

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek immediately your own personal financial advice from your independent financial adviser, stockbroker, bank manager, solicitor, accountant or from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your Shares in Chrysalis Investments Limited (the "**Company**"), please send this Circular and the accompanying documents, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

CHRYSALIS INVESTMENTS LIMITED

(a company incorporated under the laws of Guernsey with registered number 65432)

NOTICE OF ANNUAL GENERAL MEETING

This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 3 (Letter from the Chairman) of this Circular and which recommends you vote, as applicable, in favour of the Resolution to be proposed at the 2024 AGM. Your attention is also drawn to Part 2 (Action to be Taken by Shareholders) on page 4 of this Circular.

To be valid, a Form of Proxy and any power of attorney under which it is executed (or a duly certified copy of such power of attorney) must be lodged with the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, or by e-mail to #UKCSBRS.ExternalProxyQueries@computershare.co.uk. Alternatively, a completed Form of Proxy can be sent to the registered office of the Company c/o Apex Administration Guernsey Limited, 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL. All proxies must be received no later than 11.00 a.m. GMT on 13 March 2024, being 48 hours before the time appointed for the 2024 AGM.

The definitions used in this Circular are set out on pages 14 to 15 in Part 5 (*Defined Terms*).

CONTENTS

PART 1	EXPECTED TIMETABLE OF EVENTS	3
PART 2	ACTION TO BE TAKEN BY SHAREHOLDERS	4
PART 3	LETTER FROM THE CHAIRMAN	5
PART 4	PRINCIPALS' RATIONALE FOR CONTINUATION	11
PART 5	DEFINED TERMS	14
PART 6	NOTICE OF ANNUAL GENERAL MEETING	16

PART 1
EXPECTED TIMETABLE OF EVENTS

**Latest time and date for receipt of Form of Proxy
(and any accompanying power of attorney)
for the 2024 AGM**

11.00 a.m. GMT on 13 March 2024

2024 AGM

11.00 a.m. GMT on 15 March 2024

PART 2

ACTION TO BE TAKEN BY SHAREHOLDERS

ALL HOLDERS OF SHARES ARE RECOMMENDED TO COMPLETE AND RETURN THEIR FORM OF PROXY TO INDICATE HOW THEY WISH TO VOTE IN RELATION TO THE RESOLUTIONS. COMPLETION AND RETURN OF THE FORM OF PROXY WILL NOT AFFECT A SHAREHOLDER'S RIGHT TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING.

Shareholders are requested to complete and return their Form of Proxy (together with any power of attorney under which it is executed (or a duly certified copy of such power of attorney)) for the 2024 AGM as soon as possible and in any event not later than 11.00 a.m. GMT on 13 March 2024, being 48 hours before the time appointed for the 2024 AGM. Where a Shareholder, being a body corporate, wishes to attend and vote at the 2024 AGM, an appropriate letter of representation and suitable identification of the person nominated to represent the body corporate must be presented before the 2024 AGM.

PART 3
LETTER FROM THE CHAIRMAN

Directors

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

Registered Office

1 Royal Plaza, Royal Avenue,
St Peter Port, Guernsey, GY1 2HL

*Independent Non-Executive Director

29 January 2024

Dear Shareholder,

Notice convening an annual general meeting

Introduction

I am pleased to send you the notice of the fifth annual general meeting (the "**2024 AGM**") of the members of Chrysalis Investments Limited (the "**Company**"), to be held at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL on 15 March 2024 at 11.00 a.m. GMT. Explanatory notes on all resolutions accompany the notice of the 2024 AGM (the "**Notice**").

Continuation Resolution

Alongside the ordinary business of the 2024 AGM, a resolution for the continuation of the Company is included in the Notice. **The Board unanimously recommends that Shareholders vote in favour of the Continuation Resolution** and I set out below the background to, and basis for, the Board's recommendation.

Background

Under the Articles, at the first annual general meeting of the Company following the fifth anniversary of IPO (such anniversary being 6 November 2023), the Directors must propose an ordinary resolution that the Company continues its business as a closed-ended investment company. If the Continuation Resolution is passed at the 2024 AGM, the Directors will put a further Continuation Resolution to Shareholders at the annual general meeting of the Company every three years thereafter, as set out at the time of the Company's IPO.

The Board, the Principals and the Company's brokers have engaged with a range of shareholders representing a substantial majority of the Company's ordinary share register in respect of the Continuation Resolution, with such engagement including consideration of the Company's capital allocation policy (the "**CAP**") and revised management arrangements which were announced in principle on 13 October and 27 November 2023, respectively, and which are discussed further below. The Board has been encouraged by the support from Shareholders during these discussions and believes that there is broad consensus that the Company's continuation is in Shareholders' interests.

PART 3 - LETTER FROM THE CHAIRMAN

(continued)

Rationale for continuation

The Company was formed to take advantage of the trend for growth companies to source expansion capital from the private markets rather than the public markets. That trend, five years later, has accelerated with fewer companies coming to the public market and growth companies largely continuing their high-growth development as private companies. Some of the world's largest private growth companies have been in existence for more than ten years, have accessed private capital repeatedly and have avoided public capital markets until becoming very mature and substantial businesses. Given its structure, the Company is ideally placed to provide institutional and retail investors with access to those types of growth companies in a form that matches with the investee company's aspiration for growth and our capacity to be a long-term holder and supporter.

