

CRYSTAL  AMBER

Crystal Amber Fund Limited

Annual Report and Audited Financial Statements

For the year ended 30 June 2025

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## Highlights

- Net Asset Value (“NAV”) per share increased by 2.6% over the 12 months to 30 June 2025 from 173.90p to 178.39p a share. Following share buybacks during the year of £9.1 million and a loss for the year of £1.4 million, NAV decreased from £126.7 million to £116.2 million.
- Successful activism and cash realisation at De La Rue plc (“De La Rue”) resulting in 130p a share cash offer announced in April 2025. Total sales proceeds received during the offer period of £40.7 million, of which £18 million was received shortly after 30 June 2025. De La Rue’s share price more than trebled since June 2023.
- Cash and cash equivalents at 30 June 2025 was £10.94 million. Had £18.01 million cash proceeds from De La Rue sale in July 2025 been received prior to year-end, net cash would have been £28.95 million, equivalent to 44.4p a share.
- CE Mark approval received at Morphic Medical Inc (“MMI”).
- Fund performance: according to Trustnet over the last year, the Fund is second out of 21 peer group funds and first out of 19 peer groups over three years and five years, with shareholder returns of 38.3%, 129.6% and 250.8% against an increase of 9.2%, 37.7% and 58.0% in the Investment Trust UK Smaller Companies Index.
- 10.58% of the Company’s outstanding share capital bought into Treasury at an average of 117.34p a share, a discount to year end NAV of 34.22%.
- Consultation has begun with larger shareholders on the future strategy of the Company, including steps that might be necessary to maximise the opportunity to realise value from the remaining assets of the Company, including the best structure and management. The Board also needs to weigh carefully the essential funding needs of MMI against the desire to make further distributions to shareholders.

<sup>(1)</sup> All capitalised terms are defined in the Glossary of Capitalised Defined Terms on pages 55 to 57 unless separately defined.

## Chairman's Statement

I hereby present the eighteenth annual report of Crystal Amber Fund Limited (the "Company" or the "Fund"), for the year to 30 June 2025. I am pleased to report not only further progress in growing net asset value per share but crucially, a substantial cash realisation from the Fund's activism at De La Rue and, immediately after the year end, the announcement of European regulatory approval at Morpich Medical Inc. As the sole funder of MMI for the last five years, providing £25 million of development capital to date, it is particularly pleasing to see the Fund's steadfast approach achieving this vital milestone.

During the year, net asset value per share increased from 173.9p a share to 178.39p a share. Following share buybacks during the year of £9.1 million, NAV at 30 June 2025 was £116.2 million compared to £126.7 million a year ago. This compares with the Deutsche Numis Smaller Cap Index including AIM, which rose by 7.8% in the same period.

In my statement last year, I noted that during a prolonged period of intense and ultimately successful activism, the Fund had purchased an additional 15.3 million shares in De La Rue at a cost of £6.3 million. This resulted in the Fund increasing its holding in De La Rue to close to 17% of its outstanding share capital, up from less than 10%. I also wrote that the Board was confident that its investment in De La Rue would deliver significant further growth in net asset value as well as a very substantial cash return. I am therefore delighted to report that this proved to be the case. In April 2025, De La Rue announced a cash offer of 130p a share. This enabled the Fund to realise cash proceeds of £40.7 million. I would not underestimate the scale of this achievement. In the spring of 2023, the Fund clearly and forensically articulated the need to change the Chairman of De La Rue and noted that De La Rue's strategic value far exceeded its operational value. I believe that without immediate change at that time, its prospects were dire. The outcome that the Fund achieved was a textbook example of how constructive activism can make the difference between success and failure.

Following on from the conclusion of the Fund's long engagement with De La Rue and immediately after the year end, MMI, the medical device company in which the Fund owns 98% of the issued share capital on an undiluted basis, received CE Mark certification for its revolutionary RESET® device. This is the first endoscopic, non-surgical treatment for both obesity and Type 2 diabetes in Europe. Clinical studies have shown that RESET® significantly exceeds international safety and effectiveness standards for endoscopic weight-loss treatments.

CE designation ensures RESET® has met all European Commission safety, health and environmental protection requirements and has enabled access to treatment for the estimated 93 million patients in Europe living with obesity and type 2 diabetes.

I am now pleased to report that in recent weeks, not only have revenues commenced at MMI but patients are already benefiting both in Germany and in the UK.

MMI continues to recruit patients for its FDA fast track approved pivotal study. Now that the CE Mark has been achieved, patient recruitment can accelerate. The US is a large market for weight loss devices, estimated to reach a market size of US\$8.5 billion by 2032, and the Board of Crystal Amber believes that obtaining FDA approval should significantly enhance the value of the Fund's investment in MMI. To provide additional capital for MMI during this period, MMI is in discussions with several potential investors, including some large, multinational medical device companies. Whilst there can be no certainty at this stage, MMI believes that any such investment would be at a premium to Crystal Amber's current carrying value of MMI.

## Chairman's Statement (continued)

In both life and the stock market, timing is everything. Last year, I wrote that the Fund had disposed of its remaining holding of Prax Exploration Deferred Consideration Units (DCUs), following the acquisition of Hurricane Energy Plc by Prax Exploration. This brought proceeds from the DCUs to £12.5 million, bringing total proceeds from Hurricane Energy to £47.2 million. In June 2025, administrators were appointed to the parent company of Prax Exploration.

Successes in maximising shareholder returns have translated into exceptional performance. According to Trustnet, the Fund is second out of 21 peer group funds over the last year and first over three years and five years, with shareholder returns of 38.3%, 129.6% and 250.8% against an increase of 9.2%, 37.7% and 58.0% in the Investment Trust Smaller Companies Index.

During the year, the Fund continued its policy of monetising the portfolio in an orderly manner, achieving an appropriate balance between maximising value received and making timely returns of capital. In the same period, 7.7 million shares, equivalent to around 10.58% of the outstanding share capital were bought into treasury at an average of 117.34p a share, which had the effect of increasing the year end NAV per share by 2.6%. This represents buying in at a 34.22% discount to net asset value at the year end. Following the year end, an additional 2.2 million shares (or around 3.4% of the issued share capital) were acquired at an average of 148.67p a share. This has brought total returns of capital, including share buybacks, to more than £120 million to date.

Last year, I wrote that the Board would consult its larger Shareholders and/or make arrangements to seek Shareholder approval on the future strategy of the Company, including steps that might be necessary to maximise the opportunity to realise value from the remaining assets of the Company. I added that as MMI was very likely to be the last investment held by the Company, there would need to be a reassessment of the best structure and management through which to hold this investee company to maximise its potential in a cost-efficient manner. The Board also needs to weigh carefully the essential funding needs of MMI against the desire to make further distributions to shareholders. This process of consultation has begun and will continue over the coming weeks.

**Christopher Waldron**

*Chairman*

16 October 2025

## Investment Manager's Report

### Performance

During the year, the Company's NAV per share increased from 173.9p to 178.39p.

### Portfolio and Strategy

At 30 June 2025, the Company held equity investments in five companies (2024: five). During the year, as envisaged, the Company converted its debt instruments in MMI into equity.

The Company's strategy is to optimise realisations for a limited number of special situations where the Company believes value can be realised regardless of broad market direction. By its nature as an activist fund, the Company needs to hold sufficiently large stakes to facilitate engagement as a significant shareholder. Therefore, the Company has inevitably been exposed to a large concentration risk, and continuing realisations have significantly increased the weighting of the remaining holdings.

As at 30 June 2025, the weighted average market capitalisation of the Company's two remaining listed investee companies of De La Rue and Sutton Harbour Group plc was £250 million (30 June 2024: £181 million).

### Morphic Medical Inc

The Fund first acquired a small equity interest in MMI in 2014. In 2017, MMI received formal notification of CE Mark withdrawal for EndoBarrier (now known as RESET®), its device to treat diabetes, preventing MMI making sales in Europe and select Middle Eastern countries. Thereafter, Crystal Amber commenced more significant activism. By December 2020, the Fund effected a change of management and supported a delisting of the shares from the Australian Stock Exchange. At that time, the Fund's investment represented 14p per share of the Fund's 129p per share of total net asset value. Since then, Crystal Amber has been and continues to be the sole provider of funding. Since receipt of the CE Mark, MMI is in discussions with several potential investors including some large multinational medical device companies.

RESET® is a thin, flexible implant that lines the proximal small intestine and mimics gastric bypass bariatric surgery as food bypasses the duodenum and the upper intestines. Unlike gastric bypass surgery, RESET® is reversible, minimally invasive, and temporary. It does not permanently alter the patient's anatomy and uniquely targets the body's own blood glucose control mechanisms. This is achieved through a 20-minute endoscopic procedure. The patient will typically retain the device for nine months, after which the device is removed.

Clinical studies have shown that RESET® significantly exceeds international safety and effectiveness standards for endoscopic weight-loss treatments. On average, patients lost 19% of their total body weight within a year – outperforming the threshold set by leading medical societies.

The treatment is a simple, 20-minute outpatient procedure that delivers long-lasting benefits for both weight loss and blood sugar control, allowing patients to avoid alternatives such as more invasive gastric surgery or expensive GLP-1 drug therapies, which typically result in patients regaining weight once they discontinue the drug.

With nearly 60% of adults in Europe living with overweight or obesity, and type 2 diabetes rates rising sharply, healthcare systems are under increasing financial pressure as Governments balance the cost of managing chronic diseases against other priorities like increasing defence spending.

RESET® offers a new, affordable, and highly effective option that could reduce the long-term burden on public health budgets, with diabetes costing the NHS almost £14bn alone in 2021/22 according to one 2024 study (York Health Economics Consortium).

## Investment Manager's Report (continued)

### Morphic Medical Inc (continued)

Given the importance of MMI to the Fund, the Fund again commissioned an independent third-party valuation of MMI. Further detail on the third-party valuation is outlined in note 14. This concluded that, at 30 June 2025, it is reasonable to value the Fund's equity interest in MMI on an undiluted basis at US\$107.2 million (approximately £78.1 million).

### De La Rue Plc

In October 2024, De La Rue reported that it had entered into a definitive agreement for the sale of its Authentication Division to Crane NXT for a cash consideration representing an enterprise value of £300 million. For the year to 31 March 2024, the Division reported an adjusted operating profit of £14.6 million. The sale price represented a multiple of more than 20 times operating profits and 2.9 times revenue.

In December 2024, De La Rue disclosed that it was in receipt of a partial offer from "PSFC Entities" to acquire up to 40% of De La Rue's issued share capital at 125p a share. De La Rue also announced that it had received approaches from separate third parties that might result in possible cash offers and that a formal sale process had commenced. In April 2025, De La Rue announced an agreed cash offer at 130p a share which completed on 2 July 2025.

The Investment Manager consistently stated that the strategic value of De La Rue is far greater than its operational value and is pleased that the Fund finally achieved that outcome.

### Other investments

The Fund's other remaining holdings of Allied Minds Plc, Sigma Broking Limited and Sutton Harbour Plc account for less than 10% of the Fund's total net asset value. The Investment Manager continues to seek to maximise the opportunity to realise value from these investments. The Investment Manager notes recent press comment that Sigma Broking is in advanced discussions with a third party about part of its business being acquired. There can be no certainty that this transaction will complete. The Investment Adviser is in active discussions with the boards of Allied Minds and Sutton Harbour Plc regarding the timing of realisations of value from these investments.

### Outlook

The Fund achieved considerable success in the year to 30 June 2025. Both the cash offer for De La Rue and CE Mark approval for MMI represent the culmination of years of leaving no stone unturned and doing everything possible to secure these outcomes. These wins have followed successful exits in illiquid holdings of Hurricane Energy, Equals Group plc, Board Intelligence and Leaf Clean Energy. Following the successful exit at De La Rue, the Fund's sole remaining listed holding, Sutton Harbour, is valued at less than £1 million, with MMI becoming by far the most important investment. Prospects and the scale of the opportunity at MMI are exciting.

### Crystal Amber Asset Management (Guernsey) Limited

16 October 2025

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## Investment Policy

### Investment Policy

The Company is an activist fund which aims to identify and invest in undervalued companies and, where necessary, engage with management to take steps to enhance their value. The Company's strategy is to optimise realisations for a decreasing number of special situations where the Company believes value can be realised regardless of market direction. By its nature as an activist fund, the Company needs to hold sufficiently large stakes to facilitate engagement as a significant shareholder. Therefore, the Company is inevitably exposed to a growing concentration risk, as continuing realisations have significantly increased the weighting of the remaining investments.

### Investment objective

The objective of the Company is to provide its Shareholders with an attractive total return, which is expected to comprise primarily capital growth but with the potential for distributions from realised distributable reserves, including the realisation of investments, if this is considered to be in the best interests of its Shareholders.

### Investment strategy

On 7 March 2022 a revised investment policy to reflect a realisation strategy was approved by Shareholders at an Extraordinary General Meeting. It was agreed that the Fund would not make any new investments and would only make further opportunistic investments in existing holdings where, in the view of the Board and Investment Manager, such investment was 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. Any such investment would require the prior approval of the Board and would only be permitted where it was not expected to compromise the timescale for realisations.

