Investment Adviser has witnessed this decision being played out across the technology sector in recent years, as unprofitable firms aim to narrow losses.

Published accounts show underlying EBITDA for Smart as significantly negative in calendar year 2023 – in fact losses widened – but this does not include the full benefit of the above mentioned cost savings. As a result, the Investment Adviser believes that the financial performance of Smart will be much improved in 2024, and this is reflected in the aggregated numbers depicted in the portfolio profitability chart.

Portfolio profitability[1] (year-on-year to September, £ millions)



Source: Chrysalis Investments Limited

[1] Measured as the sum of the product of an individual company' profits/losses (typically as underlying EBITDA) and that company's weight within the portfolio.

Closing the discount to NAV

There are levers the Investment Adviser believes it can pull in order to begin to swing the balance of opinion on the Company's shares. These include:

i. Generating liquidity, and

ii. Enacting the Capital Allocation Policy.

All other things being equal, converting unlisted asset positions into cash should be seen by investors as a reduction in risk, and should imply a high "cash adjusted" discount, as demonstrated in the table below.

Deducting the cash from the market value ("MV") gives the amount of market cap attributable to just the portfolio. In the below example, shifting £20 from portfolio value to cash – i.e. leaving NAV unchanged – increases the implied discount of the portfolio from 45% to 56%.

Across the portfolio, the Investment Adviser is discussing exit plans with investee companies, including timing and potential method of exit. While sentiment has an important impact on whether or not an exit is possible, early preparation allows a wider range of timing options.

Looking at Featurespace again, the work done in upskilling members of the senior management team were undoubtedly crucial in putting the company in a place where an exit could be effected. As an example, the Investment Adviser would call out the appointment of John Shipsey as CFO as critical in instilling improvements in the finance function, which led to a significantly better cash flow performance. This type of enhancement ultimately places businesses in a better state to either float or sell themselves privately.

In terms of the CAP, the Investment Adviser worked closely with the Board to generate a policy that it believes will have the maximum impact on the discount. Following the achievement of the £50 million "cash buffer" element, the next two phases were designed to:

iii. Return a significant quantum of capital immediately, aiming to take advantage of the current discount (this was expressed in the CAP as a return of up to £100 million to shareholders; at the time of proposal, this represented approximately 40% of the Company's market capitalisation); and

iv. Offer a way for part of future realisations to continue to address the discount, if it proves difficult to close (at the time of proposal, this was expressed as at least 25% of net realised gains on future disposals).

Impact of cash on implied discount (£)

	Low cash	High cash
Portfolio	100	80
Cash	0	20
NAV	100	100
MV	55	55
MV cash adjusted	55	35
MV/NAV	-45%	-45%
MV cash adjusted/NAV	-45%	-56%

Source: Chrysalis Investment Partners LLP

Investment Adviser's Report
(continued)

Both liquidity and the CAP are interlinked, as delivery of the former should allow the latter to be able to take effect.

To this end, the Investment Adviser has worked on a number of processes over the period, of which it can comment on three, namely:

v. The sale of Graphcore to SoftBank;

vi. Setting up a debt facility with Barclays; and

vii. The sale of Featurespace to Visa.

The sale of Graphcore to SoftBank on 12 July 2024 significantly rebuilt the Company's liquidity position, with the injection of approximately £43.8 million of initial proceeds. This took total liquidity at the time to approximately £50 million, net of further expected investment into wefox, which subsequently occurred.

The signing of the Barclays debt facility allowed the Buffer element of the CAP to be covered, thus freeing up the Graphcore proceeds for distribution. As a result of this, a share buyback programme of up to £40 million was commenced on 30 September 2024.

It is hoped that the facility will also serve as a "bridge" in certain circumstances. Often there is a time delay between signing a realisation and receipt of funds. For Graphcore, the Company first announced a "likely disposal" on 5 December 2023, but the process took until mid-July 2024 before initial proceeds were received. The debt facility could be used to accelerate the ability of the Company to return capital to shareholders in these situations, with due consideration taken regarding the risk mitigation over the completion of any transaction.

Finally, the agreement with Visa to acquire Featurespace, which was announced before year end, completed on 19 December 2024. Receipt of approximately £79 million of initial proceeds now means there is sufficient capital to continue the buyback up to £100 million.

Conclusion

The year has provided good news in terms of realisations. While the Graphcore investment thesis did not play out as originally planned, the intellectual property ("IP") that the company had generated, combined with the Company's positioning in the capital structure, meant that a meaningful recovery was made against cost.

The Investment Adviser believes the sale of Featurespace further underlines the reopening of the markets for disposals.

With both listed and private markets appearing to have regained a degree of momentum, the Investment Adviser believes the outlook for future realisations remains promising. Most eagerly awaited is probably Klarna, where its recent announcement suggests an IPO could occur in the first half of 2025. Elsewhere, the Investment Adviser continues to work with portfolio companies to seek the best outcome for them, and by inference, the Company's shareholders.

Our portfolio and commentary

STARLING BANK

£118.3m

Total Investment

£254.4m

Carrying Value

12th February 2019

Date of initial investment

Last Reported Financials

March 2024:
£647m total income (+56%)
£220m profit after tax

starlingbank.com

Starling Bank Limited ("Starling")

The key developments over the year for Starling were:

i. The appointment of Raman Bhatia as CEO;

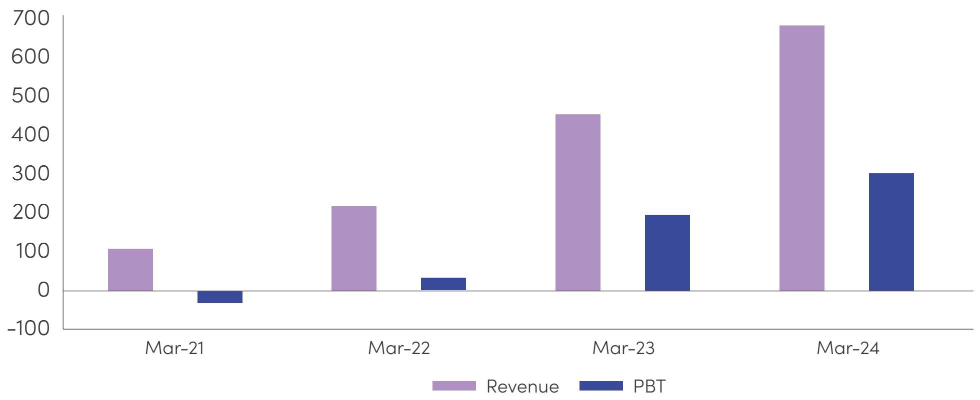
ii. The initial contracts signed by Engine; and

iii. Post period-end, a fine for failings in its financial crime systems and controls.

Raman took over from John Mountain, the interim CEO, in the summer of 2024. Prior to joining Starling, Raman was CEO of OVO, a leading energy retailer in the UK, and before that was the Head of Digital Bank for HSBC's Retail Banking and Wealth Management business in the UK and Europe.

The Investment Adviser believes having a permanent CEO for Starling is important to allow proper consideration of a medium to long-term strategy for the bank. This is especially critical following the £29 million fine recently imposed by the FCA. The fine was paid in full and final settlement of concerns over its AML and sanctions framework, during a period spanning December 2019 to November 2023. Since these issues have been raised by the regulator, a significant strengthening in the management team has occurred, including the appointment of Cyrille Salle de Chou as Chief Risk Officer, who joined from HSBC.

Starling – Revenue and PBT progression (Mar-21 to Mar-24, £ millions)



Source: Starling

Engine by Starling ("Engine") is a Platform as a Service ("PaaS") offering which delivers a cloud native, modular, API based banking platform. Effectively, this is the software that runs Starling Bank, but which has been evolved for rapid deployment by other entities. Engine offers third party access to Starling's highly efficient software.

At the backend of 2023, Engine got off to a flying start, announcing two contracts in quick succession. The first was with Salt Bank in Romania, which was to power a new retail customer offering. This project went live in April 2024 and saw 100,000 customers onboarded in just two weeks. The second was with AMP, a listed Australian financial services firm, which intends to launch an offering targeting SMEs; it is expected to go-live in 1Q 2025. AMP expects to invest approximately A$60 million over its fiscal 2024 and 2025.

Overall, the bank has continued to perform well. While Starling has put in place significant structural hedges, with a shift down in the yield curve over the course of the last 12 months, the Investment Adviser continues to work with the company to consider new products and offerings to drive top line growth.

£108.6m

Total Investment

£123.4m

Carrying Value

25th June 2021

Date of initial investment

Last Reported Financials

December 2023:
£49.7m revenue (-13.3%)
£72.7m loss after tax

smartpension.co.uk

Smart Pension Limited ("Smart")

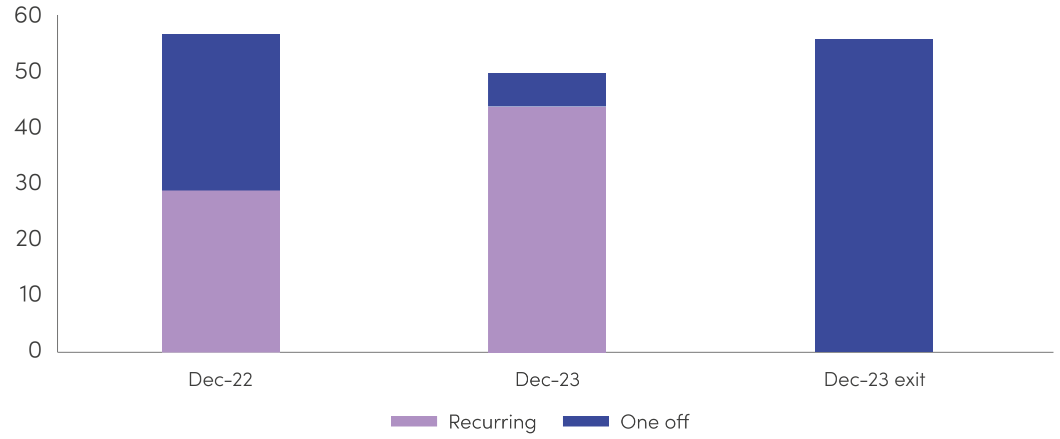
Smart saw continued progress over calendar 2023 – the last period with publicly available data – but this was masked somewhat by the mix of revenue. Over its fiscal year, Smart saw headline revenue fall, but this was due to a significant amount of implementation work undertaken in the prior period. Recurring revenue, which includes "pension service revenue" (mainly from the Smart Pension Master Trust) and "Keystone service revenue", rose 51% in the year from £29 million to £44 million.

The December 2023 exit run rate – effectively the annualised revenue in December 2023 – shows further embedded growth into 2024 at over £55 million.

On the profit front, the company remained significantly loss making in the year ended December 2023, with losses after tax of approximately £74 million. However, in the first quarter of 2024, the company undertook a substantial restructuring, which included a rationalisation of the workforce with headcount reduced by 150 to 427, as of June 2024.

The Investment Adviser believes this cost action will significantly reduce the company's loss profile and put it on the road to profitability in 2025.

Smart revenue performance



Source: Smart and Chrysalis Investments Limited

Smart has continued to expand both organically, as well as by acquisition. In June 2024, Smart announced that it had taken on the assets of the Options Master Trust ("Options"), which it believed had the potential to add up to £545 million of AuM and would boost total AuM to £6 billion. This acquisition comes on the heels of the July 2023 purchase of Evolve, which added £750 million in AuM, and Ensign in October 2022, which added £158 million.

Prospects for further growth led Jamie Fiveash – the CEO of the Smart Pension Master Trust ("SPMT") – to give an interview in March 2024 in which he stated that Smart anticipates reaching £10 billion of AuM within three years.

The Keystone division, which is the software platform that is sold to third parties as well as powering SPMT, completed a complex migration onto its platform of an existing €2 billion book of pension assets and customers, from a legacy technology solution within a leading insurer in the Irish market. The solution is expected to deliver a significant reduction in ongoing cost to serve and a market leading customer experience.

The company believes the addressable market for Keystone is substantial and it is hopeful of adoption, given its superior unit economics, ability to transform existing business models and the ease at which it can be deployed. In the near term, the focus will be on opportunities in the UK and Middle East.

Investment Adviser's Report
(continued)

Klarna.

£71.5m
Total Investment

£120.6m
Carrying Value

5th August 2019
Date of initial investment

Last Reported Financials
December 2023:
SEK20.6bn total net operating income (+24%)
SEK2.5bn loss after tax

klarna.com

Klarna Group PLC ("Klarna")
Klarna has demonstrated solid growth over the first six months of 2024, which has, importantly, also driven a progression in profits.

The Investment Adviser estimates that Klarna, based on its new metric of "Adjusted Operating Income"[1], lost approximately $500 million in the first half of 2022, but became profitable in 1H24. This turnaround was partly driven by uninterrupted growth in revenues, but also a result of a significant cost reduction programme. The latter was originally forecast to remove approximately 10% of heads from the business, but it is clear from recent data that this trajectory has continued. This ties in with the significant focus Klarna has placed on generative AI ("GenAI"), and its ability to replace more mundane roles with technology.

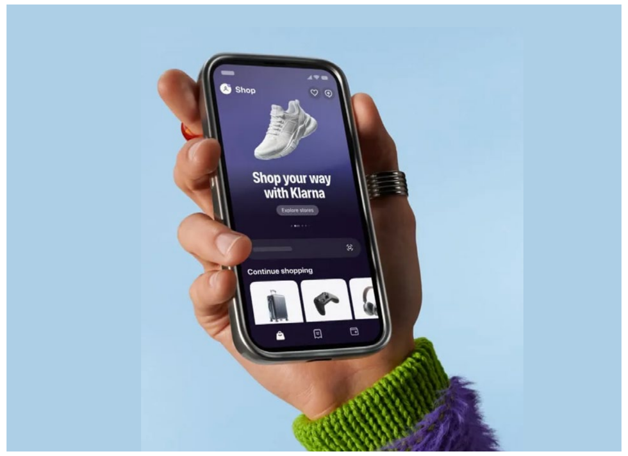
In terms of announcements, Klarna has continued to sign new collaborations with other platforms. Recent news includes:

i. Klarna being made an official Apple reseller, allowing customers to buy Apple products using Klarna's payment options;

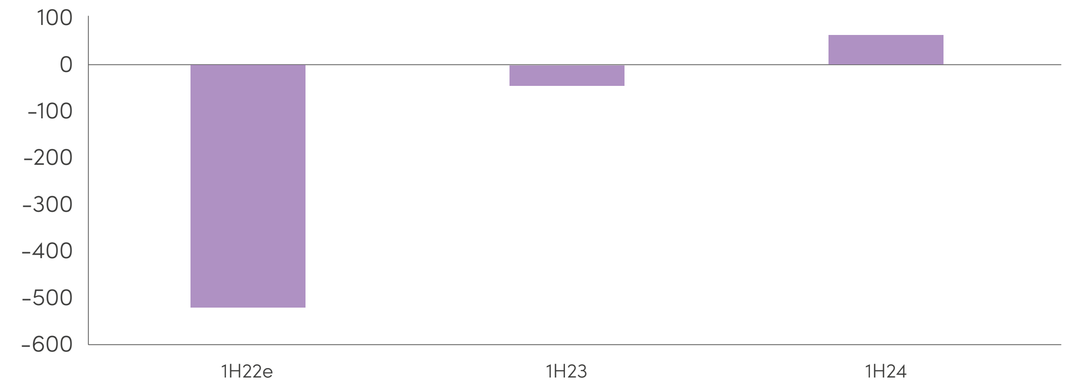
ii. A deal with Xero, to allow SMEs to accept payments from customers wanting a Buy Now Pay Later ("BNPL") solution;

iii. The launch of Klarna's payment options on Adyen's physical payment terminals across Europe, North America and Australia;

iv. Probably most importantly, Klarna went live as an option on Apple Pay online and in apps in the UK and US, and has stated it will soon be available as an option on Google Pay.



Klarna – Progression of Adjusted Operating Income (US$ millions, 1H22 estimated by Chrysalis Investment Partners LLP)



Source: Klarna and Chrysalis Investment Partners LLP

In addition, there have been other corporate developments, including:

i. The establishment of a UK holding company;

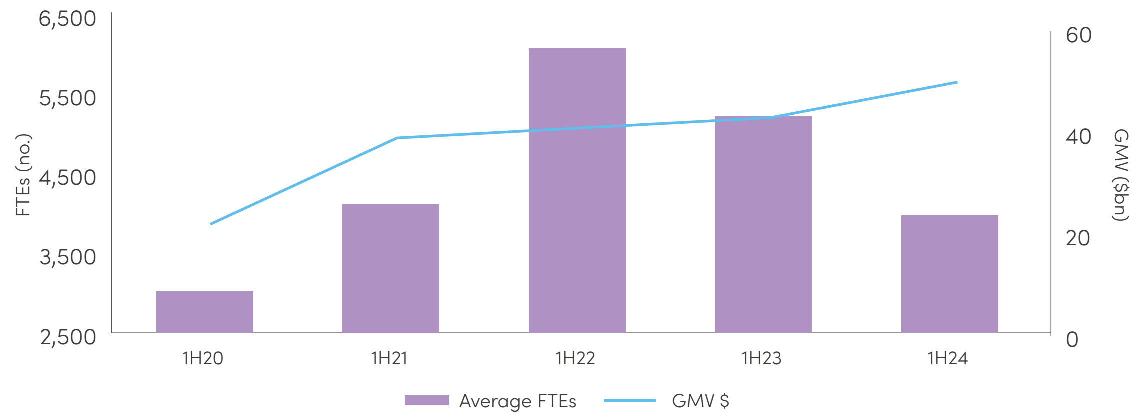
ii. The sale of Klarna Checkout, purportedly for $520 million, which served mainly the Nordic markets;

iii. The establishment of a forward flow arrangement with the US hedge fund, Elliott, which could see $30 billion of loans transferred over the coming years.

The Investment Adviser sees all these developments as either being beneficial to growth, or driving capital efficiency, but in aggregate all supportive of an equity story leading up to IPO.

Post period end, Klarna announced that it had submitted a draft Registration Statement to the Securities and Exchange Commission in the US, regarding a possible IPO of its shares. Such an event is likely to be transformational for the Company, adding significant liquidity to its already strong capital position.

Klarna – Average FTEs versus GMV



Source: Klarna

[1] Operating result adjusted for Depreciation and amortisation, Share based payments, Restructuring and other, and Other income (expense).

Investment Adviser's Report

(continued)

FEATURE SPACE

£29.5m

Total Investment

£81.4m

Carrying Value

13th May 2020

Date of initial investment

Last Reported Financials

December 2023:
£50.4m revenue (+47%)
£7.1m loss after tax

featurespace.com

Featurespace Limited ("Featurespace")

Featurespace has continued to experience good growth over the year, building on the 47% revenue growth it showed over its year to December 2023.

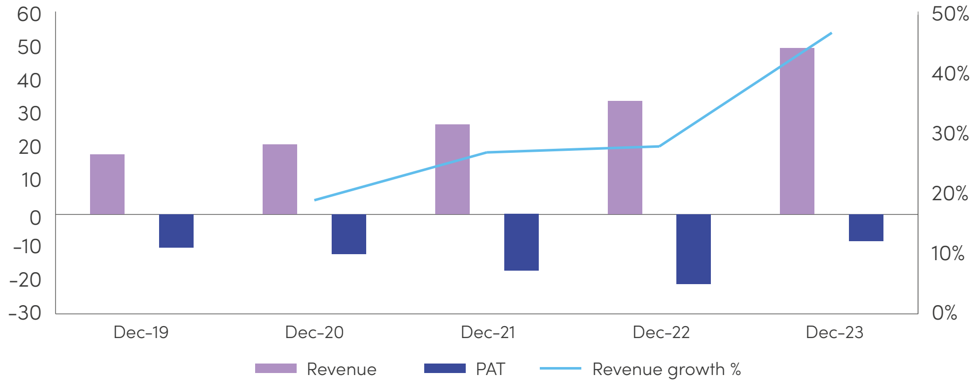
Over the last four years, Featurespace's revenue growth has accelerated, implying significant increases in the absolute quantum of new business won in those years; the Investment Adviser believes this shows the potency of the company's offering.