It is, however, inevitable that building successful companies over those time horizons involves straddling periods of macroeconomic and political shocks, such as several of the world's main economies have suffered in the last two years. We have spent much of our time ensuring that the companies we have invested in have a plan fit for the constraints of the near-term economic environments without losing sight of their long-term disruptive strategies which made them attractive to us for investment originally and which, we are confident, will deliver value for our Shareholders.

We also need to reflect on this when thinking of the way forward for the Company and its Capital Allocation Policy.

The longer-term strategy remains valid, namely to provide Shareholders with access to an attractive portfolio of approximately 15 later stage companies capable of above average growth. The shorter-term consideration is that the market discount to the net asset value of the Shares makes purchasing our own Shares a potentially higher returning investment than new portfolio investments.

Realisations to fund investment (either in new investments or our own Shares) have taken longer and yielded less free cash flow than anticipated, due either to an acceleration in the trend of companies staying private for longer, or to cyclical issues, or a combination of both.

The proposed CAP (details below) is therefore designed to recognise these shorter-term cyclical considerations could be a factor. Consequently we are proposing to Shareholders that a three year extension to the life of the Company be agreed at the 2024 AGM. In that period, we aim to demonstrate that the Company can return to its long-term purpose of making investments on the basis that the share price in that period will have returned more closely to our NAV from the exceptional discount levels we currently have.

In summary, the Board believes that the Company has demonstrated an ability to invest in a number of fast growing businesses. There is no question that a long-term funding structure for these types of investment is the right structure. We expect to be able to demonstrate the ability to realise such investments to Shareholders and the market, which we expect to be able to do within a three-year extension period.

The Principals have provided additional detail around the portfolio in Part 4 of this Circular. The Board fully supports the views expressed and in particular agrees that:

- The ongoing market trend of fewer listed companies in both the UK and US means that there are fewer opportunities for investors on the public markets.
- The Company's home market in the UK is dominated by "old-world" business models, with the major indices displaying high weightings to sectors such as resources and oil & gas, and low weightings to technology. The Company can offer Shareholders this technology exposure, thereby diversifying existing portfolios.

PART 3 - LETTER FROM THE CHAIRMAN

(continued)

- The Company's portfolio is maturing, with a number of its more mature investee companies now held for between four to five years. Despite the private-for-longer dynamic that has been a feature of listed markets for some years, there appear to be a number of candidates that could provide realisation events over the next three years; notably Klarna, which has publicly stated that it is exploring an IPO.
- We anticipate more receptive public markets in the second half of 2024. With recent falls in US yields, there have been tentative signs of risk appetite returning to long-duration investments, such as technology stocks.

Capital allocation policy

One of the key components of obtaining Shareholder support for the proposed three-year extension is to provide Shareholders with a framework for how capital will be allocated during that period. The Principals have worked closely with the Board to form an appropriate CAP, which the Board duly consulted Shareholders on in October 2023.

In summary, a CAP for the Company must consider four core potential uses of capital:

1. to support existing portfolio companies;
2. to fund working capital (such as operating costs and fees);
3. to invest in late-stage growth opportunities in accordance with the Company's investment policy; and
4. to return available capital to Shareholders through share buybacks (or equivalent programmes) where it is economically attractive to do so.

During the next three years, the Board and the Principals have already committed to return the first £100 million of realisations to Shareholders, likely in the form of a share buyback programme and subject to the prevailing discount, after satisfying the "buffer" of up to £50 million being held back for working capital and follow on investments.

Both the Board and Principals believe that it is essential to hold a certain level of capital reserve to fund anticipated follow-on investments into existing portfolio companies and attend to the estimated costs of running the Company over a reasonable period; these requirements are seen as more working capital in nature. Additionally, they believe it prudent to hold capital on a more strategic basis, to guard against currently unknown funding needs in the portfolio, which can increase in times of economic stress and/ or periods of funding market dislocation.

The absolute size of the appropriate cash reserve is likely to change over time; an appropriate cash reserve is currently believed to be up to £50 million, c.6.2% of net assets, which compares with a current total liquidity position of approximately £33 million as at 30 September 2023.

The capital return of £100 million has been structured in such a way that the proceeds of any future exit of one of the Company's larger later-stage assets could potentially fund the working capital buffer and either a significant part, or all, of the proposed capital return. In this regard, and as of September 2023, the Company had three positions valued at over £100 million: wefox, Starling and Brandtech, all of which are later-stage assets.

In addition, Klarna – in which the Company's holding was valued at approximately £57 million as of September 2023¹ – could make a meaningful contribution to the proposed return. While there can be no certainty of a transaction occurring, Klarna is likely to be among the first of the Company's current portfolio to launch an IPO process, given that the CEO publicly stated in January 2024² that an IPO "...is very likely to happen quite soon."

¹ The holding was valued at approximately £93 million as at 31 December 2023

² Source: BNN Bloomberg

PART 3 - LETTER FROM THE CHAIRMAN

(continued)

The proposed capital return quantum of £100 million is also deemed sufficient to allow significant enhancement to NAV per Share.

