CRYSTAL AMBER

Crystal Amber Fund Limited

Interim Report and Unaudited Condensed Financial Statements
For the six months ended 31 December 2021

Company No. 47213

Contents

Key Points

- Net Asset Value ("NAV") per share fell by 2.5% over the period to 143.19p per share. Total returns, inclusive of the 2.5p dividend paid in July 2021 were -0.8%.
- The Fund's NAV per share return compares to a 4.7% increase in the Numis Small Cap Index.
- Revenue upgrades at Equals Group with a strong growth trajectory. Post period end, additional revenue and profit upgrades.
- GI Dynamics obtained permission to initiate a clinical trial in India with its local partner, Apollo Sugar.
- Increased shareholding in Hurricane Energy from 23% to 29% of Hurricane's issued share capital.
- On 22 December 2021 an interim dividend was declared of a further 10p in addition to the 2.5p dividend declared in July 2021. The interim dividend was paid on 9 February 2022.
- During the period, £0.4 million was allocated to share buybacks, acquiring 372,000 shares at an average of 113.55p a share.
- Post period end, adjusting for the 10p dividend per share paid in February 2022, NAV per share increased by 11.7% in the two months to 28 February 2022.
- A proposal to change the investment policy and amend the terms of the Investment Management Agreement will be put to a shareholder vote at an EGM to be held on 7 March 2022. Full details of the two proposals are contained in the Board's letter to shareholders dated 15 February 2022.

[1] **All capitalised terms are defined in the Glossary of Capitalised Defined Terms on pages 33 to 35 unless separately defined.**

Chairman's Statement

During the period from 30 June 2021 to 31 December 2021, net asset value fell from £122.9 million (146.81 pence per share) to an unaudited NAV of £119.4 million (143.19 pence per share). The Fund's NAV per share total return over the six months to 31 December 2021 of -0.8%, compares to a 4.7% increase in the Numis Small Cap Index in the same period.

Shareholders are aware that the Fund's portfolio is highly concentrated: the Fund's top four holdings comprise 74% of NAV. As previously stated, the Board remains mindful that activist investing requires a focused portfolio, which inevitably increases the concentration risk. During the period, there were no changes in the composition of the Fund's core holdings.

Pleasingly, at Equals Group, the intense engagement and influence made possible by the Fund as the largest shareholder was rewarded with a 34% share price increase over the period. In January 2022, the share price rose by a further 18%.

The most intense activism was at Hurricane Energy. The Fund's holding endured a torrid time in the period up to 30 June 2021 as a result of Hurricane's previous board embarking on a costly, futile and unsuccessful attempt to deliver 95% of the equity to bondholders. Following the Fund's victory in the High Court, the Fund was able to continue to promote the interests of all shareholders and press the new Hurricane board to embark on a substantial, albeit belated bond buyback programme. The Fund is proud of its activist involvement and its work. Should oil production at Hurricane continue to meet or exceed budget, the Fund's 29% shareholding should be extremely valuable.

Despite an excellent operational performance at Hurricane and a sharply higher oil price, the Fund believes communication from Hurricane was overly pessimistic during the period under review. As a result the share price rose by just 5%, but since the period end, with balanced messaging, continued good performance and a further increase in the price of oil, Hurricane's share price has doubled.

During the period, the Fund declared dividends totalling 12.5p per share, with 2.5p in July 2021 and 10p in December 2021. The Fund also continued its discount management policy through share buy-backs, aided by the Fund's share price discount to NAV, which averaged 23.7% over the period.

Future Investment Policy

At the AGM in November 2021, the resolution that the Fund continue as constituted received a majority of votes, but did not achieve the required 75% majority to pass. Consequently, on 15 February 2022 the Board wrote to shareholders proposing a change of investment policy and amendment to the terms of the Investment Management Agreement.

Chairman's Statement (continued)

Future Investment Policy (continued)
The proposed policy change will see the Fund adopt a strategy of maximising capital returns to shareholders through timely disposals of its strategic holdings over the period to the end of 2023. In line with this, the Board believes it is appropriate for the investment management fees to be aligned with this policy and has also proposed a new reduced fee structure, comprising a fixed fee that will decline over the realisation period. The existing incentive fee arrangements will also be revised and will be based on realised cash, rather than increases in NAV. Full details of the two proposals are contained in the Board's circular of 15 February 2022 and will be put to a shareholder vote at the forthcoming EGM on 7 March 2022.

The Board believes that the new strategy is in the best interests of shareholders as it allows the Manager a reasonable time frame to make disposals without compromising ongoing engagement with investee companies. We have seen the benefits of this in the last few months and hope that this measured policy will be reflected in shareholders' returns over the next eighteen months.

Christopher Waldron
Chairman

2 March 2022

Investment Manager's Report

Strategy and performance

On 31 December 2021, equity investments in twelve companies represented 96% of NAV. The Fund also held loan note instruments in GI Dynamics Inc, which represent 4% of NAV. The Fund was fully invested at the end of the year. The Fund's top four holdings represented 74% of NAV (2020: 83%).

During the period, the Fund reduced its positions in De La Rue, Allied Minds and Equals Group, realising a combined loss of £2.8 million. Following the High Court's refusal to sanction Hurricane Energy's financial restructuring, the Fund significantly increased its holding in the Company from 23% to 29%. These shares were acquired at an average cost of 3.8p. The Fund also continued to support GI Dynamics with a £0.6 million investment and initiated a new investment in an unlisted business.

Over the period, the key contributor to the Fund's performance was Equals Group (5.2%) and the key detractor was De La Rue (-5.3%).

Investee companies

Our comments on some of our principal investments are as follows:

De La Rue Plc ("De La Rue")

During the period, De La Rue published its unaudited interim results for the six months to 30 September 2021. Adjusted operating profits rose by 166% to £17 million. Positive operating cash flow was £25.8 million.

The outlook for the full year at the time the results were published was described as being in line with the board's expectations. In January 2022, De La Rue released a trading update stating that, as a result of headwinds relating to the Covid-19 pandemic employee absences at global manufacturing facilities and supply chain shortages, operating profits are now expected to be broadly similar to the previous year at between £36 million and £40 million, as against earlier market expectations of between £45 million and £47 million.

Prior to the trading update, the Fund had been in discussion with De La Rue's Chief Executive and Chairman regarding gross margins. The Fund conveyed its view to De La Rue that its pricing has been on capacity utilisation rather than maximising gross profit and that De La Rue could have taken better advantage of buoyant demand.

In July 2020, De La Rue completed a £100 million fundraise which was priced at 110p a share. Over the last eighteen months, the business has been transformed, but, the share price has returned to 110p following the profit warning. Furthermore, businesses with similar pension profiles are now benefiting from rising interest rate expectations. The Fund believes that this should result in a material reduction in future pension contributions for De La Rue in the coming year and increase free cash flows accordingly.

Investment Manager's Report (continued)

Investee companies (continued)

De La Rue Plc ("De La Rue") (continued)

Shares in De La Rue now trade on 9.7 times revised earnings per share to March 2022 and 8 times to March 2023. The Fund believes that following the Covid-19 pandemic, the industry requires consolidation. Given its leading market share in Currency and its 20%, margins in Authentication, De La Rue should be ideally placed to be a part of that consolidation.

