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26 September 2024

**Chrysalis Investments Limited ("Chrysalis" or the "Company")**

**Disposal and Portfolio Update**

**Featurespace**

The Company is pleased to announce that Visa has signed a definitive agreement to acquire Featurespace for an undisclosed sum.

Chrysalis expects to receive cash proceeds of approximately £89 million (gross of deferred payments, typical of this type of transaction; initial consideration is expected to be approximately £79 million). The transaction is subject to customary closing conditions, including the receipt of applicable regulatory approvals.

The expected gross proceeds of £89 million (assuming the gross proceeds are applied for valuation purposes) represent a 20% premium (equating to an uplift in NAV per share of circa 2.5 pence) to the Company's current carrying value of Featurespace of £74.2 million, as of 30 June 2024.

The Company 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.

**Liquidity**

The Company's liquidity position as of 25 September 2024 was approximately £47 million, comprising cash of £45 million and a position in Wise worth £2 million. Following the announcement on 25 September of the debt facility of £70 million, this is expected to rise to approximately £116 million (net of facility fees). The receipt of the initial consideration would take this liquidity position to approximately £195 million, which would equate to approximately 38% of the Company's market capitalisation, as of 25 September 2024.

The Company will make a separate announcement today regarding the utilisation of some of this liquidity via the commencement of a buyback of its shares.

**Nick Williamson and Richard Watts (Managing Partners of the Investment Adviser) comment:**

*"Featurespace has been an excellent investment for Chrysalis, and we congratulate Martina King, Dave Excell and team on today's announcement. In many ways, Featurespace has been an exemplar of the type of investment we are looking for and we believe its purchase by a company such as Visa demonstrates recognition of the value that has been accruing from this business model.*

*The value of Featurespace has risen over the last few quarters, driven by the good performance of the company and the improving valuations of comparable listed peers; this disposal process has provided additional information about possible value. Since September 2023, the market value underpinning Featurespace's valuation in the Company's portfolio has risen by 72% to June 2024; this transaction would imply an exit valuation 109% higher than that of September 2023.*

*This sale will also transform the liquidity position of Chrysalis on completion and has allowed the Board to instigate the second pillar of the Capital Allocation Policy, namely the return of up to £100 million to shareholders."*

**-ENDS-**

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A copy of this announcement will be available on the Company's website at <https://www.chrysalisinvestments.co.uk>

The information contained in this announcement regarding the Company's investments has been provided by the relevant underlying portfolio company and has not been independently verified by the Company. The information contained herein is unaudited.

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The Company is an alternative investment fund ("AIF") for the purposes of the AIFM Directive and as such is required to have an investment manager who is duly authorised to undertake the role of an alternative investment fund manager ("AIFM"). The AIFM appointed is G10 Capital Limited (part of the IQEQ Group).

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