The further commitment relating to the implementation of the CAP, should the Continuation Resolution be approved, is to continue to return at least 25% of net realised gains on the Company's investments, with such gains being measured as net realised gains against historical cost price (and not NAV). This element is envisaged to be actioned after the £100 million capital return has been executed, and it addresses the longer-term aspirations of the Company and Principals to balance capital discipline with their desire to invest in new opportunities. The Principals believe scale is important in both gaining access to the best investments and supporting them as they develop. This proposed further commitment allows the Company to gradually rebuild its NAV, following any capital return, while still providing for returns of capital to Shareholders, whether undertaken through buybacks or otherwise.

The Board reserves its discretion on the mechanism for the distributions described above, but currently intends to return capital to Shareholders by exercising its AGM authority to buy back shares in the market, equivalent to c.15% of issued share capital and, if required, seek further authority from Shareholders to continue share buybacks.

In proposing the CAP, the Board is seeking to balance capital allocations between potential further opportunities to enhance near-term Shareholder returns through buying back shares and the opportunity to drive long-term returns through continuing to provide capital in pursuit of the Company's investment objective. Overarching all of the CAP considerations is an acknowledgement that the Company's capital needs to be managed in a dynamic way. As we consider the uses of the Company's available capital going forward the Board and the Principals will, when determining the appropriate implementation of the commitments described above, take into account, *inter alia*, the:

1. prevailing discount to NAV per share at which the Company's shares are trading;
2. likely timeline of realisations;
3. likely uses of capital to fund existing investee companies; and
4. strength of any new investment opportunities.

Subject also to scale, the importance of which is discussed above, abnormally wide Share price discounts to NAV are likely to favour capital returns to Shareholders over new investments.

Consequences of Shareholders not passing the Continuation Resolution

If the Continuation Resolution is not passed at the 2024 AGM, the Directors are required to put forward proposals for the reconstruction, reorganisation or winding-up of the Company for Shareholders' consideration within six months following the date on which the Continuation Resolution is not passed. These proposals may or may not involve winding-up the Company or liquidating all or part of the Company's then existing portfolio of investments. Proposals would be put to Shareholders in these circumstances in accordance with the requirements of the Articles.

PART 3 - LETTER FROM THE CHAIRMAN

(continued)

Revised management arrangements

Further to recent announcements, the Company has entered into new arrangements relating to the management of the Company. A summary of the key terms of the new management arrangements is set out below:

1. The six months' notice period under the JIML Portfolio Management Agreement has been waived, and that contract will terminate with effect from 1 April 2024.
2. JIML has agreed to a reduction in its management fee, effective from 1 October 2023, from 50bps to 15bps, leading to an expected saving of approximately £1.5m for Shareholders over the six-month period to 31 March 2024.
3. JIML has agreed to release the Principals from their employment contracts and employment restrictions, effective 31 March 2024.
4. The Company has entered into a tripartite contract (the "**Investment Management and Advisory Agreement**") with the Investment Adviser formed by the Principals (that will also have as members and/or employ the existing executives who are focussed on the Chrysalis portfolio either immediately or following the end of their notice periods with JIML) to take over investment advisory services from JIML, and with G10 Capital Limited – part of IQ-EQ group's UK Regulatory and AIFM platform – to take over AIFM services for the Company, each with effect from 1 April 2024.
5. Pursuant to the Investment Management and Advisory Agreement:
 - i. the Investment Adviser's advisory fee will be comprised of (i) 50bps of net asset value per annum, which is unchanged to the level the Company has historically paid; and (ii) an additional AIFM fee of 5bps on the first £1 billion of net asset value per annum (3bps thereafter). The latter will fund both the significantly enhanced risk process that is anticipated to be established in cooperation with the Principals and the oversight of G10 Capital Limited;
 - ii. the Investment Adviser will have a 12-month minimum initial term, following which the Investment Management and Advisory Agreement will be terminable on 6 months' notice; and
 - iii. conditional on the approval of Shareholders of the relevant Performance Fee Terms as a related party transaction at the EGM, a performance fee of 12.5 per cent. of the amount by which the Company's adjusted net asset value exceeds the higher of the applicable high-water mark and performance hurdle will be payable to the Investment Adviser. The high-water mark and performance hurdle calculations will continue on the basis previously calculated since the launch of the Company and neither will be re-set as a result of the proposed changes.

The new structure will allow investment in added resources for the management team, will make the most of IQ-EQ's regulatory and AIFM platform, which is used by a number of existing listed investment companies, and enable the Principals to focus their time solely on developing the Company.

Further details of the Investment Management and Advisory Agreement in general, and the Performance Fee Terms in particular, are set out in the EGM Circular dated 29 January 2024 which has been sent to Shareholders at the same time as a copy of this Circular.

PART 3 - LETTER FROM THE CHAIRMAN

(continued)

The 2024 AGM

The Notice is set out at the end of this Circular. Subject to the provisions set out in "Attendance and voting at the 2024 AGM" below, Shareholders may attend the 2024 AGM, in person or by proxy, or if a corporation, by a duly appointed representative.

Attendance and voting at the 2024 AGM

The Company will hold the 2024 AGM as an in-person meeting.

Shareholders are also encouraged to submit any questions they may have in advance of the 2024 AGM for the attention of myself or Stephen Coe, Senior Independent Director, at the Company's registered office, 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL (or by email to chrysalis@maitlandgroup.com).