During 2021, the Fund reduced its shareholding in De La Rue from 15% to 10%.

Allied Minds

The Fund has been an investor in Allied Minds since November 2018, and currently owns in excess of 18%. of its issued share capital. Since investing, the Fund has secured a 70% reduction in the annual cost base.

In 2019, Allied Minds announced that it would focus on maximising returns and shareholder distributions from its existing portfolio, rather than continuing to invest in new businesses. Allied Minds has failed to provide market participants with visibility as to the timing and quantum of shareholder distributions. The portfolio contains three significant holdings: Federated Wireless, BridgeComm and Orbital Sidekick.

In March 2020, Harry Rein was appointed Chairman of the Allied Minds board, having joined the board in November 2017. In January 2021, following a strategic review, Allied Minds introduced what it described as "a new form of governance better suited to achieve value creation." With no Chief Executive, Allied Minds is now managed by its three non-executive directors. The Fund considers, in practical terms, that Harry Rein is the key decision maker. The 2020 Report and Accounts for Allied Minds states that "the Chairman is responsible for the leadership and conduct of the board."

During the period, the Fund expressed several governance concerns to Allied Minds, none of which were adequately resolved. On 18 February 2022, Crystal Amber announced that it had sent to the board of Allied Minds a requisition notice requiring Allied Minds to convene a general meeting at which a resolution will be proposed to remove Harry Rein as a non-executive director.

Harry Rein's record and responsibilities as Chairman (there is no Chief Executive) include:

1. Appalling shareholder returns: since becoming Chairman, the share price of Allied Minds has fallen by 40%. Over the same period, the NASDAQ US Small Cap Index has risen by 85%. Over the last 12 months, the share price of Allied Minds has fallen by 36%.

2. An egregious total expense ratio: Allied Minds is projecting annual operating costs of \$5.7 million. Net assets are currently estimated at \$123 million including cash of \$13 million. Adjusting for cash, the total expense ratio is 5.2 per annum. Expenses relative to market capitalisation less cash are 11.8%. per annum.

Investment Manager's Report (continued)

Investee companies (continued)

Allied Minds (continued)

3. Withholding price sensitive information: In April 2021, at the Capital Markets Day, it was disclosed that revenues for 2021 Federated Wireless were forecast to be $17 million with $35 million to $45 million expected for the year to December 2022. It was stated that during Q3 of 2021, the company would have "a really good idea" of the 2021 outturn. In August 2021, Allied Minds reported that Federated Wireless had met its revenue expectations for its first half and was on track to meet its full year plan. In October 2021, house broker, Numis Securities wrote: "Federated Wireless accounts for c.26p NAV per ALM share (but is likely worth a multiple of this) in our view, and, most importantly, the company keeps producing more evidence to assure that it is on track to turn over $17m in FY21 and $40m in FY22, and earn high, SaaS-type, profit margins." Following Crystal Amber's requisition notice being announced referring to this issue, on the following business day, Allied Minds' announcement admitted that Federated Wireless revenues were below expectations set out at Allied Minds' capital markets presentation in April 2021.

4. Misleading and unbalanced regulatory news service announcements: on 21 February 2022, Allied Minds announced a $58 million fundraise at Federated Wireless. This was presented as an "up round" referring to a $15 million increase in the pre-money value. However, adjusting for the $4.3 million of bridge funding, the like for like value of Allied Mind's shareholding fell by 17%. This was not disclosed to market participants.

5. Governance concerns including:

    i) Breach of provision 20 of the 2018 UK Corporate Governance Code. No external search consultancy was used to identify and recruit Bruce Failing. Bruce Failing, a non-executive director was proposed by Harry Rein who advised the Fund that he had "persuaded Bruce Failing to join the board."

    ii) Bruce Failing acts as the Senior Independent Director but the Fund does not believe he is independent: both Bruce Failing and Harry Rein are directors of Delivery Care RX.

    iii) Breach of provision 24 of the 2018 UK Corporate Governance Code. Harry Rein is a member of the Audit Committee.

    iv) Appointing Mark Pritchard, a 5.5% shareholder as a paid consultant, further increasing the cost base.

Investment Manager's Report (continued)

Investee companies (continued)

Allied Minds (continued)

6. Investor communication blunders including:

   i) The publication of a "rogue" press release by Federated Wireless, a company also chaired by Harry Rein. In November 2021, Federated Wireless issued a press release stating that revenue growth was four times higher than expected. When Crystal Amber wrote to Harry Rein to seek clarification as to why this information had not been released to market participants, he replied: " A marketing manager at Federated released the initial Federated release without the Board of Federated's knowledge." The release was subsequently amended to exclude any reference to revenue growth.

   ii) Failure to invite investors to the 2021 Capital Markets Day: invitations were sent to analysts, not to investors. The Fund was aware of two (paid for) analysts who cover Allied Minds being sent invitations. Subsequently, investors were made aware of the Capital Markets Day, with only a few days' notice. The company's broker subsequently apologised to the Fund for this error.

   iii) Withdrawing of paid-for research from Edison, after the Fund highlighted an error with the percentage holding in a portfolio company. Edison also apologised for a previous error pointed out to Harry Rein by the Fund: estimated net asset value had been materially overstated, as a result of not deducting the special dividend paid to shareholders in February 2020. It would appear there was a lack of oversight of these figures from Harry Rein.

Under Harry Rein's "stewardship," the Fund regards Allied Minds as rudderless and guilty of serious and egregious corporate governance failings. To safeguard against further erosion of shareholder value and to stop such conduct continuing, the Fund is now seeking Harry Rein's removal.

The Fund estimates that net asset value per share at Allied Minds is approximately 38p, placing the shares on a 50%. discount to net asset value. In its engagement, the Fund has found Harry Rein to be a major impediment to value protection and realisation. The Fund believes that Allied Minds must communicate to market participants a timeline of cash realisations and return of sale proceeds and this should materially assist in narrowing the share price discount to net asset value.

Equals Group ("Equals")

During the period, Equals continued to demonstrate the payback from substantial investments in product and marketing capabilities undertaken in 2019 and 2020. These have developed multi-currency capabilities for a range of users, including larger businesses and other financial intermediaries.

Investment Manager's Report (continued)

Investee companies (continued)

Equals Group ("Equals") (continued)

Sales efficiency has also improved with the deployment of new tools. Since May 2021, growth in revenues across products has been aided by the launch of Equals Solution. This is a new multicurrency product with own-name IBAN capability targeted at larger corporations.

In the fourth quarter of 2020, the Fund took advantage of share price weakness and increased its holding in Equals to 25.7% to become its largest shareholder. The share price went into 2021 at 28.25p. Following several positive trading updates during 2021, Equals reported unaudited revenues of £44.1 million for 2021 in the pre-close announcement in January 2022. (2020: £29 million, 2019: £30.9 million). Revenues from its retail travel money product, which were most impacted by the pandemic, now represent approximately 6%. of total revenues and should benefit from a normalisation of leisure travel. Net cash increased to £13 million.