The Company also adopted a strategy of maximising capital returned to Shareholders by way of timely disposals, including trade sales of the Company's strategic holdings, where appropriate and returns of cash to Shareholders. Whilst it was initially intended to complete this process by 31 December 2023, Shareholders were aware that this was a target rather than a deadline.

In seeking the realisation of predominantly all the Company's investments it was agreed that the Directors would aim to achieve a balance between maximising their net value and progressively returning cash to Shareholders. In so doing, the Board would take account of the continued costs of operating the Company and additional investment required in line with the investment strategy to maximise value. The Company's admission to trading on AIM will be maintained for as long as the Directors believe it to be practicable and cost-effective to do so within the requirements of the AIM Rules for Companies.

The Company has ceased to make any new investments except where, in the opinion of the Investment Manager and with the approval of the Board, the investment is considered necessary by the Board to protect or enhance the value of any existing investments of the Company or to facilitate orderly disposals of assets held by the Company. Any cash received by the Company as part of the realisation process that is not required for additional investment in existing holdings to maximise value (notably MMI), and prior to its distribution to Shareholders will be held by the Company, on behalf of the Shareholders, as cash on deposit and/or as cash equivalents.

The Board has and will continue to consult its larger Shareholders on making arrangements to seek Shareholder approval on the future strategy of the Company, including steps that might be necessary to maximise the opportunities to realise value from the remaining assets of the Company. In particular, as MMI is very likely to be the last investment held by the Company, careful consideration will be needed to determine the best structure through which to hold this investee company, and management strategy to support it in order to maximise its potential in a cost-efficient manner.

### Dividend Policy

Following any material realisations of the Company's investments, and subject to consultation with Shareholders, the Company intends to continue to return cash to Shareholders using tax-efficient means such as the new B Share Scheme approved at the Extraordinary General Meeting held on 28 October 2024 or continued use of share buybacks, as appropriate.

## Report of the Directors

### Incorporation

The Company was incorporated on 22 June 2007 and was admitted to trading on AIM on 17 June 2008.

### Principal activities

The Company is a Guernsey registered closed ended company established to provide Shareholders with an attractive total return, which is expected to comprise primarily capital growth and distributions from accumulated retained earnings taking into consideration unrealised gains and losses at that time. The Company's strategy is to optimise outcomes for a decreasing number of special situations where the Company believes value can be realised regardless of market direction.

The Company became a member of the AIC on 26 March 2009.

### Business review

A review of the business together with likely future developments is contained in the Chairman's Statement on pages 3 to 4 and the Investment Manager's Report on pages 5 to 6.

### Results and dividend

The results for the year are set out in the Statement of Profit or Loss and Other Comprehensive Income on page 29.

Historically, the Company has declared dividends twice yearly. Since the change of investment strategy in March 2022, higher dividends have been paid in line with the Company's aim to progressively return cash to Shareholders. Dividends have been funded by realisations of portfolio companies.

No dividends were declared or paid during the year (2024: no dividend declared or paid). Following the approval of the new B Share Scheme at the Extraordinary General Meeting on 28 October 2024, the Company now has a fairer and more efficient mechanism by which realisation proceeds can be returned to Shareholders should this be appropriate. No bonus issue of redeemable B shares were made during the year.

### Going concern

The Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future and as a result of this, do not consider there to be any threat to the going concern status of the Company.

The Directors have also considered the result of the continuation vote which occurred at the 2021 AGM and results of the subsequent EGM which did not conclude that the Company should be wound up. Following the 2021 AGM, the Company was obliged to return to Shareholders with proposals to either reorganise, restructure, or wind up the Company. Following extensive Shareholder consultation, a new investment policy was put before Shareholders which prioritised the intention to maximise the return of capital representing a change of strategy. This change of investment policy was approved by Shareholders in March 2022.

At An Extraordinary General Meeting held on 28 October 2024, Shareholders voted to adopt and implement a B Share Scheme to enable the Company to pursue returns of capital to Shareholders by way of redemption of the B Shares following the full or partial realisation of the Company's assets. As a result, the Company is able to make successive bonus issues of redeemable B Shares to Shareholders on a *pro rata* basis and redeem such B Shares for cash shortly thereafter without action being required by Shareholders, should this be appropriate.

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## Report of the Directors (continued)

### Going concern (continued)

The Board believes that it is still in the interests of Shareholders for the Company to adopt a strategy of maximising capital return by way of timely disposals, including trade sales of the Company's mature listed strategic holdings, where appropriate. The Company has a track record of returning cash to Shareholders via share buybacks and dividends. Since 2013, when the requirement for the continuation vote to be proposed at the 2021 AGM was introduced, over £110 million has been returned to Shareholders via such means.

The Company's valuable shareholding in MMI now comprises 98% of its undiluted share capital. With CE Mark approval in place, MMI has commenced sales of RESET® in Germany and the UK. MMI continues to recruit patients for its FDA fast track approval pivotal study.

As noted in the Chairman's Statement, the Board has and will continue to consult its larger Shareholders on making arrangements to seek Shareholder approval on the future strategy of the Company. In particular, as MMI is very likely to be the last investment held by the Company, the Board will consult with investors about the longer-term plans for MMI to realise value for the Company's Shareholders now that it has CE certification and once FDA approval of RESET® has been achieved. A trade sale is a potential crystallisation path. Alternatively, as the Company continues the disposal programme, it is possible that the Company's listing may provide a suitable and cost-effective vehicle for MMI to be listed, raise its profile and potentially, following the achievement of milestones, provide the Company's Shareholders with direct exposure to its growth prospects, as well as liquidity.

The Directors have considered the contributing factors set out above and are confident that the Company has adequate resources to continue in operational existence for the foreseeable future, and do not consider there to be any threat to the going concern status of the Company. Accordingly, the Company continues to adopt the going concern basis of accounting in preparing these financial statements.

### Long term viability

As further disclosed on page 14, the Company is a member of the AIC and complies with the 2019 AIC Code of Corporate Governance ("AIC Code"). In accordance with the AIC Code, the Directors have made a robust assessment of the prospects of the Company for the three-year period ending 30 June 2028. The Directors consider that this is an appropriate period to assess the viability of the Company given the new investment policy agreed with Shareholders in March 2022 and the time horizon over which investment decisions are made.

In considering the prospects of the Company, the Directors have considered the risks facing the Company, giving particular attention to the principal risks identified on pages 10 to 12, the effectiveness of controls over those risks, the process in place for identifying emerging risks and have evaluated the sensitivities of the remaining portfolio to market volatility.

The Directors have also considered the Company's expenditure projections for the three-year period ending 30 June 2028. The Company currently has no borrowings, and recently achieved a very successful exit of its holding in De La Rue realising cash of £40.7m, £18m of which was received after 30 June 2025.

Based on the results of this analysis, including consideration of investment strategy and strategic plans involving MMI, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for the foreseeable future.

## Report of the Directors (continued)

### Principal risks and uncertainties

The Company has implemented a rigorous risk management framework including a comprehensive risk matrix that is reviewed and updated regularly. This ensures that procedures are in place to identify principal risks, mitigate and minimise the impact of those risks should they crystallise, and to identify emerging risks and determine whether any action is required. The Directors have carried out a robust assessment of the principal risk areas relevant to the performance of the Company including those that would threaten its business model, future performance, solvency and liquidity and these are detailed below. As it is not possible to eliminate risks completely, the purpose of the risk management policies and procedures is to reduce and manage risk and to ensure that the Company is as adequately prepared as reasonably possible to respond to such risks and to minimise their impact should they occur.

#### *Portfolio concentration risk*

By its very nature as an activist fund, the Company is exposed to the risk that its portfolio of investee companies is not sufficiently diversified to absorb the impact of a fall in value of some of its major investments. As noted in the investment policy, the Company seeks to invest in companies and use activism to unlock value. An inherent consequence of this policy is a portfolio concentrated on a number of key investee companies.

The Company's strategy is to optimise outcomes for a decreasing number of special situations where the Company believes value can be realised regardless of broad market direction. By its nature as an activist fund, the Company needs to hold sufficiently large stakes to facilitate engagement as a significant shareholder. Therefore, the Company is inevitably exposed to concentration risk, and this risk will increase as continuing realisations will increase the weighting of the remaining holdings, as is now apparent with the dominant weighting of MMI.

#### *'Key Man' risk*

The Investment Adviser and the Investment Manager rely heavily on the expertise, knowledge, and network of Richard Bernstein when sourcing investment opportunities. He is a Shareholder of the Company, a director and Shareholder of the Investment Manager and a member of the Investment Adviser and his loss to these service providers could have an adverse effect on the Company's performance. In the absence of Richard Bernstein, the Board and Investment Manager have sufficient relevant experience to oversee the Company's portfolio while considering the future management of the Company.

#### *Underlying investment performance risk*

The performance of these companies is likely to fluctuate due to a number of factors beyond the Company's control. The Investment Manager and Investment Adviser monitor investee company performance and share price movements on a daily basis. The Administrator prepares weekly portfolio valuation reports. The Investment Adviser engages with investee companies through regular meetings and reports to the Board. The Investment Manager and Investment Adviser also compare the Company's performance to the Investment Trust UK Smaller Companies Index and investigate all underperformance and unrealised losses of the Company.

#### *Market risk*

The Company's investments include investments in companies the securities of which are publicly traded or are offered to the public and investments in unlisted companies. The market prices and values of these securities may be volatile and are likely to fluctuate due to a number of factors beyond the Company's control. These include actual and anticipated fluctuations in the quarterly, half yearly and annual results of the companies in which investments are made and other companies in the industries in which they operate and market perceptions concerning the availability of additional securities for sale.

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## Report of the Directors (continued)

### Principal risks and uncertainties (continued)

#### *Market risk (continued)*

They also include general economic, social or political developments, changes in industry conditions, shortfalls in operating results from levels forecast by securities analysts, the general state of the securities markets and other material events, such as significant management changes, refinancing, acquisitions and disposals. Changes in the values of these investments may adversely affect the Company's NAV and cause the market price of the Company's shares to fluctuate.

#### *Shareholder concentration risk*

A total of 5 investors with holdings of 5% or more each of the shares of the Company hold a combined total of 74.36% of the voting rights. It is possible that a significant shareholder seeking liquidity could have a negative impact on the Company causing movements in Company share price through voting at an AGM, or by placing pressure on the Board to act to realise value in the portfolio at a sub-optimal time and value. In spite of this possibility, the Company does not consider that such action is likely. The risk is mitigated by the Manager maintaining regular contact with significant shareholders to discuss the performance of the Company and consider any views the shareholder may have.

#### *Liquidity risk*

The Company's ability to meet its obligations arising from financial liabilities could be reliant on its ability to reduce or exit investment holdings. This could be more difficult with the Company's less liquid portfolio holdings. To manage this risk, the cash and trade positions are monitored on a daily basis by the Investment Adviser and the Administrator.

#### *Inside information risk*

The Company may, from time to time, be exposed to insider information. A breach of insider trading rules could lead to a suspension of the Company's stock exchange listing or financial penalties. This risk is mitigated and managed through continual monitoring and policy setting, which ensures all employees of the Investment Adviser clearly understand insider trading rules and adhere to all relevant procedures.

#### *Lack of business continuity*

The Company is reliant on service providers to have adequate business continuity plans in place to mitigate against the breakdown of the normal business functions of the Company during times of disruption. The risk is managed by an annual review of the services provided including consideration of the continuity plans in place in each case.

#### *Exposure to sanctioned countries*

The Company's exposure to sanctioned countries through investors and investments of the Fund has a risk of violating sanctions laws and regulations. The risk is managed by carrying out robust compliance checks on investors, and close monitoring by the Investment Manager of each investment.

#### *Change in Tax Regime*

Unforeseen taxes could arise through changes in the tax regime. This is monitored by the Board under advice from external advisers.

#### *Adverse Publicity (reputational damage)*

There is a threat of reputational damage from the activities of the Company. The Board ensures the Company's activities are fairly and accurately presented through its broker, via AIM and RNS announcements, press releases and the Company's website.

## Report of the Directors (continued)

### Principal risks and uncertainties (continued)

#### *Emerging risks*

A key emerging risk relates to the evolving regulatory landscape for medical devices, particularly in the United States, where MMI is pursuing FDA approval for its RESET<sup>®</sup> device. Changes in regulatory requirements, approval timelines, or post-market surveillance obligations could materially affect MMI's commercialisation strategy and valuation. The emergence of new, more effective, or more widely adopted competing therapies in the evolving obesity and Type 2 diabetes treatment markets could alter the competitive landscape. Additionally, third party capital funding shortfalls, geopolitical tensions and macroeconomic volatility – including inflationary pressures, interest rate uncertainty, and increased defence spending – may influence investor sentiment and capital availability for MMI and other portfolio companies.