The Resolutions will be put to a poll in reflection of best practice and to ensure that all Shareholders have their votes taken into account proportionately to their shareholdings in the Company.

Formal business of the 2024 AGM

In order for a quorum to be present at the 2024 AGM, it is necessary for there to be present in person, by corporate representative or by proxy, two or more Shareholders. If, within half an hour after the time appointed for the 2024 AGM, a quorum is not present, then the 2024 AGM will stand adjourned to 11:00 on 22 March 2024. At any adjourned meeting, those Shareholders present in person, by corporate representative or by proxy and entitled to vote will constitute a quorum. Forms of Proxy will also be valid at any adjourned meeting.

Action to be taken

Shareholders are being asked to vote at the 2024 AGM as the Resolutions require approval in accordance with the Articles and/or the Companies Law.

The Articles allow Shareholders to attend and vote at the 2024 AGM.

You are asked to complete the Form of Proxy in accordance with the instructions printed thereon so as to be received by the Registrar not later than 11.00 a.m. GMT on 13 March 2024. The completion and return of the Form of Proxy will not preclude you from attending the 2024 AGM and voting in person if you wish to do so. Further details relating to voting by proxy are set out in the Notes to Part 6 (Notice of 2024 AGM) on pages 16 to 20 of this Circular.

Recommendation

Your Board considers that the Resolutions are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolutions proposed at the 2024 AGM. In particular, the Board considers the continuation of the Company, under its new management arrangements and together with the proposed CAP, to be in the best interests of Shareholders and recommends that Shareholders vote in favour of the Continuation Resolution at the 2024 AGM.

Yours sincerely,

Andrew Haining

Chairman

PART 4

PRINCIPALS' RATIONALE FOR CONTINUATION

In connection with the Continuation Resolution, the rationale and conclusions of Nick Williamson and Richard Watts, being the principals of the Investment Adviser (the "Principals"), for supporting the continuation of the Company are as set out in this Part 4.

The Company was formed five years ago to offer individuals and other market participants an easy way to access late-stage private companies.

The Principals believed this was an opportunity due to the increasing tendency of companies to stay private for longer, a period which typically coincided with materially higher growth rates than those observed in the stock market.

The issues driving this desire to delay listing were considered by the Principals to be multi-faceted, and indeed likely remain so. Recent media articles citing respected industry observers highlight a variety of reasons still remain extant, particularly for the UK market.

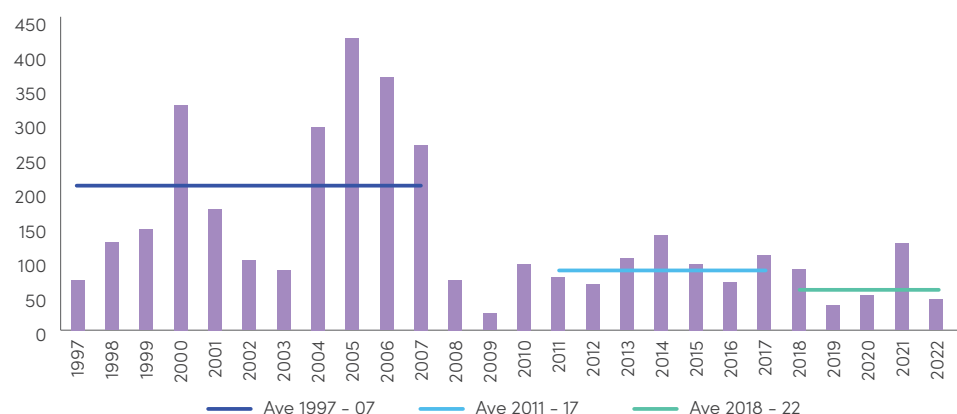
The Principals believe some of the reasons include:

- regulation applicable to listed businesses which, particularly post global financial crisis ("GFC"), is considered by the Principals to be stringent and places significant additional costs on listed businesses;
- in the UK, a significant "income mindset" which seeks high dividend payouts from stocks², thus decreasing the capital available for reinvestment to drive growth;
- a fixation on short-term returns in the listed market – which the Principals have had first-hand experience of; and
- an anecdotal sense that expansion capital is less readily available to grow businesses, particularly those that are loss-making, leading to a lack of appetite to fund companies that are looking to build share aggressively; and
- losses of control for founders in connection with listings.

These types of impediment mean that new issuance activity via IPO has been on the wane, a point that the Principals have repeatedly highlighted.

At the point of the Company's IPO, the Principals calculated that the average number of IPOs in the UK had fallen from 217 per annum prior to the GFC, to 94 per annum in the period from 2011 to 2017. In the five years since the Company's IPO, the average has fallen further to 69.

Total UK IPOs



Source: LSE and Chrysalis

² A concept espoused by Paul Marshall, chairman of Marshall Wace LLP, in the FT, see: <https://www.ft.com/content/847b0335-7835-4b4f-9dc6-39ba944baadc>

PART 4 - PRINCIPALS' RATIONALE FOR CONTINUATION

(continued)

Looking in more detail at just the London Stock Exchange's Main Market and AIM, the lack of IPOs since the start of 2022 is now the longest run of low issuance in the last 30 years, spanning eight consecutive quarters. This is despite UK stock markets proving resilient in economic terms.