The January 2022 trading update resulted in strong institutional demand and the Fund reduced its shareholding from just over 20% to 13%, achieving a sale price of 77p per share. Having engaged intensively with management over the last 18 months, it is pleasing to have converted this investment into substantial realised profits.

The Fund expects Equals to continue to deliver strong top line growth and to benefit from industry consolidation.

GI Dynamics Inc ("GI Dynamics")

After delays due to the COVID-19 surge in India, the I-STEP application for a randomised clinical trial (to be conducted in conjunction with Apollo Sugar Clinics) was reviewed by regulators in India in June 2021 and approved in December 2021.

The global pandemic has reaffirmed the importance of gaining control of the significant risk factors associated with Type II diabetes and obesity. More than ever, medical professionals and patients alike are seeking minimally invasive and effective therapies to help control and resolve these chronic conditions. GI Dynamics is preparing to meet this large unmet clinical need.

The Fund believes that because of its intensive activism, the investment in GI Dynamics now has considerable strategic value. This was evidenced over the period by two approaches from US trade parties that have expressed an interest in making a significant investment in GI Dynamics. The Fund looks forward to continuing to work with the company to achieve its operational milestones and to further develop the pathway to maximise shareholder value. In due course, the Fund will consult with investors about the longer-term plans for GI Dynamics to realise value for its shareholders. Given the anticipated value accretive milestones, the Fund believes it is appropriate that it gives GI Dynamics the time it requires to maximise shareholder returns.

Investment Manager's Report (continued)

Investee companies (continued)

Hurricane Energy plc (Hurricane)
In June 2021 at the High Court, Mr Justice Zacaroli refused to sanction the Hurricane board's attempt to force through a highly dilutive debt for equity swap. At the time, Hurricane claimed that without a debt for equity swap, bondholders would not be able to recover more than 56% of their investment. The board had proposed that $50 million of the $230 million repayable to bondholders in July 2022 be converted into 95 % of Hurricane's equity, with the remaining $180 million debt earning cash interest of 9.4 % per annum plus payment in kind interest of 5% per annum.

In January 2022, Hurricane announced that net debt had reduced to $28.5 million at 31 December 2021. Net free cash of between $8 million and $38 million after repaying all outstanding bonds is expected by the end of July 2022. This is a remarkable transformation in just seven months. The Fund's actions not only averted a wholly unnecessary 95% dilution but has positioned the Fund to benefit from Hurricane's exciting prospects. In February 2022, Hurricane announced that it had net free cash of $85 million against a convertible bond liability of $78.5 million.

During the period, the Fund engaged with management regarding the utilisation of tax losses. On 31 December 2020, Hurricane had ring-fenced trading losses of $468.7 million and supplementary charge losses and investment allowances of $707.8 million. In addition, capital allowance pools of $383.5 million were available to be used against ring-fenced trading profits. In the event of a corporate transaction, the Fund believes that the benefit arising to Hurricane's shareholders could be very substantial.

In October 2021, the Fund reported that it had written to the Hurricane Board under Article 94 of the company's articles of association to request that a committee (comprising the non-executive directors) be established with a mandate to investigate what happened and to engage external advisers (should that be needed) for the investigation. The Fund believes that it, along with all Hurricane shareholders, suffered considerable financial loss. In December 2021, Hurricane reported that it had completed a review of events leading up to the restructuring and that no further action was necessary.

Following the period end, the Fund requested and took a position on the Hurricane Board to enable Hurricance to fully realise its potential. Therefore, the Fund is not able to comment on the company other than by reference to public announcements made by Hurricane.

Having previously banked profits of £43 million on Hurricane, the average cost of the Fund's current shareholding is 6.7p a share.

Investment Manager's Report (continued)

Investee companies (continued)

Leaf Clean Energy Company("Leaf")
Leaf Clean has received the withheld tax from the Invenergy disposal. In February 2022, the Fund received notice of compulsory redemption of its shares, as the company winds down. The Fund expects to realise £1.6 million in the process, with 6117p per share being paid, compared with the suspension price of 454p.

Hedging Activity
The Fund did not engage in hedging activity during the period.

Realisations
Over the period, the Fund realised losses of £3.1 million. These relate mainly to the sales of Allied Minds and De La Rue, offset by the gains in Equals Group.

Outlook
The Fund has accumulated strategic holdings in Hurricane Energy, Equals Group, De La Rue and Allied Minds. At the appropriate time, these holdings will enable the Fund to facilitate and benefit from corporate action. Despite the current geopolitical uncertainties and general cost input inflation, the Fund is well placed to continue its strong recovery.

Crystal Amber Asset Management (Guernsey) Limited
2 March 2022

Condensed Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the six months ended 31 December 2021

	Notes	Six months ended 31 December 2021 (Unaudited) Revenue £	Capital £	Total £	Six months ended 31 December 2020 (Unaudited) Revenue £	Capital £	Total £
Income							
Dividend income from listed investments		20,311	–	**20,311**	269,645	–	**269,645**
		20,311	–	**20,311**	269,645	–	**269,645**
Net (losses)/gains on financial assets designated at FVTPL and derivatives held for trading							
Equities							
Net realised (losses)	4	–	(3,103,595)	**(3,103,595)**	–	(3,000,627)	**(3,000,627)**
Movement in unrealised gains	4	–	2,564,126	**2,564,126**	–	30,709,787	**30,709,787**
Debt Instruments							
Movement in unrealised gains	4	–	92,097	**92,097**	–	3,171,912	**3,171,912**
Money market investments							
Net realised losses	4	–	–	**–**	–	(6,114,887)	**(6,114,887)**
Movement in unrealised (losses)	4	–	–	–	–	(3,908,027)	**(3,908,027)**
		–	(447,372)	**(447,372)**	–	20,858,158	**20,858,158**
Total income/(expense)		20,311	(447,372)	**(427,061)**	269,645	20,858,158	**21,127,803**
Expenses							
Transaction costs		–	96,331	**96,331**	–	29,234	**29,234**
Exchange movements on revaluation of investments and working capital		(83,682)	(723,899)	**(807,581)**	528,477	1,511,639	**2,040,116**
Management fees	10	880,981	–	**880,981**	737,204	–	**737,204**
Directors' remuneration		65,000	–	**65,000**	65,000	–	**65,000**
Administration fees		79,003	–	**79,003**	67,424	–	**67,424**
Custodian fees		91,301	–	**91,301**	30,297	–	**30,297**
Audit fees		17,755	–	**17,755**	17,550	–	**17,550**
Facility Fee	6	–	–	**–**	265,941	–	**265,941**
Other expenses		193,473	–	**193,473**	161,344	–	**161,344**
		1,243,831	(627,568)	**616,263**	1,873,237	1,540,873	**3,414,110**
(Loss)/return for the period		(1,223,520)	180,196	**(1,043,324)**	(1,603,592)	19,317,285	**17,713,693**
Basic and diluted (loss)/earnings per share (pence)	2	(1.46)	0.22	**(1.25)**	(1.80)	21.65	**19.85**

All items in the above statement derive from continuing operations.

The total column of this statement represents the Company's Statement of Profit or Loss and Other Comprehensive Income prepared in accordance with IFRS. The supplementary information on the allocation between revenue return and capital return is presented under guidance published by the AIC.