### Alternative Performance Measures (“APMs”)

The Company assesses its performance using a variety of measures that are not specifically defined under IFRS and therefore termed APMs. The APMs that are used may not be directly comparable with those used by other companies. These APMs are detailed in full on page 59.

### Ongoing charges

For the year ended 30 June 2025 the ongoing charges ratio of the Company was 1.26% (2024: 1.50%). The ongoing charges ratio has been calculated using AIC recommended methodology and is made up as follows:

|                              | <i>Year ended</i><br><i>30 June 2025</i> | <i>Year ended</i><br><i>30 June 2024</i> |
|------------------------------|--|--|
| <b>Ongoing charges ratio</b> | £  | £  |
| Annualised ongoing expenses  | (1,568,265)                              | (1,306,411)                              |
| Weighted average NAV         | 123,992,059                              | 87,294,715                               |
| <b>Ongoing charges ratio</b> | <b>1.26%</b>                             | <b>1.50%</b>                             |

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the Company as a collective fund, excluding the costs of acquisition/disposal of investments, performance fees, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs. The ongoing charges ratio is calculated by dividing the annualised ongoing charges by the average NAV for the financial year.

### Directors

The Directors of the Company who served during the year and up to the date of this report are shown on page 59. Biographies of the Directors holding office as at 30 June 2025 and at the date of signing these Financial Statements are shown on page 22.

### Directors' interests

The interests of the Directors in the share capital of the Company at the year-end are disclosed in Note 16 on page 52.

### Directors' remuneration

The remuneration of the Directors during the year is disclosed in Note 16 on page 52.

## Report of the Directors (continued)

### Directors' responsibilities to stakeholders

Section 172 of the UK Companies Act 2006 applies directly to UK domiciled companies. Nonetheless the AIC Code requires that the matters set out in Section 172 are reported by all companies, irrespective of domicile. This requirement does not conflict with the Companies Law in Guernsey.

Section 172 recognises that Directors are responsible for acting in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of all of its Shareholders. In doing so, they are also required to consider the broader implications of their decisions and operations on other key stakeholders and the impact of those decisions on the wider community and the environment.

Key decisions are defined as those that are material to the Company, but also those that are significant to any of the Company's key stakeholder groups. The Company's engagement with its key stakeholders is discussed further in the corporate governance section of this report on page 14.

### Dividends

During the year ended 30 June 2025, the Company paid no dividends (2024: £nil) from distributable reserves, as disclosed in Note 13.

### Substantial interests

As at 30 June 2025 the Company had been aware of the following significant shareholders:

|   | <i>Number of<br/>Ordinary Shares</i> | <i>Total<br/>Voting Rights</i> |
|---|--------------------------------------|--------------------------------|
| Saba Capital Management                           | 16,548,531                           | 25.43%                         |
| Wirral BC   | 12,938,214                           | 19.88%                         |
| 1607 Capital Partners                             | 7,041,228                            | 10.82%                         |
| Crystal Amber Asset Management (Guernsey) Limited | 4,067,781                            | 6.25%                          |
| Noble Grossart Investments                        | 4,035,000                            | 6.20%                          |
| Philip J Milton, stockbrokers                     | 3,761,016                            | 5.78%                          |
| <b>Total</b>                                      | <b>48,391,770</b>                    | <b>74.36%</b>                  |

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards, as issued by the IASB, and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

## Report of the Directors (continued)

### Statement of Directors' responsibilities (continued)

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website ([www.crystalamber.com](http://www.crystalamber.com)), and for the preparation and dissemination of financial statements. Legislation in the United Kingdom and Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Disclosure of information to the Auditor

The Directors each confirm that they have complied with the above requirements in preparing the Financial Statements. They also confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and that they have taken all the steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Corporate governance

As a Guernsey registered company, the share capital of which is admitted to trading on AIM, the Company is not required to comply with the FRC Code. However, the Directors recognise the value of sound corporate governance and it is the Company's policy to comply with best practice on good corporate governance that is applicable to investment companies.

The Board has considered the principles and provisions of the AIC Code. The AIC addresses the principles and provisions set out in the FRC Code and includes additional provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC and the Guernsey Financial Services Commission, provides more relevant information to Shareholders. The Company has complied with the principles and provisions of the AIC Code. The AIC Code is available on the AIC's website, [www.theaic.co.uk](http://www.theaic.co.uk), which includes an explanation of how the AIC Code adapts the principles and provisions set out in the FRC Code to make them relevant for investment companies. The FRC Code is available on the FRC's website, [www.frc.org.uk](http://www.frc.org.uk).

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## Report of the Directors (continued)

### Corporate governance (continued)

The GFSC Code came into force in Guernsey on 1 January 2012. The Company is deemed to satisfy the GFSC Code if it continues to conduct its governance in accordance with the requirements of the AIC Code.

The Company adheres to a Stewardship Code adopted from 14 June 2016. The Company's Stewardship Code incorporates the principles of the UK Stewardship Code. A copy of the Stewardship Code is available on the Company's website.

### Environmental, social and governance report

As an investment company, the Company's activities only have a limited impact on the environment in which it operates. The Company has no employees, and its registered office is based in Guernsey, where all of the Directors reside, thus minimising the need for extensive travel to attend Board or other meetings, with associated environmental impact.

Responsible investment principles have been applied to each of the investments made. These policies require the Company to make reasonable endeavours to procure the ongoing compliance of its portfolio companies with its own policies on responsible investment. The Company is an activist fund which aims to identify and invest in undervalued companies and, where necessary, take steps to enhance their value. Following investment, the Company and its advisers will also typically engage with the management of those companies with a view to enhancing value for all their shareholders, in line with the UK Stewardship Code.

### Purpose, culture and values

Under the revised investment policy, the Company has adopted a strategy of maximising capital returns to Shareholders by way of timely disposals, including trade sales of the Company's strategic holdings, where appropriate and returns of cash to Shareholders.

The Board has considered the Company's culture and values. As an investment company with no employees, it is considered that the culture and values of the Board are aligned with those of the Investment Manager and Investment Adviser, with a focus on constructive long-term relationships with the Company's key stakeholders.

### The Board

The Company is led and controlled by a Board of Directors, which is collectively responsible for the long-term success of the Company. The Company believes that the composition of the Board is a fundamental driver of its success as the Board must provide strong and effective leadership of the Company. The current Board was selected, as their biographies illustrate, to bring a breadth of knowledge, skills, and business experience to the Company.

As at the date of this report, the Board comprises three Non-Executive Directors (2024: three), all of whom are considered to be independent of the Investment Manager and Investment Adviser and free from any business or other relationship that could materially interfere with the exercise of their judgement. Board appointments are considered by all members of the Board and have been made based on merit against objective criteria.

The Chairman of the Board is Christopher Waldron. The Board has taken note of the provisions of the AIC Code relating to independence and has determined that Mr Waldron is an independent director.

## Report of the Directors (continued)

### Corporate governance (continued)

#### *The Board (continued)*

The Company has no employees and therefore there is no requirement for a Chief Executive, nor has it established a Senior Independent Director due to the size of the Board and the Company. The Board is satisfied that any relevant issues that arise can be properly considered by the Board.

A biography for the Chairman and all the other Directors follows in the next section, which sets out the range of investment, financial and business skills and experience they bring to the Board. The Directors believe that the current mix of skills, experience and length of service represented on the Board are appropriate for the requirements of the Company.

In view of the Board's non-executive nature and the requirement of the Articles of Incorporation that one third of Directors retire by rotation at least every three years, the Board considers that it is not appropriate for Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code. In accordance with the publication of the 2019 AIC Code, which the Board adopted from 1 July 2019, all Directors will be subject to annual re-election.

None of the Directors has a contract of service with the Company. The Company has no executive Directors and no employees. However, the Board has engaged external companies to undertake the investment management, administrative and custodial activities of the Company. Clearly documented contractual arrangements are in place with these companies which define the areas where the Board has delegated certain responsibilities to them, but the Board retains accountability for all delegated responsibilities.

#### *Chair tenure policy*

The Company has adopted a chair tenure policy, whereby the Chair should normally serve no longer than nine years as a Director and Chair but, where it is considered to be in the best interests of the Company, its Shareholders and stakeholders, the Chair may serve for a limited time beyond that. In such circumstances, the independence of the other Directors will ensure that the Board as a whole remains independent.

The Company's view is that the continuity and experience of its Directors are important and that a suitable balance needs to be struck between the need for independence and refreshing the skills and expertise of the Board and continuity at this critical point in the Company's life-cycle. Therefore, the Company believes that some limited flexibility in its approach to Chair tenure is appropriate.

#### *Diversity policy*

The Company monitors developments in corporate governance to ensure the Board remains aligned with best practice with respect to the increased focus on diversity. The Company has a Board diversity policy, which acknowledges the importance of diversity, for the effective functioning of the Board and commits to supporting diversity in the boardroom. It is the Board's ongoing aspiration to have a well-diversified membership.

#### *Performance and evaluation*

Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis in the form of questionnaires, peer appraisal, and discussions to determine effectiveness and performance in various areas as well as the Directors' continued independence.

New Directors receive an induction on joining the Board, and all Directors receive other relevant training as necessary. Directors have regular contact with the Investment Manager to ensure that the Board remains regularly updated on all issues. All members of the Board are members of professional bodies and serve on other Boards, which ensures they are kept abreast of the latest technical developments in their areas of expertise.

## Report of the Directors (continued)

### Corporate governance (continued)

#### *Board responsibilities*

The Board is responsible to Shareholders for the overall management of the Company. The Board has adopted a set of reserved powers which set out the particular duties of the Board. Such reserved powers include decisions relating to the determination of investment policy and oversight of the Investment Manager and their advisers, strategy, risk assessment, Board composition, capital raising, statutory obligations and public disclosure, financial reporting and entering into any material contracts by the Company.

The Directors have access to the advice and services of the Administrator and Secretary, who are responsible to the Board for ensuring that Board procedures are followed and that it complies with the Companies Law and applicable rules and regulations of the GFSC and the London Stock Exchange. Where necessary, in carrying out their duties, the Directors may seek independent professional advice at the expense of the Company.

The Company maintains appropriate directors' and officers' liability insurance in respect of legal action against its Directors on an ongoing basis. Investment Advisory services are provided to the Company by Crystal Amber Advisers (UK) LLP through the Investment Manager. The Board is responsible for setting the overall investment policy and has delegated day to day implementation of the Company's strategy to the Investment Manager but retains responsibility to ensure that adequate resources of the Company are directed in accordance with their decisions. The Board monitors the actions of the Investment Adviser and Investment Manager at regular Board meetings. The Board has also delegated administration and company secretarial services to Ocorian Administration (Guernsey) Limited but retains accountability for all functions it delegates.

The Directors are responsible for ensuring the effectiveness of the internal controls of the Company which are designed to ensure that proper accounting records are maintained, the financial information on which business decisions are made and which is issued for publication is reliable, and the assets of the Company are safeguarded. A formal review of the effectiveness of the Company's risk management and internal control systems is conducted at least once a year and this was completed successfully during the year under review. A risk matrix is reviewed on a regular basis to monitor and manage risks faced by the Company.

The Board meets at least four times a year for regular, scheduled meetings and should the nature of the business of the Company require it, additional meetings may be held, some at short notice. Prior to each of its quarterly meetings, the Board receives reports from the Investment Adviser and Administrator covering activities during the period, performance of relevant markets, performance of the Company's assets, finance, compliance matters, working capital position and other areas of relevance to the Board.

There is regular contact between the Board, the Investment Manager, and the Administrator. The Directors maintain overall control and supervision of the Company's affairs.

There may be a requirement to hold Board meetings outside the scheduled quarterly meetings in order to review and consider investment opportunities and/or formal execution of documents and to consider ad hoc business.

Between meetings there is regular contact with the Investment Manager and the Administrator, and the Board requires information to be supplied in a timely manner by the Investment Manager, the Company Secretary and other advisers in a form and of a quality to enable it to discharge its duties.

The Board, through the Remuneration and Management Engagement Committee, is responsible for the appointment and monitoring of all service providers including the Investment Manager. It conducts a formal review of all service providers on an annual basis and confirms that such a review has taken place during the year.

## Report of the Directors (continued)

### Corporate governance (continued)

#### *Audit committee*

Due to the size of the Board, all Directors are members of the Audit Committee. Jane Le Maitre acts as Chair of the Committee. The responsibilities of the Committee include reviewing the Annual Report and Audited Financial Statements, the Interim Report and Financial Statements, the system of internal controls and risk management, and the terms of appointment and remuneration of the Auditor. It is also the forum through which the Auditor reports to the Board.

The Committee met four times in the year ended 30 June 2025. Matters considered at these meetings included but were not limited to:

- review of the accounting policies and format of the financial statements;
- review of the Annual Report and Audited Financial Statements for the year ended 30 June 2024;
- review of the Interim Report and Unaudited Interim Condensed Financial Statements for the six months ended 31 December 2024;
- review of the audit plan and timetable for the preparation of the Annual Report and Audited Financial Statements for the year ended 30 June 2025;
- discussions and approval of the fee for the external audit;
- assessment of the effectiveness of the external audit process as described below;
- review of the Company's significant risks and internal controls;
- review and consideration of the AIC Code, the GFSC Code and the Stewardship Code; and
- detailed review of the 2025 Annual Report in relation to the AIC Code and determining the period of assessment for the long-term viability of the Company.