Late 2023 was particularly anaemic, with only one Main Market listing in CAB Payments in the third quarter and with no IPOs recorded in either the Main Market or AIM in the last quarter of 2023.

In fact, the last two years have been some of the weakest in the last 30 years for the IPO market in the UK, with the US also recording below average volumes.

Rising global yields, in reaction to increasing inflationary pressures, over the last couple of years have likely hampered risk appetite and thus deflated IPO markets.

While some IPOs were able to get away successfully in 2023 despite rising yields, such as Arm Holdings Plc in the US, the recent retrenchment of yields from approximately five per cent. down to approximately four per cent. potentially augurs well for a better IPO market in 2024, particularly in combination with more moderate central bank language around the prospect for rates.

As such, the Principals believe there are reasons to be moderately optimistic about the outlook for general risk appetite in 2024, which, in normal circumstances, would lead to stronger exit markets, including IPO and trade sale.

An increasing chance of realisations could have a significant impact on the Company's liquidity position, opening up the possibility of capital returns via the CAP.

Following its IPO, the Company indicated a likely hold time for investments of two to five years; the current average holding period in the portfolio is approximately three and a half years. Sitting above this average are key later-stage assets, such as Starling, Klarna and wefox.

Holding period of the portfolio by asset

	Investment date	Hold period (years)
Secret Escapes	Nov-18	5.2
Starling	Feb-19	4.9
Klarna	Aug-19	4.5
Sorted	Aug-19	4.4
wefox	Dec-19	4.1
Featurespace	May-20	3.7
Brandtech	Sep-20	3.3
Smart Pension	Jun-21	2.6
Deep Instinct	Jul-21	2.6
Revolution Beauty	Jul-21	2.5
InfoSum	Aug-21	2.4
Average		3.6

Source: Chrysalis

The Principals believe that the high yield environment since early 2022 has likely delayed certain of the Company's investments from seeking an exit over this period.

As such, the Company now holds a number of assets that could conceivably be considered as exit candidates. If IPO is the chosen route, then conducive stock market conditions are required, as well as all the necessary internal preparations to become a listed entity.

PART 4 - PRINCIPALS' RATIONALE FOR CONTINUATION

(continued)

In this regard, Klarna's recent comments that the company is preparing for an IPO and that one could come "quite soon"³, should demonstrate that the view that conditions are improving is not solely held by the Principals.

In this context, the Principals believe that a decision to wind up the Company would not benefit Shareholders, as it could restrict the Principals' ability to time realisations and thus its ability to maximise value.

Conclusion

The Principals believe that many of the trends that led to the establishment of the Company, such as private for longer, still remain in play today. This means that the opportunity for the Company to continue to generate significant returns from compelling, private investments remains.

While some of these trends have led to structurally weaker markets, including the IPO market that is seen as one of the main exit routes for the Company's investments, there has also been a likely cyclical driver to some of the recent weak investor appetite towards long-duration stocks. Rising yields over the last two years have meant that risk appetite has likely been curtailed and growth assets, which dominate the Company's portfolio, have seen valuations reduced.

While this has led to a particularly tough environment for technology stocks and decreased the likelihood of the Company being able to realise its assets over this period, the Principals believe that this cyclical overlay will abate in due course. With signs that central banks are beginning to slow the pace of rate rises, and even consider rate cuts, key global yields have fallen in recent months. If yields continue to fall, or even stabilise for a period at current levels, the Principals believe this would bode well for exits from the portfolio, either by trade sale or IPO.

With a number of late-stage assets now of a scale where an exit is a possibility, such a situation could conceivably see a number of exits from the portfolio over the next three years – the duration of the Continuation Vote extension.

A significant realisation – and as at September 2023 there were three portfolio positions valued at over £100 million – could have a material impact on the Company's liquidity position and thus allow it to return capital to Shareholders under the proposed CAP.

The Principals believe that the best outcome for Shareholders will be achieved by giving them appropriate latitude to support exits from the portfolio, rather than drive for an accelerated programme, that may deliver lower valuations.

As such, the Principals are fully supportive of the Board's decision to recommend continuation of the Company.

³ Source: BNN Bloomberg Klarna CEO says company likely to IPO 'quite soon' - Video - BNN (bnnbloomberg.ca)

PART 5

DEFINED TERMS

"2024 AGM"	the annual general meeting of the Company to be held at 11.00 a.m. GMT on 15 March 2024 at the offices of Chrysalis Investments Limited, 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL;
"Articles"	the articles of incorporation of the Company;
"Board"	the board of Directors of the Company;
"Business Day"	a day on which the London Stock Exchange and commercial banks in London and Guernsey are normally open for business;
"CAP" or "Capital Allocation Policy"	the proposed capital allocation policy of the Company as described in Part 3 of this Circular;
"Chairman"	the chairman of the Company, presently Andrew Haining;
"Circular"	this circular dated 29 January 2024;
"Companies Law"	the Companies (Guernsey) Law 2008, as amended from time to time;
"Company"	Chrysalis Investments Limited;
"Continuation Resolution"	the ordinary resolution of the Company to continue its business as a closed ended investment company, to be voted on by Shareholders at the 2024 AGM;
"CREST"	the computerised settlement system operated by Euroclear UK & International Limited which facilitates the transfer of title to shares in uncertified form;
"Director"	each director of the Company (together, the "Directors");
EGM	the extraordinary general meeting of the Company to be held on 15 March 2024 at which the EGM Performance Fee Resolution will be proposed;
EGM Circular	the shareholder circular dated 29 January 2024 containing notice of the EGM;
EGM Performance Fee Resolution	the ordinary resolution to be proposed at the EGM regarding the approval of the Performance Fee Terms as a related party transaction in accordance with the Listing Rules;
"FCA"	the United Kingdom Financial Conduct Authority (or any successor entity or entities);
"Form of Proxy"	the form of proxy for use by Shareholders unable to attend the General Meeting in person;
"Investment Adviser"	Chrysalis Investment Partners LLP;
Investment Management and Advisory Agreement	the investment management and advisory agreement between the Company, the G10 Capital Limited and the Investment Adviser dated 29 January 2024;

