

Chrysalis Investments Limited As at 31 December 2021

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 31 December 2021)

Shares in Issue:	572,483,160
Share Price:	245.00p
NAV per share:	237.86p
Market Cap:	£1,403m
Total Net Assets:	£1,361m
Share Price Premium/(Discount):	3.0%
Listing:	Premium Segment Main Market LSE
Ticker:	CHRY
LEI:	213800F9SQ753JQHSW24
ISIN:	GG00BGJYPP46
Incorporation:	Guernsey

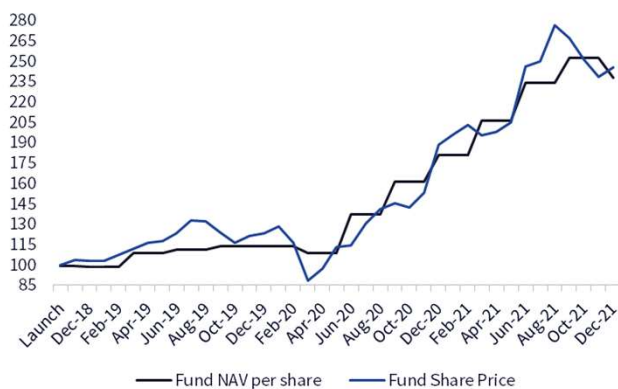
Managed by



Nick Williamson
Portfolio Manager

Richard Watts
Portfolio Manager

NAV and Share Price



Cumulative Performance (%)

	3 month	6 month	1 year	SI
Fund NAV	-5.6	1.7	31.6	140.6
Fund Share Price	-8.2	-0.4	30.3	145.0

Discrete Performance (%)

	12 months to 31/12/2021	12 months to 31/12/2020
Fund NAV	31.6	59.3
Fund Share Price	30.3	52.8

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 5.6% to 237.86p through Q4 and the NAV of the company stands at £1.36 billion as at 31 December 2021. The aggregate trading performance of the portfolio over the period remains robust but valuations of growth companies across global stock markets came under pressure over the quarter. While this has had some impact on valuations of certain portfolio companies, in a number of cases the rates of growth being exhibited by the company's investments have offset any valuation compression.

Portfolio Commentary

The company raised approximately £60 million in December 2021. Some of these proceeds were deployed into follow-on investments, as indicated during the fund raise. In November, the Company invested approximately £12.5 million in Sorted Group Limited to continue to expand the company's offering and to support growth; and in December, the Company invested an extra £15 million in Smart Pension Limited, where an opportunity arose to acquire a further stake, which the Investment Adviser decided to pursue due to the performance of the company since initial investment.

Post period end, the Company completed the sale of Embark to Lloyds Banking Group plc which represents a key milestone, the Company's first full realisation. As of 18 February, the company has approximately £65m of cash available. In addition, the Company also has significant further liquidity available, most notably its holdings in listed assets, which currently total £107m as of 18 February 2021. Highlights include:

- Wise released a Q3 trading update (calendar Q4) on 19 January which was stronger than expected. Revenues increased +34% over the period to c£150m, which was c8% ahead of market expectations, and we were encouraged by the fact that management increased its full-year revenue guidance to +30% (from mid-to-high twenties at the interim stage)
- Another one of our listed assets, Revolution Beauty, also released a positive trading update in January which covered the key Christmas trading period. From 1st November to 31st December 2021, revenues increased +41% which was in line with market expectations. Revolution Beauty's direct-to-consumer division has also been performing well and revolutionbeauty.com sales grew +50% through December
- Despite a very strong comparison period, Klarna reported robust rates of organic growth through Q3 2021. Global GMV volume Q3 YTD of \$57.3bn represents a growth rate of +62.8% year-on-year and the US, which is Klarna's fastest growing market, has generated over 300% GMV growth YTD with customer numbers exceeding 21 million.
- Starling Bank released a very positive update covering FY21 and continues to be a stand-out performer within the portfolio. As of early January, Starling has opened over 2.7 million accounts to date, including 475,000 accounts for small and medium-sized enterprises and the company's UK SME market share now tops seven per cent, almost half of Barclays' market share. The deposit base now stands at £8.4 billion, up from £4.8 billion in December 2020, and lending has increased from £1.9 billion to £3.1 billion over the same period.
- You & Mr Jones recently announced that it has changed its name to The BrandTech Group. The company surpassed over half a billion dollars in revenue and 5,000 employees in 2021 which we view as a landmark achievement. There has been speculation that the company may consider an IPO and David Jones (CEO) publicly stated that 'this is one option along with another funding round, or major game-changing acquisition'
- Post period-end, the Company confirmed the sale of its shareholding in Embark Group Limited to Scottish Widows Group, a subsidiary of Lloyds Banking Group plc. The Company received net cash proceeds of £57.2m for the sale, which represents a cash-on-cash return of 2.1x from the date of the Company's initial investment in July 2019

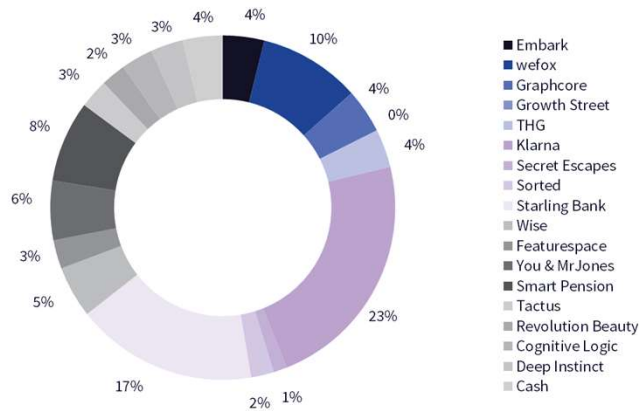
Outlook

Conditions in the private growth market remain buoyant, with minimal evidence that the turmoil in stock markets is feeding through into significant curtailment of demand for high-quality assets, underpinning our view that investment horizons are longer than those of public market participants. With a robust liquidity position and a number of major positions in the portfolio demonstrating strong growth, we are confident in the ability of Chrysalis to drive meaningful NAV growth in the medium-term.

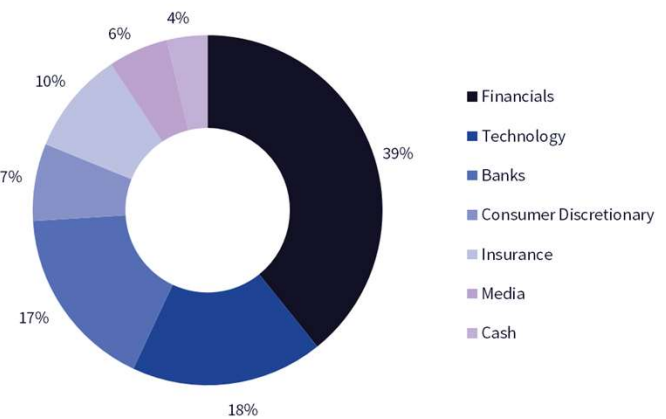
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Top Holdings



Sector Exposure



Holdings Details (As at 31 December 2021)

Wise	Platform payments business that aims to reduce fees associated with FX
Secret Escapes	Travel company that helps hotels minimise unsold inventory
The Hut Group	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
Embark Group	Full-scale retirement solutions provider, with platform, investment wrap, e-SIPP, SIPP, SSAS, fund research and employee benefits consulting capabilities
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
You & Mr Jones	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
Cognitive Logic	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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For Information

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Directors

Andrew Haining (Chairperson),
Stephen Coe,
Simon Holden,
Anne Ewing,
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.

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4 / 4 | chrysalisinvestments.co.uk | Please read 'Important information' on page 4.

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