The Notes to the Unaudited Condensed Financial Statements on pages 16 to 32 form an integral part of these Interim Financial Statements.

Condensed Statement of Financial Position (Unaudited)

As at 31 December 2021

	Notes	As at 31 December 2021 (Unaudited) £	As at 30 June 2021 (Audited) £	As at 31 December 2020 (Unaudited) £
Assets				
Cash and cash equivalents		106,075	5,447,571	237,957
Trade and other receivables		95,796	406,272	151,334
Financial assets designated at FVTPL and derivatives held for trading	4	119,352,781	121,642,713	111,889,639
Total assets		119,554,652	127,496,556	112,278,930
Liabilities				
Trade and other payables		181,808	4,564,568	182,898
Loan facility	6	–	–	3,205,825
Total liabilities		181,808	4,564,568	3,388,723
Equity				
Capital and reserves attributable to the Company's equity shareholders				
Share capital	7	997,498	997,498	997,498
Treasury shares reserve	8	(19,614,035)	(19,191,639)	(18,485,298)
Distributable reserve		86,378,909	88,472,333	90,579,709
Retained earnings		51,610,472	52,653,796	35,798,298
Total equity		119,372,844	122,931,988	108,890,207
Total liabilities and equity		119,554,652	127,496,556	112,278,930
NAV per share (pence)	3	143.19	146.81	128.99

The Interim Financial Statements were approved by the Board of Directors and authorised for issue on 2 March 2022.

Christopher Waldron
Chairman
2 March 2022

Jane Le Maitre
Director
2 March 2022

The Notes to the Unaudited Condensed Financial Statements on pages 16 to 32 form an integral part of these Interim Financial Statements.

Condensed Statement of Changes in Equity (Unaudited)

For the six months ended 31 December 2021

	Notes	Share Capital £	Treasury Shares £	Distributable Reserve £	Retained earnings Capital £	Retained earnings Revenue £	Total £	Equity £
Opening balance at 1 July 2021		997,498	(19,191,639)	88,472,333	57,984,984	(5,331,188)	52,653,796	**122,931,988**
Purchase of Ordinary shares into Treasury	8	–	(422,396)	–	–	–	–	**(422,396)**
Dividends paid in the period	9	–	–	(2,093,424)	–	–	–	**(2,093,424)**
Return for the period		–	–	–	180,196	(1,223,520)	(1,043,324)	**(1,043,324)**
Balance at 31 December 2021		997,498	(19,614,035)	86,378,909	58,165,180	(6,554,708)	51,610,472	**119,372,844**

For the six months ended 31 December 2020

	Notes	Share Capital £	Treasury Shares £	Distributable Reserve £	Retained earnings Capital £	Retained earnings Revenue £	Total £	Equity £
Opening balance at 1 July 2020		996,248	(12,265,601)	90,579,709	20,511,896	(2,427,291)	18,084,605	**97,394,961**
Issue of Ordinary shares	7	1,250	–	–	–	–	–	**1,250**
Purchase of Ordinary shares into Treasury	8	–	(6,219,697)	–	–	–	–	**(6,219,697)**
Return for the period		–	–	–	19,317,285	(1,603,592)	17,713,693	**17,713,693**
Balance at 31 December 2020		997,498	(18,485,298)	90,579,709	39,829,181	(4,030,883)	35,798,298	**108,890,207**

The Notes to the Unaudited Condensed Financial Statements on pages 16 to 32 form an integral part of these Interim Financial Statements.

Condensed Statement of Cash Flows (Unaudited)

For the six months ended 31 December 2021

	Six months ended 31 December 2021 *(Unaudited)* £	Six months ended 31 December 2020 *(Unaudited)* £
Cash flows from operating activities		
Dividend income received from listed investments	20,311	269,645
Management fees paid	(880,981)	(737,204)
Directors' fees paid	(65,000)	(65,000)
Other expenses paid	(61,164)	(341,248)
Net cash outflow from operating activities	(986,834)	(873,807)
Cash flows from investing activities		
Purchase of equity investments	(20,521,735)	(28,684,716)
Sale of equity investments	23,716,999	50,502,804
Purchase of debt instruments	(4,802,643)	(385,683)
Purchase of derivative financial instruments	–	(32,222,870)
Sales of derivative financial instruments	–	9,289,813
Transaction charges on purchase and sale of investments	(118,813)	(22,169)
Net cash outflow from investing activities	(1,726,192)	(1,522,821)
Cash flows from financing activities		
Proceeds from loan facility	(22,785,705)	12,370,000
Repayments of loan facility	23,125,126	(9,439,633)
Loan Facility Fees	(316,925)	–
Proceeds from issue of Company Shares	–	1,250
Purchase of Company shares into Treasury	(557,542)	(6,213,187)
Dividends paid	(2,093,424)	–
Net cash outflow from financing activities	(2,628,470)	(3,281,570)
Net decrease in cash and cash equivalents during the period	(5,341,496)	(5,678,198)
Cash and cash equivalents at beginning of period	5,447,571	5,916,155
Cash and cash equivalents at end of period	106,075	237,957

The Notes to the Unaudited Condensed Financial Statements on pages 16 to 32 form an integral part of these Interim Financial Statements.

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2021

General Information
Crystal Amber Fund Limited (the "Company") was incorporated and registered in Guernsey on 22 June 2007 and is governed in accordance with the provisions of the Companies Law. The registered office address is PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY. The Company was established to provide shareholders with an attractive total return which is expected to comprise primarily capital growth with the potential for distributions of up to 5 pence per share per annum following consideration of the accumulated retained earnings as well as the unrealised gains and losses at that time. The Company seeks to achieve this through investment in a concentrated portfolio of undervalued companies, which are expected to be predominantly, but not exclusively, listed or quoted on UK markets and which have a typical market capitalisation of between £100 million and £1,000 million.

GI Dynamics Inc., is an unconsolidated subsidiary of the Company and was incorporated in Delaware. As at 31 December 2021, it had five wholly-owned subsidiaries and its principal place of business is Boston. Refer to Note 10 for further information.

The Company's Ordinary shares were admitted to trading on AIM, on 17 June 2008. The Company is also a member of the AIC.

All capitalised terms are defined in the Glossary of Capitalised Defined Terms on pages 33 to 35 unless separately defined.

1. SIGNIFICANT ACCOUNTING POLICIES
The principal accounting policies applied in the preparation of these Interim Financial Statements are set out below. These policies have been consistently applied to those balances considered material to the Interim Financial Statements throughout the current period, unless otherwise stated.

Basis of preparation
The Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

The Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Company's Annual Financial Statements for the year to 30 June 2021. The Annual Financial Statements have been prepared in accordance with IFRS.

The same accounting policies and methods of computation are followed in the Interim Financial Statements as in the Annual Financial Statements for the year ended 30 June 2021.

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where presentational guidance set out in the SORP "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (issued by the AIC in November 2014 and updated in February 2018 and October 2019) is consistent with the requirements of IFRS, the Directors have sought to prepare the Interim Financial Statements on a basis compliant with the recommendations of the SORP. In particular, supplementary information which analyses the Statement of Profit or Loss and Other Comprehensive Income between items of a revenue and capital nature has been presented alongside the total Statement of Profit or Loss and Comprehensive Income.

