

MERIAN CHRYSALIS

INVESTMENT COMPANY LIMITED

AS AT 30 SEPTEMBER 2020



INVESTMENT OPPORTUNITY

Aims to provide access to returns available from investing in later stage private companies with long-term growth potential, an investment class that has traditionally been difficult to access for individual investors.

KEY FACTS (AS AT 30 SEPTEMBER 2020)

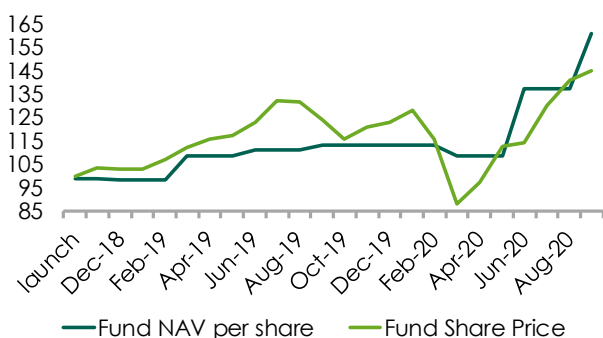
Shares in Issue	336,742,424
Share Price	145.00p
NAV per share	160.97p
Market Cap	£488m
Total Net Assets	£542m
Share Price Premium/(Discount)	-11.0%
Listing	Premium Segment Main Market LSE
Ticker	MERI
LEI	213800F9SQ753JQHSW24
ISIN	GG00BGJYPP46
Incorporation	Guernsey

PORTFOLIO MANAGERS



RICHARD WATTS, NICK WILLIAMSON
PORTFOLIO MANAGERS

NAV AND SHARE PRICE



CUMULATIVE PERFORMANCE (%)

	3 month	6 month	1 year	SI
Fund NAV	17.3	48.2	42.0	62.8
Fund Share Price	26.6	64.8	16.9	45.0

Past performance is not a guide to future performance.

The Company NAV per share is calculated on a quarterly basis. The Share Price is available daily, source London Stock Exchange. Since inception (SI) is from 6 Nov 2018.



Utilising permanent capital to invest in crossover opportunities to help de-risk future IPOs. Merian Global Investors (MGI) has the scale, expertise and relevance to be a crossover investor.



To generate long-term capital growth through investing in a portfolio consisting primarily of equity or equity-related investments in unquoted companies.



The company is advised by MGI's award-winning UK small- and mid-cap desk, which manages £5.7bn.

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OVERVIEW

Q3 2020 was a particularly successful period for the Company, during which a number of key milestones were achieved. THG listed during September which represented the portfolio's first IPO. The Company also completed an investment in You & Mr Jones at the end of the period which marks the first investment outside of Europe (in the US). Klarna completed a substantial fundraising with strong participation from third-party investors and this contributed to our performance.

Portfolio assets generally continued to demonstrate strong financial and operational progress through the period, and this was reflected in the NAVPS which increased by 17.3% to 160.97p. Total Net Assets at the end of the period were approximately £542m but a successful equity placing was completed in October which raised gross proceeds of £95m, increasing the scale of the vehicle and providing further liquidity.

PORTFOLIO COMMENTARY

The Company entered the period with c£35m of cash and cash equivalents. We partly realised our position in Transferwise in July which raised proceeds of c£20m and then completed follow-on investments in THG (£14.4m) and Klarna (£23m) during September. The closing cash position at the end of the quarter was c£16m. Post period end we completed a fundraising on 6 October raising £95m, and \$60m of those proceeds were used to fund the investment into You & Mr Jones. We are particularly excited by this investment: it is a late-stage asset which is profitable and has a world class management team, and it also diversifies the portfolio's sector and geographic exposure, something we have been committed to since the Company's IPO.

Highlights include:

- Klarna conducted a \$650m primary funding round. The round valued Klarna at \$10.65 billion, post money. This represents a material increase compared with the valuation of \$5.5 billion achieved in August 2019.
- THG successfully listed on the main market of the London Stock Exchange. The Company raised gross proceeds of £920m and achieved a market capitalisation of approximately £5.4 billion on IPO. Merian Global Investors was named as one of five global cornerstone investors.
- Chrysalis completed a \$60m investment in You & Mr Jones as part of a \$260m funding round. In just five years, You & Mr Jones has established itself as one of the world's leading market technology groups, delivering enterprise level marketing technology solutions to the world's biggest brands.
- The Company successfully raised gross proceeds of £95 million, with demand exceeding the initial target raise of £50 million.

