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10 September 2025

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

Klama IPO and Shareholder Consultation Update

The Company is pleased to announce an update in relation to its investment in Klama Group plc ("Klama").

On 2 September 2025, Klama announced the launch of its initial public offering (the "Klama IPO") of approximately 34.3 million ordinary shares on the New York Stock Exchange. The Klama IPO successfully completed on 9 September 2025, at a price of USD40 per ordinary share, above the indicated range of USD35-37, valuing Klama at approximately USD15 billion; trading is expected to commence today. As at the date of this announcement, the Company holds 4.2 million shares in Klama.

Chrysalis first invested in Klama in August 2019 at a valuation of USD5.5 billion. Its blended entry price across three rounds of investment is approximately USD25.6 per share (at current rates), representing a money multiple of approximately 1.6x (unrealised) at Klama's IPO valuation. The Company's assessed market valuation of Klama as at 30 June 2025 was approximately USD16.6 billion, valuing the Company's position at £136.9 million, which represented 15.1% of NAV.

The Company, as advised by the Investment Adviser, elected not to sell any shares at IPO. The Investment Adviser believes Klama is well-positioned to benefit from attractive growth prospects over the medium-term. In line with other major Klama shareholders, the Company's shareholding in Klama is subject to a customary lock-up period of six months from IPO.

Klama's recent trading

Klama recently published its second quarter 2025 results which demonstrated strong growth in a number of key metrics. Gross Merchandise Volume ("GMV") increased by +19% (1Q +13%), while revenues increased by +20% (1Q +15%), both metrics on a year-on-year, like-for-like basis. Over the period, GMV growth accelerated from +15% in April to +24% by June, highlighting the growth potential of Klama's recently announced strategic integrations, such as Stripe. The Investment Adviser expects Klama to benefit from a number of other partnerships going live and scaling over the course of the next twelve months.

Klama has proactively managed its cost base over the past two years and this has led to average revenue per employee increasing from 0.4m in 2Q 2023 to 1.0m in 2Q 2025; adjusted operating expenses have fallen by -24% since 1Q 2022 on a like-for-like basis. As Klama continues to grow, the Investment Adviser expects operating leverage - aided by on-going cost efficiency, partly AI-driven, and the potential to expand gross margins - to translate into an attractive operating profit margin and profit stream.

Klama's valuation

The recommendation not to sell any Klama shares by the Investment Adviser was made on the grounds of both Klama's expected future growth potential, and on near-term valuation, which it believes compares very favourably to listed peers. The Investment Adviser intends to monitor performance of Klama in the aftermarket and will advise the Company on its holding accordingly.

Shareholder consultation update

In May 2026, the Board stated it would seek shareholder views on capital allocation in advance of a vote on the current Capital Allocation Policy ("CAP") at the AGM in 2026; this consultation is currently underway. The intention is to consult with as many shareholders as possible to determine their views to enable the Board to propose any changes to a future CAP, if deemed appropriate. The Company will provide an update in due course.

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

"The Company's first investment in Klama was in 2019 at a valuation of 5.5 billion, with primary capital used to support its rollout strategy in both the US and the UK. Since then, Klama has grown materially in size - GMV has risen from 35 billion in 2019 to over 102 billion in 2024 - and the company has moved from a significant loss-making

position a few years ago into profitability.

It is clear that consumers are looking for more innovative credit solutions than those offered by incumbents, and we expect this market dynamic to drive significant future growth opportunities for the industry. Combined with a number of significant relationship agreements that Klarna has signed with major players in the ecommerce and payments industries, we believe the outlook for sustained, robust top-line growth is significant.

We wish Sebastian, Niclas and the team all success as a listed company as Klarna continues its mission to be available everywhere for everything."

-ENDS-

For further information, please contact:

Media **+44 (0) 7921 881 800**
Montfort Communications: chrysalis@montfort.london
Charlotte McMullen / Imogen Saunders

Investment Adviser **+44 (0) 20 7871 5343**
Chrysalis Investment Partners LLP:
James Simpson

AIFM **+44 (0) 20 7397 5450**
G10 Capital Limited:
Maria Baldwin

Deutsche Numis: **+44 (0) 20 7260 1000**
Nathan Brown / Matt Goss

Panmure Liberum: **+44 (0) 20 3100 2222**
Chris Clarke / Darren Vickers

Barclays Bank PLC: **+44 (0) 20 7623 2323**
Dion Di Mceli / Stuart Muress / James Atkinson

IQEQ Fund Services (Guernsey) Limited: **+44 (0) 1481 231 852**
Aimee Gontier / Elaine Smeja

LEI: 213800F9SQ753JQH5W24

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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