Over the last five years, Featurespace has operated at a loss, but losses narrowed substantially in 2023, and it is expected that the company will continue its journey towards profitability over the course of 2024.

The company continued to win awards for its products over the year, including the "Best Innovation by a Financial Institution" award at the 2023 Fraud and AML Impact Awards for the deployment of the ARIC Risk Hub, alongside NatWest. The implementation led to 57% and 135% increases in the value of fraud and scams detected respectively. The company has also been shortlisted in five categories for The Card and Payments Awards 2025. In addition, Featurespace launched TallierLTM, which it believed was the first adoption of GenAI in the fraud space, which it claimed could improve fraud detection rates by 71%.

The key news in the period was Visa signing a definitive agreement to acquire Featurepsace on 26 September 2024. Visa is a world leader in digital payments and the Investment Adviser considers it a natural home for Featurespace.

Featurespace financial performance (£ millions)



Source: Featurespace and Chrysalis Investments Limited

The sale completed post period end and the Company received approximately £79 million in late December. A further £11 million is expected if the amount held in escrow is paid in full. At point of announcement of the deal, if the gross proceeds were applied for valuation purposes, this represented a 20% premium (equating to an uplift in NAV per share of circa 2.5 pence) to the Company's previous carrying value of Featurespace (£74.2 million) as of 30 June 2024.

Chrysalis first invested in Featurespace in May 2020, with a capital injection of £20 million; it increased its position with secondary share purchases over 2021 (aggregating to approximately £4.5 million) and a follow-on capital injection of £5 million was provided in July 2022, summing to a total investment of £29.5 million. As such, the gross proceeds represent a money multiple return of 3.0 times and an IRR of c32% (assuming gross proceeds were received at time of announcement).

The Investment Adviser views Featurespace as an exemplar of the type of investment it is looking for: having the ability to operate in significant end markets and providing scalable, efficient technology that can bring benefit to its clients.

Investment Adviser's Report
(continued)

£46.4m
Total Investment

£80.2m
Carrying Value

30th September 2020
Date of initial investment

Last Reported Financials
Not publicly disclosed

thebrandtechgroup.com

The Brandtech Group LLC ("Brandtech")

Brandtech acquired Jellyfish, a leading global digital media and marketing group, in June 2023 and the key focus for management since that time has been successfully integrating the acquisition into the Group. Jellyfish represented the ninth and largest acquisition made since inception, so the transaction naturally presented some level of risk.

Since that time, a significant amount of work has been done to streamline the cost base, build the sales pipeline and reaccelerate organic growth and the Investment Adviser is particularly pleased with the progress that has been made over recent months. The acquisition of Jellyfish has allowed Brandtech to accelerate in all areas, given the agency's skills in data, creation and especially media. Jellyfish also enables the group to accelerate its AI strategy due to the relationships the company has established with the major platforms, and due to its team's ability to train on new technologies at scale. This allows these innovations to be deployed faster than competitors, who do not have the same resources in-house.

Despite a tough backdrop, the rest of the group has continued to generate positive organic growth year to date and in more recent months has seen improved momentum. The Investment Adviser is particularly excited about the potential of Pencil, Brandtech's GenAI marketing platform.

Within weeks of acquiring the company, Pencil was used to target global brands with the release of Pencil Pro, an AI-driven ad generation engine with predictive models of those advertisements' success. Pencil Pro, which debuted with Unilever and Bayer as launch partners, has already shown to produce an average 48% drop in an advertisement's cost per action (where advertisers pay only when a specific action is completed by a user) and a 78% boost in return on ad spend, compared to a brand's baseline. Pencil was also named by Fast Company as one of the world's Most Innovative Companies in the advertising and marketing category, the only GenAI marketing company to be recognized.

Finally of note, Matthieu Bucaille joined the company as Global CFO in March 2024. Matthieu was previously the ex-CEO of Lazard International and held several senior roles there including Global CFO of publicly listed Lazard Ltd. from 2011 to 2017. This is an encouraging appointment and should stand Brandtech in good stead ahead of a future IPO.

£62.2m
Total Investment

£41.8m
Carrying Value

6th July 2021
Date of initial investment

Last Reported Financials
Not publicly disclosed

deepinstinct.com

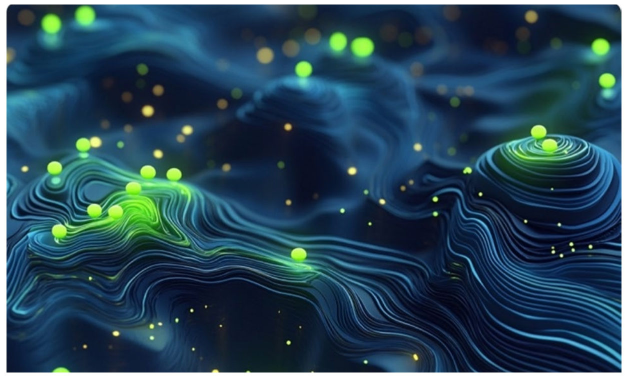
Deep Instinct Limited ("Deep Instinct")

Deep Instinct, the prevention-first cybersecurity company with a purpose-built, AI-based deep learning framework, announced the launch of Deep Instinct Prevention for Applications (DPA) v3.0 in January. The new solution is an agentless, on-demand, anti-malware solution that is device and system agnostic, seamlessly connecting to an organisation's existing infrastructure to quickly scan files and provide a malicious-vs-benign verdict before a file is allowed into an application or storage repository.

File transfers are often not scanned, or are scanned with inadequate solutions that cannot scale to meet the volume and velocity of cyber threats brought on by adversarial AI. Additionally, these technologies have not evolved to stop unknown malware and are largely reliant on signature-based and machine-learning models that require constant human intervention. Powered by deep learning, the company believes that DPA v3.0 is the only solution on the market that can truly mitigate risks posed by file transfer, while requiring only one to two updates per year.

In May, the company also announced the launch of the Deep Instinct Artificial Neural Network Assistant (DIANNA), one of the industry's first AI-based cybersecurity companions that provides explainability into unknown threats. Powered by a large language model (LLM), DIANNA serves as a virtual AI team of malware analysts and incident response specialists, providing deep analysis into all attacks, including never-before-seen threats, revealing the techniques employed and the behaviours of files.

In the period, Deep Instinct also won the CRN 2024 Tech Innovator Award for its Prevention for Storage (DPS) solution. DPS provides data storage threat prevention across network attached storage (NAS) and cloud storage environments, demonstrating its innovative approach to data security. Continued innovation should ultimately widen the company's addressable market and lead to a growing sales pipeline, with sales conversion ultimately driving ARR progression and the strategic value of the asset.



wefox

£86.5m

Total Investment

£36.2m

Carrying Value

18th December 2019

Date of initial investment

Last Reported Financials

Not publicly disclosed

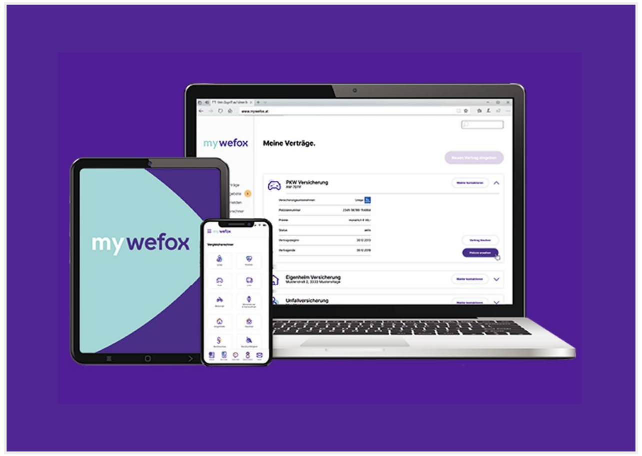
wefox.de

wefox Holding AG ("wefox")

There has been significant change at wefox over the past twelve months. In March, wefox appointed Mark Hartigan as its Executive Chairman and CEO, with Julian Teicke transitioning into the role of Non-executive President. A permanent CEO was later identified, with Joachim Muller appointed in September 2024.

Joachim Muller is a highly experienced leader in the retail and commercial insurance industry, with expertise in business transformation and digitalization in multinational markets. He was previously CEO of Allianz Global Corporate & Specialty SE, and CEO of Allianz Commercial, where he was responsible for bringing together Allianz's Commercial insurance businesses under one global umbrella.

The focus of the management team during the period has been to streamline the company's operations, disposing of non-core assets and enhancing its core strengths. This period of restructuring has included a reduction in the cost base, optimisation of processes and investment in keys areas, to build a more resilient and efficient organisation. Going forward, wefox will only focus on markets where it has profitable operations of critical size or is on track to achieving this within the next 12 months.



In this context, the company is likely to look to further build out its market positions in the Netherlands, Austria and Switzerland, and will withdraw from the German market.

The new strategy also means that the insurance carrier, wefox Insurance AG, will no longer be part of the group's core business. The sale of the insurance carrier was completed post period end.

A €25 million funding round was completed in June 2024 to support the ongoing restructuring plan and further capital was raised through the sale of certain assets of the business. In July, wefox Germany Holding GmbH reached an agreement with Ecclesia Group on the sale of Assona GmbH. In addition, the company reached an agreement with IWV Versicherungsservice AG to transfer its insurance brokerage activities in the German market through the sale of a subsidiary. These two transactions largely complete the exit of wefox from the German market.

As a result of the restructuring activities outlined above, the valuation of wefox was written down materially over the period, reflecting a more cautious assessment of the company's valuation, insertion of a variety of downside scenarios in the blended valuation put through the share capital waterfall, and the treatment of certain CLA instruments as debt.

The Company has invested €20 million in wefox since period end.

It is also noted that Richard Watts was appointed to the company board in June.

Investment Adviser's Report
(continued)

£48.5m

Total Investment

£29.9m

Carrying Value

16th August 2021

Date of initial investment

Last Reported Financials

Not publicly disclosed

infosum.com

Cognitive Logic Inc ("InfoSum")

In January 2020, Google formally announced its intention to deprecate third-party cookies in Chrome, stating that it aimed to complete the phase-out within two years. After a series of delays to this timeline, Google announced in July 2024 that it was abandoning its longstanding plans to deprecate third-party cookies in Chrome. While this is disappointing news, the initiative has highlighted the need for publishers and advertisers to invest in privacy compliant technologies and accelerated the trajectory towards enhanced privacy and user consent.

InfoSum has designed a platform that enables secure and privacy-first data collaboration. The platform uses patented technology to connect customer records between companies without exposing or transferring the data; this ensures that organisations can collaborate and analyse first-party data in a completely secure and compliant environment, and without a reliance on third-party cookies. In recent months, the company achieved the Amazon Web Services (AWS) Advertising and Marketing Technology Competency in the category of Privacy-Enhanced Data Collaboration. This designation reinforces InfoSum's position as an industry contender in data collaboration.

In the period, InfoSum announced a number of strategic partnerships that extends its data collaboration network. In March, the company announced a solution with Experian that enables automotive brands to securely access insights about vehicle owners, extend match rates and improve targeting. In August, a partnership with Netflix, the world's biggest streaming platform, was announced that will enable advertisers to securely match their first-party data against Netflix's audience to create powerful advertising experiences, without having to share or centralise data. A further partnership was announced that month with WPP's global data and technology company, Choreograph, to streamline and futureproof campaign planning and audience profiling capabilities for GroupM clients.

In a planned management transition, Lauren Wetzel was announced as InfoSum's new Chief Executive Officer in July. Lauren Wetzel was previously the Group's Chief Commercial Officer and replaces Brian Lesser, who has led InfoSum as Chairman and CEO since 2020. Two further hires have been made. Aline Zenses was appointed as Managing Director of the DACH region. Aline has nearly 20 years in the marketing and adtech industry and was previously MD for Northern Europe at SilverBullet, a leading consultancy that helps clients derive value from their first-party data. Adele Burke has also been appointed as Sales Director to help the group expand in Australia and New Zealand.

£28.0m

Total Investment

£25.3m

Carrying Value

7th November 2018

Date of initial investment

Last Reported Financials

December 2023:
£170m revenue (+57%)
£9.0m loss after tax

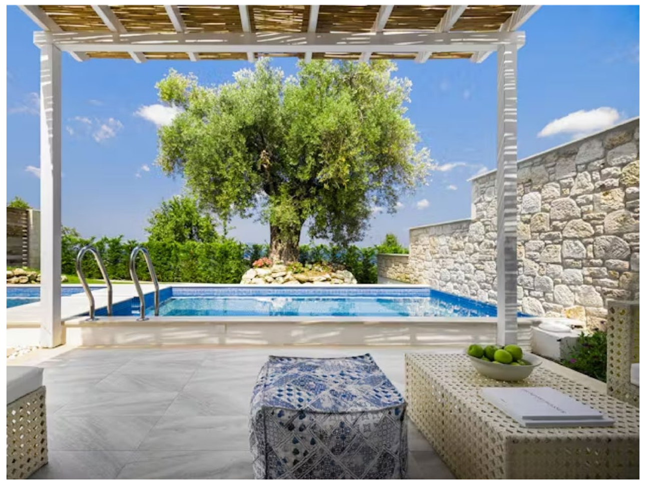
secretescapes.com

Secret Escapes Holding Limited ("Secret Escapes")

Secret Escapes released its results for the year ended 31 December 2023 during the period. The group delivered a strong financial and operational performance over the course of the year with gross bookings increasing +19% year-on-year to £523.8 million and revenues growing +14% to £104.1 million. Growth in early 2023 was driven by increased demand post-COVID. Across the year, 2023 saw robust consumer demand, despite ongoing cost-of-living pressures, as consumers continued to prioritise experiences, albeit with a greater emphasis on value.

Actions were taken towards the end of 2022 to streamline the cost base and operate more efficiently, and this led to improved profitability through 2023. Underlying EBITDA grew to £11.4 million in 2023 (2022: £4.0 million) while operating profit increased to £1.6 million (2022: £14.8 million loss). It is also exploring further initiatives to enhance its operational efficiency, including additional consolidation of its central support teams.

Secret Escapes has had an encouraging start to 2024 and continues to grow profitability. It continues to execute its strategy to consolidate and grow market share in Europe, while driving operational efficiency goals. Supported by a strengthened balance sheet and differentiated customer offering, the long-term outlook for the business remains positive.



Investment Adviser's Report
(continued)

£0.7m

Total Investment

£2.0m

Carrying Value

7th November 2018

Date of initial investment

Last Reported Financials

March 2024:
£1,052m revenue (+24%)
£355m profit after tax

wise.com

Wise PLC ("Wise")

In the half year to 30 September 2024 (1H 2025), Wise moved £68.4 billion around the world for 11.4 million customers, a 19% increase on the same period in the prior year (1H 2024). The company also reported revenue of £807.8 million for the half (up 23% from 1H 2024) and net income of £217.3 million (up 55% from 1H 2024), beating expectations.

In its results announcement, Wise also confirmed the launch of its sixth live direct connection to a domestic payment system, with the Philippines. Wise has also received regulatory approvals to integrate directly with the domestic payment systems in Brazil and Japan, taking the number of direct connections to eight once these two territories are launched. Enhancing its infrastructure is making Wise increasingly efficient: 63% of transfers are now completed instantly and reducing unit costs allowed the company to lower prices, with the average cross border take rate at 62bps, 5bps lower than a year ago.

The Company maintains a modest position in Wise.

£42.1m

Total Investment

£0.0m

Carrying Value

18th August 2021

Date of initial investment

Tactus Holding Limited ("Tactus")

In the Investment Adviser's last update in the Annual Report and Accounts for 2023, it was highlighted that Tactus had faced significant structural headwinds, as hardware sales had declined materially across the industry. Trading post period end did not improve, and the Investment Adviser made the decision not to invest further capital in Tactus. The company was placed into administration in May 2024 and the investment in Tactus was subsequently written off.

Environmental, Social and Corporate Governance Report

The role of ESG in our investment process

The Board and the Investment Adviser recognise their responsibility to investors to provide clear and transparent information in respect of the Company's approach to ESG.

ESG Objective

The Company does not have a specific sustainability objective and, for the purposes of the Sustainable Finance Disclosure Regulation ("SFDR"), has declared itself an Article 6 firm. The Company does not intend to adopt a label under the Sustainable Disclosure Requirements ("SDR").

ESG Strategy

The Investment Adviser does not seek out investments that have a sustainability focus. However, as part of its investment process, it recognises the necessity to assess the ESG risks and practices of an investment as a contributing factor to its overall success. The Investment Adviser contributes to positive ESG outcomes through active stewardship.

The following ESG factors are considered as part of the investment process:

- Governance practices
- Human Capital management
- Social matters
- Greenhouse gas emissions, carbon reduction and net zero targets

In this report, the Investment Adviser, provides an update on the progress of ESG practices within the portfolio over the last twelve months. All data provided is on a like-for-like basis and looks at companies in the current, active portfolio (ten portfolio companies), allowing for a direct assessment of progress over the period. As such, data for the prior period may differ to that previously reported, as exited or inactive portfolio companies have been removed.

The case studies that the Investment Adviser has selected are designed to demonstrate good ESG practices in those companies and are not necessarily indicative of practices across the portfolio.

Stewardship

Stewardship is a core aspect of the Investment Adviser's approach. There is regular dialogue between the Investment Adviser and the leadership teams of portfolio companies. Where the Investment Adviser has a board seat or board observer status, members of the Investment Team attend board meetings and provide input where they believe they can help companies achieve their strategic objectives. This includes regular dialogue on ESG related topics, and the Investment Adviser seeks to influence companies where they believe the management of material ESG factors can be improved.

One of the principal challenges of ESG integration in a private company context is data availability. Unlike listed companies, many private companies do not disclose ESG related data, either publicly or to third party data providers. This reality can hinder the identification of material ESG risks and potential issues which may require engagement.

On behalf of the Company, the Investment Adviser developed an internal dashboard of metrics to assess the ESG performance of portfolio companies to address these challenges. This data is collected directly from portfolio companies or from publicly available information. The Investment Adviser uses the resulting metrics to assess each company's ESG performance relative to its level of corporate development and maturity, and incorporates insights gained into its dialogue with company leadership teams, to assist with their continued development.

Where potential material ESG risks, or areas of group governance which require development, are identified, the Investment Adviser communicates these conclusions to management and seeks to work collaboratively with them to make improvements. Company action plans and any material ESG incidents are reported to the Risk Committee and monitored over time to assess progress.

Corporate Governance

50%
of portfolio companies have an independent chairperson
(2023: 50%)

80%
of portfolio companies have at least one independent director
(2023: 80%)

50%
of portfolio companies are ISO 27001 certified
(2023: 20%)

To grow successfully, companies and their founders must not only execute strategically, but they must also lay the foundations for future growth by creating appropriate corporate governance structures. It is critical that private companies considering listing prepare themselves for the additional scrutiny which comes with going public. It is also vital that founders, who may not have previously run listed businesses, are prepared to bring in experienced independent non-executive directors who can help their companies develop. Building capacity at board and executive level – reducing key man risk and reliance on individual founders over time – is crucial to a company's future development.