The Committee considers the valuation of investments to be a significant matter in relation to these Financial Statements. The Company's accounting policy is to value investments as designated at fair value through profit or loss, and to recognise sales and purchases of those investments using trade date accounting. This is significant as the Company's investments amount to 91.0% (30 June 2024: 98.2%) of the NAV. The Committee has satisfied itself that the sources used for pricing and valuing the Company's Level 1, Level 2 and Level 3 investments are appropriate and reliable. Given the importance of MMI to the Fund, the Fund commissioned a further independent third-party valuation of MMI as at 30 June 2025. Further detail on the level 3 independent third-party valuation is outlined in note 14.

The Committee also reviews the objectivity and independence of the Auditor. The Board considers KPMG Audit Limited ("KPMG"), (formerly KPMG Channel Islands Limited) to be independent of the Company. The audit fees disclosed in the profit or loss section of the Statement of Profit or Loss and Other Comprehensive Income are in relation to the audit of the Financial Statements. KPMG did not receive any remuneration from the Company for non-audit services during the year.

The Committee assessed the effectiveness of the audit process by considering KPMG's fulfilment of the agreed audit plan through the reporting presented to the Committee by KPMG and discussions at Committee meetings which highlighted the major issues that arose during the course of the audit. In addition, the Committee also sought feedback from the Investment Manager and the Administrator on the effectiveness of the audit process. The Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be good.

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## Report of the Directors (continued)

### Corporate governance (continued)

#### *Audit committee (continued)*

The external audit was initially put out to tender in 2008 when the Company's shares were listed and admitted to trading on AIM and KPMG was appointed. The lead audit partner changed in 2010, 2015 and 2020. The current lead audit partner took charge in 2024. There are no obligations to restrict the Company's choice of external auditor. The external audit was put out to tender in 2017, and following a robust competitive tender process, the Committee concluded that the interests of the Company and its Shareholders would be best served by retaining the services of KPMG to provide a consistent audit approach.

The Board considers that an internal audit function specific to the Company is unnecessary and that the systems and procedures employed by the Investment Manager and the Administrator, including their own internal control functions, provide sufficient assurance that a sound system of internal control is maintained, which safeguards the Company's assets. Formal terms of reference for the Committee are available on the Company's website [www.crystalamber.com](http://www.crystalamber.com).

#### *Other committees*

Although the AIC Code recommends that companies appoint a Nomination Committee, as the Board is wholly comprised of non-executive Directors the Board has not deemed this necessary and as such all matters are considered by the full Board.

The Board has established a Remuneration and Management Engagement Committee. Due to the size of the Board, all Directors are members of this committee. Fred Hervouet acts as Chairman of the Committee. The Remuneration and Management Engagement Committee meets at least once a year pursuant to its terms of reference. It provides a formal mechanism for the review of the remuneration of the Chairman and Directors and review of the performance and remuneration of the Investment Manager, Investment Adviser and other service providers.

#### *Remuneration policy*

The Company aims to ensure remuneration is competitive, aligned with Shareholder interests, relatively simple and transparent, and compatible with the aim of attracting, recruiting and retaining suitably qualified and experienced directors.

In addition, the Board reviews the arrangements for the provision of management and other services to the Company on an ongoing basis.

#### *Board meetings, Committee meetings and Directors' attendance*

One of the key criteria the Company uses when selecting Directors is their confirmation prior to their appointment that they will be able to allocate sufficient time to the Company to discharge their responsibilities in a timely and effective manner.

The Board formally met four times during the year in addition to other ad hoc Board committee meetings called in relation to specific events or to issue approvals, often at short notice which did not necessarily require full attendance. Directors are encouraged to give the Chairman their views and comments in advance on matters to be discussed when they are unable to attend a meeting.

## Report of the Directors (continued)

### Corporate governance (continued)

#### *Board meetings, Committee meetings and Directors' attendance (continued)*

Attendance at the quarterly Board meetings is further set out below:

|                     | <i>Board</i> | <i>Audit<br/>Committee</i> | <i>Remuneration<br/>and Management<br/>Engagement<br/>Committee</i> | <i>Tenure as at<br/>30 June 2025</i> |
|---------------------|--------------|----------------------------|---|--------------------------------------|
| Christopher Waldron | 9 of 10      | 4 of 4                     | 1 of 1  | 11 years                             |
| Jane Le Maitre      | 10 of 10     | 4 of 4                     | 1 of 1  | 8 years, 2 months                    |
| Fred Hervouet       | 9 of 10      | 4 of 4                     | 1 of 1  | 7 years, 7 months                    |

In addition to the above, there was 1 additional Board committee meeting during the year.

#### *Engagement with stakeholders*

The Company is committed to maintaining good communications and building positive relationships with all stakeholders, including Shareholders, suppliers, investee companies, and the wider community and environment in which the Company and its investee companies operate. This includes regular engagement with the Company's Shareholders and other stakeholders by the Board, the Investment Manager, Investment Adviser and the Administrator. Regular feedback is provided to Board members to ensure they understand the views of stakeholders.

#### *Relations with Shareholders*

The Board welcomes the views of Shareholders and places great importance on communication with its Shareholders. Senior members of the Investment Adviser make themselves available to meet with principal Shareholders and key sector analysts. The Chairman and other Directors are also available to meet with Shareholders, if required.

All Shareholders have the opportunity to ask questions of the Company at its registered office. The Annual General Meeting of the Company provides a forum for Shareholders to meet and discuss issues with the Directors and Investment Adviser. Company information is also available to Shareholders on the Company's website [www.crystalamber.com](http://www.crystalamber.com).

The Board regularly monitors the shareholder profile of the Company and receives comprehensive shareholder reports from the Company's Broker at all quarterly board meetings.

The Company recognises that relationships with suppliers are enhanced by prompt payment and the Company's Administrator ensures all payments are processed within the contractual terms agreed with individual suppliers.

#### *Whistleblowing*

The Board has considered the AIC Code recommendations in respect of arrangements by which staff of the Investment Adviser or Administrator may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other issues. It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow up actions to be taken within their respective organisations.

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## Report of the Directors (continued)

### AIFM Directive

The Company is categorised as an externally managed non-EU AIF under the AIFM Directive. The Investment Manager of the Company is its non-EU AIFM and complies with all requirements of the AIFM Directive. The AIFM has adopted a remuneration policy which accords with the principles established by the AIFM Directive. The remuneration policy is in compliance with the requirements of the AIFM Directive and the guidance issued by the FCA. The Investment Manager in its capacity as the AIFM does not have any employees. Mark Huntley and Laurence McNairn of Crystal Amber Asset Management (Guernsey) Limited and as directors of the AIFM received total aggregate remuneration of £40,000 by way of a fixed fee for the year ended 30 June 2025. No variable fee elements of remuneration were paid to the Directors of the AIFM.

The AIFM Directive outlines the information which has to be made available to investors in an AIF and directs that material changes to this information must be disclosed in the Annual Report of the AIF. All information required to be disclosed under the AIFM Directive is either disclosed in this Annual Report or on the Company's website [www.crystalamber.com](http://www.crystalamber.com).

### AEOI Rules

Under AEOI Rules, the Company is registered under the FATCA and continues to comply with both FATCA and CRS requirements to the extent relevant to the Company.

### NMPI

The Board has been advised that the Company would satisfy the criteria for being an investment trust if it was resident in the UK. Accordingly, the Board has concluded that the Company's Ordinary shares are not non-mainstream pooled investments for the purposes of the FCA rules regarding the restrictions on the promotion to retail investors of unregulated collective investment schemes and close substitutes. This means that the restrictions on promotion imposed by the FCA rules do not apply to the Company. It is the Board's intention that the Company conducts its affairs so that these restrictions will continue to remain inapplicable.

### Independent auditor

On 1 October 2025, KPMG Channel Islands Limited changed its name to KPMG Audit Limited ("KPMG"). KPMG has agreed to offer itself for re-appointment as Auditor of the Company and a resolution proposing re-appointment and authorising the Directors to determine remuneration will be presented at the Annual General Meeting.

### Annual General Meeting

The Annual General Meeting of the Company will be held at 12:30pm on 2 December 2025 at the offices of Ocorian Administration (Guernsey) Limited, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey.

On behalf of the Board

**Christopher Waldron**  
*Chairman*

16 October 2025

**Jane Le Maitre**  
*Director*

16 October 2025

## Directors

**Christopher Waldron, Guernsey Resident, (appointed 1 July 2014)  
Non-Executive Chairman (with effect from 23 November 2017)**

Christopher Waldron has over 35 years' experience as an investment manager, specialising in fixed income, hedging strategies and alternative investment mandates and until 2013 was Chief Executive of the Edmond de Rothschild Group in the Channel Islands. Prior to joining the Edmond de Rothschild Group in 1999, Mr Waldron held investment management positions with Bank of Bermuda, the Jardine Matheson Group and Fortis but since 2013 he has been primarily an independent non-executive director of a number of listed funds and investment companies. From 2014 to 2020 he was a member of the States of Guernsey's Investment and Bond Sub-Committee, overseeing the management of the island's c.£3bn investment reserves. He is a Fellow of the Chartered Institute of Securities and Investment.

**Jane Le Maitre, Guernsey Resident, Non-Executive Director (appointed 8 May 2017)**

Jane Le Maitre has over 35 years' experience in the Finance Industry in the UK and Guernsey. She is a Fellow of the Institute of Chartered Accountants in England & Wales and a Chartered Tax Adviser. She trained in audit with Coopers & Lybrand in the UK before joining the tax and fiduciary division of KPMG (Channel Islands), becoming a Partner in 1995. She remained until 2000 before becoming a director in the fiduciary division at Kleinwort Benson moving to the Intertrust Group in Guernsey in 2005 during which she held a number of client and other Executive Board positions until September 2021. She is now an independent Director and Trustee of a number of private client structures and continues to hold executive positions in a number of unlisted property and investment holding entities.

**Fred Hervouet, Guernsey Resident, Non-Executive Director (appointed 6 December 2017)**

Fred Hervouet has over 25 years' experience of working in different areas of the Financial Markets and Asset Management Industry. His experience includes Fixed Income and Derivatives Markets, Structured Finance, Structured Products, Trading and Risk Management. Prior to moving to Guernsey in December 2013, he was Managing Director and Head of Commodity Derivatives Asia for BNP Paribas. He holds a number of non-executive director positions on LSE listed funds and Private Equity funds including Chenavari Toro Income Fund Limited, where he is Chairman. He holds a Masters' Degree in Financial Markets, Commodity Markets and Risk Management from University Paris Dauphine and an MSc in Applied Mathematics and International Finance. He is a member of the UK Association of Investment Companies.

In addition to their directorships of the Company, the Directors currently hold the following directorships of listed companies:

**Christopher Waldron**

Bluefield Solar Income Fund Limited

**Jane Le Maitre**

None at present

**Fred Hervouet**

Chenavari Toro Income Fund Limited

## **Independent Auditor's Report to the Members of Crystal Amber Fund Limited**

### **Our opinion is unmodified**

We have audited the financial statements of Crystal Amber Fund Limited (the "Company"), which comprise the statement of financial position as at 30 June 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

*In our opinion, the accompanying financial statements:*

- give a true and fair view of the financial position of the Company as at 30 June 2025, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards; and
- comply with the Companies (Guernsey) Law, 2008.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Key audit matters: our assessment of the risks of material misstatement**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters were as follows (unchanged from 2024):

