

28 June 2021

Dear Shareholder

Portfolio Update

Since Chrysalis VCT went into liquidation in November 2020, the investment manager has been working towards exits from all the Company's investments. I am pleased that we can now announce that agreement has been reached to dispose of the largest investment.

Coolabi, the media group specialising in children intellectual property rights, has been sold in a deal that is expected to complete on 30 July 2021. Assuming the transaction completes as planned, Chrysalis expects to receive proceeds of approximately £4,254,000. This compares to the last valuation on £4,257,000 at 30 September 2020. We believe this is a good outcome, with full cash proceeds expected on completion.

There are two other smaller disposals which I am optimistic will complete over the coming weeks. Negotiations are also ongoing in respect of a number of transactions, which I am hopeful will lead to the realisation of the remaining investments in the second half of this year.

Once funds have been received by the liquidators in respect of the Coolabi disposal, the Company plans to make its first distribution since entering liquidation. I will write to Shareholders with full details once they are finalised.

In order to significantly reduce the costs of making distributions, the Company has appointed The City Partnership to act as its registrar with effect from 30 July 2021, to replace Link Asset Services. Full details for The City Partnership will be provided in due course.

If you have any queries, please address them to the Company's administration manager, Downing LLP at chrysalisvct@downing.co.uk. Information on the Company can also be found at:

www.downing.co.uk/cys

Yours sincerely



Martin Knight
Chairman of Supervisory Committee