

Chrysalis Investments Limited As at 30 June 2022

RICHARD WATTS, PORTFOLIO MANAGER | NICK WILLIAMSON, PORTFOLIO MANAGER

Investment Opportunity

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

Key Facts (As at 30 June 2022)

Shares in Issue:	595,150,414
Share Price:	104.00p
NAV per share:	163.48p
Market Cap:	£619m
Total Net Assets:	£973m
Share Price Premium/(Discount):	-36.4%
Listing:	Premium Segment Main Market LSE
Ticker:	CHRY
LEI:	213800F9SQ753JQHSW24
ISIN:	GG00BGJYPP46
Incorporation:	Guernsey

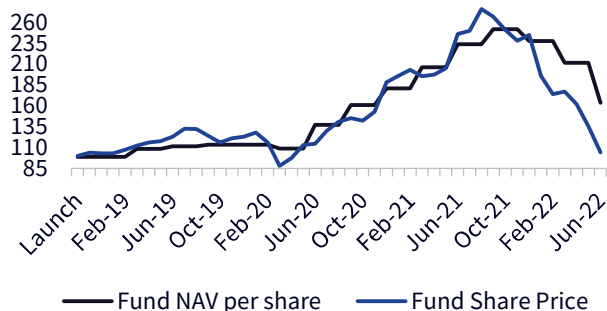
Managed by



Nick Williamson
Portfolio Manager

Richard Watts
Portfolio Manager

NAV and Share Price



Cumulative Performance (%)

	3 month	6 month	1 year	SI
Fund NAV	-22.8	-31.3	-30.1	65.4
Fund Share Price	-41.2	-57.6	-57.7	4.0

Discrete Performance (%)

	12 months to 30/06/2022	12 months to 30/06/2021	12 months to 30/06/2020
Fund NAV	-30.1	70.4	23.5
Fund Share Price	-57.7	114.8	-6.9

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



Utilising permanent capital to invest in crossover opportunities to help de-risk future IPOs. Jupiter Investment Management Limited (JIML) has the scale, expertise and relevance to be a crossover investor.



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



The Company is advised by JIML's award-winning UK small- and mid-cap desk.

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Overview

The NAV per ordinary share decreased by 23% to 163.48p through Q2 and the NAV of the company is now £973m. During the period, equity markets remained under pressure amid continuing macroeconomic turbulence. Historic levels of inflation and material interest rate rises have driven further share price declines in the basket of comparable companies used to determine valuations and to benchmark fundraising activity. This was the major driver of the 23% decrease in NAV over the period along with the material write down to Klarna (78%), which was the Company's second largest holding at the beginning of the quarter (at 19% of NAV). Foreign exchange movements benefitted the overall portfolio valuation by just over 1%. The Company completed investments in Starling Bank and Klarna during the period.

Portfolio Commentary

Continued macroeconomic and geopolitical uncertainty has increased investor focus on unit economics, profitability, and cash runway in recent months and many of our portfolio assets are looking to demonstrate a roadmap to profitability, if they are not already profitable, and cash runway of approximately two years.

As a result of this, a number of portfolio companies completed funding rounds during the period, and Chrysalis has looked to support many of these funding rounds while maintaining a strong capital position. In April, an investment of £10m was made in Starling Bank's ("Starling") £130.5m fundraise at a pre-money valuation of £2.5bn. In July, the Company participated in Klarna's \$800m fundraise and committed to its pro-rata entitlement of \$8.7m. The round valued the company at \$6.7bn and attracted investment from both new and existing investors. Post period end, Chrysalis also increased its holding in Featurespace, investing £5m as part of a successful Series G funding round.

As of 18 August 2022, the Company held approximately £48m of cash. In addition, the Company also has further liquidity available, most notably its holdings in listed assets, which currently total approximately £57m.

Highlights

- wefox Holding AG ("wefox") – completed a \$400m funding round valuing the company at \$4.5bn. This makes wefox the most valuable Insurtech asset globally and revenues are expected to exceed \$600m in the current financial year, with the company continuing to double revenues year-on-year
- Klarna Holding AB ("Klarna") – raised \$800m at a valuation of \$6.7bn. The round had participation from both new and existing investors and implies a forward EV/sales multiple of approximately 3.0x; this represents a material discount to its listed peers and Affirm, which is regarded as Klarna's closest listed peer, has rerated by approximately 90% since this funding round completed
- Starling Bank Limited ("Starling") – raised a further £130.5m at a valuation of £2.5bn. In July, Starling announced that it has now opened more than 3 million customer accounts, grown its deposit base to £9bn and is generating annualised revenues of £331.2m. This represents tremendous progress since we first invested in the company back in 2019.
- Wise released a strong set of FY22 results, with revenues increasing +33% year-on-year to £559.9m and adjusted EBITDA increasing +12% to £121.4m. A strong Q1 trading update post period, with revenue growth accelerating to +51% year-on-year, has led to a rerating of the shares.
- The Brandtech Group acquired leading e-commerce SaaS platform Acorn-i and also hired Mark D'Arcy, the former Facebook Chief Creative Officer, as Partner & Chief Creative Officer

Outlook

Persistent macroeconomic and geopolitical uncertainty weighed heavily on equity markets through H1, and this clearly had an impact on the basket of comparable companies used to assess the value of the Company's portfolio. Despite this, some of our leading assets completed successful funding rounds, which will enable them to continue executing their growth strategies and grow rapidly.