## Independent Auditor's Report to the Members of Crystal Amber Fund Limited (continued)

### Key audit matters: our assessment of the risks of material misstatement (continued)

| The risk  | Our response  |
|---|---|
| <p><i>Valuation of financial assets designated at fair value through profit or loss.</i></p> <p>£105,604,308; (2024 £124,529,781)</p> <p>Refer to note 1 material accounting policies and note 9 and 14 disclosures</p> | <p><b>Basis:</b></p> <p>The Company has invested 91% of its net assets as at 30 June 2025 into equity investments (£105,604,308) (the "investments").</p> <p>The Company's listed or quoted equities (£18,717,060) are valued based on market prices obtained from a third-party pricing provider.</p> <p>The Company's unlisted investments (£86,887,248) are valued by using recognised valuation methodologies and models, in accordance with the International Private Equity and Venture Capital Valuation Guidelines.</p> <p><b>Risk:</b></p> <p>The valuation of the investments, given that they represent the majority of the net assets of the Company, is considered to be a significant area of our audit.</p> <p>Unlisted investments (representing 74.8% of net assets) are subject to a risk of fraud and error given the high level of subjectivity, estimation uncertainty and complexity when deriving a fair value.</p> <p>We determined that the valuation of unlisted investments have a high degree of estimation uncertainty giving rise to a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements disclose in note 14 the sensitivities estimated by the Company.</p>  |
|   | <p><b>Our audit procedures included:</b></p> <p><b>Control evaluation:</b></p> <p>We evaluated the design and implementation of the control over the valuation of investments.</p> <p><b>Listed or quoted equities valuations:</b></p> <p>For listed or quoted investments, we priced these investments to third party pricing sources.</p> <p><b>Challenging managements' unlisted investments valuation approach:</b></p> <p>For each of the unlisted investments, with the support of our KPMG valuation specialist where relevant, we:</p> <ul style="list-style-type: none"> <li>• held discussions with the Investment Adviser to understand and challenge the methodologies used in the valuation of the unlisted investments; and</li> <li>• assessed the appropriateness of the valuation methodology applied to each unlisted investment.</li> </ul> <p><b>Unlisted investment valuation methodology inputs and assumptions:</b></p> <p>For each of the unlisted investments, we:</p> <ul style="list-style-type: none"> <li>• corroborated significant investee company inputs used and challenged the reasonableness of the assumptions applied in their valuation models based on supporting documentation and/or observable market data (where possible);</li> <li>• for those valued based on unaudited net asset value ("NAV"), corroborated NAV to management information and assessed the reasonableness of this information by performing back-testing to the latest audited financial statements, taking into consideration the financial reporting standards applied and any modifications to the auditor's report;</li> <li>• for those valued using a sum of the parts valuation, assessed the reasonableness of management's determination of the unit of account and verified material inputs into the valuation, including agreement of an indicative offer for part of the business to a signed offer document and corroborated other significant inputs to management information and other supporting documents; and</li> <li>• with the support of our KPMG valuation specialist, for those valued utilising a discounted cash flow and probability-weighted expected returns method technique, benchmarked the discount rates and exit multiples used to observable market data and our KPMG valuation specialist's experience in valuing similar investments.</li> </ul> <p><b>Assessing disclosures:</b></p> <p>We considered the Company's disclosures (see note 1) in relation to the use of estimates and judgments regarding the valuation of investments and the Company's valuation policies adopted and fair value disclosures in notes 9 and 14 for compliance with IFRS.</p> <p>We assessed whether the disclosures around the sensitivities (see note 14) to changes in key assumptions reflect the risks inherent in the valuation of the Company's unlisted investments.</p> |

## Independent Auditor's Report to the Members of Crystal Amber Fund Limited (continued)

### Key audit matters: our assessment of the risks of material misstatement (continued)

| The risk   | Our response  |
|--|---|
| <p><b>Going concern:</b></p> <p>The Company has regularly submitted itself to continuation votes which requires 75% of the votes to continue as currently constituted ('the continuation vote'). At the 2021 AGM, the 75% threshold was not met.</p> <p>The outcome of the continuation vote resulted in a revision of the investment strategy of the Company.</p> <p>Refer to the Report of the Directors on pages 11 to 12 and note 1 of the financial statements on pages 33 to 34.</p> | <p><b>Basis:</b></p> <p>Following the outcome of the continuation vote at the 2021 AGM and the ensuing revision to the investment strategy of the Company, the financial statements explain how the Directors have formed a judgment that it is appropriate to adopt the going concern basis of preparation for the Company.</p> <p>The judgment is based on the Directors' intention for the Company to continue to actively manage for the foreseeable future its investment in Morpnic Medical Inc in order to maximise shareholder returns.</p> <p><b>Risk:</b></p> <p>Given the significance of the outcome of the continuation vote and the ensuing change to the investment strategy to the determination of the appropriate basis of preparation of the financial statements, this judgment is a significant area of our audit.</p> |
|  | <p><b>Our audit procedures included:</b></p> <p>We performed an assessment of the latest investment strategy of the Company and challenged the reasonability of the Directors' judgment by holding discussions with them and the Investment Manager regarding their intentions, future plans and available options for maximising the return on Morpnic Medical Inc.</p> <p>We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of the going concern basis of financial statement preparation for the Company, including the identified risks and dependencies.</p>   |

### Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £2,300,000 determined with reference to a benchmark of net assets of £116,224,370, of which it represents approximately 2.0% (2024:2.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2024: 75%) of materiality for the financial statements as a whole, which equates to £1,725,000. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £115,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

## **Independent Auditor's Report to the Members of Crystal Amber Fund Limited (continued)**

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were:

- Availability of capital to meet operating costs and other financial commitments;
- The outcome of the continuation vote and changes to the investment strategy of the Company (an explanation of how we evaluated management's assessment of going concern in relation to this is set out in the related key audit matter in section 2 of this report).

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in the notes to the financial statements to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of unquoted investments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

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## **Independent Auditor's Report to the Members of Crystal Amber Fund Limited (continued)**

### **Fraud and breaches of laws and regulations – ability to detect (continued)**

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias.

Further detail in respect of valuation of unquoted investments is set out in the key audit matter section of this report.

### **Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### **Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent Auditor's Report  
to the Members of Crystal Amber Fund Limited (continued)**

**We have nothing to report on other matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

**Respective responsibilities**

*Directors' responsibilities*

As explained more fully in their statement set out on page 17, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

*Auditor's responsibilities*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of this report and restrictions on its use by persons other than the Company's members, as a body**

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Emilie Vermeulen**

**For and on behalf of KPMG Audit Limited**

*Chartered Accountants and Recognised Auditors*

*Guernsey*

16 October 2025

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2025**

|  |       | 2025         |              |                    | 2024         |              |                   |
|--|-------|--------------|--------------|--------------------|--------------|--------------|-------------------|
|  | Notes | Revenue<br>£ | Capital<br>£ | Total<br>£         | Revenue<br>£ | Capital<br>£ | Total<br>£        |
| <b>Income</b>  |       |              |              |                    |              |              |                   |
| Interest received  |       | 40,096       | –            | <b>40,096</b>      | 70,578       | –            | <b>70,578</b>     |
|  |       | 40,096       | –            | <b>40,096</b>      | 70,578       | –            | <b>70,578</b>     |
| <b>Net gains on financial assets at FVTPL</b>                        |       |              |              |                    |              |              |                   |
| <b>Equities</b>  |       |              |              |                    |              |              |                   |
| Net realised gains   | 9     | –            | 6,069,324    | <b>6,069,324</b>   | –            | 2,315,402    | <b>2,315,402</b>  |
| Movement in unrealised (losses)/gains                                | 9     | –            | (4,019,691)  | <b>(4,019,691)</b> | –            | 55,637,676   | <b>55,637,676</b> |
| <b>Debt instruments</b>  |       |              |              |                    |              |              |                   |
| Movement in unrealised gains   | 9     | –            | 615,119      | <b>615,119</b>     | –            | 819,880      | <b>819,880</b>    |
| Net realised gains on CFDs   | 9     | –            | 2,168,734    | <b>2,168,734</b>   | –            | –            | <b>–</b>          |
|  |       | –            | 4,833,486    | <b>4,833,486</b>   | –            | 58,772,958   | <b>58,772,958</b> |
| <b>Total income</b>  |       | 40,096       | 4,833,486    | <b>4,873,582</b>   | 70,578       | 58,772,958   | <b>58,843,536</b> |
| <b>Expenses</b>  |       |              |              |                    |              |              |                   |
| Transaction costs  | 4     | –            | 92,174       | <b>92,174</b>      | –            | 50,422       | <b>50,422</b>     |
| Exchange movements on revaluation of investments and working capital |       | (851,982)    | 5,210,066    | <b>4,358,084</b>   | 121,576      | 78,072       | <b>199,648</b>    |
| Management fees  | 15,17 | 690,000      | –            | <b>690,000</b>     | 615,000      | –            | <b>615,000</b>    |
| Directors' remuneration  | 16    | 130,000      | –            | <b>130,000</b>     | 130,000      | –            | <b>130,000</b>    |
| Administration fees  | 17    | 164,781      | –            | <b>164,781</b>     | 96,841       | –            | <b>96,841</b>     |
| Custodian fees   | 17    | 61,377       | –            | <b>61,377</b>      | 40,186       | –            | <b>40,186</b>     |
| Audit fees   |       | 105,000      | –            | <b>105,000</b>     | 56,200       | –            | <b>56,200</b>     |
| Other expenses   |       | 706,665      | –            | <b>706,665</b>     | 368,183      | –            | <b>368,183</b>    |
|  |       | 1,005,841    | 5,302,240    | <b>6,308,081</b>   | 1,427,986    | 128,494      | <b>1,556,480</b>  |
| <b>(Loss)/return for the year</b>                                    |       | (965,745)    | (468,754)    | <b>(1,434,499)</b> | (1,357,408)  | 58,644,464   | <b>57,287,056</b> |
| <b>Basic and diluted (loss)/earnings per share (pence)</b>           |       |              |              |                    |              |              |                   |
|  | 5     | (1.38)       | (0.67)       | <b>(2.05)</b>      | (1.71)       | 73.36        | <b>71.65</b>      |

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 Financial Statements on pages 33 to 54 form an integral part of these Financial Statements.

**Statement of Financial Position**  
As at 30 June 2025

|   | <i>Notes</i> | 2025<br>£          | 2024<br>£          |
|---|--------------|--------------------|--------------------|
| <b>Assets</b>   |              |                    |                    |
| Cash and cash equivalents   | 7            | 10,935,462         | 2,301,175          |
| Trade and other receivables   | 8            | 247,277            | 76,167             |
| Financial assets designated at FVTPL  | 9            | 105,604,308        | 124,529,781        |
| <b>Total assets</b>   |              | <b>116,787,047</b> | <b>126,907,123</b> |
| <b>Liabilities</b>  |              |                    |                    |
| Trade and other payables  | 10           | 562,677            | 199,075            |
| <b>Total liabilities</b>  |              | <b>562,677</b>     | <b>199,075</b>     |
| <b>Equity</b>   |              |                    |                    |
| <b>Capital and reserves attributable to the Company's equity shareholders</b> |              |                    |                    |
| Share capital   | 11           | 846,238            | 997,498            |
| Treasury shares   | 12           | (19,298,454)       | (28,022,816)       |
| Distributable reserve   |              | 22,964,677         | 40,586,958         |
| Retained earnings   |              | 111,711,909        | 113,146,408        |
| <b>Total equity</b>   |              | <b>116,224,370</b> | <b>126,708,048</b> |
| <b>Total liabilities and equity</b>   |              | <b>116,787,047</b> | <b>126,907,123</b> |
| <b>NAV per share (pence)</b>  | 6            | 178.39             | 173.90             |

The Financial Statements were approved by the Board of Directors and authorised for issue on 16 October 2025.

**Christopher Waldron**  
*Chairman*

16 October 2025

**Jane Le Maitre**  
*Director*

16 October 2025

The Notes to the Financial Statements on pages 33 to 54 form an integral part of these Financial Statements.

**Statement of Changes in Equity**  
**For the year ended 30 June 2025**

| <i>Notes</i>                                 | <i>Share<br/>capital</i> | <i>Treasury<br/>shares</i> | <i>Distributable<br/>reserve</i> | <i>Capital</i> | <i>Retained earnings<br/>Revenue</i> | <i>Total</i> | <i>Total<br/>equity</i> |
|--|--------------------------|----------------------------|----------------------------------|----------------|--------------------------------------|--------------|-------------------------|
|  | £                        | £                          | £                                | £              | £                                    | £            | £                       |
| Opening balance at<br>1 July 2024            | 997,498                  | (28,022,816)               | 40,586,958                       | 123,554,686    | (10,408,278)                         | 113,146,408  | <b>126,708,048</b>      |
| Purchase of Ordinary shares<br>into Treasury | 12                       | –                          | (9,049,179)                      | –              | –                                    | –            | <b>(9,049,179)</b>      |
| Cancellation of treasury shares              | 11                       | (151,260)                  | 17,773,541                       | (17,622,281)   | –                                    | –            | –                       |
| Gains/(Losses) for the year                  |                          | –                          | –                                | (468,754)      | (965,745)                            | (1,434,499)  | <b>(1,434,499)</b>      |
| Balance at 30 June 2025                      | 846,238                  | (19,298,454)               | 22,964,677                       | 123,085,932    | (11,374,023)                         | 111,711,909  | <b>116,224,370</b>      |

**For the year ended 30 June 2024**

| <i>Notes</i>                                 | <i>Share<br/>capital</i> | <i>Treasury<br/>shares</i> | <i>Distributable<br/>reserve</i> | <i>Capital</i> | <i>Retained earnings<br/>Revenue</i> | <i>Total</i> | <i>Total<br/>equity</i> |
|--|--------------------------|----------------------------|----------------------------------|----------------|--------------------------------------|--------------|-------------------------|
|  | £                        | £                          | £                                | £              | £                                    | £            | £                       |
| Opening balance at<br>1 July 2023            | 997,498                  | (19,767,097)               | 40,586,958                       | 64,910,222     | (9,050,870)                          | 55,859,352   | <b>77,676,711</b>       |
| Purchase of Ordinary shares<br>into Treasury | 12                       | –                          | (8,255,719)                      | –              | –                                    | –            | <b>(8,255,719)</b>      |
| Gains/(Losses) for the year                  |                          | –                          | –                                | 58,644,464     | (1,357,408)                          | 57,287,056   | <b>57,287,056</b>       |
| Balance at 30 June 2024                      | 997,498                  | (28,022,816)               | 40,586,958                       | 123,554,686    | (10,408,278)                         | 113,146,408  | <b>126,708,048</b>      |

The Notes to the Financial Statements on pages 33 to 54 form an integral part of these Financial Statements.