The Investment Adviser assesses company governance on a range of issues, recognising that good practice will differ depending on a company's jurisdiction, size and ownership structure. Following the changes to investment management arrangements during the period, the Investment Adviser has now also been able to appoint representatives to the board of several portfolio companies. We consider this to be an important step in the effective oversight of these investments.

Metrics

A total of 8 portfolio companies have at least one independent director on their board, consistent with the prior period on a like-for-like basis. During the period, two portfolio companies appointed new independent chairs, Gordon Wilson at Smart and Mark Hartigan at wefox.

There is an increasing focus on cyber security governance and the approach portfolio companies are taking to ensure they have a comprehensive framework in place to prevent the interruption of activities due to cyber threats or attacks. Five portfolio companies now have an ISO 27001 certification, which is an international standard for information security management. This compares to just two portfolio companies in the prior period.

Case study

Following the two successful terms of Ruston Smith as Independent Non-Executive Director and Chair of Smart, the Investment Adviser, following consultation with other major investors, recognised the need to identify a new Chairperson who could help steer Smart through its next phase of growth.

In June 2024, Smart announced the appointment of Gordon Wilson as the company's new Chair of the Board, succeeding Ruston Smith. Gordon brings a wealth of experience and a proven track record in the technology and pensions sectors, further strengthening Smart's leadership team as the company continues its global expansion.

Gordon's distinguished career spans three decades, during which he has held key leadership positions and driven significant growth in various organisations, including both technology and pensions businesses. Gordon was the CEO of Advanced for over eight years and recently stepped down to start his non-executive career. Gordon is also a member of the board of TechUK, and chairs three other tech businesses: Zenitech, Imagesound and The Polaris Group. During his executive career, he notably led the management team at Aquila Heywood, a leading pension software provider, achieving substantial growth.

Environmental, Social and Corporate Governance Report
(continued)

Human Capital

20%

of portfolio companies have female CEOs

(2023: 20%)

30%

average proportion of women in senior leadership roles

(2023: 30%)

Good human capital management supports both value creation and business resilience, and the Investment Adviser believes that investing in human capital correlates with longer-term business success. Human capital management can both upskill and educate a workforce, increase abilities, and retain and motivate employees.

The Investment Adviser recognises that approaches to human capital management, including DE&I will differ from company to company, and seeks to understand a portfolio company's operating model and engage to advise on best practice and potential improvements.

Metrics

While Anne Boden was replaced by Raman Bhatia as the CEO of Starling Bank, the period closed with 2 female CEOs across the portfolio. Lauren Wetzel was appointed as the CEO of InfoSum in July 2024, taking over from Brian Lesser in a planned management transition.

The average proportion of women in senior leadership roles in the portfolio also remained stable over the period.

Case study

During the period, Smart Pension joined the Diversity Project, a cross-company initiative, which champions shared learning and promotion of best practice in order to achieve a truly diverse, equitable and inclusive UK investment and savings industry.

In signing up to the initiative, Smart Pension joins other notable industry members such as Fidelity International, Franklin Templeton, AXA Investment Managers, Legal & General Investment Management, Mercer, Natixis Investment Managers and Octopus Investments.

With its membership, Smart Pension commits to striving for progress in diversity, equity and inclusion (DE&I) and to take action to drive wider change in the industry. The Diversity Project's aims include reductions in gender pay gap levels, a 90% ethnicity disclosure rate amongst participating businesses, and support of graduate and school leaver recruitment programmes focused on socioeconomic diversity.

The membership signifies a commitment to supporting and promoting diversity, equity and inclusion at Smart Pension, through peer discussions, shared learning and events, all working towards a more inclusive culture within the investments and savings industry. This covers many areas including socio-economic background, disability, age, gender, sexuality, neurodiversity, mental health, race and ethnicity.

Social impact

The current portfolio includes companies which provide solutions to urgent business problems and in some instances, the development and application of technology is accelerating the ability of those companies to enact change, which in turn provides an opportunity to have a positive impact on society.

Case study

The Brandtech Group recently announced that it is launching several initiatives to promote and regulate the ethical use of GenAI. Among these, is the introduction of a blueprint for creating ethical generating AI policies and the unveiling of Bias Breaker, a proprietary technology aimed at combating bias in AI foundation models.

Brandtech's own research revealed significant biases in existing AI models. When prompted for an image of a CEO, several major models generated 98% to 100% pictures of males, a stark contrast to reality, with the McKinsey's Women in the Workplace study showing that 28% of C-Suite roles and 10.4% of Fortune 500 chief executive positions were held by women. Bias Breaker addresses this issue by adding a probability-based layer of inclusivity to prompts, covering aspects such as age, race, gender identity and religion.

Environmental, Social and Corporate Governance Report
(continued)

Environmental Impact

60%
of portfolio companies have calculated their Scope 1 and 2 emissions
(2023: 30%)

40%
of portfolio companies have made a net zero commitment
(2023: 30%)

40%
of portfolio companies have set at least one short or medium-term carbon reduction target
(2023: 30%)

0%
portfolio exposure to companies engaged in extraction or production of fossil fuels
(2023: 0%)

Limiting global temperature rises to 1.5 degrees above pre-industrial levels, in line with the Paris Agreement, is an urgent challenge facing the global economy. The Investment Adviser uses its influence to encourage companies to identify, manage and mitigate climate change risks or opportunities.

The Investment Adviser believes that the Company's portfolio of tech-enabled, predominately digital businesses is not exposed to material climate risks and has limited direct environmental impacts, mainly due to the comparatively low levels of their carbon emissions. However, its view is that the scale of climate change will impact all sectors, industries, and asset classes and so acknowledges the positive role that it can play in tackling it through investment decisions and capital allocation.

Metrics

Progress was made by some companies in the portfolio over the course of the year, with three additional portfolio companies now calculating and disclosing their Scope 1 and 2 emissions, namely Klarna, Featurespace and Secret Escapes.

Klarna has also now made a net zero commitment and set at least one short or medium-term carbon reduction target, with an increase in the number of portfolio companies doing so from 30% to 40%.

Case study

During the period, Klarna announced its sustainability achievements for the past year. In 2023, it saw a significant uptick in the use of its features that provide consumers with information about the sustainability efforts of merchants and promote conscious shopping, contributing to 4.75 million purchases from more conscious brands. A standout achievement from their report was the 150% year-over-year increase in the usage of Klarna's CO2e Emissions Tracker, highlighting a shift towards more conscious consumer behaviour. In addition, the company saw a 25% reduction in its greenhouse gas (GHG) emissions and had, to date of the report, committed $24.5 million to planet health initiatives.

These environmental and social contributions underscore the company's continued commitment to addressing environmental sustainability, focusing on reducing its carbon footprint and promoting conscious consumption among its vast network of 150 million consumers and 550,000 retail partners worldwide.

Klarna's 2023 sustainability highlights include:

- **Driving 4.75 million conscious purchases through tech innovation:** In 2023, Klarna introduced a number of advancements to its products and services that furthered its mission of empowering its 150 million consumers with information to make more conscious purchasing decisions. Klarna's CO2e Emissions Tracker, which was updated to include expanded insights for over 170 million products, drew in 460,000 monthly users—a 150% jump from the previous year. Additionally, new features including sustainability search filters in Klarna's intelligent search & compare feature, a resell feature in the Klarna app, conscious brands ratings displaying brands' sustainability achievements, as well as an online sustainability hub, contributed to Klarna customers making 4.75 million purchases from brands recognized for their sustainability efforts.
- **Enabling thousands of consumers to contribute to planet health:** In 2023, Klarna introduced a donations feature for US shoppers as part of its commitment to planet health with a focus on climate, people, and biodiversity. This feature allows shoppers to add a $1 donation to their purchases using the interest-free Pay in 4 service at participating retailers, with donations supporting the WRLD Foundation's work towards achieving UN Sustainable Development goals. In just 7 months since its June 2023 launch, the initiative has received a powerful response with over 193,000 consumers contributing to date, raising over USD $200K total.
- **Achieving 25% GHG reduction:** Klarna has made significant progress in cutting its greenhouse gas (GHG) emissions, achieving a 25% reduction in its overall absolute carbon footprint in 2023 compared to the previous year, with a 66% decrease in scope 1 and 2 emissions and a 39% reduction in carbon intensity. These figures represent significant strides towards Klarna's 2030 goal of halving carbon intensity from a 2019 baseline.
- **Committing $24.5M to planet health initiatives:** Since its pledge in April 2021, Klarna has dedicated 1% from each of its funding rounds to planet health initiatives via its Give One initiative. This commitment resulted in a total contribution of USD $24.5 million by the end of 2023, supporting over 50 organizations worldwide in regions including North America, South America, Africa, Europe, and Asia. Notable achievements from this support included the planting of 3.4 million trees to restore and reforest important ecosystems and 900,000 hectares (approx. 2.2 million acres) of habitat across the globe seeing positive impact through organizations backed by Klarna.

In recognition of its efforts, Klarna was named the Most Sustainable Bank in Sweden 2023 by the Sustainable Brand Index and received several other accolades throughout the year including being awarded the Most Disruptive Global Climate Action Initiative in the CSR Excellence Awards, and receiving a finalist position in the Reuters Responsible Business Awards within the Net Zero Transition Award category.

Environmental, Social and Corporate Governance Report
(continued)

ESG Roadmap

Following the changes to the Company's investment management arrangements in the period, the Company and Investment Adviser have been engaging with advisors to assess the current ESG strategy. Those advisers have reviewed the ESG Policies in place as well as the relevance of the data and ESG metrics collected and used to make assessments on portfolio companies, to drive ESG outcomes and to report to its investors.

This process has identified opportunities for the Company to close gaps in its approach to ESG, particularly considering increased regulatory scrutiny of ESG reporting.

ESG Data

There is recognition that more can be done to improve the transparency and depth of data that the Company collects. As a result, the Company is aiming to implement the ESG Data Convergence Initiative ("EDCI") framework, to supplement the current metrics collected from the portfolio.

The EDCI framework is a collaborative effort aimed at standardising the collection and reporting of ESG data within the private equity industry. The initiative seeks to create a unified approach to ESG metrics, making it easier to benchmark and compare ESG performance across different portfolio companies and investment vehicles.

Key Features of the EDCI Framework:

Standardised Metrics: The EDCI framework includes a core set of ESG metrics such as greenhouse gas emissions, net zero commitments, renewable energy usage, board and C-suite diversity, work-related accidents, net new hires, and employee engagement. Some of which the Company is already collecting today.

Benchmarking: By using these standardised metrics, the Company can compare its portfolio companies' ESG performance against industry benchmarks, providing valuable insights and driving improvements.

Transparency: The initiative promotes greater transparency in ESG reporting, enabling more consistent and comparable data for investors.

Collaboration: The EDCI is supported by a wide range of stakeholders, including over 450 investors, representing approximately $38 trillion in assets under management.

In summary, the initiative helps streamline ESG reporting processes and enhances the quality and comparability of ESG data in the private equity sector. The EDCI framework has been established by some of the largest private market investors and managers for collecting information from their private portfolio companies.

The Investment Adviser will integrate the EDCI metrics into the investment process, the Company's risk management framework and reporting over the course of 2025. A further update will be provided on progress here in the Interim Report and Financial Statement to 31 March 2025.

ESG Regulation

The Company is exposed to ESG regulation in the form of:

1) **The Sustainable Finance Disclosure Regulation ("SFDR")**
The SFDR exists to increase transparency on how financial market participants integrate sustainability risks and opportunities into their investment decisions and processes.

2) **The Sustainable Disclosure Requirements ("SDR")**
The SDR is designed to provide clear and comparable information about the sustainability characteristics of financial products, helping consumers make clear and informed decisions and to reduce the risk of greenwashing.

   The Company has considered the requirements of both the SFDR and SDR regulation, including the anti-greenwashing rules applicable from 31 May 2024, and has made changes to its practices and the disclosures in this document to ensure compliance with that regulation.

3) **The Task Force on Climate-related Financial Disclosures ("TCFD")**
The TCFD is a global initiative established to develop voluntary climate-related financial disclosures that companies and financial institutions can use to provide clear, comprehensive and high-quality information on the impacts of climate change.

   The Company falls under the TCFD regulation by virtue of having a UK-based AIFM, which has AUM of greater than £5 billion on a 3 year rolling average. Given the new investment management arrangements have only been in place since 1 April 2024 the Company will provide an update regarding compliance with TCFD in the Interim Report and Financial Statement to 31 March 2025.

4) **The Modern Slavery Act 2015**
Several of the Company's portfolio companies are required to make a Modern Slavery Prevention Statement ("MSS"). The statement is voluntary for those who are not. The Investment Adviser plans on engaging with portfolio companies who have not yet made an MSS.

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 or the Cayman Islands Stock Exchange). Furthermore, 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. Furthermore, 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 funds 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 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.

Corporate Governance

Corporate Governance Statement

Chrysalis has a listing on the Closed Ended Investment Fund segment of the London Stock Exchange Main Market and is a member of the Association of Investment Companies (AIC). The Board has considered the Principles and Provisions of the 2019 AIC Code of Corporate Governance (AIC Code), and a full scope review of the Company's corporate governance processes and procedures has been conducted with reference to the AIC Code by the Board and the Company Secretary.

The AIC Code addresses the relevant Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission, provides more relevant information to shareholders. The Company has complied with the Principles and Provisions of the AIC Code and in doing so has met its associated disclosure requirements under paragraph 9.8.6 of the Listing Rules.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Key Governance Disclosures

Section 172(1) Statement

Through adopting the AIC Code, the Board acknowledges its duty to apply and demonstrate compliance with section 172 of the UK Companies Act 2006[1] and to act in a way that promotes the success of the Company for the benefit of its Shareholders as a whole, having regard to (amongst other things):

a. consequences of any decision in the long-term;
b. the need to foster business relationships with suppliers, customers and others;
c. impact on community and environment;
d. maintaining reputation; and
e. acting fairly as between members of the Company.

The Board considers its duties under S.172 to be integrated within the Company's culture and values. The Company's culture is one of respect for the opinions of stakeholders, with an aim of carrying out its operations in a fair and sustainable manner that is both instrumental to the Company's long term success and upholds the Company's ethical values. The Board encourages diversity of thought and opinion in accordance with its Diversity Policy and would like to encourage stakeholders to engage freely with the Board of Directors on matters that are of concern to them.

Stakeholders may contact the Company via the Company's dedicated e-mail address (ChrysalisGSYTeam@iqeq.com), the Company's LinkedIn page (https://www.linkedin.com/company/chrysalis-investments-investment-trust/) or by post via the Company Secretary on any matters that they wish to discuss with the Board of Directors.

The Company is an externally administered investment company, has no employees, and as such is operationally quite simple. The Board does not believe that the Company has any material stakeholders other than those set out in the following table.

Investors	Service providers	Community and environment
	Issues that matter to them	
Performance of the shares Growth of the Company Liquidity of the shares Corporate Governance	Reputation of the Company Compliance with Law and Regulation Remuneration	Compliance with Law and Regulation Impact of the Company and its activities on third parties
	Engagement process	
Annual General Meeting Frequent meetings with investors by brokers and the Investment Adviser and subsequent reports to the Board Quarterly factsheets Key Information Document	The main service providers engage with the Board in formal quarterly meetings, giving them direct input to Board discussions Communication between Board and service providers also occurs informally on an ongoing basis during the year	Adherence to principles of appropriate ESG policies exists at both Company and investment level Principles of socially responsible investing form a key part of the Company's investment strategy
	Rationale and example outcomes	
The Board have engaged with investors in relation to the Company business over the course of the year	The Company relies on service providers as it has no systems or employees of its own The Board seeks to act fairly and transparently with all service providers, and this includes such aspects as prompt payment of invoices	The Investment Adviser works to ensure that sustainability and ESG factors are carefully considered and reflected in the Company's investment decisions The Board of Directors travel as infrequently as possible and instead communicate, where they are able to, by video and conference call

[1] Section 172 of the UK Companies Act 2006, imposes on a director the duty to 'act in a way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole' and, in so doing, to have regard to a series of factors listed in the section which refer to the promotion of social, environmental and governance objectives.

Key Governance Disclosures
(continued)

Going Concern Statement
The Going Concern Statement is made on pages 59 and 60.

Viability Statement
The Viability Statement is made on page 60.

Fair, Balanced and Understandable Statement
The annual report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. Further information on how this conclusion was reached can be found within the Audit Committee Report.

Appointment of the New Investment Adviser
Further details relating to the appointment of the New Investment Adviser and how this is in the interests of members as a whole can be found within the Report of the Management Engagement Committee.

Appointment of the New Administrator and Company Secretary
On 1 August 2024, IQ-EQ Fund Services (Guernsey) Limited ("IQ-EQ") was appointed as Administrator and Company Secretary. The Administrator is responsible for the maintenance of the books and financial accounts of the Company and the calculation, in conjunction with the Investment Adviser, of the Net Asset Value of the Company and the shares.

Assessment of Principal and Emerging Risks
The Board has undertaken a robust assessment of the Company's principal and emerging risks, together with the procedures that are in place to identify emerging risks. Further information on this assessment and an explanation on how these risks are being mitigated and managed can be found on page 63.

Review of Risk Management and Internal Control
The Board confirms that it has reviewed the Company's system of risk management and internal controls for the year ended 30 September 2024, and to the date of the approval of this annual report and audited financial statements. For further details of the key risks and uncertainties the Directors believe the Company is exposed to together with the policies and procedures in place to monitor and mitigate these risks, please refer to pages 97 to 108 and note 18 of the annual report and audited financial statements.

The Board of Directors

The Board comprises six independent non-executive Directors, two of whom are female, who meet 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.

Further details concerning the meetings attended during the year by the Board and its Committees can be found on page 49. All Directors are considered independent of the Investment Adviser for the purposes of 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. For further information on how the Board considers the interests of stakeholders in its decision making please see the S.172(1) statement on page 43. 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 brings a wealth of skills, experience and knowledge to the Company as illustrated in their biographies on the following pages.

The Board of Directors
(continued)

Andrew Haining
Chairman (Independent)

Andrew has had a 30-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 a number of private companies. 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 in 1990.

Simon Holden
Independent

Simon is a Chartered Director ("CDir") accredited by the Institute of Directors. Previously an investment director with portfolio company responsibilities at Terra Firma Capital Partners and Candover Investment prior to that, since 2015 Simon has been an active independent director to complex listed alternative investment company, private equity fund and private operating company boards. In addition, Simon is the pro-bono Business Adviser to Guernsey Ports; a States of Guernsey enterprise responsible for the safe, secure and available airports and harbours critical infrastructure.

Simon received an MEng and MA graduate in Manufacturing Engineering from the University of Cambridge, he is an active member of UK and Guernsey fund management interest groups including a director member of the Association of Investment Companies ("AIC").

Anne Ewing
Independent

Anne has over 40 years of financial services experience in banking, asset and fund management, corporate treasury, life insurance and the fiduciary sector. Anne has an MSc in Corporate Governance, an ACCA Diploma in Accounting & Finance, 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 London based private wealth banking group and related subsidiaries in Jersey and Guernsey.

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. Tim is also a NED of Polar Capital Technology Trust, where he is Senior Independent Director. 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.

