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30 January 2026

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

Quarterly NAV Announcement and Trading Update

Net Asset Value

The Company announces that as at 31 December 2025 the unaudited net asset value ("NAV") per ordinary share was 165.36 pence.

The NAV calculation is based on the Company's issued share capital as at 31 December 2025 of 494,973,805 ordinary shares of no-par value.

December's NAV per share represents a 6.29 pence per share (3.7%) decrease since 30 September 2025. The decrease in the fair value of the portfolio accounted for approximately 7.01 pence per share, with foreign exchange adding a further 0.12 pence per share. The share buyback led to 1.39 pence per share of accretion; other income, fees and expenses make up the balance.

Richard Watts and Nick Williamson, Managing Partners of Chrysalis Investment Partners LLP comment:

"NAV per share fell in the first quarter reflecting the share price weakness of Klarna since IPO, which has accounted for approximately 4.8 pence of deterioration; an increase in the valuation of Starling largely offset a reduction in the value of wefox.

Starling hit a major milestone in the period with Engine signing a ten-year contract with Tangerine Bank to re-platform its two million customers. Tangerine is a subsidiary of Scotiabank - one of the largest banks in North America with assets of approximately C 1.4 trillion - and marks the first "migration" deal of an existing book of business for Engine. Not only is the scale of this agreement very material to Engine, but we view it as a strong endorsement of Engine's offering.

Smart also saw a major contract win with Hargreaves Lansdown ("HL") for its Keystone platform offering. This new relationship will see Keystone power HL Workplace to help "transform the client experience" according to Richard Flint (CEO of HL). Keystone was chosen due to its proven record of scalability and flexibility.

Operationally, wefox continued to see underlying improvement, but was marked down in the period, reflecting the introduction of a funding uncertainty discount, which is addressed below.

We continue to work closely with the existing portfolio to assist them to maximise their valuations, ahead of future realisations."

Portfolio Activity

There has been immaterial net investment activity in the portfolio over the period.

Elsewhere, the Company continued to enact its Capital Allocation Policy ("CAP"); in particular the second element of this, namely the return of up to £100 million to shareholders, which has been undertaken in the form of a share buyback. In November, the Board decided to extend the current buyback deployment level until the AGM in March 2026.

Over the quarter, a further £16.9 million of shares were bought into treasury, taking the total capital returned to shareholders in excess of the £100 million originally established (approximately £103 million at period end), which has subsequently risen to £108 million as of 27 January.

Portfolio Update

Starling

The key news for Starling was Engine's contract win with Tangerine Bank in November 2025.

Tangerine is a multi-award-winning business, with 1,200 employees serving two million customers. Given its success, the Investment Adviser views its decision to shift banking platform as strongly supportive of the gains it sees from migrating to Engine; Tangerine expects Engine will allow it to "supercharge its client experience and embark on an ambitious new phase of growth".

The Investment Adviser sees this contract win as providing strong evidence to support Declan Ferguson's (Starling CFO) comment in early 2025 that he saw a "credible path to £100 million of recurring revenue within two years".

In October Starling also launched the UK's first AI tool to combat scams - Scam Intelligence - that allows customers to upload pictures of ads from online marketplaces to assess them for fraud. The Investment Adviser sees the launch of new products and features, as well as the recommencement of marketing activities - such as the brand refresh in July - as important drivers of the company as it navigates its exit from certain regulatory restrictions.

In December, Richard Watts was appointed to the board of Starling.

Smart Pension

WS Stakeholder Pension Scheme (£580 million of AuM) was acquired in November 2025, representing one of the first acquisitions of a stakeholder scheme by a DC Master Trust. In combination with the Options Master Trust consolidation in the quarter, Smart Pension Master Trust ("SPMT") AuM rose to over £9 billion by period end, meaning it expects the £10 billion level will be achieved over the first half of 2026. Given the Pensions Scheme Bill has £10 billion as an interim waypoint on its "transition pathway" to £25 billion of assets by 2035, this scale gain is important.

The impact of this regulatory change has already been felt in the market, with the pace of consolidation accelerating in recent months, as evidenced by WTW being confirmed as the buyer of Cushon (AuM of approaching £4 billion) in December 2025. The Investment Adviser believes the mooted multiple of revenue paid for Cushon would support a significant implied valuation for SPMT.

SPMT has "inbuilt" growth in the form of significant net annual contributions; while this underpins organic growth for the division, this could be significantly accelerated via judicious M&A, which is likely to have further positive ramifications for its valuation.

Keystone also saw positive news flow just post period end in the form of a deal signed with Hargreaves Lansdown's Workplace business that has teamed up with Keystone in a "multi-phase technology partnership". The Investment Adviser sees this win as evidence of the efficiency of the Keystone platform, which could be particularly attractive to industry participants in a consolidating market.

Klarna

Klarna reported 3Q25 results in the period, which showed continued acceleration in both GMV and revenues, up 23% (1Q 13%; 2Q 19%) and 26% (1Q 15%; 2Q 20%) respectively (year-on-year, like-for-like).

Particularly strong performances came from the Klarna Card - which has had four million signups since July 2025 and now accounts for 15% of global transactions - and Fair Financing - which grew 244% in the US and has over twice the transaction margin versus the group average.

Despite raising guidance, Klarna's shares traded down over the period from its 40 per share IPO price to 28.91 at period end and have since weakened moderately further in 2026.