**Statement of Cash Flows**  
For the year ended 30 June 2025

|  | <i>Notes</i> | 2025<br>£          | 2024<br>£          |
|--|--------------|--------------------|--------------------|
| <b>Cashflows from operating activities</b>                           |              |                    |                    |
| Bank interest received   |              | 36,365             | 70,578             |
| Management fees paid   |              | (575,000)          | (615,000)          |
| Directors' fees paid   |              | (130,000)          | (130,000)          |
| Other expenses paid  |              | (972,126)          | (692,871)          |
| <b>Net cash outflow from operating activities</b>                    |              | <b>(1,640,761)</b> | <b>(1,367,293)</b> |
| <b>Cashflows from investing activities</b>                           |              |                    |                    |
| Purchase of equity investments                                       | 9            | (11,693,195)       | (3,536,709)        |
| Sale of equity investments   | 9            | 30,307,017         | 14,506,694         |
| Purchase of debt instruments   | 9            | (1,560,847)        | (11,786,573)       |
| Sale of debt instruments   |              | –                  | 536,250            |
| Proceeds from CFDs   |              | 2,168,734          | –                  |
| Purchase of money market investments                                 | 4            | (92,174)           | (50,423)           |
| <b>Net cash inflow/(outflow) from investing activities</b>           |              | <b>19,129,535</b>  | <b>(330,761)</b>   |
| <b>Cashflows from financing activities</b>                           |              |                    |                    |
| Purchase of Ordinary shares into Treasury                            | 12           | (8,854,487)        | (8,255,719)        |
| <b>Net cash outflow from financing activities</b>                    |              | <b>(8,854,487)</b> | <b>(8,255,719)</b> |
| Net increase/(decrease) in cash and cash equivalents during the year |              | 8,634,287          | (9,953,773)        |
| Cash and cash equivalents at beginning of year                       |              | 2,301,175          | 12,254,948         |
| <b>Cash and cash equivalents at end of year</b>                      | 7            | <b>10,935,462</b>  | <b>2,301,175</b>   |

The Notes to the Financial Statements on pages 33 to 54 form an integral part of these Financial Statements.

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## Notes to the Financial Statements

### For the year ended 30 June 2025

#### 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 was expected to comprise primarily capital growth with the potential for distributions of up to 5p per share per annum following consideration of the accumulated retained earnings as well as the unrealised gains and losses at that time. Following changes to the Company’s investment policy in March 2022, the Company’s strategy is now to optimise outcomes for a decreasing number of special situations where the Company believes value can be realised regardless of market direction.

Morphic Medical Inc. (MMI) is an unconsolidated subsidiary of the Company and was incorporated in Delaware. As at 30 June 2025 it had 5 wholly-owned subsidiaries and its principal place of business is Boston. Refer to Note 15 for further information.

The Company’s Ordinary shares were listed and 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 55 to 57 unless separately defined.

#### 1. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been consistently applied to those balances considered material to the Financial Statements throughout the current year, unless otherwise stated.

#### Basis of preparation

The Financial Statements have been prepared to give a true and fair view, are in accordance with IFRS and the SORP “Financial Statements of Investment Trust Companies and Venture Capital Trusts” issued by the AIC in November 2014 and updated in January 2022 to the extent to which it is consistent with IFRS and comply with the Companies Law. The Financial Statements are presented in Sterling, the Company’s functional currency.

The Financial Statements have been prepared under the historical cost convention with the exception of financial assets designated at fair value through profit or loss (“FVTPL”).

#### *Investment Entities*

To determine whether the Company meets the definition of an investment entity, further consideration is given to the characteristics of an investment entity that are demonstrated by the Company.

The Company meets the definition of an investment entity on the basis of the following criteria:

- The Company obtains funds from multiple investors for the purpose of providing those investors with investment management services;
- The Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- The Company measures and evaluates the performance of substantially all its investments on a fair value basis.

**Notes to the Financial Statements**  
**For the year ended 30 June 2025 (continued)**

**1. MATERIAL ACCOUNTING POLICIES (continued)**

**Basis of preparation (continued)**

As the Company has met the definition of an investment entity under IFRS 10, it is exempt from preparing consolidated financial statements.

The Company has taken the exemption permitted by IAS 28 “Investments in Associates and Joint Ventures”, IFRS 10 “Consolidated Financial Statements” and IFRS 11 “Joint Arrangements” for entities similar to investment entities and measures its investments in subsidiaries and associates at fair value. The Directors consider a subsidiary to be an entity over which the Company has control. The Directors consider an associate to be an entity over which the Company has significant influence by means of owning between 20% and 50% of the entity’s shares. The Company’s subsidiaries and associates are disclosed in Note 15.

The Company meets the definition of an investment entity and complies with the disclosure requirements in IFRS 10, IFRS 12 and IAS 27.

**Going concern**

As at 30 June 2025, the Company had net assets of £116.2 million (30 June 2024: £126.7 million) and cash balances of £10.9 million (30 June 2024: £2.3 million) which are sufficient to meet current obligations as they fall due. At 30 June 2025, approximately 18% of the Company’s investment portfolio comprises readily realisable securities with a value of £18.7 million. £17.9 million of this was realised in July 2025, following the very successful exit of De La Rue.

The Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future and as a result of this, do not consider there to be any threat to the going concern status of the Company.

The Directors have also considered the result of the continuation vote which occurred at the 2021 AGM and results of the subsequent EGM which did not conclude that the Company should be wound up. Following the 2021 AGM, the Company was obliged to return to Shareholders with proposals to either reorganise, restructure, or wind up the Company. Following extensive Shareholder consultation, a new investment policy was put before Shareholders which prioritised the intention to maximise the return of capital representing a change of strategy. This change of investment policy was approved by Shareholders in March 2022.

At an Extraordinary General Meeting held on 28 October 2024, Shareholders voted to adopt and implement a B Share Scheme to enable the Company to pursue returns of capital over time to Shareholders by way of redemption of the B Shares following the full or partial realisation of the Company’s assets. As a result, the Company is able to make successive bonus issues of redeemable B Shares to Shareholders on a *pro rata* basis and redeem such B Shares for cash shortly thereafter without action being required by Shareholders, should this be appropriate.

The Board believes that it is still in the interests of Shareholders for the Company to adopt a strategy of maximising capital returned by way of timely disposals, including trade sales of the Company’s mature listed strategic holdings, where appropriate. The Company has a track record of returning cash to Shareholders via share buybacks and dividends. Since 2013, when the requirement for the continuation vote to be proposed at the 2021 AGM was introduced, over £110 million has been returned to Shareholders via such means.

The Company’s valuable shareholding in MMI now comprises 98% of its undiluted share capital. With CE Mark approval in place, MMI has commenced sales of RESET<sup>®</sup> in Germany and the UK. MMI continues to recruit patients for its FDA fast track approval pivotal study.

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**Notes to the Financial Statements**  
**For the year ended 30 June 2025 (continued)**

**1. MATERIAL ACCOUNTING POLICIES (continued)**

**Going concern (continued)**

As noted in the Chairman's Statement, the Board has and will continue to consult its larger Shareholders on making arrangements to seek Shareholder approval on the future strategy of the Company. In particular, as MMI is very likely to be the last investment held by the Company, the Board will consult with investors about the longer-term plans for MMI to realise value for the Company's Shareholders now that it has CE certification and once FDA approval of RESET<sup>®</sup> has been achieved. A trade sale is a potential crystallisation path. Alternatively, as the Company continues the disposal programme, it is possible that the Company's listing may provide a suitable and cost-effective vehicle for MMI to be listed, raise its profile and potentially, following the achievement of milestones, provide the Company's Shareholders with direct exposure to its growth prospects, as well as liquidity.

The Directors have considered the contributing factors set out above and are confident that the Company has adequate resources to continue in operational existence for the foreseeable future, and do not consider there to be any threat to the going concern status of the Company. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

**Use of estimates and judgements**

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the reported amounts in these Financial Statements. The determination that the Company is an investment entity is a critical judgement, as set out above. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances. Actual results may differ from these estimates. The unquoted equity and debt securities have been valued based on unobservable inputs (see Note 14).

**Foreign currency translation**

Monetary assets and liabilities are translated from currencies other than Sterling ('foreign currencies') to Sterling (the 'functional currency') at the rate prevailing on the reporting date. Income and expenses are translated from foreign currencies to Sterling at the rate prevailing at the date of the transaction. Exchange differences are recognised in the profit or loss section of the Statement of Profit or Loss and Other Comprehensive Income.

**Financial instruments**

Financial instruments comprise investments in equity, debt instruments, derivatives, trade and other receivables, cash and cash equivalents, and trade and other payables. Financial instruments are initially recognised at fair value. The cost of the instrument may be approximate of the fair value. Subsequent to initial recognition financial instruments are measured as described below.

**Notes to the Financial Statements**  
**For the year ended 30 June 2025 (continued)**

**1. MATERIAL ACCOUNTING POLICIES (continued)**

**Financial assets designated at FVTPL**

All the Company's investments including equity, debt instruments and derivative financial instruments are held at FVTPL. Financial instruments are initially recognised at fair value. The cost of the instrument may be indicative of the fair value. Transaction costs are expensed in the profit or loss section of the Statement of Profit or Loss and Other Comprehensive Income. Gains and losses arising from changes in fair value are presented in the profit or loss section of the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Purchases and sales of investments are recognised using trade date accounting. Quoted investments are valued at bid price on the reporting date or at realisable value if the Company has entered into an irrevocable commitment prior to the reporting date to sell the investment. Where investments are listed on more than one securities market, the price used is that quoted on the most advantageous market, which is deemed to be the market on which the security was originally purchased. If the price is not available as at the accounting date, the last available price is used. The valuation methodology adopted is in accordance with IFRS 13.

Loan notes are classified as debt instruments and are initially recognised at fair value. The cost of the instrument may be indicative of the fair value. Subsequent to initial recognition, loan notes are valued at fair value. In the absence of an active market, the Company determines the fair value of its unquoted investments by taking into account the International Private Equity and Venture Capital ("IPEV") guidelines.

**Contracts For Difference**

Contracts For Difference (CFDs) are classified as derivative financial instruments and are categorised at FVTPL. The Company uses CFDs to gain synthetic exposure to the price movements of underlying securities. These instruments are initially recognised at fair value on the date the contract is entered into, which is typically nil. They are subsequently re-measured at fair value at each reporting date. The fair value of a CFD is the unrealised gain or loss from revaluing the contract at the period-end by reference to the market price of the underlying instrument.

All changes in the fair value of CFDs, representing both unrealised gains and losses at the reporting date and realised gains and losses upon the settlement of the contracts, are recognised in the profit or loss section of the Statement of Profit or Loss and Other Comprehensive Income.

**Trade and other receivables**

The Company's trade and other receivables are classified as financial assets at amortised cost. They are measured at amortised cost less impairment assessed using the general approach of the expected credit loss model based on experience of previous losses and expectations of future losses.

**Trade and other payables**

The Company's trade and other payables are measured at amortised cost and include trade and other payables and other short term monetary liabilities which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

**Derecognition of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

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**Notes to the Financial Statements**  
**For the year ended 30 June 2025 (continued)**

**1. MATERIAL ACCOUNTING POLICIES (continued)**

**Derecognition of financial instruments (continued)**

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in the profit or loss section of the Statement of Profit or Loss and Other Comprehensive Income.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Any gain or loss on derecognition is recognised in the profit or loss section of the Statement of Profit or Loss and Other Comprehensive Income.

**Cash and cash equivalents**

The Company considers all highly liquid investments with original maturities of less than 90 days when acquired to be cash equivalents. Due to the credit rating of the financial institutions holding the Company's cash and cash equivalents, no impairment has been recognised.

**Share issue expenses**

Share issue expenses of the Company directly attributable to the issue and listing of its own shares are charged to the distributable reserve.

**Share capital**

Ordinary shares are classified as equity where there is no obligation to transfer cash or other assets.

**Dividends**

Dividends declared and paid during the year from distributable reserves are disclosed in the Statement of Changes in Equity. Dividends declared post year end are disclosed in the Notes to the Financial Statements.

**Distributable reserves**

Distributable reserves represent the amount transferred from the share premium account, approved by the Royal Court of Guernsey on 18 July 2008, and amounts transferred to distributable reserves in relation to the sale of Treasury shares above cost.

**Income**

Investment income and interest income have been accounted for on an accruals basis using the effective interest method. Dividend income is recognised in the profit or loss section of the Statement of Profit or Loss and Other Comprehensive Income when the relevant security is quoted ex-dividend.