Going concern

As at 31 December 2021, the Company had net assets of £119.4 million (30 June 2021: £122.9 million) and cash balances of £0.1 million (30 June 2021: £5.4 million) which are sufficient to meet current obligations as they fall due.

In the period prior to 31 December 2021 and up to the date of this report, the COVID-19 pandemic has continued to have a negative impact on the global economy. As this situation is both unprecedented and evolving, it raises some uncertainties and additional risks for the Company.

The Directors and Investment Manager are actively monitoring the potential effect on the Company and its investment portfolio. In particular, they have considered the potential impact of the following specific key matters:

- Unavailability of key personnel at the Investment Manager or Administrator;
- Increased volatility in the fair value of investments, including any potential impairment in value; and
- Increased uncertainty as to the timing and quantum of dividend receipts.
- Russia's invasion of Ukraine. This has potentially adverse consequences for investee companies as energy costs rise but the effects of this are somewhat offset by increased revenue at Hurricane..

In considering the potential impact of COVID-19 on the Company and its investment portfolio, the Directors have taken account of the mitigation measures already in place. At Company level, key personnel at the Investment Manager and Administrator have successfully implemented business continuity plans to ensure business disruption is minimised, including remote working where required, and all staff are continuing to assume their day-to-day responsibilities.

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern (continued)

In relation to the Company's investment portfolio, 71% of the Company's investments are valued by reference to the market bid price as at the date of this report. As these are quoted prices in an active market, any volatility in the global economy is reflected within the value of the financial assets designated at fair value through profit or loss. As such, the Company has not included any fair value impairments in relation to its investments.

Based on the Board's assessment of those matters most likely to be affected by COVID-19 and taking account of the various risk mitigation measures already in place, the Directors do not consider that the effects of COVID-19 are likely to create a material uncertainty over the assessment of the Company as a going concern.

On the basis of this review, and after making due enquiries, including consideration of the continuation vote (as noted below), the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of this report. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Continuation vote

The continuation vote was proposed at the AGM on 22 November 2021. Subsequent to the meeting the Company announced that the vote for the Company to continue as constituted, which required a 75% majority of votes cast to pass, did not pass, obtaining 51%.

The Company announced on 22 December 2021 that it would formulate proposals for the future of the Fund and write to shareholders in January 2022 to convene an EGM. The Board of Crystal Amber Fund Limited believes it is in the interests of shareholders as a whole for the Fund to adopt a strategy of maximising capital returned to shareholders by timely disposals, including trade sales of the Fund's strategic holdings, where appropriate. The Fund anticipates selling its holding in Board Intelligence plc, an unquoted company of which it has been a shareholder since 2018. The Fund will not make any new investments and will only make further opportunistic investments in existing holdings where, in the view of the Board and Investment Manager, such investment is considered necessary to protect the interests of shareholders and/or provide the Investment Manager with additional influence to maximise value and facilitate and accelerate an exit.

The Fund believes that because of its intensive activism, the investment in GI Dynamics now has considerable strategic value. This was recently evidenced by two approaches from US trade parties that have expressed an interest in making a significant investment in GI Dynamics. The Fund looks forward to continuing to work with the company to achieve its operational milestones and to further develop the pathway to maximise shareholder value.

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Continuation vote (continued)

On 15 February 2022 the Fund announced the posting of a circular with proposals for a change of investment policy and new management and incentive arrangements as discussed above which are subject to shareholder approval. The Company has agreed to make amendments and enter into a new Investment Management Agreement. The Proposals are subject to shareholder approval at a Board Meeting on 7 March 2022 and if approved, are expected to result in the realisation of predominantly all the Company's assets (with the possible exception of GI Dynamics) by 31 December 2023 and the periodic return of capital to shareholders. Following any material realisations of the Fund's investments, the Directors intend to return cash to shareholders using tax-efficient means such as redeemable shares and/or tender offers.

Segmental reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as a whole. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's NAV, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in these Interim Financial Statements.

For management purposes, the Company is domiciled in Guernsey and is engaged in a single segment of business mainly in one geographical area, being investment in UK equity instruments, and therefore the Company has only one operating segment.

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2021 (continued)

2. BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE
(Loss)/Earnings per share is based on the following data:

	Six months ended 31 December 2021 *(Unaudited)*	**Six months ended 31 December 2020** *(Unaudited)*
(Loss)/return for the year	£(1,043,324)	£17,713,693
Weighted average number of issued Ordinary shares	83,600,951	89,227,868
Basic and diluted (loss)/earnings per share (pence)	(1.25)	19.85

3. NAV PER SHARE
NAV per share is based on the following data:

	As at 31 December 2021 *(Unaudited)*	**As at 30 June 2021** *(Audited)*	**As at 31 December 2020** *(Unaudited)*
NAV per Condensed Statement of Financial Position	£119,372,844	£122,931,988	£108,890,207
Total number of issued Ordinary shares (excluding Treasury shares)	83,365,000	83,737,000	84,420,000
NAV per share (pence)	143.19	146.81	128.99

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

4. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS AND DERIVATIVES HELD FOR TRADING

	1 July 2021 to 31 December 2021 *(Unaudited)* £	**1 July 2020 to 30 June 2021** *(Audited)* £	**1 July 2020 to 31 December 2020** *(Unaudited)* £
Equity investments	114,931,234	117,965,568	95,312,797
Debt instruments	4,421,547	3,677,145	3,645,619
Financial assets designated at FVTPL	**119,352,781**	**121,642,713**	**98,958,416**
Derivative financial instruments held for trading	–	–	12,931,223
Total financial assets designated at FVTPL and derivatives held for trading	**119,352,781**	**121,642,713**	**111,889,639**
Equity investments			
Cost brought forward	153,218,932	167,187,388	167,187,388
Purchases	20,521,735	11,184,002	36,502,739
Conversion of loans	–	8,902,985	–
Sales	(23,740,499)	(28,890,455)	(50,584,763)
Net realised losses	(3,103,595)	(5,164,988)	(3,000,627)
Cost carried forward	146,896,573	153,218,932	150,104,737
Unrealised losses brought forward	(33,410,174)	(84,056,730)	(84,056,730)
Movement in unrealised gains/(losses)	2,564,126	50,646,556	30,709,787
Unrealised losses carried forward	(30,846,048)	(33,410,174)	(53,346,943)
Effect of exchange rate movements on revaluation	(1,119,291)	(1,843,190)	(1,444,997)
Fair value of equity investments	**114,931,234**	**117,965,568**	**95,312,797**

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

4. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS AND DERIVATIVES HELD FOR TRADING (continued)