Margaret O'Connor
Independent

Margaret brings 30 years of international experience commercialising technology and evolving the governance structure and growth strategy of companies from the early- stage to realizations. Her plural career includes serving on the board of a Guernsey investment trust and as Chairman of a Mauritius Venture Capital fund. Her past roles as a US AdTech operator, that led EU and Asia market expansions before a successful trade sale, and as a MasterCard International executive, inform her board mindset and skill set. She is active in the Institute of Directors and the Private Equity Women Investor Network.

She earned her BA from Rutgers University and studied International Relations at Princeton University before moving to Seoul, Korea to work for the Korean Ministry of Finance.

The Board of Directors
(continued)

Public Company Directorships

The following details are of all other public Company Directorships and employment held by each Director and shared Directorships of any commercial company held by two or more Directors:

Andrew Haining
None to be disclosed

Stephen Coe
None to be disclosed

Simon Holden
HICL Infrastructure PLC
JPMorgan Global Core Real Assets Limited

Anne Ewing
None to be disclosed

Tim Cruttenden
Polar Capital Technology Trust PLC

Margaret O' Connor
None to be disclosed

Valuation Committee

The Board is of the view that the valuation process needs to be as efficient as possible while also providing for comprehensive and independent oversight. Consequently, the Board uses an independent Valuation Committee which comprises of the following members:

The fourth member of the committee is Tim Cruttenden who has been a director of the Company since its formation.

Lord Rockley
Committee Chairman

Anthony Rockley was an audit partner at KPMG until 2015, with a sector focus on private equity and venture capital. Over a 34 year career with KPMG, Anthony was responsible for auditing private equity and venture capital companies and structures. Amongst other sector specific work, Anthony was a member of the International Private Equity and Venture Capital Guidelines Board for 9 years.

Diane Seymour-Williams

Diane Seymour Williams has a career spanning over 30 years in asset and wealth management. She was a listed portfolio manager with Deutsche Morgan Grenfell ("DMG"), and became CIO and CEO of the asset management business in Asia. After returning to the UK, Diane subsequently held a number of board positions in the financial services sector. Currently she sits, inter alia, on the boards of Patria Private Equity Trust PLC, Mercia Asset Management PLC and SEI's European business. Diane brings extensive fund management and portfolio oversight experience. In addition to her public company roles Diane sits on the investment committees of Newnham College, Cambridge and the Canal & River Trust.

Jonathan Biggs

Jonathan Biggs worked at Accel, a leading global venture and growth capital investor, for 20 years up until 2021. One of the first hires in Europe, he was the COO of Accel's European business. During his time at Accel, he raised over $2.5 billion in five early-stage venture funds focused on Europe. Jon has subsequently joined Top Tier Capital Partners as a Partner where he leads the European funds business. Prior to that he was a Managing Partner at SVB Capital.

Director Attendance

During the year ended 30 September 2024, the Board and Committee meetings held and attended by the Directors were as follows:

	Quarterly Board Meeting	Audit Committee Meeting	Remuneration and Nomination Meetings	Risk Committee Meetings	Management Engagement Meetings	Ad-hoc Meetings
Director	Attended / Eligible	Attended / Eligible	Attended / Eligible	Attended / Eligible	Attended / Eligible	Attended / Eligible
Anne Ewing	3/3	3/3	1/2	0/1	n/a	4/4
Andrew Haining	3/3	n/a	n/a	n/a	n/a	4/4
Simon Holden	3/3	3/3	n/a	1/1	1/1	4/4
Stephen Coe	3/3	3/3	n/a	1/1	n/a	4/4
Tim Cruttenden	2/3	3/3	2/2	1/1	1/1	4/4
Margaret O' Connor	3/3	3/3	2/2	1/1	1/1	4/4

	Valuation Committee Meetings
Member	Attended / Eligible
Lord Rockley	14/14
Diane Seymour-Williams	14/14
Jonathan Biggs	13/14
Tim Cruttenden	12/14

The Board of Directors
(continued)

Division of Responsibilities

A schedule of matters reserved for the Board is maintained by the Company and can be summarised as follows:

- Strategic Issues
- Financial Items such as approval of the half-yearly reports, any quarterly announcements, any preliminary announcement of the final results and the annual report and accounts including the corporate governance statement
- Treasury Items
- Legal and Administration
- Communications with Shareholders
- Board Appointments and Arrangements
- Miscellaneous such as to approve the appointments of professional advisers for any Group company in addition to the Company's Auditors
- Monetary Limits

The Directors have also delegated certain functions to other parties such as the Valuation Committee, the Alternative Investment Fund Manager ("AIFM"), the Investment Adviser, the Administrator, the Company Secretary, the Depositary and the Registrar.

The Investment Adviser reports to the Board on a regular basis both outside of and during quarterly board and Committee meetings, where the operating and financial performance of the portfolio, together with valuations, are discussed at length between the Board and the Investment Adviser. The Directors have responsibility for exercising supervision of the Valuation Committee and the Investment Adviser.

Board Committees

The Company has an Audit Committee, Remuneration and Nomination Committee, Management Engagement Committee, Risk Committee and an Independent Valuation Committee (together the "Committees"). The Terms of Reference for each committee is available on the Company's website.

The Board believes that its established Committees are adequately composed, and that each member has the necessary skills and experience to discharge their duties effectively. All new Committee members will be provided with an induction on joining the relevant Committee.

The actions carried out by each Committee since the previous quarterly board meeting are reported at each meeting to the Board of Directors by the respective Committee chair. Each Committee meeting is attended by the Company Secretary and comprehensive minutes are kept, as well as a schedule of the action points arising from each meeting.

Stephen Coe is the Chairman of the Audit Committee with Anne Ewing and Simon Holden as members, with Margaret O'Connor as an observer. A full report regarding the Audit Committee's activities during the year can be found in the Audit Committee Report on page 67.

Anne Ewing is Chairman of the Remuneration and Nomination Committee, with Margaret O'Connor and Tim Cruttenden as members. The Remuneration and Nomination Committee meets at least once a year in accordance with the terms of reference and reviews, inter alia, the structure, size and composition of the Board. A full report regarding the Remuneration and Nomination Committee's activities during the year can be found on page 51.

Margaret O'Connor is Chairman of the Management Engagement Committee, with Simon Holden, Stephen Coe and Tim Cruttenden as members. The Management Engagement Committee will meet formally at least once a year for the purpose, amongst other things, of reviewing the actions and judgments of the Investment Adviser and the AIFM, and the terms of the AIFM and Investment Advisory Agreement. A full report regarding the Management Engagement Committee's activities during the year can be found on page 55.

Simon Holden is Chairman of the Risk Committee, with Anne Ewing, Margaret O'Connor, Stephen Coe and Tim Cruttenden as members. The Risk Committee will meet formally, at a minimum once a year, though it has been agreed, that the Risk Committee is convened twice a year, aligned with the Company's financial reporting cycle and at such other times as the Chairman of the Committee deems appropriate, for the purpose of, amongst other things, to ensure that there is proper consideration and assessment risks and stresses ensuring that the Investment Adviser develops appropriate strategies to protect the Group's portfolio of investments. A full report regarding the Risk Committee's activities during the year can be found on page 56.

Report of the Remuneration & Nomination Committee

Statement: Chairman of Committee

I am pleased to present the Remuneration and Nomination Committee report for the year ended 30 September 2024. The composition of the Remuneration and Nomination Committee meets with the requirements of the AIC Code and, in line with good practice, membership is reviewed annually.

During the year, there have been no changes to the Directors' Remuneration Policy or the Terms of Reference of the Remuneration and Nomination Committee. No new Directors were appointed to the Board during the year.

In 2025 the Remuneration & Nomination Committee will revive its recruitment process to help the Company further achieve its targets.

I am satisfied that the Remuneration and Nomination Committee is discharging its responsibilities proficiently and recommend this report to the Board.

Anne Ewing
Chair of the Remuneration
and Nomination Committee

Purpose and Aim of the Remuneration and Nomination Committee

The terms of reference of the Remuneration and Nomination Committee are set out on the Company's website at https://chrysalisinvestments.co.uk/investor-relations/. The primary responsibility of the Remuneration and Nomination Committee is, in relation to remuneration, to determine and agree with the Company's Board of directors (together the "**Board**" and individually a "**Director**") the framework or broad policy for the remuneration of the Company's chairman and non-executive Directors in accordance with the Company's articles of incorporation (the "**Articles**") and applicable law and, in relation to nominations, to review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes as necessary.

Membership and Meetings of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee met formally twice during the reporting period.

The members of the Remuneration and Nomination Committee are as follows:

- Anne Ewing (Chairperson)
- Tim Cruttenden
- Margaret O'Connor

Report of the Remuneration & Nomination Committee
(continued)

Composition, Succession and Evaluation of the Board

At its meetings, the Remuneration and Nomination Committee reviewed and reaffirmed the Company's policy whereby no Director will serve for more than nine years (such policy being aligned to the AIC Code). The Remuneration and Nomination Committee confirms that no Director has served for longer than nine years, due to the Company being incorporated in October 2018.

No new directors were appointed to the Board during the financial year as the Board focused on, amongst other things, the Continuation Vote which was successfully passed at the Company's 2024 Annual General Meeting.

The Board continues to work towards meeting the targets set by the Hampton-Alexander Review on gender balance and the Parker Review into ethnic diversity in FTSE leadership.

The Company provides information as set out in the table below, on the progress made on board diversity targets:

- At least 40% of the Board is female
- At least one senior position on the Board is held by a woman
- At least one individual on the Board is from a minority ethnic background

The data detailed below has been obtained from and confirmed by each Board Director.

The Board notes that as an externally managed investment company, with a Board comprised entirely of non executive directors, the senior positions of the Board include the roles of the Chair, SID and Chair of any permanent committee of the Board.

The Company has yet to achieve the appointment of a candidate from a minority ethnic background. In its recruitment processes the Board seeks to ensure that it is presented with a diverse set of candidates from which it appoints the candidate best suited to the role. A major factor in the Board's current succession planning process is to maintain and demonstrate management and control of the Company in the jurisdiction of its incorporation in relation to the size of the Board. This can significantly impact the size of the candidate pool from which the company can recruit.

The updated report from the Parker Review in 2022 also recognised such constraints where the size of typical Investment Trusts such as Chrysalis can reduce the opportunity to make further diverse appointments.

During 2024, and after the successful Continuation Vote, the Committee refreshed its succession planning and undertook a review of the attributes and skills of the current board and made recommendations to the Board. Accordingly, and post financial year end, a search for a new director was made using external consultants. The Board wishes to ensure the best possible fit for the Company and will, therefore, continue its deliberations on Board composition in 2025.

During any future search, due regard will be given to equal opportunity, diversity and inclusion for this appointment.

Gender Identity/Ethnic background	Number of Board members	% of the Board	Number of Senior Positions Held
Female	2	33%	2
Male	4	67%	3
White British or other White group	6	100%	5
Black/African/Caribbean/Black British/Asian/Other	0	0	0

Committee Memberships

Audit Committee	Risk Committee	Valuations Committee	Management Engagement Committee	Remuneration and Nomination Committee
Chaired by: S Coe	**Chaired by:** S Holden	**Chaired by:** Lord Rockley*	**Chaired by:** M O'Connor	**Chaired by:** A Ewing
A Ewing	S Coe	D Seymour-Willliams*	S Coe	T Cruttenden
S Holden	A Ewing	J Biggs*	T Cruttenden	M O'Connor
	T Cruttenden	T Cruttenden (Board Representative)	S Holden	
	M O'Connor			

*Independent

Review of Board Performance

The board has established a three year cycle for the evaluation of its own performance which is initiated by the Committee and led by the Chair. The Chair's performance is evaluated by the Senior Independent Director. An external review was conducted in October 2023 by Board Alpha, followed by an internal review post financial year end 2023.

The output from the 2023 review was positively received by the Board and a number of actions are in progress to address various matters, together with focused externally led training, such as Cyber Risk and Listing Rule changes and continuing obligations. The results of the internal 2024 review have yet to be assessed at the time of this report.

The next externally led board effectiveness review will be carried out in relation to the financial year ending September 2026.

Review of Remuneration

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors, and should be sufficient to retain high calibre directors.

The policy is for the Chairman of the Board, the chairs of the Audit Committee and Risk Committee to be paid a higher fee than the other Directors in recognition of their more onerous roles and more time spent. The Board may only amend the level of remuneration paid within the limits of the Articles (i.e. £500,000 per annum maximum).

The table below is provided to enable Shareholders to assess the relative importance of spend on Director remuneration and the size of the Board. The figures below provide a comparison against advisory fees payable to the Investment Adviser and Director Remuneration relative to the Company's Net Asset Value ("**NAV**").

A comparison of the Company's Director remuneration against its competitors was undertaken by the Committee and a view taken on current market conditions, noting the trajectory of inflation rates and the time commitment and activities of the Board.

Total Director Remuneration (Note 19)	£397,500
Investment Adviser Fees (Note 19)	£2,368,766
NAV at year end	**£840,331,149**

Report of the Remuneration & Nomination Committee
(continued)

Composition, Succession and Evaluation of the Board (continued)

The Remuneration and Nomination Committee recommended, and the Board resolved, that there should be no increase in remuneration for male directors for the financial year commencing 1 October 2024. However modest increases for the two female directors were agreed. These increases serve to equalise directors' remuneration levels and to fairly reflect the work undertaken by each director on their respective committees.

	Director base fees p.a. FY/E[1] 2024 £	Director base fees proposed FY/E 2025 £
Chairman – A Haining	85,000	85,000
Audit Committee Chairman/SID – S Coe	67,500	67,500
Risk Committee Chairman – S Holden	67,500	67,500
Valuation Committee Board Representative – T Cruttenden	62,500	62,500
Directors – M O'Connor/A Ewing	57,500	62,500

Anne Ewing
Chairman of the Remuneration and Nomination Committee,
Chrysalis Investments Limited

[1] Financial year end

Report of the Management Engagement Committee

I am pleased to present the Management Engagement Committee ("MEC") report for the year ended 30 September 2024. The composition of the MEC meets with the requirements of the AIC Code and, in line with good practice, membership is reviewed annually.

During the year, the Terms of Reference of the Committee were updated to enable an annual review of board appointments to the committee and to remove committee term limits.

I am satisfied that the Committee is discharging its responsibilities proficiently and recommend this report to the Board.

Purpose and Aim of the Management Engagement Committee

The terms of reference of the MEC are set out on the Company's website. The primary responsibility of the MEC is to review, annually, the compliance of the AIFM and Investment Adviser with the Company's investment policy and AIFM and Investment Advisory Agreement, as well as to keep under review the performance of all other key service providers involved in supporting the Company and its operations, to agree with the Company's Board of Directors the framework for annual evaluations of these professional services, and to make recommendations to the Board with regards to any changes as necessary.

Membership and Meetings of the Management Engagement Committee

The MEC met formally on September 20, 2024.

The members of the MEC are as follows:

- Margaret O'Connor (Chairperson)
- Tim Cruttenden
- Simon Holden
- Steve Coe

Priorities This Past Year

1. To ensure appropriate resourcing at and reporting from the Investment Adviser.
2. To ensure an orderly transition to the new investment management arrangements.
3. To ensure appropriate investor engagement.

Review of Service Providers

- The MEC was pleased to receive comprehensive feedback from all service providers during its annual review.
- The MEC commended the Investment Adviser on moving quickly and thoughtfully to establish itself in the new investment management structure, whilst acknowledging the opportunity to evolve operational effectiveness as it becomes better established, with a focus on forward looking investment strategy.
- As part of a wider cybersecurity review, the MEC interrogated the cybersecurity policies and practices of select third-party service providers. Recommendations for strengthening cybersecurity infrastructure were noted and the MEC will monitor progress against addressing those recommendations during 2025. One key recommendation was the development of a co-ordinated cybersecurity response plan, to ensure a clear strategy for all service providers, and the Board, in the event of a cyber security event impacting the Company.
- Finally, the MEC recommended to the Board that they request assurance from IQ-EQ Fund Services (Guernsey) Limited ("IQ-EQ") regarding the Company's compliance with the Financial Conduct Authority 2024 listing rules.

Margaret O'Connor
Chair of the Management Engagement Committee,
Chrysalis Investments Limited

Report of the Risk Committee

I am pleased to present the Report of the Risk Committee (the "Committee") of the Company for the year ended 30 September 2024.

Overview

The terms of reference of the Risk Committee are set out on the Company's website at https://chrysalisinvestments.co.uk/investor-relations/.

The role of the Risk Committee is to ensure that the Board receives due consideration and assessment of the opportunities, risks and stress scenarios within which the Company operates and to ensure that the recommended actions of the Investment Adviser protect its portfolio of investments.

Specifically, the Risk Committee:

- Recommends an overall risk appetite to the Board, monitors the principal risks to which the Company is exposed and evaluates the strength of the mitigating controls;
- Reviews the policies and process for identifying and assessing business risks and the management of those risks by the Company;
- Monitors key risk exposures ensuring that the Investment Adviser is exercising appropriate control to reduce the likelihood of risk crystallisation resulting in financial loss, reputational damage or regulatory concern;
- Reviews, challenge, approve and monitor stress and scenario tests;
- Monitors investments so that they are aligned within the agreed risk appetite;
- Reviews major initiatives such as related party acquisitions or initiatives in new geographies or sectors and be assured that appropriate due diligence has been carried out and that any associated movement in risk profile remains within risk appetite; and
- Provides oversight and advice to the Board in relation to current and emerging risk exposures of the Company.

The members of the Risk Committee are as follows:

- Simon Holden (Chairman)
- Stephen Coe
- Tim Cruttenden
- Anne Ewing
- Margaret O'Connor
- Andrew Haining (Company Chairman) – invited as an Observer

Status of the Risk Committee

I mentioned in last year's Risk Committee Report that the Company became a self-managed Alternative Investment Fund ("AIF") from 1 July 2022. The Board's original decision to insource our risk management was to instigate a more tailored risk management function than was available under third-party AIFM management. The goal was to deliver more insightful risk disclosure appropriate to holding minority positions in higher risk, higher growth potential, illiquid private company holdings; consistent with the risk profile and investment policy of the Company.

The Risk Committee established, from first principles, a much improved risk management oversight and control function. More than two years on, I am pleased to reflect on this step change and conclude that it has proved to be a successful decision. Risk management now follows a robust and repeatable process with a framework that guides the recommendations of the Investment Adviser under the Board's oversight.

Effective 1 April 2024, the Company shifted back to a managed risk structure with G10 Capital Limited ("G10") appointed as Alternative Investment Fund Manager ("AIFM"). G10 was selected as part of a review and tender process for a suite of corporate services, following the migration of portfolio management and investment advisory services from Jupiter Investment Management Limited to G10 and Chrysalis Investment Partners LLP ("CIP LLP"). With time and effort invested in improving risk frameworks since 2022, I'm pleased to say this has been a smooth transition during the year.

As of September 2024, the Risk Committee convenes semi-annually (within its Terms of Reference), reflecting the scrutiny deemed necessary to changes in the Company's risk factors. In the other quarters, the Board receives a more streamlined risk report from the AIFM that includes operational risk reporting from the Investment Adviser. Beyond this, the Chair of the Risk Committee is the primary point of alert for material risk indicators as Reportable Risk Events on an 'as-arising' basis.

Risk Classes

The Committee reviews the risk profile of the Company under a series of pre-defined risk classes. Eash risk class is composed of separately identified and scored risks and mitigating controls.