The Company currently incurs withholding tax imposed by countries other than the UK on dividend income. These dividends are recorded gross of withholding tax in the profit or loss section of the Statement of Profit or Loss and Other Comprehensive Income.

**Notes to the Financial Statements**  
**For the year ended 30 June 2025 (continued)**

**1. MATERIAL ACCOUNTING POLICIES (continued)**

**Expenses**

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Statement of Profit or Loss and Other Comprehensive Income, all expenses have been presented as revenue items except as follows:

- expenses which are incidental to the acquisition and disposal of an investment are charged to capital; and
- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated. Accordingly, the performance fee is charged to capital, reflecting the Directors' expected long-term view of the nature of the investment returns of the Company.

**Treasury shares reserve**

The Company has adopted the principles outlined in IAS 32 'Financial Instruments: Presentation' and treats consideration paid including directly attributable incremental cost for the repurchase of Company shares held in Treasury as a deduction from equity attributable to the Company's equity holders until the shares are cancelled, reissued or sold. No gain or loss is recognised within the statement of Profit or Loss and Other Comprehensive Income on the purchase, sale, issue or cancellation of the Company's own equity investments.

Any consideration received, net of any directly attributable incremental transaction costs upon sale or re-issue of such shares, is included in equity attributable to the Company's equity holders.

**2. NEW STANDARDS AND INTERPRETATIONS**

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the Company were in issue but not yet effective and have not been early adopted or applied in these financial statements:

- Lack of exchangeability (Amendments to IAS 21), effective 1 January 2025.
- Amendments to the Classification and Measurements of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective 1 January 2026.
- Annual Improvements to IFRA Accounting Standards, effective 1 January 2026.
- IFRS 18 'Presentation and Disclosure in Financial Statements', effective 1 January 2027.
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures', effective 1 January 2027.

**Notes to the Financial Statements**  
**For the year ended 30 June 2025 (continued)**

**2. NEW STANDARDS AND INTERPRETATIONS (continued)**

IFRS 18: Presentation and Disclosure in Financial Statements: This Standard replaces IAS 1: Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged, effective for periods commencing 1 January 2027. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit and loss, namely operating, investing, financing, discontinued operations and income tax categories.
- Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change as a result of applying IFRS 18.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.
- All entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's Statement of Profit or Loss and Other Comprehensive Income and the Statement of Cash Flows.

The Company does not expect any standards issued by the IASB but not yet effective, other than IFRS 18, to have a material impact on the Company.

**3. TAXATION**

The Company is exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 2008 and is charged an annual fee of £1,200 (2024: £1,200).

**4. TRANSACTION COSTS**

The transaction charges incurred in relation to the acquisition and disposal of investments during the year were as follows:

|   | 2025   | 2024   |
|---|--------|--------|
|   | £      | £      |
| Stamp Duty  | 40,024 | 17,724 |
| <b>Commissions and custodian transaction charges:</b> |        |        |
| In respect of purchases                               | 21,388 | 12,364 |
| In respect of sales                                   | 30,762 | 20,334 |
|   | 92,174 | 50,422 |

**Notes to the Financial Statements**  
For the year ended 30 June 2025 (continued)

**5. BASIC AND DILUTED EARNINGS PER SHARE**

Earnings per share is based on the following data:

|   | 2025         | 2024        |
|---|--------------|-------------|
| (Loss)/return for the year                          | (£1,434,499) | £57,287,056 |
| Weighted average number of issued Ordinary shares   | 70,008,222   | 79,944,992  |
| Basic and diluted (loss)/earnings per share (pence) | (2.05)       | 71.65       |

**6. NAV PER SHARE**

NAV per share is based on the following data:

|  | 2025         | 2024         |
|--|--------------|--------------|
| NAV per Statement of Financial Position  | £116,224,370 | £126,708,048 |
| Total number of issued Ordinary shares<br>(excluding Treasury shares) at 30 June | 65,152,347   | 72,864,500   |
| NAV per share (pence)  | 178.39       | 173.90       |

**7. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash held by the Company available on demand. Cash and cash equivalents were as follows:

|                | 2025       | 2024      |
|----------------|------------|-----------|
|                | £          | £         |
| Cash on demand | 10,935,462 | 2,301,175 |

**8. TRADE AND OTHER RECEIVABLES**

|                        | 2025    | 2024   |
|------------------------|---------|--------|
|                        | £       | £      |
| <b>Current assets:</b> |         |        |
| Other receivables      | 234,772 | 56,143 |
| Prepayments            | 12,505  | 20,024 |
|                        | 247,277 | 76,167 |

There were no past due or impaired receivable balances outstanding at the year end (2024: £Nil).

**Notes to the Financial Statements**  
For the year ended 30 June 2025 (continued)

**9. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**

|   | <i>1 July 2024 to<br/>30 June 2025</i> | <i>1 July 2023 to<br/>30 June 2024</i> |
|---|--|--|
|   | £                                      | £                                      |
| Equity investments                                | 105,604,308                            | 104,163,131                            |
| Debt instruments                                  | –                                      | 20,366,650                             |
| <b>Financial assets designated at FVTPL</b>       | <b>105,604,308</b>                     | <b>124,529,781</b>                     |
| <b>Total financial assets designated at FVTPL</b> | <b>105,604,308</b>                     | <b>124,529,781</b>                     |
| <b>Equity investments</b>                         |  |  |
| Cost brought forward                              | 85,417,572                             | 94,072,155                             |
| Purchases   | 11,693,195                             | 3,536,709                              |
| Conversion of Loans                               | 23,229,084                             | –                                      |
| Sales   | (30,307,017)                           | (14,506,694)                           |
| Net realised gain                                 | 6,069,324                              | 2,315,402                              |
| Cost carried forward                              | 96,102,158                             | 85,417,572                             |
| Unrealised gains/(losses) brought forward         | 17,933,233                             | (37,704,443)                           |
| Movement in unrealised (losses)/gains             | (4,019,691)                            | 55,637,676                             |
| Unrealised gains carried forward                  | 13,913,542                             | 17,933,233                             |
| Effect of exchange rate movements                 | (4,411,392)                            | 812,326                                |
| <b>Fair value of equity investments</b>           | <b>105,604,308</b>                     | <b>104,163,131</b>                     |
| <b>Debt instruments</b>                           |  |  |
| Cost brought forward                              | 17,779,755                             | 10,713,124                             |
| Purchases   | 1,560,847                              | 7,602,881                              |
| Repayment of Loans                                | –                                      | (536,250)                              |
| Cost carried forward                              | 19,340,602                             | 17,779,755                             |
| Unrealised gains brought forward                  | 3,131,000                              | 2,311,120                              |
| Interest on loan                                  | 615,119                                | 819,880                                |
| Reclassification to other receivables             | (179,166)                              | –                                      |
| FX difference                                     | 321,529                                | (544,105)                              |
| Conversion to equity                              | (23,229,084)                           | –                                      |
| <b>Fair value of debt instruments</b>             | <b>–</b>                               | <b>20,366,650</b>                      |
| <b>Total financial assets designated at FVTPL</b> | <b>105,604,308</b>                     | <b>124,529,781</b>                     |

Total realised gains and losses and unrealised gains and losses on the Company's equity, debt and derivative financial instruments are made up of the following gain and loss elements:

|  | <i>2025</i> | <i>2024</i> |
|--|-------------|-------------|
|  | £           | £           |
| Realised gains   | 6,069,324   | 2,337,689   |
| Realised gains on CFDs   | 2,168,734   | –           |
| Realised losses  | –           | (22,287)    |
| Net realised gains in financial assets designated at FVTPL                               | 8,238,058   | 2,315,402   |
| (Decrease)/increase in unrealised gains  | (2,118,601) | 31,291,871  |
| (Increase)/decrease in unrealised losses   | (1,285,971) | 25,165,685  |
| (Decrease)/increase in unrealised (losses)/gains in financial assets designated at FVTPL | (3,404,572) | 56,457,556  |

On 13 January 2025, MMI converted £23,229,084 of debt owed to the Company into 194,358,367 common shares.

**Notes to the Financial Statements**  
For the year ended 30 June 2025 (continued)

**10. TRADE AND OTHER PAYABLES**

|                             | 2025    | 2024    |
|-----------------------------|---------|---------|
|                             | £       | £       |
| <b>Current liabilities:</b> |         |         |
| Accruals                    | 367,985 | 199,075 |
| Unsettled trade purchases   | 194,692 | –       |
|                             | 562,677 | 199,075 |

The carrying amount of trade payables approximates to their fair value.

**11. 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 (See note 12), is as follows:

|  | 2025         |           | 2024       |         |
|--|--------------|-----------|------------|---------|
|  | Number       | £         | Number     | £       |
| Opening balance  | 99,749,762   | 997,498   | 99,749,762 | 997,498 |
| Cancellation of treasury shares                                | (15,126,000) | (151,260) | –          | –       |
| Issued, called up and fully paid Ordinary shares of £0.01 each | 84,623,762   | 846,238   | 99,749,762 | 997,498 |

**Capital risk management**

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets.

In accordance with the Company's Memorandum and Articles of Incorporation, the retained earnings and distributable reserve shown in the Company's Statement of Financial Position at the year-end are distributable by way of dividend.

The Company may carry the returns of the Company to the distributable reserve or use them for any purpose to which the returns of the Company may be properly applied and either employed in the business of the Company or be invested, in accordance with applicable law. The distributable reserve includes the amount transferred from the share premium account which was approved by the Royal Court of Guernsey on 18 July 2008.

On 28 October 2024, following an Extraordinary General Meeting, the Company announced the adoption of a B Share Scheme such that the Board can pursue returns of capital over time to Shareholders by way of redemption of B Shares following the full or partial realisation of the Company's assets. The B Share Scheme provides the Company with a mechanism to return cash to Shareholders at such time or times as the Board may, at its absolute discretion, determine. B Shares may be issued to Shareholders (at no cost to Shareholders) *pro rata* to their holdings of Ordinary Shares at the time of issue of the B Shares and, shortly thereafter, redeemed and cancelled in accordance with their terms for a cash amount not exceeding the amount treated as paid up on the issue of the B Shares. Should this mechanism be used, the Company will not allot any fractions of B Shares and entitlements will be rounded down to the nearest whole B Share.

During the year ended 30 June 2025, the Company paid no dividends (2024: £nil) from distributable reserves, as disclosed in Note 13. No B shares were issued during the year.

**Notes to the Financial Statements**  
For the year ended 30 June 2025 (continued)

**11. SHARE CAPITAL AND RESERVES (continued)**

**Externally imposed capital requirement**

There are no capital requirements imposed on the Company.

**Rights attaching to shares**

The Ordinary shares carry the right to vote at general meetings and the entitlement to receive any dividends and surplus assets of the Company on a winding up.

**12. TREASURY SHARES RESERVE**

|   | 2025         |              | 2024       |            |
|---|--------------|--------------|------------|------------|
|   | Number       | £            | Number     | £          |
| Opening balance                           | 26,885,262   | 28,022,816   | 16,518,762 | 19,767,097 |
| Treasury shares purchased during the year | 7,712,153    | 9,049,179    | 10,366,500 | 8,255,719  |
| Treasury shares cancelled during the year | (15,126,000) | (17,773,541) | –          | –          |
| Closing balance                           | 19,471,415   | 19,298,454   | 26,885,262 | 28,022,816 |

During the year ended 30 June 2025, 7,712,153 Treasury shares were purchased at an average price of 117.34p per share (2024: 80.19p), representing an average discount to NAV at the time of purchase of 34.22%. No Treasury shares were sold during the year ended 30 June 2025 or 30 June 2024.

On 14 March 2025, 15,126,000 of the Company's ordinary shares of 1p each were cancelled. The average cost of these cancelled shares was 117.50p.

**13. DIVIDENDS**

No dividends were declared or paid during the year or prior year.

**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS**

**Financial risk management objectives**

The Investment Manager, Crystal Amber Asset Management (Guernsey) Limited and the Administrator, Ocorian Administration (Guernsey) Limited provide advice to the Company which allows it to monitor and manage financial risks relating to its operations through internal risk reports which analyse exposures by degree and magnitude of risk. The Investment Manager and the Administrator report to the Board on a quarterly basis. The risks relating to the Company's operations include credit risk, liquidity risk, and the market risks of interest rate risk, price risk and foreign currency risk. The Board has considered the sensitivity of the Company's financial assets and monitors the range of reasonably possible changes in significant observable inputs on a regular basis and does not consider that any changes are required this year to the categories used in prior years.

**Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will default on its contractual obligations with the Company, resulting in financial loss to the Company. At 30 June 2025 the major financial assets which were exposed to credit risk included financial assets designated at FVTPL and cash and cash equivalents.

The carrying amounts of financial assets best represent the maximum credit risk exposure at 30 June 2025. The Company's credit risk on liquid funds is minimised because the counterparties are banks with high credit ratings assigned by an international credit-rating agency.