PART 5 - DEFINED TERMS

(continued)

"JIML"	Jupiter Investment Management Limited;
JIML Portfolio Management Agreement	the portfolio management agreement between the Company and JIML dated 1 July 2022, which will terminate with effect from 1 April 2024;
"NAV"	the net asset value of the assets of the Company;
"Notice of General Meeting" or "Notice"	the notice of the 2024 AGM, as provided at Part 6 (Notice of 2024 AGM) of this Circular;
"Ordinary Shares"	ordinary shares in the capital of the Company from time to time;
Performance Fee Terms	the payment terms and vesting provisions relating to the performance fees payable to the Investment Adviser (subject to Shareholder approval of the EGM Performance Fee Resolution at the EGM) pursuant to the Investment Management and Advisory Agreement;
"Principals"	Nick Williamson and Richard Watts;
"Registrar"	Computershare Investor Services (Guernsey) Limited;
"Resolutions"	the resolutions contained in Part 6 (Notice of 2024 AGM) of this Circular to be voted on by Shareholders at the 2024 AGM;
"Shares"	Ordinary Shares of no par value each in the capital of the Company;
"Shareholders"	the holders of Shares;
"SPAC"	special acquisition companies; and
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland.

PART 6
NOTICE OF 2024 AGM

CHRYSALIS INVESTMENTS LIMITED

(the "Company")

(a company incorporated under the laws of Guernsey with registered number 65432)

NOTICE OF ANNUAL GENERAL MEETING 2024

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at 11.00 a.m. GMT on 15 March 2024 at the offices of Chrysalis Investments Limited, 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL on 15 March 2024 to transact the business set out in the Resolutions below. You will be asked to consider and vote on the Resolutions below, which will be proposed as ordinary resolutions and special resolutions (as applicable and set out below).

ORDINARY RESOLUTIONS

1. That the Company continues its business as a closed-ended investment company.
2. To receive the Company's Financial Report and Audited Financial Statements for the period from 1 October 2022 to 30 September 2023.
3. To re-appoint KPMG Channel Islands Limited as auditor to the Company (the "**Auditor**") until the conclusion of the next general meeting at which accounts are laid before the Company.
4. To authorise the directors of the Company (the "**Directors**") to determine the remuneration of the Auditor.
5. To approve the report of the Remuneration & Nomination Committee for the year ended 30 September 2023.
6. To re-elect Mr Andrew Haining as a Director of the Company who retires by rotation in accordance with Article 23.5 of the Articles.
7. To re-elect Mr Stephen Coe as a Director of the Company who retires by rotation in accordance with Article 23.5 of the Articles.
8. To re-elect Mrs Anne Ewing as a Director of the Company who retires by rotation in accordance with Article 23.5 of the Articles.
9. To re-elect Mr Tim Cruttenden as a Director of the Company who retires by rotation in accordance with Article 23.5 of the Articles.
10. To re-elect Mr Simon Holden as a Director of the Company who retires by rotation in accordance with Article 23.5 of the Articles.
11. To re-elect Ms Margaret O'Connor as a Director of the Company who retires by rotation in accordance with Article 23.5 of the Articles.
12. To approve the Company's dividend policy and authorise the Directors to declare and pay all dividends of the Company as interim dividends.

PART 6 - NOTICE OF ANNUAL GENERAL MEETING

(continued)

SPECIAL RESOLUTIONS

13. To authorise the Company, pursuant to Article 3.11 of the Articles, to allot and issue or make offers or agreements to allot and issue, grant rights to subscribe for, or to convert any securities into ordinary shares of no-par value ("**Ordinary Shares**") including by way of sale of Ordinary Shares from treasury for cash up to the aggregate number of 119,030,082 Ordinary Shares (being 20 per cent. of the Ordinary Shares in issue as at 26 January 2024) as if Articles 5.1 to 5.7 of the Articles did not apply to any such allotment and issue, such authority to expire on the date which is 15 months from the date of the passing of this resolution or, if earlier, at the end of the annual general meeting of the Company to be held in 2025 (unless previously renewed, revoked or varied by the Company by a special resolution) save that the Company may, before such expiry, make an offer or agreement which would or might require Ordinary Shares to be allotted and issued after such expiry and the directors may allot and issue Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.
14. To authorise the Company to make market acquisitions (as defined in the Companies (Guernsey) Law, 2008, as amended) of its own Ordinary Shares, either for cancellation or to hold as treasury shares for future resale or transfer, provided that:
- a. the maximum number of Ordinary Shares authorised to be purchased shall be up to 14.99 per cent. of the Ordinary Shares in issue (excluding treasury shares in issue) as at 26 January 2024, (being the last Business Day prior to the publication of the Notice);
 - b. the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is GBP 0.01;
 - c. the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to the higher of:
 - i. an amount equal to 5 per cent. above the average of the mid-market values of an Ordinary Share taken from the London Stock Exchange Daily Official List for the five Business Days before the purchase is made; or
 - ii. the higher of the price of the last independent trade or the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out;
 - d. subject to paragraph (e), such authority shall expire at the annual general meeting of the Company to be held in 2025 (unless previously varied, revoked or renewed by the Company in general meeting) or, if earlier, the date falling 15 months from the passing of this resolution; and
 - e. notwithstanding paragraph (d), the Company may make a contract to purchase its Ordinary Shares pursuant to the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own Ordinary Shares in pursuance of any such contract notwithstanding the expiry of the authority given by this resolution.