	1 July 2021 to 31 December 2021 *(Unaudited)* £	1 July 2020 to 30 June 2021 *(Audited)* £	1 July 2020 to 31 December 2020 *(Unaudited)* £
Debt instruments			
Cost brought forward	3,257,955	8,104,315	8,104,315
Purchases	568,612	4,056,625	4,056,625
Cost carried forward	3,826,567	3,257,955	3,257,954
Unrealised gains/(losses) brought forward	1,254,587	(2,004,674)	(2,004,674)
Movement in unrealised gains	92,097	3,259,261	3,171,912
Unrealised gains carried forward	1,346,684	1,254,587	1,167,238
Effect of exchange rate movements	(751,704)	(835,397)	(779,573)
Fair value of debt instruments	**4,421,547**	**3,677,145**	**3,645,619**
Total financial assets designated at FVTPL	**119,352,781**	**121,642,713**	**98,958,416**
Derivative financial instruments			
Cost brought forward	–	–	–
Purchases	–	33,238,926	32,222,870
Sales	–	(23,991,363)	(9,289,813)
Net realised losses	–	(9,247,563)	(6,114,886)
Cost carried forward	–	–	16,818,170
Unrealised gains brought forward	–	21,080	21,080
Movement in unrealised gains	–	(21,080)	(3,908,028)
Fair value of derivative financial instruments	**–**	**–**	**12,931,222**
Total financial assets designated at FVTPL	**119,352,781**	**121,642,713**	**111,889,639**

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2021 (continued)

5. FINANCIAL INSTRUMENTS

Fair value measurements

The Company measures fair values using the following fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows:

Level 1: Quoted price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs that are not based on observable data, and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The objective of the valuation techniques used is to arrive at a fair value measurement that reflects the price that would be received if an asset was sold or a liability transferred in an orderly transaction between market participants at the measurement date.

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

5. FINANCIAL INSTRUMENTS (continued)

Fair value measurements (continued)

The following tables analyse, within the fair value hierarchy, the Company's financial assets measured at fair value at 31 December 2021 and 30 June 2021:

31 December 2021	**Level 1** *(Audited)* £	**Level 2** *(Audited)* £	**Level 3** *(Audited)* £	**Total** *(Audited)* £
Financial assets designated at FVTPL and derivatives held for trading:				
Equity instruments – listed equity investments	82,250,770	2,935,517	–	85,186,287
Equity instruments – unlisted equity investments	–	–	29,744,947	29,744,947
Debt instruments – loan notes	–	–	4,421,547	4,421,547
	82,250,770	2,935,517	34,166,494	119,352,781

30 June 2021	**Level 1** *(Audited)* £	**Level 2** *(Audited)* £	**Level 3** *(Audited)* £	**Total** *(Audited)* £
Financial assets designated at FVTPL and derivatives held for trading:				
Equity Instruments – listed equity investments	89,741,685	2,868,699	–	92,610,384
Equity Instruments – unlisted equity investments	–	–	25,355,184	25,355,184
Debt – loan notes	–	–	3,677,145	3,677,145
	89,741,685	2,868,699	29,032,329	121,642,713

The Level 1 equity investments were valued by reference to the closing bid prices in each investee company on the reporting date.

The Level 3 equity investment in Board Intelligence was valued by reference to the valuation multiples of publicly-listed cloud software companies, after applying a discount equivalent to that which prevailed at the time of investment in March 2018. The Level 3 equity investment in Leaf Clean Energy Company was valued by reference to the expected proceeds from the company's wind down, as guided by management in its last shareholder letter dated 17 February 2022. The Level 3 equity investment in GI Dynamics Inc was valued by reference to its discounted cash flow valuation. The loan notes were classified as Level 3 debt instruments as there was no observable market data. The Board has concluded that the fair value of the loan note is approximate to the loan principal plus accrued interest.

For financial instruments not measured at FVTPL, the carrying amount is approximate to their fair value.

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

5. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy – Level 3

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

Reconciliation in Level 3	Six months ended 31 December 2021 *(Unaudited)* £	Year ended 30 June 2021 *(Audited)* £	Six months ended 31 December 2020 *(Unaudited)* £
Opening balance	29,032,329	11,684,980	11,684,980
GI Dynamics Inc – Transfer to Level 3	–	4,294,452	1,494,943
Purchases	5,568,613	15,776,344	11,784,561
Movement in unrealised (losses)/gains	(1,244,298)	12,187,394	7,318,480
Conversion of loans	–	(8,902,985)	(11,149,307)
Sales	–	(3,183,907)	–
Net realised gain	–	1,830,764	1,830,764
Effect of exchange rate movements	809,850	(4,654,713)	(2,272,004)
Closing balance	34,166,494	29,032,329	20,692,417

The Company recognises transfers between levels of the fair value hierarchy on the date of the event of change in circumstances that caused the transfer.

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

5. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy – Level 3 (continued)

The table below provides information on significant unobservable inputs used at 31 December 2021 in measuring equity financial instruments categorised as Level 3 in the fair value hierarchy. It also details the sensitivity to changes in significant unobservable inputs used to measure value in each case.

	Valuation Method	Fair Value at 31 December 2021	Unobservable inputs	Factor	Sensitivity to changes in significant unobservable inputs
Board Intelligence	**Discount to comparable company multiples**	**3,846,334**	Comparable Revenue multiple	12.0x	A 25% increase (decrease) in the revenue multiple would increase (decrease) FV by £1.5m (£1.2m)
			Discount to comparable multiple	52.7%	A 25% decrease (increase) in the discount to the revenue multiple would increase (decrease) FV by £1.4m (£1.1m)
GI Dynamics	**Discounted cash flow**	**19,257,989**	Discount rate	43%	An increase (decrease) in the discount rate to 48% (38%) would reduce (increase) FV by £7.5m (£11.4m)
			High growth rate over 9 year period	48%	A decrease (increase) in the near term growth rate to 58% (38%) would decrease (increase) FV by £3.6m (£3.8m)
			Dilution discount	20%	An increase (decrease) of the dilution discount to 30% (to 10%) would reduce (increase) FV by £2.6m (£2.8m)
Leaf Clean	**Discounted cash flow on expected wind down proceeds**	**1,640,624**	Discount rate	10%	The Fund has received confirmation of the compulsory redemption value of Leaf Clean (as noted in the investment manager's report) so that the sensitivity analysis of Leaf Clean is not required.
Board Intelligence	**Discount to comparable company multiples**	**4,004,233**	Comparable Revenue multiple	13.8x	A 25% increase (decrease) in the revenue multiple would increase (decrease) FV by £1.6m (£1.2m)
			Discount to comparable multiple	52.7%	A 25% decrease (increase) in the discount to the revenue multiple would increase (decrease) FV by £1.4m (£1.1m)

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

5. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy – Level 3 (continued)

	Valuation Method	Fair Value at 31 December 2021	Unobservable inputs	Factor	Sensitivity to changes in significant unobservable inputs
GI Dynamics	**Discounted cash flow**	**20,000,283**	Discount rate	43%	An increase (decrease) in the discount rate to 48% (38%) would reduce (increase) FV by £7.5m (£11.1m)
			High growth rate over 9 year period	48%	A decrease (increase) in the near term growth rate to 58% (38%) would decrease (increase) FV by £3.6m
			Dilution discount	20%	An increase (decrease) of the dilution discount to 30% (to 10%) would reduce (increase) FV by £2.7m
Leaf Clean	**Discounted cash flow on expected wind down proceeds**	**1,350,468**	Discount rate	10%	A 20% change to the discount rate would impact FV by £0.02m

6. LOAN FACILITY

On 1 July 2020, the Company entered into a loan facility with Intertrader Limited whereby it transferred an amount of equity holdings with a value of £19.1 million as at 1 July 2020 to Intertrader Limited to be held as collateral for CFD instruments. The interest charged on the loan facility was 2% per annum of the daily overnight loan balance. The Company could draw on a loan facility of up to 25% of the value of the initial equity holdings transferred. The balance of this facility was as follows:

	As at 31 December 2021 *(Unaudited)* £	As at 30 June 2021 *(Audited)* £
Opening balance	–	–
Drawdowns	–	22,785,705
Repayments by way of sale of CFD instruments	–	(22,975,306)
Repayments by way of dividends receivable on CFD instruments	–	(149,820)
Facility fees payable	–	316,925
Facility commissions payable	–	22,496
Closing balance	–	–

As at the date of this report, the amount owed to Intertrader Limited under the loan facility was £Nil (30 June 2020: £Nil). The loan facility remains in place without incurring any costs.