Risk classes are then prioritised in order of their highest overall residual risk ratings and this process is refreshed (at least) annually:

i. **Relative Performance** – the Company's longer terms sustainability will depend on risk-adjusted returns outperforming adjacent asset classes.

ii. **Portfolio Performance** – risks to tracking each portfolio company's progress towards measurable milestones along the 'equity roadmap' and evidence of the strategy and influence over profitable realisations. Movements in the fair values of our holdings have led to an overall increase in the concentration risk within the portfolio during the year.

iii. **Financial/ Capital Markets** – risks related to shareholder understanding, confidence in the Company's growth capital mandate and implications of shares trading at a discount to NAV.

iv. **Conflict and Compliance Management** – verification of robust governance in all stakeholder relationships including but not limited to the fiduciary responsibilities the Investment Adviser assumes where it exercises the Company's right to board representation within our portfolio companies.

v. **Liquidity Management** – risks to the funding runway and allocation of resources that the Company has available to deploy to support and optimise the value of its investments.

vi. **Portfolio Construction** – ensuring that the portfolio remains sufficiently diversified and that the Investment Adviser's span of control and management of the Company's holdings remains effective. Movements in the fair value of the Company's investments have led to an overall increase in the concentration risk within the portfolio during the year.

Risk class assessed to be well controlled but with the potential for high impact if crystallised:

vii. **Regulatory and political** – risk monitoring over routine regulatory compliance (e.g., FCA in the UK) and/or politically exposed sectors within which certain portfolio companies must operate.

Risk classes currently judged to have a lower overall residual risk rating:

viii. **The Environment, Social Impact and Good Governance ("ESG")** – the Company's policy is addressed in Environmental, Social and Corporate Governance report of the Annual Report.

ix. **Investment Decisions** – evidence that the Investment Adviser has undertaken appropriate due diligence, risk assessments and origination processes at the point of committing the Company to new investments; cognisant of the announced capital allocation policy.

x. **Central Management** – governance, depositary, foreign exchange and treasury risk management controls; some under delegation to specialist third party service providers.

xi. **Valuation** – the Independent Valuation Committee's role in provide insightful and consistent oversight of the quarterly portfolio valuation process.

Finally, as a standing item, the Risk Committee considers:

xii. **Horizon Risks** – themes emerging that could have an outsize impact or influence on the prospects of clusters of our target sectors and/or portfolio companies.

Report of the Risk Committee
(continued)

Risk Classes (continued)

In September 2024, the Committee Chair conducted the annual refresh of the risk register with the Investment Adviser before presenting the findings to the Risk Committee in October 2024. Each existing and new risk was considered individually, combining in the prioritised risk classes above.

In relative terms, it was pleasing to see a year of improvement with consistent and clear risk reporting by the Investment Adviser throughout a year of significant change, including the Continuation Vote, migration of the Investment Advisory relationship, migration of corporate administration to IQ-EQ, liquidity events from realisations, follow-on investments against a challenging backdrop for growth equity, several operational risk matters that required careful consideration, and finally, the introduction and execution of the capital allocation policy which made use of borrowed funds against a Barclays debt facility, drawn down after the end of the period.

In absolute terms, the risk profile of the Company improved with increased visibility over both valuations and liquidity with realisation events in the year and further positive developments in several of the Company's largest holdings. Notwithstanding this, a persistent discount in the Company's shares is undermining the value of the long-term shareholder proposition and to manage this, the Board introduced a package of measures, set within a near term capital allocation policy.

As a special measure in 2024, the Risk Committee commissioned a 3-part study with a specialist cyber security consultancy to scrutinise the quality and preparedness of cyber risk frameworks and governance of both the Company and its three key suppliers; CIP LLP, IQ-EQ and G10. The Board noted compliance with leading standards, adopted its Cyber Security Strategy and now has several initiatives underway as part of ongoing monitoring and management of cyber risk.

Recommendation

Growth equity as an asset class accepts a higher appetite for risk to find investment opportunities in companies that have the potential for outsize returns. Whilst there have been some notable failures in our portfolio, this year has crystalised profitable returns and the portfolio, whilst smaller, contains several high conviction holdings. 2025 holds great promise for this portfolio and my report highlights the approach we take to ensuring the risks accepted continue to be overseen and managed. I am satisfied that the Risk Committee is discharging its responsibilities proficiently and so recommend this report to the Board.

Simon Holden
Chairman of the Risk Committee,
Chrysalis Investments Limited

Directors' Report

The Directors present their Annual Report and the Audited Financial Statements of the Company for the year ended 30 September 2024.

Principal Activities and Business Review

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 companies.

The Directors do not envisage any change in these activities for the foreseeable future. A description of the activities of the Company in the year under review is given in the Chairman's Statement and the Investment Adviser's Report.

Business and Tax Status

The Company has been registered with the GFSC as a closed-ended investment company under RCIS Rule and Protection of Investors ("POI") Law and was incorporated in Guernsey on 3 September 2018. The Company operates under The Companies (Guernsey) Law, 2008 (the "Law").

The Company's shares have a listing and are admitted to trading on the Closed Ended Investment Fund segment of the London Stock Exchange's Main Market for listed securities.

The Company's management and administration takes place in Guernsey and the Company has been granted exemption from income tax within Guernsey by the Administrator of Income Tax. It is the intention of the Directors to continue to operate the Company so that each year this tax-exempt status is maintained.

In respect of the Criminal Finances Act 2017, which has introduced a new corporate criminal offence of 'failing to take reasonable steps to prevent the facilitation of tax evasion', the Board confirms that they are committed to zero tolerance towards the criminal facilitation of tax evasion.

Alternative Investment Fund Managers Directive

The Company is a non-EEA-domiciled 'Alternative Investment Fund' ("AIF"), as defined by the Alternative Investment Fund Managers Directive ("AIFMD"). From 1 October2023 to 31 March 2024, the Company was a self-managed AIF and procured portfolio management services from Jupiter Investment Management Limited ("JIML"), under a Portfolio Management Agreement dated 1 July 2022. On 29 January 2024, the Company entered into an AIFM and Advisory Agreement with G1O and CIP LLP respectively. Under this agreement, with effect from 1 April 2024, G10 was appointed as the AIFM to the Company. CIP LLP became Investment Adviser to G10. CIP LLP is an appointed representative of G10 which is authorised and regulated by the Financial Conduct Authority.

The AIFMD, as transposed into the FCA Handbook in the UK, requires that certain pre-investment information be made available to investors in AIFs (such as the Company) and that certain regular and periodic disclosures are made.

Foreign Account Tax Compliance Act ("FATCA")

FATCA requires certain financial institutions outside the United States ("US") to pass information about their US customers to the US tax authorities, the Internal Revenue Service (the "IRS"). A 30% withholding tax is imposed on the US source income and disposal of assets of any financial institution within the scope of the legislation that fails to comply with this requirement.

The Board of the Company has taken all necessary steps to ensure that the Company is FATCA compliant and confirms that the Company is registered and has been issued a Global Intermediary Identification Number ("GIIN") by the IRS. The Company will use its GIIN to identify that it is FATCA compliant to all financial counterparties.

Common Reporting Standard

The Common Reporting Standard is a global standard for the automatic exchange of financial account information developed by the Organisation for Economic Co-operation and Development ("OECD"), which has been adopted in Guernsey and which came into effect in January 2016.

The Company is subject to Guernsey regulations and guidance on the automatic exchange of tax information and the Board will therefore take the necessary actions to ensure that the Company is compliant in this regard.

Going Concern

The Directors have adopted the going concern basis in preparing the Audited Financial Statements.

In assessing the going concern basis of accounting, the Directors have assessed the guidance issued by the Financial Reporting Council and considered the Company's own financial position, the status of global financial markets, various geopolitical events and conflicts, the current macroeconomic climate and other uncertainties impacting on the Company's investments, their financial position and liquidity requirements.

Directors' Report
(continued)

Going Concern (continued)
At year end, the Company has liquidity including a current cash position of £44,612,000 (2023: £22,626,000), a net current asset position of £44,660,000 (2023: £20,973,000) and liquid listed investments amounting to £2,015,000 (2023: £10,284,000).

The Company generates liquidity by raising capital and from exiting investments. It uses liquidity by making new and follow-on investments, paying company expenses and making returns to Shareholders. The Directors ensure it has adequate liquidity by regularly reviewing its financial position and forward-looking liquidity requirements. The Directors' going concern assessment includes consideration of a range of likely downside scenarios which measure the impact on the Company's liquidity of differing assumptions for portfolio valuation, exits, new and follow-on investment requirements, capital raising and company expenses.

In accordance with the Company's Articles of Incorporation, at the first annual general meeting of the Company following the fifth anniversary of IPO (such anniversary being 6 November 2023), the Directors proposed an ordinary resolution that the Company continues its business as a closed-ended investment company. At the Company's Annual General Meeting, on 15 March 2024, Shareholders were invited to vote on the continuation of the Company. The Board recommended that Shareholders vote in favour of continuation and such resolution was duly passed. The Directors will now put a further Continuation Resolution to Shareholders at the Annual General Meeting of the Company every three years thereafter.

On 24 September 2024, the Company agreed a £70,000,000 debt facility with Barclays Bank PLC which was fully drawn on 1 October 2024. Interest accrues at a market-rate margin plus the daily SONIA rate. The facility matures on 30 September 2026. The purpose of the facility is to cover the Company's working capital requirements and potential follow-on investments. As at the date of this report, the facility continues to be fully drawn.

Taking all matters into account, the Directors have a reasonable expectation that the Company will continue in operational existence for at least twelve months from the date of approval of the of the Annual Report and Audited Financial Statements, and continue to adopt the going concern basis in preparing them.

Viability Statement
The Directors have assessed the viability of the Company over the three-year period to September 2027. The Directors consider that three years is an appropriate period to assess viability given the Company's style of investment and is a sufficient investment time horizon to be relevant to shareholders.

Choosing a longer time period can present difficulties, given the lack of longer-term economic visibility and the need for adaptation that this will inevitably create for the Company and its portfolio.

In their assessment of the viability of the Company, the Directors have considered the Company's principal and emerging risks and uncertainties, organised into Risk Classes by the Risk Committee (page 57).

The Directors have reviewed financial projections which consider:

- Available liquidity (Risk Class 1: Liquidity Management)
- The ability of the Company to raise capital (Risk Class 2: Financial/Capital Market)
- The performance (Risk Class 3: Portfolio Performance) and value of the existing portfolio (Risk Class 11: Valuation)
- The ongoing expenses of the Company

The Directors' considered a severe downside scenario which models:

- A significant economic event, which results in a deterioration of portfolio company performance and a recalibration of public and private markets leading to a compound 25% per annum decrease in the aggregate portfolio value over a three-year economic cycle.
- The Company honours the committed capital return under the CAP and does not raise further capital
- Dislocation of public and private markets, including the prolonged closure of the IPO market, resulting in the inability to make portfolio exits.
- A sustained period of inflation of approximately 10% per annum.

The Directors, having considered the above and having carried out a robust assessment of the principal and emerging risks facing the Company, have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to September 2027.

Results and Dividends
The results attributable to shareholders for the year are shown in the Statement of Comprehensive Income.

The Directors have not declared a dividend for the year (2023: £nil).

Directors
The Directors of the Company who served during the year and to date are set out on pages 45 to 50.

Directors' Interests
The Directors held the following interests in the share capital of the Company either directly or beneficially as at 30 September 2024, and as at the date of signing these Audited Financial Statements:

	Number of Ordinary Shares	% Ordinary Shares in issue as at 30 September 2024
Andrew Haining	79,000	0.0133
Stephen Coe	60,909	0.0102
Simon Holden	89,500	0.0150
Anne Ewing	55,000	0.0092
Tim Cruttenden	21,298	0.0036
Margaret O'Connor	–	–
S Cruttenden (son of Tim Cruttenden)	11,170	0.0019

As at 30 September 2023 the following Directors had holdings in the Company:

	Number of Ordinary Shares	% Ordinary Shares in issue as at 30 September 2023
Andrew Haining	79,000	0.0133
Stephen Coe	60,909	0.0102
Simon Holden	89,500	0.0150
Anne Ewing	55,000	0.0092
Tim Cruttenden	21,298	0.0036
Margaret O'Connor	–	–
S Cruttenden (son of Tim Cruttenden)	11,170	0.0019

Directors' Report
(continued)

Directors' Interests (continued)

Under their terms of appointment, the Directors' total remuneration (including one-off fees) are as disclosed below:

The Directors' compensation is reviewed annually and effective 1 October 2024, each Director is paid a basic fee of £62,500 (2023: £57,500) per annum by the Company. In addition to this, the Chairman will receive an extra £22,500 (2023: £27,500) per annum.

Lord Rockley, Diane Seymour-Williams and Jonathan Biggs receive £40,000 each per annum as members of the Valuation Committee. Lord Rockley, Diane Seymour-Williams and Jonathan Biggs are not Directors of the Company. Effective 1 October 2024, each Valuation Committee member is paid £42,000 per annum.

At year end, the Company has liquidity including a current cash position of £44,612,000, a net current asset position of £44,660,000 and liquid listed investments amounting to £2,015,000. This available liquidity would sustain the business over the course of the viability period.

A one-off fee was awarded to the Chairman of £nil (2023: £35,000). The Risk Committee Chairman will receive an extra £5,000 (2023: £10,000) per annum and the Audit Committee Chairman will receive an extra £5,000 (2023: £10,000) per annum. Refer to pages 53 and 54 for more information regarding Directors' remuneration.

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 Risk Committee 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 Risk Committee monitors the risk profile of the Company. The Risk Committee 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 and stress testing, which helps position the Company to ensure compliance with the Association of Investment Companies Code of Corporate Governance (the "AIC Code").

The principal risks to which the Company will be exposed are given in note 18 to the Annual Report and Audited Financial Statements.

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 more investee-company specific performance as well as market pricing of comparable businesses;
   - 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 into 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.

For further details with respect to the processes for identifying, monitoring and controlling risks to which the Company is exposed, see the Report of the Risk Committee on pages 56 to 58.

Ongoing Charges

The ongoing charges figure for the year was 0.72% (2023: 0.78%). The ongoing charges represent ongoing annual expenses of £6,217,319 (2023: £6,669,787) divided by total average Net Asset Value for the year of £858,854,011 (2023: £788,273,640). The ongoing charges have also been prepared in accordance with the recommended methodology provided by the Association of Investment Companies where investment purchase costs of £33,564 (2023: £515,724) and performance fees of £nil have been excluded and represent the percentage reduction in shareholder returns as a result of recurring operational expenses.

Emerging Risks

The Middle East region is currently experiencing multiple conflicts.

Despite ongoing diplomatic efforts, tensions remain high between Israel and Gaza, and the situation continues to be volatile, with ongoing violence and humanitarian concerns.

The Syrian conflict has evolved with the recent toppling of President Bashar al-Assad. Rebel forces have entered Damascus, leading to a shift in power dynamics. This change has increased humanitarian needs, with millions of people requiring aid.

Iran's nuclear program is a point of international concern. The International Atomic Energy Agency (IAEA) having reported significant advancements in Iran's uranium enrichment capabilities. The US has levied sanctions on Iran's oil tankers, aiming to disrupt Iran's use of oil revenue to finance its nuclear program.

The Board will continue to monitor developments in the region. Deep Instinct maintains a presence in Israel but has not suffered material disruption to its operations.

ESG and Climate Change Risks and Considerations

The Board of Directors have carefully considered the impact of climate change and ESG related risks on the Company's business strategy and the impact of the Company's operations on the local community and environment. This analysis has taken place at both the level of the Company and at the investment portfolio level.

As an investment company with no employees, the Company itself has only a minimal footprint on the local community and environment, but recognises that everyone has a part to play in the reduction of adverse environmental impacts and ensuring the company's operations have a positive impact on society and the generation of long term sustainable value.

Further information on how the Board and CIP LLP manage the Company's ESG and climate change related risks at the investment portfolio level can be found within the Environmental, Social and Corporate Governance Report on pages 32 to 39. This includes the integration of ESG analysis into the investment process.

Investment Management and Administration

AIFM and Investment Advisory Agreement and Fees

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles of Incorporation and the investment policy and have overall responsibility for the Company's activities including its investment activities and reviewing the performance of the Company's portfolio.

The Directors have, however, appointed G10 to perform delegated investment management functions.

The Company entered into a tripartite agreement with G10 and CIP LLP, with effect from 1 April 2024. G10 is the AIFM to the Company. CIP LLP is the investment adviser to G10. CIP LLP is an appointed representative of G10, which is authorised and regulated by the Financial Conduct Authority.

Administrator

IQ-EQ has been appointed as Administrator and Company Secretary to the Company pursuant to a master services agreement. The Administrator is responsible for the maintenance of the books and financial accounts of the Company and the calculation, in conjunction with the Investment Adviser, of the Net Asset Value of the Company and the shares.

Depositary

The Depositary of the Company is Citibank UK Limited.

Corporate Governance Statement

The Corporate Governance Statement forms part of the Directors' Report.

Directors' Report
(continued)

Board Responsibilities

The Board comprises six non-executive Directors, who meet at least quarterly to consider the affairs of the Company in a prescribed and structured manner. All Directors are considered independent of the Investment Adviser for the purposes of the AIC Code and Listing Rule 15.2.12A. Biographies of the Directors for the year ended 30 September 2024 appear on pages 46 and 47 which demonstrate the wide range of skills and experience they bring to the Board.

The Directors, in the furtherance of their duties, may take independent professional advice at the Company's expense, which is in accordance with principle 13 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.

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.

At each annual general meeting of the Company, each director shall retire from office and each director may offer themselves for election or re-election by the shareholders.

Conflicts of Interest

None of the Directors nor any persons connected with them had a material interest in any of the Company's transactions, arrangements or agreements at the date of this report and none of the Directors has or had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company, and which was affected by the Company during the reporting year.

At the date of this Annual Report, there are no outstanding loans or guarantees between the Company and any Director.

Committees

The Company has established: the Audit Committee, the Remuneration and Nomination Committee, the Risk Committee, Valuation Committee and the Management Engagement Committee (together the "Committees"). Terms of Reference for each committee is available on request from the Administrator and on the Company's website https://chrysalisinvestments.co.uk/investor-relations/.

The Audit Committee

Stephen Coe is the Chairman of the Audit Committee. A full report regarding the Audit Committee can be found in the Audit Committee Report.

Remuneration & Nomination Committee

In accordance with the AIC Code, a Remuneration and Nomination Committee has been established. Anne Ewing has been appointed as Chairman. The Remuneration and Nomination Committee meets at least once a year in accordance with the terms of reference and reviews, inter alia, the structure, size and composition of the Board.

Details of the Directors' remuneration can be found in note 19 and pages 53 and 54.

Management Engagement Committee

Margaret O'Connor has been appointed Chairman of the Management Engagement Committee. The Management Engagement Committee will meet formally at least once a year for the purpose, amongst other things, of reviewing the actions and judgments of the Investment Adviser and the terms of the Portfolio Management Agreement. Details of the management and performance fees can be found in note 6.

Risk Committee

Simon Holden is the Chairman of the Risk Committee. A full report regarding the Risk Committee can be found in the Risk Committee Report.

Valuation Committee

Lord Anthony Rockley is the Chairman of the Valuation Committee with Tim Cruttenden, Diane Seymour-Williams and Jonathan Biggs as members.

Substantial Shareholdings

On 31 December 2024, the latest practicable date for disclosure in this Annual Report, funds managed by Asset Value Investors held 14.5% of the share capital of the Company. No other shareholder had a holding of greater than 10% of the Company.

Shareholder Communication

The Company's main method of communication with Shareholders is through its published Half Yearly and Annual Reports which aim to provide Shareholders with a fair, balanced and understandable view of the Company's results and objectives.

