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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 which forms part of domestic law in the United Kingdom pursuant to The European Union Withdrawal Act 2018, as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019.

26 September 2024

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

Commencement of Share Buyback Programme

Liquidity

The Company's liquidity position as of 25 September 2024 was £47m, comprising cash of £45 million and a position in Wise worth £2 million. On 25 September 2024, the Company announced it had entered into a £70 million loan facility with Barclays Bank plc ("Barclays") and was shortly to serve Barclays with a utilisation notice to draw the full amount. The Company can confirm that this notice has now been served, and it expects funds to be available to it next week.

Separately today, the Company has also announced that Visa has entered into a definitive agreement to buy Featurespace for an undisclosed sum. The Investment Adviser calculates that initial proceeds to the Company are expected to be approximately £79 million. Receipt of these funds is subject to customary closing conditions, including the granting of any applicable regulatory approvals.

Assuming the receipt of funds from both the facility and the initial proceeds from Featurespace, the Company would have liquidity of approximately £195 million, equating to approximately 38% of its current market capitalisation.

Buyback

Under the Capital Allocation Policy ("CAP"), which was notified to shareholders earlier in the year, the Investment Adviser recommended a "buffer" requirement (the "Buffer") to cover working capital and follow-on requirements, which the Board and Investment Adviser currently believe is appropriately set at approximately £50 million. The Company views the Barclays facility as covering the Buffer, which means that it is now in a position to enact the second pillar of the CAP, initially via the launch of a share buyback programme of up to £40 million, representing approximately 8% of the Company's current market capitalisation.

The initial buyback allocation of £40 million represents the majority of the initial Graphcore proceeds received from the disposal announced on 12 July 2024 (£43.8 million). Following the Featurespace announcement today, the Investment Adviser expects to track progress towards satisfying closing conditions and thus advise the Board on when it might be appropriate to return further capital to shareholders.

Please see below for further information on the buyback.

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

"Following the signing of the debt facility with Barclays, we are delighted that Visa has signed a definitive agreement to buy Featurespace. Assuming completion, the combination of these two events will raise significant liquidity; this has allowed the Company to begin the process of returning up to £100 million of capital to shareholders.

We have discussed with the Board how best to proceed in this regard, and believe using the capital that will be available shortly, namely current liquidity and facility proceeds, enables a good start to be made towards this goal. As we get more visibility over the closing of the Featurespace process, we hope that this will enable further capital to be returned. We view the Company's shares, which currently trade on a circa 40% discount to NAV, as offering a compelling way to accrete NAV per share to the benefit of long-term shareholders.

Further information on Buyback

The Company has engaged its joint corporate brokers, Deutsche Numis and Panmure Liberum (the "Brokers"), to implement the share buyback programme on its behalf over time. The maximum price payable for a share will be an amount equal to the higher of:

- 105 per cent. of the average market value of the Company's shares for the five business days immediately preceding the day on which such share is contracted to be purchased; and
- the higher of the price of the last independent trade and the highest current independent bid on the LSE.

The Company will announce any market repurchase of shares on the business day following the calendar day on which the repurchase occurred. The Company intends that the repurchased shares will be held in Treasury.

Any purchases under the share buyback programme will initially be made pursuant to the authority to repurchase shares granted

any purchase under the share buyback programme will mainly be made pursuant to the authority to repurchase shares granted to the Company at its AGM on 15 March 2024. Under this authority, the maximum number of shares which may be repurchased is 89,213,047 (being 14.99% of the issued share capital as at 26 January 2024 being the last business day prior to the publication of the AGM notice). Shareholders' approval for an additional share buyback authority will, as required, be sought at, or before, the 2025 AGM.

The Company is satisfied that it is neither currently in a closed period, nor is it party to any inside information which has not previously been disclosed via a Regulatory Information Service. The Company has provided the Brokers with a non-discretionary dealing instruction under which they may continue to undertake share buybacks during mandatory closed periods leading up to the announcement of financial results, or in the event that the Company comes into the possession of inside information.

The Company does not intend to rely on the safe harbour provisions dealing with trading for share buyback programmes set out in Article 5 of the Market Abuse Regulation 596/2014/EU (as onshored into UK legislation following Brexit).

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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.

This announcement is for information purposes only and is not an offer to invest. All investments are subject to risk. Past performance is no guarantee of future returns. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results. Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website for any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

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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