By order of the Board

Apex Administration (Guernsey) Limited
1 Royal Plaza,
Royal Avenue,
St Peter Port, Guernsey,
GY1 2HL

PART 6 – NOTICE OF ANNUAL GENERAL MEETING

(continued)

EXPLANATORY NOTES – GENERAL

The following notes explain your general rights as a member and your right to vote at the 2024 AGM or to appoint someone else to vote on your behalf. Please note that appointing a proxy who cannot attend the 2024 AGM will effectively void your vote.

A member of the Company who is entitled to attend the 2024 AGM is entitled to appoint one or more proxies to attend speak and vote in his or her place. A proxy does not need to be a member of the Company but must attend the 2024 AGM to represent you.

Details of how to appoint the Chairman of the 2024 AGM or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the 2024 AGM, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. A member may appoint more than one proxy to attend the 2024 AGM provided that each proxy is appointed to exercise rights attached to different shares.

A form of proxy is enclosed which should be completed in accordance with the instructions. To be valid this form of proxy and any power of attorney under which it is executed (or a duly certified copy of such power of attorney) must be lodged with the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, or by e-mail to #UKCSBRS.ExternalProxyQueries@computershare.co.uk - Alternatively, completed forms can be sent to the registered office of the Company c/o Apex Administration (Guernsey) Limited, 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 1WD. All proxies must be received no later than 11.00 a.m. GMT on 13 March 2024, being 48 hours before the time appointed for the 2024 AGM.

CREST offers a proxy voting service which the Company's Registrar, Computershare Investor Services (Guernsey) Limited are an agent of.

Shareholders are advised that, upon receipt of their proxy form from the Company, if they wish to appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID: 3RA50) two days prior to the date of the 2024 AGM at the latest. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means.

CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST.

For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009.

Please note that the 2024 AGM will not be made available by way of publicly available real-time broadcast.

As at 26 January 2024 (being the last Business Day prior to the publication of the Notice), the Company's issued share capital consists of 595,150,414 Ordinary Shares, carrying one vote each. Therefore, the total number of voting rights in the Company as at 26 January 2024 is 595,150,414. There are currently no shares held in treasury by the Company.

EXPLANATORY NOTES – ORDINARY RESOLUTIONS 1-12

ORDINARY RESOLUTION 1 – Pursuant to Article 39.1 of the Articles, at the first annual general meeting of the Company following the fifth anniversary of IPO (such anniversary being 6 November 2023) the Directors must propose an ordinary resolution that the Company continues its business as a closed-ended investment company (a "**Continuation Resolution**"). If the Continuation Resolution is passed, the Directors will put a further Continuation Resolution to Shareholders at the annual general meeting of the Company every three years thereafter. If a Continuation Resolution is not passed, the Directors are required to put forward proposals for the reconstruction, reorganisation or winding-up of the Company to the Shareholders for their approval within six months following the date on which the relevant Continuation Resolution is not passed. These proposals may or may not involve winding-up the Company or liquidating all or part of the Company's then existing portfolio of investments and, accordingly, failure to pass a Continuation Resolution will not necessarily result in the winding-up of the Company or liquidation of all or some of its investments.

PART 6 – NOTICE OF ANNUAL GENERAL MEETING

(continued)

ORDINARY RESOLUTION 2 – The Company must present the Financial Report and Audited Financial Statements for the period from 1 October 2022 to 30 September 2023 and the reports of the Directors and the auditor to the AGM for approval.

ORDINARY RESOLUTION 3 – The auditor of a Company must be re-appointed at each general meeting where accounts are laid, to hold office until the conclusion of next such meeting. It is proposed that KPMG Channel Islands Limited are re-appointed as the Company's auditor, to hold office from the AGM's conclusion until the conclusion of the next general meeting at which accounts are laid before the Company.

ORDINARY RESOLUTION 4 – This resolution gives authority to the Board of Directors to determine the remuneration of the Auditor.

ORDINARY RESOLUTION 5 – Guernsey-incorporated companies are not obliged to prepare and publish a Directors' remuneration report. However, the Company has included details of its Directors' remuneration with the Financial Report and Audited Financial Statements for the period from 1 October 2022 to 30 September 2023 and an ordinary resolution will be put to shareholders seeking approval of the Directors' remuneration. The Shareholder vote will be advisory only, but the Directors of the Company will take the outcome of the vote into consideration when reviewing and setting the Company's remuneration policy.