This is supplemented by the publication of the Company's quarterly net asset values on its ordinary shares on the London Stock Exchange.

In line with principle 16 of the AIC Code, the Investment Adviser communicates with both the Chairman and shareholders and is available to communicate and meet with major shareholders. The Company has also appointed Panmure Liberum Limited and Deutsche Numis to liaise with all major shareholders together with the Investment Adviser, all of whom report back to the Board at quarterly board meetings ensuring that the Board is fully aware of shareholder sentiment, expectations and analyst views.

The Company's website, which is maintained by the Investment Adviser, is regularly updated with news and announcements. Information published online is accessible in many countries each with differing legal requirements relating to the preparation and dissemination of financial information. Users of the Company's website are responsible for informing themselves of how the requirements in their own countries may differ from those of Guernsey.

Relations with Shareholders

All holders of Ordinary Shares in the Company have the right to receive notice of, attend and vote at the general meetings of the Company.

At each general meeting of the Company, the Board and the Investment Adviser are available to discuss issues affecting the Company.

Shareholders are additionally able to contact the Board directly outside of meetings via the Company's dedicated e-mail address (chrysalisgsyteam@iqeq.com) or by post via the Company Secretary. Alternatively, Shareholders are able to contact the Investment Adviser directly (enquiries@chrysalisllp.co.uk) or the Senior Independent Director (chrysalisgsyteam@iqeq.com) for issues they feel they may be unable to raise directly with the Company itself.

The Company has adopted a zero-tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly.

Stewardship code

The Company is committed to the principles of the Financial Reporting Council's UK Stewardship Code and this also constitutes the disclosure of that commitment required under the rules of the FCA (Conduct of Business Rule 2.2.3).

Signed on behalf of the Board by:

Andrew Haining
Chairman
9 January 2025

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Audited Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Audited Financial Statements for each financial year. Under that law they are required to prepare the Audited Financial Statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable law.

Under company law the Directors must not approve the Audited Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that year. In preparing these Audited Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and that each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

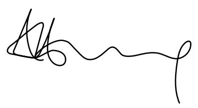
Responsibility statement of the Directors in respect of the Annual Report

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' Report (comprising the Chairman's Statement, the Investment Adviser's Report, and Directors' Report) includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

We consider the Annual Report and Audited Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Signed on behalf of the Board by:



Andrew Haining
Chairman
9 January 2025

Audit Committee Report

In accordance with the AIC Code, an Audit Committee has been established consisting of Anne Ewing, Simon Holden, Margaret O'Connor and Stephen Coe, who is the Chairman of the Audit Committee.

Membership and Role of the Committee

The Audit Committee meets at least twice a year and, when requested, provides advice to the Board on whether the Annual Report and Audited Financial Statements, taken as a whole, is fair, balanced and understandable and provides information necessary for the shareholders to assess the Company's performance, business model and strategy. The Audit Committee also reviews, inter alia, the financial reporting process and the system of internal control and management of financial risks, including understanding the current areas of greatest financial risk and how these are managed by the Investment Adviser, reviewing the Annual Report and Audited Financial Statements, assessing the fairness of Audited Financial Statements and disclosures and reviewing the external audit process. The Audit Committee is responsible for overseeing the Company's relationship with the external auditor (the "Auditor"), including making recommendations to the Board on the appointment of the Auditor and their remuneration.

The Audit Committee considers the nature, scope and results of the Auditor's work and reviews, and develops and implements a policy on the supply of any non-audit services that are to be provided by the Auditor. The Audit Committee annually reviews the independence and objectivity of the Auditor and considers the appointment of an appropriate Auditor.

The continuation of the Auditor was considered and the Board subsequently decided that the Auditor was sufficiently independent and was appropriately appointed in order to carry out the audit of the Company for the year ended 30 September 2024. Appointment of the Auditor will be reviewed each year before the AGM. The level of non-audit versus audit services is monitored. The table below summarises the remuneration for services provided to the Company to KPMG Channel Islands Limited ("KPMG") for audit and non-audit services during the year ended 30 September 2024.

	30 September 2024	30 September 2023
Annual audit fee	160,000	135,000
Reporting accountant services	–	15,000
Interim review	51,600	45,000
	211,600	**195,000**

Non-audit services provided in the year arose in connection with the review of the Company's interim financial statements. Notwithstanding such services, the Audit Committee considers KPMG to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the auditor as appropriate safeguards are in place.

Internal Control

The Company is responsible for the process surrounding the valuation of its investment portfolio. The Company has delegated these processes to its independent Valuation Committee which reviews third party valuations of unlisted investments. The Audit Committee liaises with the Valuation Committee regularly and reviews minutes of Valuation Committee meetings. For all other processes of the Company responsibility for internal control lies within the services provided by CIP LLP and other service providers. These controls are monitored by the Board reviewing and challenging reports from these service providers and through segregation of duties between them.

The Audit Committee monitors the financial reporting process and tasks undertaken in the production of the Annual Report and Audited Financial Statements. The administration and company secretarial duties of the Company are performed by IQ-EQ.

Registrar duties are performed by Computershare Investor Services (Guernsey) Limited.

The custody of financial assets is undertaken by Citibank UK Limited.

The Company does not have an internal audit department. All the Company's management and administration functions are delegated to independent third parties and it is therefore felt there is no need for the Company to have an internal audit function. The Audit Committee have assessed the Company's internal controls and found them to be satisfactory.

Audit Committee Report

(continued)

Fair Value Estimation

The valuation of the Company's investments is considered to be a significant area of focus given that they represent the majority of the net assets of the Company and in view of the significance of the estimates and judgments that may be involved in the determination of their fair value. In discharging its responsibilities, the Audit Committee has specifically considered the valuation of investments as follows:

- Independent third-party valuation firms are engaged to provide assistance, advice, assurance, and documentation in relation to the portfolio valuations. Valuations are then submitted to the the AIFM, Investment Adviser and the Company's Valuation Committee for review. The Board reviews these portfolio valuations on a regular basis throughout the year. The Audit Committee's ultimate responsibility is to review the portfolio valuations.
- Reporting to the Board on the significant judgment made in the preparation of the Company's Annual Report and Audited Financial Statements and recommending valuations of the Company's investments to the Board.
- The Audit Committee will recommend the Board and or Independent Valuation Committee engages independent valuers for specific assets where it considers it appropriate.

External Audit

The Audit Committee will hold an annual meeting to approve the Company's Annual Report and Audited Financial Statements before its publication. During the current year the Audit Committee met with the Auditor to discuss the audit plan and approach.

During this meeting it was agreed with the Auditor that the area of significant audit focus related to the valuation of investments given that they represent the majority of net assets of the Company and their valuation involves significant judgement. The scope of the audit work in relation to this asset class was discussed. The Auditor has also identified the Company's going concern status as an area of focus.

The Audit Committee reviews cash flow and working capital reports as part of the review of annual and semi-annual financial statements, together with taking into consideration significant events such as the continuation vote. At the conclusion of the audit, the Audit Committee met with the Auditor and discussed the scope of their annual audit work and their audit findings.

The Audit Committee reviews the scope and results of the audit, its cost effectiveness, and the independence and objectivity of the Auditor. The Audit Committee has particular regard to any non-audit work that the Auditor may undertake and the terms under which the Auditor may be appointed to perform non-audit services. In order to safeguard the Auditor's independence and objectivity, the Audit Committee ensures that any other advisory and/or consulting services provided by the Auditor does not conflict with their statutory audit responsibilities.

To fulfil its responsibilities regarding the independence of the Auditor, the Audit Committee considered:

- a report from the Auditor describing their arrangements to identify, report and manage any conflicts of interest; and
- the extent of the non-audit services provided by the Auditor.

To assess the effectiveness of the Auditor, the committee reviewed:

- the Auditor's fulfilment of the agreed audit plan and variations from it;
- the audit findings report highlighting any major issues that arose during the course of the audit; and
- the effectiveness and independence of the Auditor having considered the degree of diligence and professional scepticism demonstrated by them.

The Audit Committee is satisfied with KPMG's effectiveness and independence as Auditor.

During the year the Audit Committee met three time with all members present (refer to Director Attendance on page 49).

Reappointment of Auditor

The Auditor, KPMG Channel Islands Limited, has expressed its willingness to continue in office as Auditor. A resolution proposing their reappointment will be submitted at the forthcoming general meeting to be held pursuant to section 199 of the Law.

Stephen Coe
Chairman of the Audit Committee,
Chrysalis Investments Limited
9 January 2025

Independent Auditor's Report

Independent Auditor's Report to the Members of Chrysalis Investments Limited

Our opinion is unmodified

We have audited the financial statements of Chrysalis Investments Limited (the "Company"), which comprise the statement of financial position as at 30 September 2024, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 30 September 2024, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as required by the Crown Dependencies' Audit Rules and Guidance. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2023):

Valuation of unquoted investments held at fair value through profit or loss

£793,656,000 (2023: £770,092,000) Refer to page 68 of the Audit Committee Report, notes 2(h), 3, 10 and 18

The risk	Our response
Basis: The Company's unquoted investments are classified, recognised and measured at fair value through profit or loss in accordance with IFRS 9. The investments comprise of equity and equity-related instruments in unquoted companies (the "investments") and represent 94.5% (2023: 96.1%) of the Company's net assets as at 30 September 2024. The Company's investments are valued by using recognised valuation methodologies and models, in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines, 2022. The Company utilises an independent third-party valuation firm (the "Valuation firm") to assist and advise on their valuation process. **Risk:** The valuation of the Company's investments is a significant area of audit focus, given that it represents a significant portion of the net assets of the Company. The valuation risk of the investments incorporates both a risk of fraud and error given the significance of estimates and judgements that may be involved in the determination of fair value. On the basis of the above we determined that the valuation of investments have a high degree of estimation uncertainty giving rise to a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements disclose in note 18 the sensitivities estimated by the Company.	Our audit procedures included but were not limited to: **Internal Controls:** We evaluated the design and implementation of the controls in place over the valuation of the Company's investments. **Challenging managements' assumptions and inputs including use of our KPMG valuation specialist:** For the investments, with the support of our KPMG valuation specialist, we: • assessed the objectivity, capabilities and competence of the Valuation firm; • assessed the scope of the services provided by the Valuation firm and read the valuation reports produced by them in order to understand the specific methodologies and the valuation assumptions applied; • assessed the scope of the services provided by the Investment Adviser and read the memoranda produced by them in order to understand the key judgements affecting the investee company valuations; • held discussions with the Investment Adviser and the Valuation firm to understand the key judgments made and the valuation approaches applied to the valuation of the investments; • attended in an observation capacity the Board of Directors ("the Board") meeting where the valuation of the investments were tabled, to obtain evidence of governance over the valuation process and observe challenge from the members of the Board on the inputs in the valuation preparation; • read the minutes of meetings of the Company's Valuation Committee and the Board held where the valuations of the investments were discussed to obtain evidence of governance over the valuation process and observe challenge from members of the Committee and Board on the inputs to the valuations; • assessed the reasonableness and appropriateness of the valuation approach and methodology applied to each investment; • benchmarked the key assumptions used in the valuation models employed to observable market data (where possible); • corroborated key investee company inputs used in the valuation models, and recent investment transactions to supporting documentation; • considered market transactions in close proximity to the year-end and assessed their appropriateness as being representative of fair value; • obtained an understanding of how the impact of global economic factors and the resultant increase in uncertainty have been reflected in the valuation of the investments. **Assessing disclosures:** We also considered the Company's disclosures (see notes 3 and 18) in relation to the use of estimates and judgements regarding the valuation of investments and the Company's investment valuation policies adopted in note 2(h) and fair value disclosures in note 18 for compliance with the relevant accounting standards.

Independent Auditor's Report to the Members of Chrysalis Investments Limited

(continued)

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £17,500,000, determined with reference to a benchmark of net assets of £877,637,000, of which it represents approximately 1.99% (2023: 2.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £13,100,000. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £875,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were availability of capital to meet operating costs and other financial commitments.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 2 (b) to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and that statement is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of unquoted investments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias.

Further detail in respect of valuation of unquoted investments is set out in the key audit matter section of this report.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's Report to the Members of Chrysalis Investments Limited

(continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement (page 60) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability Statement (page 60) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 60 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Independent Auditor's Report to the Members of Chrysalis Investments Limited
(continued)

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 66, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah M. Hume

Sarah Margaret Hume
For and on behalf of KPMG Channel Islands Limited

Chartered Accountants and Recognised Auditors
Guernsey

9 January 2025

Audited Financial Statements

Statement of Comprehensive Income

For the year ended 30 September 2024

	Notes	Year ended 30 September 2024 Revenue £'000	Capital £'000	Total £'000	Year ended 30 September 2023 Revenue £'000	Capital £'000	Total £'000
Investments							
Net gains/(losses) on investments held at fair value	10	–	45,832	45,832	–	(72,660)	(72,660)
Net losses on currency movements		–	(1,230)	(1,230)	–	(33)	(33)
Net investment gains/(losses)		**–**	**44,602**	**44,602**	**–**	**(72,693)**	**(72,693)**
Interest income	5	834	–	834	1,127	3	1,130
Total income		**834**	**–**	**834**	**1,127**	**3**	**1,130**
Advisory and management fees	6	(2,987)	–	(2,987)	(4,009)	–	(4,009)
Other expenses	7	(3,230)	–	(3,230)	(2,661)	–	(2,661)
Gains/(losses) before finance costs and taxation		**(5,383)**	**44,602**	**39,219**	**(5,543)**	**(72,690)**	**(78,233)**
Gains/(losses) before taxation		**(5,383)**	**44,602**	**39,219**	**(5,543)**	**(72,690)**	**(78,233)**
Tax expense		–	–	–	–	–	–
Total gains/(losses) and comprehensive gain/(loss) for the year		**(5,383)**	**44,602**	**39,219**	**(5,543)**	**(72,690)**	**(78,233)**
Basic and diluted gain/(loss) per Ordinary Share (pence)	8	(0.90)	7.49	6.59	(0.94)	(12.21)	(13.15)

The total column of this statement represents the Statement of Comprehensive Income of the Company prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

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 82 to 110 form an integral part of these Audited Financial Statements.

Statement of Financial Position

As at 30 September 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Investments held at fair value through profit or loss	10	**795,671**	**780,376**
Current assets			
Cash and cash equivalents	11	44,612	22,626
Other receivables	12	1,376	50
		45,988	**22,676**
Total assets		**841,659**	**803,052**
Current liabilities			
Advisory and management fees payable	6	(385)	(1,022)
Other payables	13	(943)	(681)
Total liabilities		**(1,328)**	**(1,703)**
Net assets		**840,331**	**801,349**
Equity			
Share capital	14	860,890	860,890
Treasury shares acquired	15	(237)	-
Capital reserve		13,274	(31,328)
Revenue reserve		(33,596)	(28,213)
Total equity		**840,331**	**801,349**
Net Asset Value per Ordinary Share (pence)	16	141.26	134.65
Number of Ordinary Shares in issue	14	594,892,952	595,150,414

Approved by the Board of Directors and authorised for issue on 9 January 2025 and signed on its behalf:

Stephen Coe
Director

The notes on pages 82 to 110 form an integral part of these Audited Financial Statements.

Statement of Changes in Equity

For the year ended 30 September 2024

	Notes	Share Capital £'000	Treasury Shares £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 30 September 2022		**860,890**	**–**	**41,362**	**(22,670)**	**879,582**
Total losses and comprehensive loss for the year		–	–	(72,690)	(5,543)	(78,233)
At 30 September 2023		**860,890**	**–**	**(31,328)**	**(28,213)**	**801,349**
Total gains/(losses) and comprehensive gain/(loss) for the year		–	–	44,602	(5,383)	39,219
Treasury shares acquired	15	–	(237)	–	–	(237)
At 30 September 2024		**860,890**	**(237)**	**13,274**	**(33,596)**	**840,331**

The notes on pages 82 to 110 form an integral part of these Audited Financial Statements.

Statement of Cash Flows

For the year ended 30 September 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Cash used in operating activities	17	(8,384)	(10,330)
Interest income		731	1,130
Purchase of investments	10	(23,421)	(46,305)
Sale of investments	10,12	53,029	19,423
Net losses/(gains) on currency movements		1,230	(33)
Net cash inflow/(outflow) from operating activities		**23,185**	**(36,115)**
Net increase/(decrease) in cash and cash equivalents		**23,185**	**(36,115)**
Cash and cash equivalents at the beginning of the year		22,626	58,712
Net (losses)/gains on cash currency movements		(1,199)	29
Cash and cash equivalents at the end of the year	11	**44,612**	**22,626**
Cash and cash equivalents comprise of the following:			
– Cash at bank		44,612	4,382
– Treasury bills		–	18,244
		44,612	**22,626**

The notes on pages 82 to 110 form an integral part of these Audited Financial Statements.

Notes to the Audited Financial Statements

For the year ended 30 September 2024

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 PO Box 60, Fourth Floor, Plaza House, Admiral Park, St Peter Port, Guernsey, GY1 4BF (Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL from 1 October 2023 to 31 July 2024).

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 2021.

The Company's 595,150,414 shares in issue (per note 16, of which 257,462 are treasury shares) under ticker CHRY, SEDOL BGJYPP4 and ISIN GG00BGJYPP46 have a listing on the Closed Ended Investment Fund segment and are admitted to trading on the London Stock Exchange's Main Market for listed securities. The Company invests in a diversified portfolio consisting primarily of equity and equity-related securities issued by unquoted companies.

From 1 October 2023 to 31 March 2024 the Company was a self-managed Alternative Investment Fund ("AIF") and received discretionary portfolio management services from Jupiter Investment Management Limited ("JIML"). On 29 January 2024, the Company entered into an AIFM and Advisory Agreement with G10 Capital Limited ("G10") and Chrysalis Investment Partners LLP ("CIP LLP") respectively. Under this agreement, with effect from 1 April 2024, G10 was appointed as the Alternative Investment Fund Manager ("AIFM") to the Company and CIP LLP became Investment Adviser to G10. CIP LLP is an appointed representative of G10, which is authorised and regulated by the Financial Conduct Authority.

From 1 August 2024 to the date of this report, the administration of the Company has been delegated to IQ-EQ Fund Services (Guernsey) Limited, PO Box 60, Fourth Floor, Plaza House, Admiral Park, St Peter Port, Guernsey, GY1 4BF, an IQ-EQ Group company ("IQ-EQ") (the "Administrator"). From 1 October 2023 to 31 July 2024, the administration of the Company was delegated to Apex Administration (Guernsey) Limited, Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, an Apex Group company.

2. Material Accounting Policies

(a) Basis of Accounting

The Audited Financial Statements have been prepared in compliance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The Audited Financial Statements give a true and fair view and comply with the Companies (Guernsey) Law, 2008.

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 February 2019 is consistent with the requirements of IFRS, the Directors have sought to prepare the Audited 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 Audited Financial Statements.

In assessing the going concern basis of accounting, the Directors have assessed the guidance issued by the Financial Reporting Council and considered the Company's own financial position, the status of global financial markets, various geopolitical events and conflicts, the current macroeconomic climate and other uncertainties impacting on the Company's investments, their financial position and liquidity requirements.

At year end, the Company has liquidity including a current cash position of £44,612,000 (2023: £22,626,000), a net current asset position of £44,660,000 (2023: £20,973,000) and liquid listed investments amounting to £2,015,000 (2023: £10,284,000).