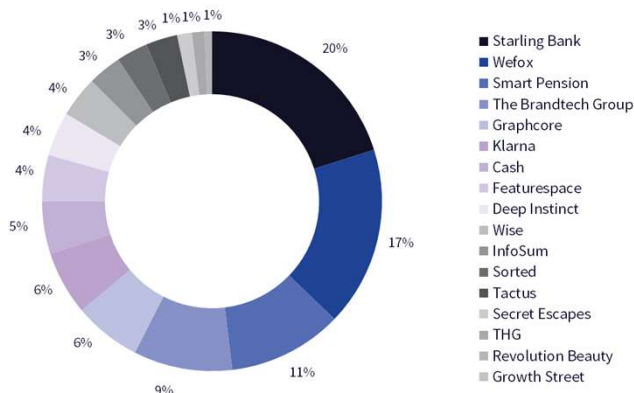
In recent weeks, equity markets have fared much better, and we have witnessed a material rerating of both NASDAQ and the GS Non-Profitable Index. A rerating of relevant listed peers, combined with strong revenue and earnings growth across the portfolio, should have positive implications for the value of the Company's portfolio in forthcoming quarters.

With over £48m cash and £57m of listed assets, which together represent 20.4% of the market capitalisation, Chrysalis is in a very strong position heading into H2 and we remain confident in the future potential of this portfolio and the outlook of the Company.

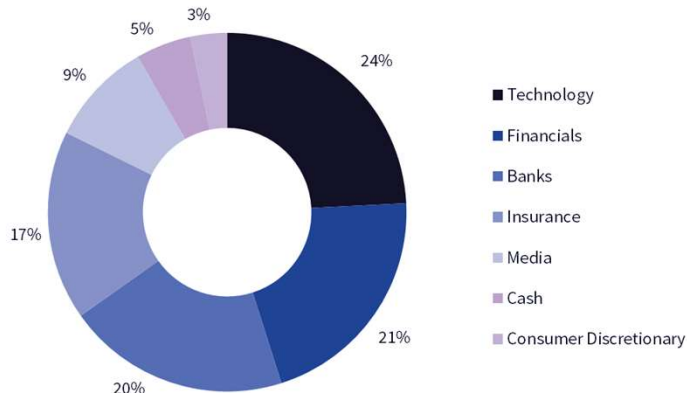
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Top Holdings



Sector Exposure



Holdings Details (As at 30 June 2022)

Wise	Platform payments business that aims to reduce fees associated with FX
Secret Escapes	Travel company that helps hotels minimise unsold inventory
THG	E-commerce business with proprietary technology platform powering sales of its own and third-party brands online
Graphcore	Leading artificial intelligence processor business, which has developed the Intelligent Processing Unit and the related software toolchain
Growth Street	Innovative P2P lending product targeted at SMEs, replacing overdrafts and invoice factoring
Starling Bank	Digital challenger bank that delivers financial services to retail and SMEs
Klarna	A leading global payments company that provides direct payments, pay after delivery options and instalment plans for customers online
Sorted Group	A global Software as a Service (SaaS) company that has developed a Delivery Management Platform which allows retailers (both digital and physical) to effectively manage their delivery / returns
wefox	Europe's largest digital insurance platform with significant existing scale in Germany, Austria and Switzerland
Featurespace	Featurespace is a world leader in financial crime risk management. The company utilises real time machine learning software risk scores events in 180 countries to reduce Fraud and AML
The BrandTech Group	A digital advertising and marketing services holding company that enables marketers to build their brands better, faster and cheaper by using technology
Smart Pension	A provider of workplace and automatic enrolment pension schemes for SMEs
Deep Instinct	A US cybersecurity company
InfoSum	Data collaboration platform
Tactus	Leading supplier of custom gaming PCs, components and accessories
Revolution Beauty	UK based beauty company

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Company and Fund Information

Listing Date	06-Nov-18
AIFM	Jupiter Unit Trust Managers Limited
Administrator & Company Secretary	Maitland Administration (Guernsey) Limited
Registrar	Computershare Investor Services (Guernsey) Limited
Legal Adviser	Travers Smith LLP
Auditor	KPMG Channel Islands Limited
Corporate Brokers	Liberum Capital Limited, Numis Securities Limited
Investment Adviser	Jupiter Investment Management Limited



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Directors

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Stephen Coe,
Simon Holden,
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Tim Cruttenden,
Margaret O'Connor

Important Information

As of 15th February 2021, Merian Global Investors (UK) Limited became Jupiter Investment Management Limited. This communication is issued by Jupiter Investment Management Limited ("Jupiter"), The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ, United Kingdom, authorised and regulated by the Financial Conduct Authority (FRN: 171847). Investors may only subscribe for or purchase any shares in Chrysalis Investments Limited ("CIL") on the basis of the information in the prospectus published by CIL. The prospectus and key information document are available at <http://www.chrysalisinvestments.co.uk/>. Jupiter only acts for the funds to which it provides regulated investment management and transaction services and does not act for or advise potential investors in connection with acquiring shares in CIL and will not be responsible to potential investors for providing them with protections afforded to clients of Jupiter. Prospective investors are strongly advised to take their own legal, investment and tax advice from independent and suitably qualified advisers. The value of investments may go down as well as up and you may not get back the full amount of your investment. Past performance is not a guide to future performance. Awards should not be taken as a recommendation.

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