ORDINARY RESOLUTIONS 6-11 – All six Directors are retiring and offering themselves for re-election in accordance with Article 23.5 of the Articles. A brief biography for each of the directors are set out below. Shareholders are also advised to read the Chairman's Statement in the Company's annual report which outlines the Board's thinking on the future development of the Board's composition.

ORDINARY RESOLUTION 12 – The Directors continue to intend to manage the Company's affairs to achieve Shareholder returns through capital growth rather than income. Therefore, it should not be expected that the Company will pay a significant annual dividend, if any. If any dividends are declared and paid, such dividends will ordinarily be interim dividends. Whilst the Company is not required to seek approval from Shareholders for the payment of interim dividends pursuant to the Companies Law, the Directors recognise that corporate governance best practice and shareholder expectations are such that it would be appropriate for Shareholders to be provided with an opportunity to review and, if thought fit, approve the Company's dividend policy on an ongoing basis. Accordingly, Shareholders are being asked to approve the Company's policy and the declaration and payment of dividends by the Company (if any) as interim dividends.

An Ordinary Resolution is a resolution passed by a simple majority of the total votes cast at the AGM.

EXPLANATORY NOTES – SPECIAL RESOLUTIONS 13-14

SPECIAL RESOLUTION 13 – This resolution gives the Company authority to allot and issue or make offers or agreements to allot and issue, grant rights to subscribe for, or to convert any securities into, Ordinary Shares (including by way of sale of Ordinary Shares from treasury) for cash without complying with the pre-emption rights contained in Articles 5.1 to 5.7 of the Articles in certain circumstances. This authority empowers the Directors to allot and issue or make offers or agreements to allot and issue, grant rights to subscribe for, or to convert any securities into, Ordinary Shares up to an aggregate number of 119,030,082 Ordinary Shares (representing 20 per cent. of the Ordinary Shares in issue as at the date of this Circular). This authority will expire on the date which is 15 months from the date of passing of this resolution or, if earlier, at the end of the annual general meeting of the Company to be held in 2025.

Any new Ordinary Shares issued on a non-pre-emptive basis under this authority will be at a minimum issue price equal to the prevailing NAV per Ordinary Share at the time of allotment together with a premium intended at least to cover the costs and expenses of the relevant placing or issue of new Ordinary Shares (including, without limitation, any placing commissions). The issue price in respect of each relevant placing or issue of new Ordinary Shares will be determined on the basis described above to cover the costs and expenses of each placing or issue and thereby avoid any dilution of the NAV of the then existing Ordinary Shares held by shareholders.

The Board considers that it is in the best interests of the Company and its Shareholders generally that the Company have the flexibility conferred by resolution 13 to conduct a pre-emptive offering of Ordinary Shares for cash without complying with the requirements of the pre-emption provisions contained in the Articles and to finance business opportunities quickly and efficiently when they arise in line with the Company's strategy for growth.

PART 6 – NOTICE OF ANNUAL GENERAL MEETING

(continued)

SPECIAL RESOLUTION 14 – This resolution grants the Company authority to make market purchases of the Company's own Ordinary Shares, up to 14.99 per cent. of the Ordinary Shares in issue as at 26 January 2024 (being the last Business Day prior to the publication of the Notice). The Ordinary Shares will only be repurchased at a discount to the prevailing net asset value per Ordinary Share at the time of re-purchase. The Ordinary Shares bought back will either be cancelled or placed into treasury at the determination of the Directors.

A Special Resolution is a resolution passed by at least 75% of the total votes cast at the AGM.

DIRECTOR BIOGRAPHIES

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

Andrew holds several Guernsey and UK board positions.

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

Simon Holden (independent) – Simon is a Chartered Director (CDir) accredited by the Institute of Directors. Previously an investment director at Terra Firma Capital Partners and Candover Investment prior to that, Simon has been an active independent director to listed investment company, private equity fund and trading company boards since 2015. In addition, Simon acts as the pro-bono Business Adviser to Guernsey Ports; a State of Guernsey enterprise that operates all the Bailiwick's critical airports and harbour infrastructure.

Simon is a member of several industry interest groups in both financial services and intellectual property and graduated from the University of Cambridge with an MEng and MA (Cantab) in Manufacturing Engineering.

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

Anne has several non-executive directorships roles in investment companies and a 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. Prior to joining VenCap, Tim was an economist and statistician at the Association of British Insurers in London. He received his Bachelor of Science degree (with honours) in Combined Science (Economics and Statistics) from Coventry University and is an Associate of the CFA Society of the UK. Tim is a non-executive director of Polar Capital Technology Trust.

Margaret O'Connor (independent) – Margaret has had a 30-year career building value in global technology companies across the US, Asia, Africa, and Europe. She has been instrumental in starting up two Mauritius domiciled, pan-African technology investment funds. She serves as Chair of Launch Africa Venture Fund 1 and Pay Today and on the investment committee of Five35 Ventures. Prior to this, she was a Silicon Valley VC-funded Marketing Tech entrepreneur and a founding member of the MasterCard Asia Pacific management team in Singapore and the MasterCard Global New Technology Communications group in New York. She earned her BA from Rutgers University and studied International Relations at Princeton University. She's an active member of Private Equity Women Investor Network (Pewin.org).