The Company generates liquidity by raising capital and from exiting investments. It uses liquidity by making new and follow-on investments, paying company expenses and making returns to the Shareholders. The Directors ensure it has adequate liquidity by regularly reviewing its financial position and forward-looking liquidity requirements. The Directors' going concern assessment includes consideration of a range of likely downside scenarios which measure the impact on the Company's liquidity of differing assumptions for portfolio valuation, exits, new and follow-on investment requirements, capital raising and company expenses.

In accordance with the Company's Articles of Incorporation, at the first annual general meeting of the Company following the fifth anniversary of IPO (such anniversary being 6 November 2023), the Directors proposed an ordinary resolution that the Company continues its business as a closed-ended investment company. At the Company's annual general meeting, on 15 March 2024, Shareholders were invited to vote on the continuation of the Company. The Board recommended that Shareholders vote in favour of continuation and such resolution was duly passed. The Directors will now put a further Continuation Resolution to Shareholders at the Annual General Meeting of the Company every three years thereafter.

On 24 September 2024, the Company agreed a £70,000,000 debt facility with Barclays Bank PLC which was fully drawn on 1 October 2024. Interest accrues at a market-rate margin plus the daily SONIA rate. The facility matures on 30 September 2026. The purpose of the facility is to cover the Company's working capital requirements and potential follow-on investments. As at the date of this report, the facility continues to be fully drawn.

Taking all matters into account, the Directors have a reasonable expectation that the Company will continue in operational existence for at least twelve months from the date of approval of the of the Annual Report and Audited Financial Statements and continue to adopt the going concern basis in preparing them.

(c) Functional and Presentation currency

The Audited Financial Statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Audited Financial Statements, the results and financial position of the Company are presented in pound sterling ("£").

(d) 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 Audited Financial Statements.

(e) Income

Interest income is accounted for on an accruals basis and recognised in profit or loss in the Statement of Comprehensive Income. Interest income includes interest earned on convertible loan notes, cash held at bank on call or on deposit and cash assets held as cash equivalents, including UK treasury bills.

(f) Expenses

Expenses are accounted for on an accruals basis. The Company's portfolio management and administration fees, finance costs and all other expenses are charged through the Statement of Comprehensive Income and are charged to revenue. Performance fees are charged to capital in the Statement of Comprehensive Income.

(g) 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 year. Exemption is applied and granted annually and subject to the payment of a fee, currently £1,600 (2023: £1,200).

(h) Financial Instruments

Recognition and initial measurement

The Company initially recognises transactions in financial instruments at Fair Value through Profit and Loss ("FVTPL") on the trade date, which is the date on which the Company becomes party to the contractual provisions of the instrument.

Classification and measurement of financial assets

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI").

All other financial assets of the Company are measured at FVTPL.

2. Material Accounting Policies (continued)

(h) Financial Instruments (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. At initial recognition, the Company measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Business model assessment
In assessing the objective of the business model in which a financial asset is held, the Company considers all the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents, balances due from brokers and receivables from sale agreements. These financial assets are held to collect contractual cash flows.
- Other business model: this includes debt securities, equity investments, investments in unlisted open-ended investment funds, unlisted private equities and derivatives. These financial assets are managed, and their performance is evaluated, on a fair value basis.

Assessment whether contractual cash flows are SPPI
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Subsequent measurement of financial assets
Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, any interest or dividend income and expense, and foreign exchange gains and losses are recognised in 'Net gains/(losses) on investments held at fair value' in the Statement of Comprehensive Income.

Debt securities, equity investments, investments in unlisted open-ended investment funds, unlisted private equities and derivative financial instruments are included in this category.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'Interest income', foreign exchange gains and losses are recognised in 'Net gains/(losses) on currency movements' and impairment is recognised in 'Impairment losses on financial instruments' in the Statement of Comprehensive Income. Any gain or loss on derecognition is also recognised in the Statement of Comprehensive Income.

Cash and cash equivalents, balances due on unsettled trades and receivables from sale agreements are included in this category.

Fair value measurement
For investments actively traded in organised financial markets, fair value will generally be determined by reference to Stock Exchange quoted market bid prices at the close of business on the valuation date, without adjustment for transaction costs necessary to realise the asset.

In respect of unquoted instruments, including associates, or where the market for a financial instrument is not active, fair value is established by using recognised valuation methodologies, in accordance with International Private Equity and Venture Capital Valuation Guidelines ("IPEVC"), revised December 2022.

The Company has adopted a valuation policy for unquoted securities to provide an objective, consistent and transparent basis for estimating the fair value of unquoted equity securities in accordance with IFRS as well as IPEVC.

The unquoted securities valuation policy and the associated valuation procedures are subject to review on a regular basis, and updated as appropriate, in line with industry best practice. In addition, the Company works with independent third-party valuation firms, to obtain assistance, advice, assurance, and documentation in relation to the ongoing valuation process.

The Company considers it impractical to perform an in-depth valuation analysis for every unquoted investment on a daily basis (whether internally or with the assistance of an independent third party). Therefore, it is expected that an in- depth valuation of each investment will be performed independently by an independent third-party valuation firm: (i) on a quarterly basis; and (ii) where the Company, in conjunction with its advisors, determines that a Triggering Event has occurred.

A "Triggering Event" may include any of the following:

- a subsequent round of financing (whether pro rata or otherwise) by the relevant investee company;
- a significant or material milestone achieved by the relevant investee company;
- a secondary transaction involving the relevant investee company on which sufficient information is available;
- a change in the makeup of the management of the relevant investee company;
- a material change in the recent financial performance or expected future financial performance of the relevant investee company;
- a material change in the market environment in which the relevant investee company operates; or
- a significant movement in market indices or economic indicators.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The change in fair value is recognised in profit or loss and is presented within the "net gains/(losses) on investments held at fair value through profit or loss" in the Statement of Comprehensive Income.

IFRS requires the Company to measure fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Notes to the Audited Financial Statements

For the year ended 30 September 2024

(continued)

2. Material Accounting Policies (continued)

The three levels of fair value hierarchy under IFRS are as follows:

- Level 1 reflects financial instruments quoted in an active market.
- Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.
- Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data. For investments that are recognised in the Audited Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest significant input) at the date of the event that caused the transfer.

Derecognition of financial assets

A financial asset (in whole or in part) is derecognised either (i) when the Company has transferred substantially all the risks and rewards of ownership; or (ii) when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or (iii) when the contractual right to receive cash flow has expired. The derecognised investments are measured at the weighted average method. Any gain or loss on derecognition is recognised in the Net gains/(losses) on investments held at fair value through profit or loss in the Statement of Comprehensive Income.

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest, are recognised in the Statement of Comprehensive Income.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Comprehensive Income.

Any gain or loss on derecognition is also recognised in the Statement of Comprehensive Income.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

(i) Cash and Cash Equivalents

Cash comprises cash and demand deposits. Cash equivalents, which may include UK treasury bills, are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risks of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Included in cash and cash equivalents at the year end was cash at bank of £44,612,000 (2023: £4,382,000) and treasury bills of £Nil (2023: £18,244,000). Refer to note 11 for further details of the cash balance held at 30 September 2024.

(j) Other Receivables

Other receivables do not carry interest and are short-term in nature and are accordingly recognised at amortised cost.

(k) Foreign Currency

Transactions and balances

At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date fair value is measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise. Transactions denominated in foreign currencies are translated into pound sterling (£) at the rate of exchange ruling at the date of the transaction.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

Where foreign currency items are held at fair value, the foreign currency movements are presented as part of the fair value change.

(l) Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit in the transaction is presented within share premium.

(m) Capital Reserve

Profits achieved by selling investments and changes in fair value arising upon the revaluation of investments that remain in the portfolio are all charged to capital the Statement of Comprehensive Income and allocated to the capital reserve. The capital reserve is also used to fund dividend distributions.

(n) Revenue Reserve

The balance of all items allocated to the revenue in the Statement of Comprehensive Income for the year is transferred to the Company's revenue reserve.

(o) Investment entities

In accordance with IFRS 10 an investment entity is an entity that:

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital application, investment income, or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Directors are satisfied that the Company meets each of these criteria and hence is an investment entity in accordance with IFRS 10.

3. Use of Estimates and Critical Judgements

The preparation of Audited 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 Audited Financial Statements and the reported amounts of income and expenses during the year. 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 year, except for the use of estimates in the valuation of the unquoted investments detailed in note 18.

4. Changes in material accounting policies

Effective from 1 January 2023

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material" rather than "significant" accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Directors reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

New and revised standards

The following accounting standards and their amendments were in issue at the year end and will be adopted by the Company from 1 October 2024. The Directors have considered their impact and have concluded that they will not have a material impact on the Audited Financial Statements for the year ended 30 September 2025 onwards.

4. Changes in material accounting policies (continued)

- **Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current (Amendments to IAS 1 Presentation of Financial Statements)**

  (Effective for reporting periods beginning on or after 1 January 2024)

  The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

- **Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)**

  (Effective for reporting periods beginning on or after 1 January 2024)

  The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk.

- **Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)**

  (Effective for reporting periods beginning on or after 1 January 2025)

  The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

- **IFRS 18 Presentation and Disclosure in Financial Statements**

  (Effective for reporting periods beginning on or after 1 January 2027, subject to adoption by the European Financial Reporting Advisory Group)

  IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements. The new standard introduces the following key new requirements:

  - Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
  - Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.
  - Enhanced guidance is provided on how to group information in the financial statements.
  - In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 October 2023 that have a material effect on the financial statements of the Company, apart from those already disclosed.

5. Interest Income

	2024	2023
	£'000	£'000
Interest accounted for using the effective interest rate method on assets held at fair value through profit or loss (FVTPL):[1]	**–**	**3**
Interest on assets held at amortised cost:		
Cash at bank	474	255
UK treasury bills	360	872
	834	**1,130**

6. Advisory and management fees

	2024	2023
	£'000	£'000
Jupiter Unit Trust Managers Limited ("JUTM")	–	11
Jupiter Investment Management Limited ("JIML")	618	3,998
Chrysalis Investment Partners LLP ("CIP LLP")	2,369	–
Total advisory and management fees	**2,987**	**4,009**

From 1 October 2023 to 31 March 2024, the Company procured portfolio management services from JIML, under a Portfolio Management Agreement dated 1 July 2022. On 29 January 2024, the Company entered into an AIFM and Investment Advisory Agreement with G10 and CIP LLP respectively. Under this agreement, with effect from 1 April 2024, G10 was appointed as the AIFM to the Company and CIP LLP became Investment Adviser to G10. CIP LLP is an appointed representative of G10 which is authorised and regulated by the Financial Conduct Authority.

1 The comparative amount of £3,438 relates to a residual amount of interest received in the year ended 30 September 2023 on a loan which converted in the year ended 30 September 2021.

6. Advisory and management fees (continued)

Advisory and management fees

The Company paid a monthly "Management Fee" to JIML, equal to 1/12 of 0.5% of the Net Asset Value up to 30 September 2023. As part of the changes to investment management arrangements, the Company agreed a reduction to the Management Fee, effective from 1 October 2023 to 31 March 2024, from 0.5% to 0.15%, leading to a saving in the Management Fee over the period.

From 1 April 2024 the Company pays an "Advisory Fee" to CIP LLP, equal to the sum of (a) 1/12 of 0.5% of the Net Asset Value per month; and (b) 1/12 of 5bps of the Net Asset Value per annum on the first £1,000,000,000 of the Net Asset Value and then 3bps of the Net Asset Value per annum thereafter, such amount to be calculated and paid monthly in arrears.

Management Fees (for the period from 1 October 2023 to 31 March 2024) and Advisory Fees (for the period from 1 April 2024 to 30 September 2024) are charged to Revenue in the Statement of Comprehensive Income.

Performance Fee

To 31 March 2024, the performance fee payable is 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").

At an Extraordinary General meeting that took place on 15 March 2024, new Performance Fee terms were approved. The revised Performance Fee, effective from 1 April 2024, is the sum of which shall be equal to 12.5 per cent 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 last Performance Fee was payable for the period ended 30 September 2021, at which time the NAV per share was 251.96 pence (2024: 141.26 pence). A full definition of the terms of the new Performance Fee can be found in the Key Documents section of the Investor Relations page on the Company's website.

Performance Fees are ordinarily charged to Capital in the Statement of Comprehensive Income.

As at 30 September 2024, the Company had not exceeded the High Water Mark and Performance Hurdle therefore no accrual (30 September 2023: £nil) for performance fees has been charged within these Audited Financial Statements.

7. Other Expenses

	2024	2023
	£'000	£'000
Administration fee	260	210
Auditor's remuneration for:		
– audit fees (current year)	160	135
– audit fees ((over)/under accrual in prior year)	(16)	10
– non-audit fees	52	60
Committee fees	158	151
Depositary fees	69	63
Directors' expenses	12	15
Directors' fees	398	433
Directors' liability insurance	59	68
FCA fees	23	31
Legal fee and professional fees:		
– ongoing operations	1,363	313
– valuation fees	350	281
– due diligence fees	–	77
– fees relating to purchases of investments	34	516
Listing fees	24	31
Design fees	38	44
Registrars' fees	35	33
Secretarial fees	51	45
Sundry	160	145
	3,230	**2,661**

8. Losses per ordinary share

	30 September 2024		30 September 2023	
	Net return £'000	**Per share pence**	**Net return £'000**	**Per share pence**
Revenue return	(5,383)	(0.90)	(5,543)	(0.94)
Capital return	44,602	7.49	(72,690)	(12.21)
	39,219	**6.59**	**(78,233)**	**(13.15)**
Weighted average number of Ordinary Shares		595,149,710		595,150,414

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

9. Dividends

The Board has not declared a dividend (2023: £nil).

10. Investments held at fair value through profit or loss

	2024	2023
	£'000	**£'000**
Opening book cost	732,033	731,095
Opening investment holding unrealised gains	48,343	91,268
Opening valuation	**780,376**	**822,363**
Movements during the year:		
Purchases at cost	23,421	46,305
Sale of investments	(53,958)	(15,632)
Net gains / (losses) on investments held at fair value	45,832	(72,660)
Closing valuation	**795,671**	**780,376**
Closing book cost[1]	656,080	732,033
Closing investment holding unrealised gains[1]	139,591	48,343
Closing valuation	**795,671**	**780,376**

Movement in unrealised gains during the year	339,125	249,567
Movement in unrealised losses during the year	(247,877)	(292,492)
Realised loss on sale of investments	(52,430)	(36,558)
Realised gain on sale of investments	7,014	6,823
Net gains/(losses) on investments held at fair value through profit or loss	**45,832**	**(72,660)**

The Company holds all its investments at fair value through profit or loss. Investments held by the Company on 30 September 2024 where the ownership interest exceeded 20% were as follows:

Name	Principal place of business	Principal activity	Ownership interest %
Cognitive Logic Inc.	United States	Trading company	20-30%
Growth Street Holdings Limited	United Kingdom	In liquidation	30-40%
Rowanmoor Group Limited	United Kingdom	In wind down	20-30%

[1] The presentation of the prior year note has been updated from that which was presented in the prior year audited financial statements. The updated presentation does not impact the prior year valuation and the presentation update within this note does not give rise to a restatement of the financial statements.

Notes to the Audited Financial Statements

For the year ended 30 September 2024

(continued)

11. Cash and Cash Equivalents

	2024	2023
	£'000	£'000
Cash and cash equivalents comprise of the following:		
Cash at bank	44,612	4,382
Treasury bills	–	18,244
	44,612	**22,626**

12. Other Receivables

	2024	2023
	£'000	£'000
Other receivables	1,376	50
	1,376	**50**

Included within "Other receivables" is an amount of $1,206,381 (equivalent to £902,000). This relates to deferred consideration receivable on the disposal of Graphcore.

Total expected proceeds on the sale of Graphcore are $57,385,584 (equivalent to £44,866,000, on the date of disposal). This amount is included within "Sale of investments" in Note 10: Investments held at fair value through profit or loss.

On 12 July 2024, the Company received initial proceeds of $56,179,203 (equivalent to £43,937,000, on the date of disposal). This amount is included within "Sale of investments" in the statement of cash flows.

At 30 September 2024, $1,206,381 of proceeds remained unpaid. On 30 September 2024 this amount was revalued to £902,000, generating an unrealised loss of £27,000 within "Net (losses)/gains on currency movements" within the statement of comprehensive income.

13. Other Payables

	2024	2023
	£'000	£'000
Administration fees	28	53
Audit fees	160	150
Legal fees	382	–
Valuation fees	17	290
Custodian fees	23	16
Amounts due in respect of shares repurchased	237	–
Other creditors	96	172
	943	**681**

14. Share Capital

	No of shares	£'000
Ordinary Shares at no par value		
At 30 September 2022	595,150,414	860,890
At 30 September 2023	**595,150,414**	**860,890**
Repurchase of shares	(257,462)	(236)
Share repurchase costs	–	(1)
At 30 September 2024	**594,892,952**	**860,653**

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. There were no changes for the year in the share capital of the Company.

15. Treasury shares acquired

	No of shares	£'000
Ordinary Shares at no par value		
At 30 September 2023	**–**	**–**
Repurchase of shares	257,462	236
Share repurchase costs	–	1
At 30 September 2024	**257,462**	**237**

On 26 September 2024, the Company announced a Share Buyback Programme (the "Programme") in accordance with its Capital Allocation Policy. The Programme includes an initial buyback allocation of up to £40,000,000 and potential additional buyback allocations of up to £60,000,000. As approved by shareholders at the Company's annual general meeting on 15 March 2024, the maximum number of shares which may be repurchased is currently 89,213,047. If required, shareholders' approval for an additional buyback authority will be sought at or before the 2025 annual general meeting.

The purpose of the Programme is to return capital to shareholders while also accreting net asset value per share for the benefit of long-term shareholders.

The Company has engaged its Corporate Brokers to implement the Programme on its behalf.

16. Net Asset Value per Ordinary Share

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

	30 September 2024		30 September 2023	
	NAV per share pence	NAV attributable £'000	NAV per share pence	NAV attributable £'000
Ordinary Shares: basic and diluted	141.26	840,331	134.65	801,349

The Net Asset Value per Ordinary Share is based on 594,892,952 (2023: 595,150,414) Ordinary Shares, being the number of Ordinary Shares in issue at the year end.

17. Cash used in operating activities

	2024	2023
	£'000	£'000
Total gains/(losses) for the year	39,219	(78,233)
Net (gains)/losses on investments held at fair value through profit or loss	(45,832)	72,660
Interest income	(834)	(1,130)
Net (gains)/losses on currency movements	(4)	4
Movement in working capital		
(Increase)/decrease in other receivables (2024: excluding interest receivable and deferred consideration receivable)	(321)	19
Decrease in payables (2024: excluding amounts due in respect of shares repurchased)	(612)	(3,650)
	(8,384)	**(10,330)**

18. 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.

Certain financial assets and financial liabilities of the Company are carried in the Statement of Financial Position at their fair value. The fair value is the amount at which the asset could be sold, or the liability transferred in a current transaction between market participants, other than a forced or liquidation sale. For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market mid prices and Stock Exchange Electronic Trading Services ("SETS") at last trade price at the year end date, without adjustment for transaction costs necessary to realise the asset. Other financial instruments not carried at fair value are typically short-term in nature and reprice to the current market rates frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and cash equivalents, other receivables and payables.

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.