The Investment Adviser has previously highlighted the accounting rules relating to provisioning of expected losses, which mean that impairment is frontloaded. As a result of this, Klarna reported a small loss at the adjusted operating profit level, versus small positive profits in prior quarters and year-on-year, due to the acceleration in Fair Financing volumes. Klarna highlighted that the true "realised losses" being experienced improved by one basis point to 0.44% of GMV. Klarna expects the impact of this provisioning to begin to abate in 4Q25, with over 100 million in transaction margin uplift being booked.

As the ramifications of the growth in Fair Financing work their way through the P&L, as well as the activation of the ability to sell loans from the balance sheet - thus releasing their associated provisions - the Investment Adviser expects the profit profile of Klarna to substantially improve, which is backed up by market forecasts.

wefox

wefox performed well over 2025, beating its budget and delivering its first full year of profitability.

Although the Group's principal operating subsidiaries in the Netherlands and Austria are profitable, the terms of the current debt arrangements restrict the ability to upstream cash from those subsidiaries to the Group level. As a result, the business is expected to require funding of approximately €12-15 million in total, which, if completed, would provide an extended cash runway of up to two years and support the execution of the current business plan. The terms, structure and final quantum of any such funding were still being considered at the valuation date.

Reflecting the Company's requirement for near-term funding and the valuation sensitivity associated with the outcome of that process, the Valuation Committee has applied an uncertainty discount to the valuation of wefox. While the underlying performance of the business has continued to improve, the valuation at the measurement date was influenced by the need to agree and execute a funding solution.

At the valuation date, the Investment Adviser considers that the necessary funding and investor consents could be obtained during this quarter. Based on this, an uncertainty discount has been applied by the Valuation Committee

which could therefore be removed once a transaction has been completed. Any participation by Chrysalis in providing further funding will be subject to the Company's investment policy and restrictions in effect at that time, approval by the Board, and the participation of other investors. As indicated below, shareholders will be informed if any significant changes arise.

Secret Escapes

In December, Secret Escapes disposed of its Eastern European business - Slevomat - to Genesis Capital. While proceeds were not disclosed, the group's borrowings were repaid, meaning it entered 2026 with substantial unrestricted cash on its balance sheet to support its core European markets.

Cash Update

As of 31 December 2025, the Company had gross cash and equivalents of approximately £85 million, and positions in Klarna and Wise of approximately £91 million and £3 million respectively, giving a total liquidity position of approximately £179 million (representing approximately 22% of NAV). The gross cash position reduced over the quarter largely because of the ongoing share buyback.

The Company had a net cash position of approximately £25 million, once the £60 million term loan is accounted for.

Board Update

Following the Company's announcement on 19 December 2025 regarding the revised investment policy, which proposes an orderly realisation programme over the next three years to 2029, the Board has conducted a detailed review of the funding requirements and governance of the portfolio companies, as well as considering the optimal structure for managing them in the event the revised investment policy is approved by shareholders. It is the intention of the Board to provide further details on its recommended approach on these matters in the circular to shareholders seeking approval of the new investment policy, which is expected to be published in February.

To provide the Board with independent input on the portfolio and realisation considerations, the Board has engaged the consulting services of Sam Dobbyn. Sam has significant relevant experience of portfolio realisations most recently at Allied Minds PLC, and during his time as CEO of Urban Exposure PLC. He was previously Head of Financial Planning and Analysis and Head of Investor Relations at both TP ICAP PLC and Brit PLC.

The Board has benefitted from Sam's input over the last month in this review and has offered him (and he has accepted) a board seat subject to approval by the Guernsey Financial Services Commission.

The Investment Adviser has provided a trading update on some of the key elements of the portfolio above.

However at a strategic level, the Board would like to highlight the following:

Klarna

The Company's holding in Klarna's listed securities is subject to a lock up until March 9th 2026. Following the shareholder consultation last year, the Board received guidance that the Company should not be holding listed securities for investment purposes over the medium term. Consequently, the Board is taking advice both from the Investment Adviser and other advisers on an appropriate course of action that would see the disposal of the Company's holding in a manner and timeframe considered to be value-maximising for shareholders, with the proceeds, net of disposal costs and any Board-approved provisions including for debt repayments, of such a disposal being returned to shareholders in as efficient a manner as possible.

wefox

The Board and its advisers have worked closely with the Valuation Committee on the assessment of this investment and agree with the approach that the Valuation Committee has adopted. At the valuation date, the Board considered, among other inputs, information provided by the Investment Adviser when it assessed whether the necessary funding and investor consents could be obtained during this quarter. However, given the uncertainty around the capital structure, the Board will continue to monitor developments closely and notify shareholders should any material changes occur to that position.

Portfolio Composition

As of 31 December 2025, the portfolio composition was as follows:

Portfolio Company	Carrying Value (£ millions)	31-Dec % of NAV
Starling	436.0	53.3%
Smart Pension	123.5	15.1%
Klarna	90.7	11.1%
wefox	56.0	6.8%
Brandtech	35.2	4.3%
Deep Instinct	23.6	2.9%
Secret Escapes	15.6	1.9%
Featurespace	9.5	1.2%
Wise	2.7	0.3%
Sorted	0.3	0.0%
Gross cash and cash equivalents	85.5	10.4%
Other net assets/(liabilities)	(59.9)	(7.3)%
Net asset value	818.5	100.0%

Source: Chrysalis Investments Limited. The above percentages are based on a net asset value of approximately £819 million for 31 December 2025. The Company's Featurespace investment has been disposed and the amounts

remaining relate to deferred disposal proceeds.

Factsheet

An updated Company factsheet will shortly be available on the Company's website: <https://www.chrysalisinvestments.co.uk>.

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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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