OUTLOOK

The Company is currently well placed, and we enter Q4 with confidence. Portfolio assets are generally performing well against our expectations and have sufficient funding. We completed a £95m equity fund raise shortly after the period end and this strengthens our balance sheet and enhances liquidity in the portfolio. We had our first IPO during the quarter, and we hope there will be additional realisations in the medium term which will enhance our crossover credentials and underline the inherent value within the portfolio. We continue to see a robust pipeline of opportunities and hope to deploy our remaining capital in a timely manner.

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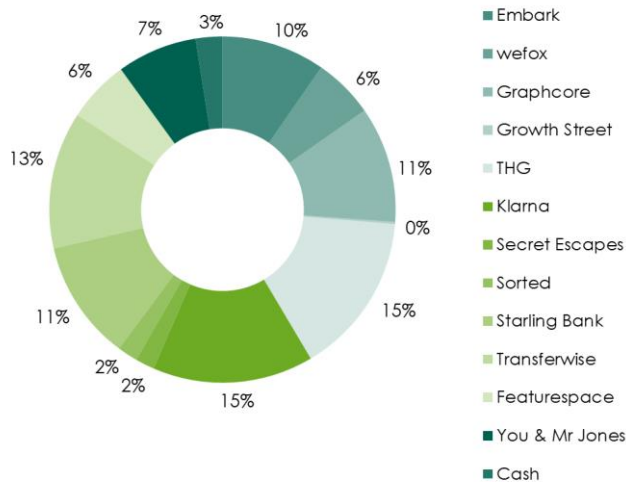
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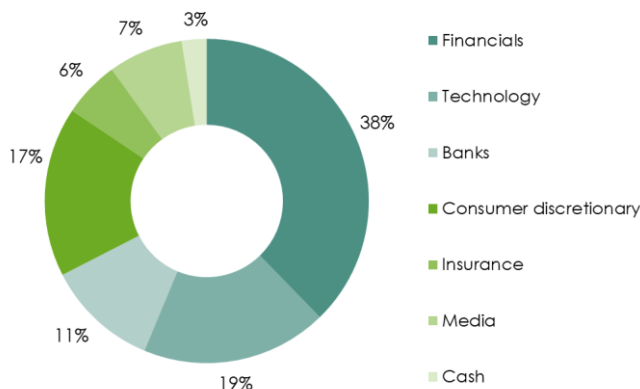
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TOP HOLDINGS



SECTOR EXPOSURE



HOLDINGS DETAILS (AS AT 30 SEPTEMBER 2020)

Name	Description
TransferWise	Platform payments business that aims to reduce fees associated with FX
Secret Escapes	Travel company that helps hotels minimise unsold inventory
The Hut Group	E-commerce business with proprietary technology platform powering sales of its own and third-party brands online
Graphcore	Leading artificial intelligence processor business, which has developed the Intelligent Processing Unit and the related software toolchain
Growth Street	Innovative P2P lending product targeted at SMEs, replacing overdrafts and invoice factoring
Starling Bank	Digital challenger bank that delivers financial services to retail and SMEs
Embark Group	Full-scale retirement solutions provider, with platform, investment wrap, e-SIPP, SIPP, SSAS, fund research and employee benefits consulting capabilities
Klarna Bank	A leading global payments company that provides direct payments, pay after delivery options and instalment plans for customers online
Sorted Group	A global Software as a Service (SaaS) company that has developed a Delivery Management Platform which allows retailers (both digital and physical) to effectively manage their delivery / returns
FinanceApp (wefox Group)	Europe's largest digital insurance platform with significant existing scale in Germany, Austria and Switzerland
Featurespace	Featurespace is a world leader in financial crime risk management. The company utilises real time machine learning software risk scores events in 180 countries to reduce Fraud and AML
You & Mr Jones	A digital advertising and marketing services holding company that enables marketers to build their brands better, faster and cheaper by using technology

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COMPANY AND FUND INFORMATION

Listing Date	06-Nov-18
AIM	Maitland Institutional Services Limited
Administrator & Company Secretary	Maitland Administration (Guernsey) Limited Computershare Investor Services (Guernsey) Limited
Registrar	Travers Smith LLP
Legal Adviser	KPMG Channel Islands Limited
Auditor	Liberum Capital Limited
Corporate Broker	Merian Global Investors (UK) Limited
Investment Adviser	

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Guernsey, GY1 1WD

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DIRECTORS

Andrew Haining (Chairperson)
Stephen Coe Simon Holden
Anne Ewing Tim Cruttenden

IMPORTANT INFORMATION

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