18. Financial Instruments and Capital Disclosures (continued)

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 30 September 2024

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Quoted equity	2,015	–	–	2,015
Unquoted equity	–	–	793,656	793,656
	2,015	**–**	**793,656**	**795,671**

At 30 September 2023

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Quoted equity	10,284	–	–	10,284
Unquoted equity	–	–	770,092	770,092
	10,284	**–**	**770,092**	**780,376**

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 2024

Valuation Technique	Fair Value as at 30 September 2024 (£000s)	Significant Unobservable Inputs	Weighted Average	Range	Unobservable Inputs Utilised[1]	Sensitivity %	Sensitivity to changes in significant unobservable input (£000s)
Market approach using comparable traded multiples	694,618	EV/LTM Revenue Multiple	5.84x	1.17x – 9.26x	1/2/3/4/5/6	+/- 25%	+ 77,257 / -82,054
		EV/2024E Revenue Multiple	6.46x	1.94x – 10.26x	1/2/3/4/5/6	+/- 25%	+ 32,600 / -20,947
		EV/LTM Earnings Multiple	10.11x	No range	1/2/3/4/5/6	+/- 25%	+ 8,962 / -8,962
		EV/2024E Earnings Multiple	11.15x	No range	1/2/3/4/5/6	+/- 25%	+ 9,568 / -9,567
		EV/Book Value Multiple	2.17x	No range	1/2/3/4/5/6	+/- 25%	+ 9,233 / -9,233
		EV/Book Value 2024E Multiple	2.11x	No range	1/2/3/4/5/6	+/- 25%	+ 9,702 / -9,702
		Illiquidity discount	-10.0%	–	5	+/- 25%	+ 162,027 / -148,637
		Implied premium/ (discount)	-14.8%	–	5	+/- 25%	+ 289 / -17,834
Expected Proceeds	99,038	Execution Discount	-8.2%	-10.0% – 0.0%	7	+/- 25%	+ 7,539 / -23,176
Insolvency	–	Likelihood of insolvency	75.0%	No range	8	+/- 25%	+ 40,367 / –

[1] A description of the Unobservable Inputs can be found on the next page

18. Financial Instruments and Capital Disclosures (continued)

Valuation Technique

The Company has adopted a valuation policy for unquoted securities that provides an objective, consistent and transparent basis for estimating the fair value of unquoted equity securities in accordance with IFRS and the International Private Equity and Venture Capital Valuation Guidelines ("IPEVC"), revised December 2022.

IFRS requires the Company to measure fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data. These are known as unobservable inputs.

When valuing an asset the independent valuer is required to select the valuation technique most appropriate for that asset, selecting the appropriate unobservable inputs.

Unobservable Inputs

1. Trading Multiples
Trading multiples are financial ratios that allow an asset to be valued by reference to various financial metrics, including revenue, earnings and book value. The nature and stage of development of the asset will help to determine the appropriate metric(s) to use. Revenue will generally be used until such a time an asset is delivering sustainable earnings. Industry specific metrics may also be used for specific assets. One or more trading multiples may be used and an average taken when arriving at the final valuation.

2. Actual and Estimated Financial Metrics
When applying a trading multiple the independent valuer will generally utilise the most recently available financial metrics, looking back over the last twelve months for income statement metrics, or at the latest balance sheet date for balance sheet metrics. Where estimated financial metrics are deemed reliable these may also be used. Pro forma financial metrics may be used where acquisitions and disposals have occurred. The impact of one-time revenue or earnings events may also be removed from actual or estimated financial metrics.

3. Comparable Companies
In order to calculate a trading multiple a set of comparable companies must be identified. These companies will usually be listed companies with publicly available financial information. When identifying comparable companies the independent valuer will usually select those offering similar products or services, to the same type of customers. The number of comparable companies selected will vary depending on the number of similar companies in the available universe. The set of comparable companies will change from time to time depending on the evolution of the asset and the companies considered comparable. Outliers which skew a trading multiple may be removed from the set.

4. Net Cash/(Debt)
When arriving at the equity value of an asset any net cash/(debt) will be added/(deducted) to/from the enterprise value to arrive at the equity value of that asset.

5. Valuation Premiums/Discounts
Where a recent investment transaction has taken place for a specific asset which allows for the calculation of an implied valuation, subsequent valuations will be calibrated to the implied valuation resulting in an implied premium or discount to that recent transaction. This premium or discount may be reduced over time or as company performance evolves. If a calibrated approach is no longer deemed appropriate, an illiquidity discount will be applied. The independent valuer will use their knowledge of private markets to determine the appropriate illiquidity discount.

6. Anticipated Exit Route
The nature of an exit for an unquoted asset, for example by way of IPO, trade sale or liquidation, may often determine differing proceeds for the Company. Where an exit route is known with virtual certainty then the expected proceeds will be calculated based on the expected exit route. Where a valuation is deeply discounted and there is a real risk the asset may fall into administration the expected proceeds will be calculated based on a liquidation. If an asset is valued below cost and the Company has a preferred return, that preferred return will be applied. If an asset is valued above cost and the Company's preferred return would deliver an enhanced return, the preferred return will be applied. If an asset is valued significantly above cost and an investor with a preferred return would benefit from a conversion to ordinary shares, a conversion will be assumed.

7. Execution Discount
When the full or partial disposal of an asset has been negotiated and a price set, but the transaction has not yet closed, the valuation of the asset may be adjusted to take into account any uncertainty associated with the pending transaction. The value of the execution discount will vary depending on the conditions which need to be met before the transaction closes and the expected timing of the close.

8. Likelihood of insolvency
When insolvency becomes a potential outcome for an investment then the valuer may assume that it will not return any value. A probability is usually assigned to a zero value scenario in the form of a percentage. The percentage assigned to a zero value scenario may increase or decrease over time depending on whether insolvency is deemed to be more or less likely at each valuation point.

18. Financial Instruments and Capital Disclosures (continued)

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:

Fair Value as at 30 September 2023 (£000s)	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity %	Sensitivity to changes in significant unobservable inputs
Unlisted Investments 2023					
728,177	Market approach using comparable traded multiples	EV/LTM Revenue multiples EV/2023E Revenue multiples EV/2024E Revenue multiples EV/2025E Revenue multiples EV/2026E Revenue multiples	0.23 – 19.09x	25%	If multiples changed by +/- 25%, the value of the companies in this group would change by + £112,340,325 / - £127,156,208
25,030	Recent Transaction Price	N/A	N/A	N/A	N/A
16,506	Scenario Analysis	Probability	79%	25%	If probability changed by +/- 25%, the value of the companies in this group would change by - £16,505,837 / + £19,342,778
316	Expected Proceeds	N/A	N/A	N/A	N/A
63	Wind Down	N/A	N/A	N/A	N/A

The Company has an established control framework with respect to the measurement of fair values.

The Company's Valuation Committee regularly reviews significant unobservable inputs and valuation adjustments. Valuations are prepared by an independent third party valuer and the Valuation Committee assesses the evidence prepared to support the conclusion that these valuations meet the requirements of the standards, including 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:

	2024	2023	2024	2023
	Level 1 £'000	Level 1 £'000	Level 3 £'000	Level 3 £'000
Opening balance	10,284	20,317	770,092	802,046
Transferred to/(from) Level 1/(Level 3)	–	–	–	–
Purchases	–	–	23,421	46,305
Sales	(9,025)	(10,263)	(44,933)	(5,369)
Total gains/(losses) included in net gains/(losses) on investments in the statement of comprehensive income				
– on assets sold	6,405	6,826	(51,821)	(36,556)
– on assets held at year end	(5,649)	(6,596)	96,897	(36,334)
Closing balance	**2,015**	**10,284**	**793,656**	**770,092**

There have been no transfers between levels in the current year or in the prior year. The change in unrealised gains or losses (net loss) for the year included in the Statement of Comprehensive Income relating to those Level 3 assets held at the reporting date amounts to a net gain of £96,897,000 (2023: net loss of £36,334,000).

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

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

i. market risk, including:
   - other price risk, being the risk that the value of investments will fluctuate as a result 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;
   - 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 into with the Company; and

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.

18. Financial Instruments and Capital Disclosures (continued)

Other Price Risk

The management of price risk is part of the portfolio management process and is characteristic of investing in equity securities. The investment portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with an objective of maximising overall returns to shareholders. Although it is the Company's current policy not to use derivatives, they may be used from time to time for the purpose of efficient portfolio management and managing any exposure to assets denominated in currencies other than pound sterling.

If the investment portfolio valuation rose or fell by 25% at 30 September 2024 (25% at 30 September 2023), the impact on net asset value and the comprehensive gain for the year would have been £198,917,798 (2023: £195,093,937). The calculations are based on the investment portfolio valuation as at the Statement of Financial Position date and are not necessarily representative of the year as a whole.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalent balances. Interest rate risk arises when prevailing market interest rates fluctuate. The Investment Adviser manages interest rate risk by ensuring that it obtains market rates on the Company's cash and cash equivalent balances, whilst simultaneously managing liquidity and credit risk.

			2024
	In one year or less £'000	Greater than one year £'000	Total £'000
Cash and cash equivalents	44,612	–	44,612
Total	**44,612**	**–**	**44,612**

			2023
	In one year or less £'000	Greater than one year £'000	Total £'000
Cash and cash equivalents	22,626	–	22,626
Total	**22,626**	**–**	**22,626**

If interest rates rose or fell by 1% compared to those available at 30 September 2024 (2023: 1%), the impact on net asset value and the comprehensive gain for the year would be £446,000 (2023: £226,000). These calculations are based on cash balances at the Statement of Financial Position date.

Foreign Currency Risk

The Company does not normally hedge against foreign currency movements but takes account of this risk when making investment decisions. The Company invests in securities denominated in foreign currencies which give rise to currency risks.

Foreign currency exposure:

				2024
	2024 Investments £'000	Cash £'000	Debtors £'000	Creditors £'000
US Dollar	151,968	18,841	983	64
Euro	36,064	858	1	–
Swedish Krona	120,562	264	–	–
Swiss Franc	153	107	–	–
Total	**308,747**	**20,070**	**984**	**64**

				2023
	2023 Investments £'000	Cash £'000	Debtors £'000	Creditors £'000
US Dollar	199,132	10	–	3
Euro	185,785	16	–	–
Swedish Krona	56,913	3,581	–	–
Swiss Franc	2,848	–	–	–
Total	**444,678**	**3,607**	**–**	**3**

During the year, pound sterling weakened by an average of 2.24% (2023: 4.85%) against all of the currencies in the investment portfolio (weighted for exposure at 30 September 2024). In a similar scenario, where the value of pound sterling had strengthened against each of the currencies in the portfolio by 2% (2023: 5%), the impact on Net Asset Value and the total comprehensive gain for the year would have been negative £6,053,868 (2023: negative £21,175,126). If the value of the pound sterling had weakened against each of the currencies in the investment portfolio by 2% (2023: 5%), the impact on the Net Asset Value and total gains and comprehensive gain would have been positive £6,300,964 (2023: positive £23,404,082). The calculations are based on the investment portfolio valuation and cash balances as at the year end and are not necessarily representative of the year as a whole.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Risk Committee has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis.

18. Financial Instruments and Capital Disclosures (continued)

The carrying amounts of financial assets best represent the maximum credit risk exposure at the Statement of Financial Position date, and the main exposure to credit risk is via the Company's Depositary who is responsible for the safeguarding of the Company's cash balances.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2024	2023
	£'000	£'000
Cash and cash equivalents	44,612	22,626
Sorted Holdings Convertible Loan Note[1]	316	316
wefox Holding AG Convertible Loan Notes[2]	17,351	–
Other receivables	1,376	50
	63,655	**22,992**

All the assets of the Company which are traded on a recognised exchange are held on its behalf by Citibank UK Limited, the Company's Depositary. Bankruptcy or insolvency of the Depositary may cause the Company's rights with respect to securities held by the Depositary to be delayed or limited.

The credit risk on cash is managed by using counterparties or banks with high credit ratings assigned by international credit rating agencies. Bankruptcy or insolvency of such financial institutions may cause the Company's ability to access cash placed on deposit to be delayed, limited or lost.

At the reporting date, total cash held with Citibank UK Limited and Butterfield Bank (Guernsey) Limited amounted to the following:

	2024	2023
	£'000	£'000
GBP	£24,542	£4,091
US Dollar	$25,190	$10
Euro	€1,031	€15
Swedish Krona	SEK3,581	SEK3,581
Swiss Franc	CHF121	–

The credit ratings of Citibank UK Limited and Butterfield Bank (Guernsey) Limited were A-1 and A-2, respectively, at 30 September 2024 (2023: A-1 and A-2, respectively)[3].

[1] The loan note can be converted to shares at any time or is repayable on demand. No interest has been accrued on this loan note.
[2] The loan notes will convert into a number of shares, which will be determined at the date of conversion. Interest accrues at a fixed rate of 6% per the loan note agreement.
[3] Credit rating obtained from Standard & Poor's (S&P). S&P is a leading index provider and data source of independent credit ratings.

Liquidity Risk

Liquidity risk is defined as the risk that the Company does not have sufficient liquid resources to meet its obligations as they fall due. In managing the Company's assets, the Company will seek to ensure that it holds at all times a portfolio of assets (including cash) to enable the Company to discharge its payment obligations as they fall due. The Company may also maintain a short-term overdraft facility that it may utilise from time to time to manage short-term liquidity.

The Company invests in a number of unquoted securities which are not readily realisable. These investments make up 94% (2023: 97%) of the net assets as at 30 September 2024.

The Company's liquidity risk is maintained by the Risk Committee in accordance with established policies, procedures and governance structures in place. Cash flow forecasting is reviewed by the Risk Committee to ensure that it has sufficient cash to meet obligations as they fall due.

The maturity profile of the Company's current assets and liabilities is presented in the following table.

				2024
	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 5 years £'000	Total £'000
Assets				
Cash and cash equivalents	44,612	–	–	44,612
wefox Holding AG Convertible Loan Notes	–	–	17,351	17,351
Sorted Holdings Convertible Loan Note	316	–	–	316
Other receivables	1,376	–	–	1,376
Liabilities				
Other current liabilities	(1,328)	–	–	(1,328)
Total	**44,976**	**–**	**17,351**	**62,327**

				2023
	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 5 years £'000	Total £'000
Assets				
Cash and cash equivalents	22,626	–	–	22,626
Sorted Holdings Convertible Loan Note	316	–	–	316
Other receivables	50	–	–	50
Liabilities				
Other current liabilities	(1,703)	–	–	(1,703)
Total	**21,289**	**–**	**–**	**21,289**

18. Financial Instruments and Capital Disclosures (continued)

Capital Management Objectives, Policies and Procedures

The structure of the Company's capital is described in note 14 and details of the Company's reserves are shown in the Statement of Changes in Equity on page 80.

The Company's capital management objectives are:

- to ensure that it is able to continue as a going concern; and
- to generate long-term capital growth through investing in a portfolio consisting primarily of equity or equity-related investments in unquoted companies.

The Board, with the assistance of the Investment Adviser, regularly monitors and reviews the broad structure of the Company's capital. These reviews include:

- the level of gearing, set at limits in normal market conditions, between 5% and 25% of net assets, which takes account of the Company's position and the views of the Board and the Investment Adviser on the market;
- the extent to which revenue reserves should be retained or utilised; and
- ensuring the Company's ability to continue as a going concern.

19. Related Parties

	2024 £'000	2023 £'000
Directors' fees		
Total Directors' fees charged	398	433
Directors' fees outstanding	–	–

As at 30 September 2024 the following Directors have holdings in the Company:

	Number of Ordinary Shares	% Ordinary Shares in issue as at 30 September 2024
Director		
Andrew Haining	79,000	0.0133
Stephen Coe	60,909	0.0102
Simon Holden	89,500	0.0150
Anne Ewing	55,000	0.0092
Tim Cruttenden	21,298	0.0036
Margaret O'Connor	–	–
S Cruttenden (son of Tim Cruttenden)	11,170	0.0019

As at 30 September 2023 the following Directors had holdings in the Company:

	Number of Ordinary Shares	% Ordinary Shares in issue as at 30 September 2023
Director		
Andrew Haining	79,000	0.0133
Stephen Coe	60,909	0.0102
Simon Holden	89,500	0.0150
Anne Ewing	55,000	0.0092
Tim Cruttenden	21,298	0.0036
Margaret O'Connor	–	–
S Cruttenden (son of Tim Cruttenden)	11,170	0.0019

Notes to the Audited Financial Statements

For the year ended 30 September 2024
(continued)

20. Post Balance Sheet Events

On 1 October 2024, the Company fully drew a £70 million debt facility from Barclays Bank PLC. The loan has a two-year tenor and accrues interest at a market standard margin over SONIA.

Between 1 October 2024 and the date of signing of these audited financial statements, the Company has repurchased 32,325,799 ordinary shares for a total consideration of £31,139,129.

On 6 November 2024, the Company purchased 27,264 warrants in Klarna Holding AB. On 29 November 2024, the warrants converted into shares in Klarna Group plc. The total investment amounted to SEK 113,549,543 plus transaction costs.

On 13 November 2024, Klarna Group plc announced that it had confidentially submitted a draft Registration Statement on Form F-1 to the Securities and Exchange Commission (the "SEC") relating to the proposed initial public offering of its ordinary shares. The number of shares to be offered and the price range for the proposed offering had not been determined. The initial public offering is expected to take place after the SEC completes its review process, subject to market and other conditions.

The Company entered into a convertible loan agreement with wefox Group Plus AG on 13 November 2024, and has advanced a total of €20 million since the end of the period.

On 19 December 2024, the Company completed the sale of Featurespace for a gross consideration of £89 million, £79 million of which has been received since the period end.

On 31 December 2024, the Company announced that it had agreed and entered into a settlement agreement with Revolution Beauty in full and final satisfaction of its claim. Under the terms of the settlement, Revolution Beauty has agreed to pay the Company a non-material sum, being less than 1% of the Company's market capitalisation (as at the date of the announcement).

There has not been any other matter or circumstance occurring subsequent to the end of the financial year 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 the future financial year.

Corporate Information

Directors

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

Registered office

IQ-EQ Fund Services (Guernsey) Limited
PO Box 60
Fourth Floor
Plaza House
Admiral Park
St Peter Port
Guernsey, GY1 4BF
(1 August 2024 to present)

Apex Group
Royal Plaza, Royal Avenue
St Peter Port
Guernsey, GY1 2HL
(1 October 2023 to 31 July 2024)

Investment Advisor

Chrysalis Investment Partners LLP
3 Orchard Place
London, SW1H 0BF
(1 April 2024 to present)

Jupiter Investment Management Limited
The Zig Zag Building
70 Victoria Street
London, SW1E 6SQ
(1 October 2023 to 31 March 2024)

AIFM

G10 Capital Limited
4th Floor
3 More London Riverside
London, SE1 2 AQ
(1 April 2024 to present)

Financial Advisor 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

IQ-EQ Fund Services (Guernsey) Limited
PO Box 60
Fourth Floor
Plaza House
Admiral Park
St Peter Port
Guernsey, GY1 4BF
(1 August 2024 to present)

Apex Group
Royal Plaza, Royal Avenue
St Peter Port
Guernsey, GY1 2HL
(1 October 2023 to 31 July 2024)

Registrar

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

Depositary

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

English Legal Advisor to the Company

Travers Smith LLP
10 Snow Hill
London, EC1A 2AL

Guernsey Legal Advisor to the Company

Ogier (Guernsey) LLP
Redwood House
St Julian's Avenue
St Peter Port
Guernsey, 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 the 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.
EBITDA	Earnings before interest, tax, depreciation and amortisation
EV	Enterprise Value
LTM	Last Twelve Months

MIX
Paper from responsible sources
FSC® C002457
www.fsc.org

Responsibly produced from sustainable sources.