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2021 (continued)

7. SHARE CAPITAL AND RESERVES
The authorised share capital of the Company is £3,000,000 divided into 300 million Ordinary shares of £0.01 each.

The issued share capital of the Company, including Treasury shares, is comprised as follows:

	31 December 2021		30 June 2021	
		(Unaudited)		*(Audited)*
	Number	**£**	**Number**	**£**
Issued, called up and fully paid Ordinary shares of £0.01 each	99,749,762	997,498	99,749,762	997,498

During the period, the Company did not create or issue any Ordinary shares. In the period to 31 December 2020, the Company issued 125,000 Shares of £0.01 divided equally amongst five charitable organisations, the nominal value of which was paid by Richard Bernstein, who is a shareholder of the Company, a director and shareholder of the Investment Manager and a member of the Investment Adviser.

8. TREASURY SHARES RESERVE

	Six months ended 31 December 2021		Year ended 30 June 2021	
		(Unaudited)		*(Audited)*
	Number	**£**	**Number**	**£**
Opening balance	(16,012,762)	(19,191,639)	(7,763,195)	(12,265,601)
Treasury shares purchased during the period/year	(372,000)	(422,396)	(8,249,567)	(6,926,038)
Closing balance	(16,384,762)	(19,614,035)	(16,012,762)	(19,191,639)

During the period ended 31 December 2021 372,000 (2020: 7,566,567) Treasury shares were purchased at an average price of 113.55 pence per share (2020: 82.20 pence per share), representing an average discount to NAV at the time of purchase of 24.9% (2021: 33.8%). No Treasury shares were sold during the period ended 31 December 2021 or 31 December 2020.

9. DIVIDENDS
On 7 July 2021, the Company declared an interim dividend of £2,093,424 equating to 2.5 pence per Ordinary share, which was paid on 30 July 2021 to shareholders on the register on 16 July 2021.

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

10. RELATED PARTIES

Richard Bernstein is a director and a member of the Investment Manager, a member of the Investment Adviser and a holder of 10,000 (30 June 2021: 10,000) Ordinary shares in the Company, representing 0.01% (30 June 2021: 0.01%) of the voting share capital of the Company at 31 December 2021.

During the period the Company incurred management fees of £880,981 (2020: £737,204) none of which was outstanding at 31 December 2021 (30 June 2021: £Nil). No performance fees were payable during the period (2020: £Nil) (30 June 2021: £Nil) and none outstanding at the period/year end.

As at 31 December 2021, the Company's investment in GI Dynamics Inc. is treated as an unconsolidated subsidiary due to the Company's percentage holding in the voting share capital of GID. As GID is a private company and its shares are not listed on a stock exchange, the percentage held is not disclosed.

There is no restriction on the ability of GID to pay cash dividends or repay loans, but it is unlikely that GID will make any distribution or loan repayments given its current strategy. During the year the Company purchased convertible loan notes (not driven by any contractual obligation) for the purpose of supporting GID in pursuing its strategy.

GI Dynamics Inc. was incorporated in Delaware, had five wholly-owned subsidiaries as at 31 December 2021 and its principal place of business is Boston. The five subsidiaries were as follows:

- GI Dynamics Securities Corporation, a Massachusetts-incorporated nontrading entity;
- GID Europe Holding B.V., a Netherlands-incorporated nontrading holding company;
- GID Europe B.V., a Netherlands-incorporated company that conducts certain European business operations;
- GID Germany GmbH, a German-incorporated company that conducts certain European business operations; and
- GI Dynamics Australia Pty Ltd, an Australian-incorporated company that conducts Australian business operations.

Under the terms of the IMA, the Investment Manager is entitled to a performance fee in certain circumstances. This fee is calculated by reference to the increase in NAV per Ordinary share over the course of each performance period.

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

10. RELATED PARTIES (continued)

Payment of the performance fee is subject to:

1. the achievement of a performance hurdle condition: the NAV per Ordinary share at the end of the relevant performance period must exceed an amount equal to the placing price, increased at a rate of: (i) 7% per annum on an annual compounding basis in respect of that part of the performance period which falls from (and including) the date of Admission up to (but not including) the date of the 2013 Admission; (ii) 8% per annum on an annual compounding basis in respect of that part of the performance period which falls from (and including) the date of the 2013 Admission up to (but not including) the date of the 2015 Admission and (iii) 10% per annum on an annual compounding basis in respect of that part of the performance period which falls from (and including) the date of the 2015 Admission up to the end of the relevant performance period with all dividends and other distributions paid in respect of all outstanding Ordinary shares (on a per share basis) during any performance period being deducted on their respective payment dates (and after compounding the distribution amount per share at the relevant annual rate or rates for the period from and including the payment date to the end of the performance period) ("the Basic Performance Hurdle"). Such Basic Performance Hurdle at the end of a performance period is compounded at the relevant annual rate to calculate the initial per share hurdle level for the next performance period, which will subsequently be adjusted for any dividends or other distributions paid in respect of all outstanding Ordinary shares during that performance period, and

2. the achievement of a "high-water mark": the NAV per Ordinary share at the end of the relevant performance period must be higher than the highest previously reported NAV per Ordinary share at the end of a performance period in relation to which a performance fee, if any, was last earned (less any dividends or other distributions in respect of all outstanding Ordinary shares declared (on a per share basis) since the end of the performance period in relation to which a performance fee was last earned).

As the NAV per share at 31 December 2021 did not exceed the Basic Performance Hurdle of 2.72 pence per share at that date, a performance fee has not been accrued in the Interim Financial Statements. In the event that, on 30 June 2022, the NAV per share exceeds both the performance hurdle and the high watermark, the performance fee will be an amount equal to 20% of the excess of the NAV per share at that date over the higher of these hurdles multiplied by the time weighted average number of Ordinary shares in issue during the year ending 30 June 2022.

At an EGM to be held on 7 March 2022 proposals will be put to shareholders to enter into a new Investment Management Agreement incorporating revised management and performance fee arrangements, together with changes to the termination provisions to reflect the future strategy of the Company.

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2021 (continued)

10. RELATED PARTIES (continued)

If approved by shareholders, the management fee will be reduced to £106,666 per month from 1 April 2022 until 30 June 2022, falling periodically to £40,000 per month until 31 December 2023 (or if earlier, the date on which all of the Fund's investments have been substantially realised) when the management fee will cease:

– The performance fee will be calculated by reference to the aggregate cash returned to shareholders after 1 January 2022 and the Investment Manager will receive 20%. Of the aggregate return of cash paid to shareholders after 1 January 2022 (including the interim dividend of 10 pence per Ordinary Share declared on 22 December 2021) in excess of a threshold of £216,000,000, being the Basic Performance Hurdle per share as at 31 December 2021 multiplied by the voting share capital.

Depending on whether the Ordinary shares are trading at a discount or a premium to the Company's NAV per share at 30 June 2022, the performance fee will be either payable in cash (subject to the Investment Manager being required to use the cash payment to purchase Ordinary shares in the market) or satisfied by the sale of Ordinary shares out of Treasury or by the issue of new fully paid Ordinary shares at the mid-market closing price on 30 June 2022, respectively.

As at 31 December 2021, the Investment Manager held 6,899,031 Ordinary shares (30 June 2021: 6,904,330) of the Company, representing 6.92% (30 June 2021: 6.92%) of the voting share capital.

The interests of the Directors in the share capital of the Company at the period/year end, and as at the date of this report, are as follows:

	31 December 2021		30 June 2021	
	Number of Ordinary shares	**Total voting rights**	**Number of Ordinary shares**	**Total voting rights**
Christopher Waldron[(1)]	30,000	0.04%	30,000	0.03%
Jane Le Maitre[(2)]	13,500	0.02%	13,500	0.01%
Fred Hervouet	7,500	0.01%	7,500	0.01%
Total	**51,000**	**0.07%**	**51,000**	**0.05%**

(1) Chairman of the Company

(2) Ordinary Shares held indirectly

All related party transactions are carried out on an arm's length basis.

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2021 (continued)

11. POST BALANCE SHEET EVENTS

On 15 February 2022 the Company announced that an EGM will be held on 7 March 2022 in connection with the proposals for a change of investment policy and new management and incentive arrangements as set out in Note 10.

The Company declared an interim dividend of £8,338,000, equating to 10 pence per Ordinary share, which was paid on 9 February 2022 to shareholders on the register on 14 January 2022.

The Company purchased 84,000 of its own Ordinary Shares during the period between 1 January 2022 and 3 March 2022, which were held as Treasury shares. Following these purchases, the total number of Ordinary Shares held as Treasury shares by the Company is 16,468,762.

On 18 February 2022, the Company reported that its unaudited NAV at 31 January 2022 was 146.98 pence per Ordinary share.

12. AVAILABILITY OF INTERIM REPORT

Copies of the Interim Report will be available to download from the Company's website www.crystalamber.com.

Glossary of Capitalised Defined Terms

"**AGM**" means the annual general meeting of the Company;

"**AIC**" means the Association of Investment Companies;

"**AIM**" means the Alternative Investment Market of the London Stock Exchange;

"**Annual Financial Statements**" means the audited annual financial statements of the Company, including the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and associated notes;

"**Board**" or "**Directors**" or "**Board of Directors**" means the directors of the Company;

"**Brexit**" means the departure of the UK from the European Union;

"**CEO**" means chief executive officer;

"**CFD**" means Contracts for Difference;

"**CFO**" means chief financial officer;

"**Company**" or "**Fund**" means Crystal Amber Fund Limited;

"**Companies Law**" means the Companies (Guernsey) Law, 2008, (as amended);

"**DeFi**" means Decentralised Finance;

"**EBITDA**" means earnings before interest, taxes, depreciation and amortisation;

"**EPS**" or "**Early Production System**" means producing oil through a temporary processing system and exporting the processed crude to a storage vessel for subsequent transport to market;

"**Equals**" means Equals Group plc;

"**GM**" or "**General Meeting**" means a general meeting of the Company;

"**ESG**" means Environmental, Social and Governance, referring to the three central factors in measuring the sustainability and societal impact of an investment in a company or business;

"**FDA**" means food and drug administration;

"**FTSE**" means Financial Times Stock Exchange;

"**FVTPL**" means Fair Value Through Profit or Loss;

"**FY22**" means the financial year 2022;

"**GDP**" means gross domestic product, a monetary measure of the market value of all the final goods and services produced in a specific time period;

"**GID**" or "**GI Dynamics**" means GI Dynamics, Inc.;

Glossary of Capitalised Defined Terms (continued)

"**HQ**" means headquarters;

"**IAS**" means international accounting standards as issued by the Board of the International Accounting Standards Committee;

"**IFRS**" means the International Financial Reporting Standards, being the principles-based accounting standards, interpretations and the framework by that name issued by the International Accounting Standards Board, as adopted by the European Union;

"**IMA**" means the investment management agreement between the Company and the Investment Manager dated 16 June 2008, as amended on 21 August 2013, further amended on 27 January 2015 and further amended on 12 June 2018;

"**Interim Financial Statements**" means the unaudited condensed interim financial statements of the Company, including the Condensed Statement of Profit or Loss and Other Comprehensive Income, the Condensed Statement of Financial Position, the Condensed Statement of Changes in Equity, the Condensed Statement of Cash Flows and associated notes;

"**Interim Report**" means the Company's interim report and unaudited condensed financial statements for the period ended 31 December;

"**Lancaster EPS**" means Lancaster Early Production System;

"**Market Capitalisation**" means the total number of Ordinary shares of the Company multiplied by the closing share price;

"**NAV**" or "**Net Asset Value**" means the value of the assets of the Company less its liabilities as calculated in accordance with the Company's valuation policies and expressed in Pounds Sterling;

"**NAV per share**" means the Net Asset Value per Ordinary share of the Company and is expressed in pence;

"**Ordinary share**" means an allotted, called up and fully paid Ordinary share of the Company of £0.01 each;

"**Remuneration Report**" means part of the Remuneration Statement which provides information on the remuneration and other financial benefits paid to the Board of Directors, the Group CEO and the Group Executive Committee members during the previous financial period;

"**Small Cap Index**" means an index of small market capitalisation companies;

Glossary of Capitalised Defined Terms (continued)

"**SMEs**" means small and medium-sized enterprises and businesses whose personnel numbers fall below certain limits. The abbreviation "SME" is used by international organizations such as the World Bank, the European Union, the United Nations and the World Trade Organization;

"**SORP**" means Statement of Recommended Practice;

"**SPAC**" mean Special Purpose Acquisition Company;

"**Treasury**" means the reserve of Ordinary shares that have been repurchased by the Company;

"**Treasury shares**" means Ordinary shares in the Company that have been repurchased by the Company and are held as Treasury shares;

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland;

"**US**" means the means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**US$**" or "**$**" means United States dollars; and

"**£**" or "**Pounds Sterling**" or "**Sterling**" means British pound sterling and "**pence**" means British pence.

Directors and General Information

Directors
Christopher Waldron *(Chairman)*
Fred Hervouet *(Chairman of Remuneration and Management Engagement Committee)*
Jane Le Maitre *(Chairman of Audit Committee)*

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LEI:	213800662E2XKP9JD811

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CRYSTAL AMBER

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