**Notes to the Financial Statements**  
For the year ended 30 June 2025 (continued)

**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Credit risk (continued)**

The table below shows the cash balances at the accounting date and the S&P credit rating for each counterparty at that date.

|  |                 |               | <i>Cash</i><br><i>Balance</i><br>2025 | <i>Cash</i><br><i>Balance</i><br>2024 |
|--|-----------------|---------------|---------------------------------------|---------------------------------------|
|  | <i>Location</i> | <i>Rating</i> | <i>£</i>                              | <i>£</i>                              |
| Butterfield Bank (Channel Islands) Limited | Guernsey        | BBB+          | 10,840,652                            | 2,183,585                             |
| Barclays Bank Plc – Isle of Man Branch     | Isle of Man     | A+            | 94,810                                | 117,590                               |
|  |                 |               | 10,935,462                            | 2,301,175                             |

The credit ratings disclosed above are the credit ratings of the parent entities of each of the counterparties being The Bank of N.T. Butterfield & Son Limited and Barclays Bank Plc.

The Company's credit risk on financial assets designated at FVTPL arises on debt instruments. The Company's credit risk on financial assets designated at FVTPL is considered acceptable as debt instruments make up only a small percentage of the financial assets. The Company is also exposed to credit risk on financial assets with its brokers for unsettled transactions. This risk is considered minimal due to the short settlement period involved and the high credit quality of the brokers used. There are no credit ratings available for the debt instruments held by the Company. At 30 June 2025, £116,444,960 (2024: £106,346,715) of the financial assets of the Company were held by the Custodian, Butterfield Bank (Guernsey) Limited.

Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to financial assets held by the Custodian to be delayed or limited. 90% (2024: 82%) of the Company's financial assets are held by the Custodian in segregated accounts. The Company monitors its risk by monitoring the credit quality and financial position of the Custodian. The parent of the Custodian has an S&P credit rating of BBB+ (2024: BBB+). The remaining balance of financial assets of £342,087 (2024: £20,560,407) includes £94,810 (2024: £117,590) cash held by Barclays Bank Plc, £247,277 (2024: £76,167) trade receivables and £nil (2024: £20,187,483) loan notes issued by MMI and £nil (2024: £179,166) loan notes issued by Sigma Broking Limited.

**Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its obligations arising from financial liabilities. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate framework for the management of the Company's liquidity requirements.

The Company adopts a prudent approach to liquidity risk management and maintains sufficient cash reserves to meet its obligations. All the Company's Level 1 investments are listed and are subject to a settlement period of three days.

**Notes to the Financial Statements**  
For the year ended 30 June 2025 (continued)

**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Liquidity risk**

The following tables detail the Company's expected and contractual maturities for its financial assets and liabilities:

| 2025                               | <i>Weighted average<br/>interest rate</i> | <i>Less than<br/>1 year<br/>£</i> | <i>More than<br/>1 year<br/>£</i> | <i>Total<br/>£</i> |
|------------------------------------|---|-----------------------------------|-----------------------------------|--------------------|
| <b>Assets</b>                      |   |                                   |                                   |                    |
| Non-interest bearing               |   | 27,709,199                        | 78,142,386                        | 105,851,585        |
| Variable interest rate instruments | 0.29%                                     | 10,935,462                        | –                                 | 10,935,462         |
| <b>Liabilities</b>                 |   |                                   |                                   |                    |
| Non-interest bearing               |   | (562,677)                         | –                                 | (562,677)          |
|                                    |   | 38,081,984                        | 78,142,386                        | 116,224,370        |

| 2024                               | <i>Weighted average<br/>interest rate</i> | <i>Less than<br/>1 year<br/>£</i> | <i>More than<br/>1 year<br/>£</i> | <i>Total<br/>£</i> |
|------------------------------------|---|-----------------------------------|-----------------------------------|--------------------|
| <b>Assets</b>                      |   |                                   |                                   |                    |
| Non-interest bearing               |   | 44,283,921                        | 59,955,378                        | 104,239,299        |
| Variable interest rate instruments | 0.29%                                     | 2,301,175                         | –                                 | 2,301,175          |
| Fixed interest rate instruments    | 5.00%                                     | 12,445,389                        | –                                 | 12,445,389         |
| Fixed interest rate instruments    | 7.50%                                     | 7,921,260                         | –                                 | 7,921,260          |
| <b>Liabilities</b>                 |   |                                   |                                   |                    |
| Non-interest bearing               |   | (199,075)                         | –                                 | (199,075)          |
|                                    |   | 66,752,670                        | 59,955,378                        | 126,708,048        |

**Market risk**

The Company is exposed through its operations to market risk which encompasses interest rate risk, price risk and foreign exchange risk.

**Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as it has current account balances with variable interest rates and debt instruments at fair value through profit or loss. The Company's exposure to interest rates is detailed in the liquidity risk section of this note. Interest rate repricing dates are consistent with the maturities stated in the liquidity risk section of this note.

The Investment Manager monitors market interest rates and will place interest bearing assets at best available rates but will also take the counterparty's credit rating and financial position into consideration.

The cash at hand balances are the only assets with variable interest rates and the movement in variable interest rates is an immaterial amount, therefore, no sensitivity analysis for the movement is disclosed.

**Notes to the Financial Statements**  
**For the year ended 30 June 2025 (continued)**

**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Price risk**

Price risk is the risk that the fair value of investments will fluctuate as a result of changes in market prices. This risk has been historically managed through diversification of the investment portfolio across business sectors although there has been no guarantee that the value would not rise above 20% of gross assets after any investment was made, particularly where it was believed that an investment was exceptionally attractive. However, as the Company continues to realise assets, it is inevitably exposed to concentration risk, which will increase the weighting of the remaining holdings.

The following tables detail the Company's equity investments as at 30 June 2025:

| 2025                      |                           | <i>Value</i>       | <i>Percentage</i>      |
|---------------------------|---------------------------|--------------------|------------------------|
| <i>Equity Investments</i> | <i>Sector</i>             | <i>£</i>           | <i>of Gross Assets</i> |
| Morphic Medical Inc USD   | Healthcare                | 78,142,386         | 67                     |
| De La Rue Plc             | Commercial Services       | 17,948,240         | 15                     |
| Sigma Broking Limited     | Financial Services        | 4,950,000          | 4                      |
| Allied Minds Plc          | Private Equity            | 3,794,860          | 3                      |
| Sutton Harbour Plc        | Industrial Transportation | 768,822            | 1                      |
| <b>Total</b>              |                           | <b>105,604,308</b> | <b>90</b>              |

| 2024                      |                           | <i>Value</i>       | <i>Percentage</i>      |
|---------------------------|---------------------------|--------------------|------------------------|
| <i>Equity Investments</i> | <i>Sector</i>             | <i>£</i>           | <i>of Gross Assets</i> |
| Morphic Medical Inc USD   | Healthcare                | 59,955,378         | 47                     |
| De La Rue Plc             | Commercial Services       | 31,614,000         | 25                     |
| Sigma Broking Limited     | Financial Services        | 6,794,101          | 5                      |
| Allied Minds Plc          | Private Equity            | 4,471,681          | 4                      |
| Sutton Harbour Plc        | Industrial Transportation | 1,327,971          | 1                      |
| <b>Total</b>              |                           | <b>104,163,131</b> | <b>82</b>              |

The Company has assessed the price risk of the listed equity and debt holdings based on a potential 25% (2024: 25%) increase/decrease in market prices, which the Company believes represents the effect of a possible change in market prices and provides consistent analysis for Shareholders, as follows:

At the year end and assuming all other variables are held constant:

- If market prices of listed equity and debt had been 25% higher (2024: 25% higher), the Company's return and net assets for the year ended 30 June 2025 would have increased by £4,679,265 net of any impact on performance fee accrual (2024: £8,235,493);
- If market prices of listed equity and debt financial instruments had been 25% lower (2024: 25% lower), the Company's return and net assets for the year ended 30 June 2025 would have decreased by £4,679,265, net of any impact on performance fee accrual (2024: decreased by £8,235,493 reflecting the effect of the equity and debt financial instruments held at the reporting date); and
- There would have been no impact on the other equity reserves.

**Notes to the Financial Statements**  
For the year ended 30 June 2025 (continued)

**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Concentration risk**

Concentration risk is the risk that a lack of diversification exposes the Company to heightened losses should one or more of its key investments decline in value. This is an inherent risk of the Company's activist strategy, which requires holding sufficiently large stakes to engage effectively with investee companies. This risk has become more pronounced as the Company executes its realisation strategy; successful exits from some holdings naturally increase the portfolio weighting of the remaining assets.

As at 30 June 2025, the Company's portfolio was highly concentrated. The largest holding, the unlisted equity investment in MMI, represented 67% of the Company's gross assets. The top two holdings combined (MMI and De La Rue ) constituted 82% of gross assets. Following the sale of the Company's entire holding in De La Rue in July 2025, the concentration in MMI has become even more significant. Consequently, the Company's Net Asset Value is disproportionately dependent on the performance and valuation of this single asset, meaning any adverse developments affecting MMI could have a material impact on the Company's overall financial position and returns to shareholders.

The following tables detail the investments in which the Company holds more than 20% of the relevant entities. These have been recognised at fair value as the Company is regarded as an investment entity as set out in Note 1.

| <i>2025</i>               |                          | <i>Place of</i>      | <i>Percentage Ownership</i> |
|---------------------------|--------------------------|----------------------|-----------------------------|
| <i>Equity Investments</i> | <i>Place of Business</i> | <i>Incorporation</i> | <i>Interest</i>             |
| Morphic Medical Inc       | United States            | United States        | 98.0%                       |

  

| <i>2024</i>               |                          | <i>Place of</i>      | <i>Percentage Ownership</i> |
|---------------------------|--------------------------|----------------------|-----------------------------|
| <i>Equity Investments</i> | <i>Place of Business</i> | <i>Incorporation</i> | <i>Interest</i>             |
| Morphic Medical Inc.      | United States            | United States        | 95.3%                       |

**Foreign exchange risk**

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates and arises when the Company invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency. During the year, the Company was exposed to foreign exchange risk arising from equity and debt investments and financial instruments held in US Dollars (2024: US Dollars).

The table below illustrates the Company's exposure to foreign exchange risk at 30 June 2025;

|   | <i>2025</i>       | <i>2024</i>       |
|---|-------------------|-------------------|
|   | <i>£</i>          | <i>£</i>          |
| <b>Financial assets designated at FVTPL:</b>          |                   |                   |
| Unlisted equity investments denominated in US Dollars | 78,142,386        | 59,955,378        |
| Debt instruments denominated in US Dollars            | –                 | 20,187,483        |
| <b>Total assets</b>                                   | <b>78,142,386</b> | <b>80,142,861</b> |

If the US Dollar weakened/strengthened by 10% (2024: 10%) against Sterling with all other variables held constant, the fair value of debt instruments would increase/decrease by £nil (2024: £2,018,748) and the fair value of the unlisted equity investments would increase/decrease by £7,814,239 (2024: £5,995,538).

**Notes to the Financial Statements**  
**For the year ended 30 June 2025 (continued)**

**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**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 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 to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date.

The following tables analyse within the fair value hierarchy the Company's financial assets measured at fair value at 30 June 2025 and 30 June 2024:

|  | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
|--|----------------|----------------|----------------|--------------|
| <i>2025</i>                                      | <i>£</i>       | <i>£</i>       | <i>£</i>       | <i>£</i>     |
| <b>Financial assets designated at FVTPL:</b>     |                |                |                |              |
| Equity investments – listed equity investments   | 17,948,235     | 768,825        | –              | 18,717,060   |
| Equity investments – unlisted equity investments | –              | –              | 86,887,248     | 86,887,248   |
|  | 17,948,235     | 768,825        | 86,887,248     | 105,604,308  |

**Notes to the Financial Statements**  
For the year ended 30 June 2025 (continued)

**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Fair value measurements (continued)**

| 2024  | Level 1<br>£ | Level 2<br>£ | Level 3<br>£ | Total<br>£  |
|---|--------------|--------------|--------------|-------------|
| <b>Financial assets designated at FVTPL:</b>      |              |              |              |             |
| Equities investments– listed equity investments   | 31,614,000   | 1,327,971    | –            | 32,941,971  |
| Equities investments– unlisted equity investments | –            | –            | 71,221,160   | 71,221,160  |
| Debt – loan notes                                 | –            | –            | 20,366,650   | 20,366,650  |
|   | 31,614,000   | 1,327,971    | 91,587,810   | 124,529,781 |

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

The Level 2 equity investment relates to Sutton Harbour due to the low volume of trading activity in the market for this investment but has been valued by reference to the closing bid price in the investee company on the reporting date.

The Level 3 equity investment in Allied Minds (which delisted on 30 November 2022) was valued at the Net Asset Value per share on 30 June 2025 converted at an exchange rate of \$1.3734 to £1 and reduced by a 25% liquidity discount to reflect the nature and risks associated with the underlying portfolio of Allied Minds and the likelihood of being able to realise the investment at Net Asset Value. The Level 3 equity (and in 2024 debt) investments in MMI were valued by reference to an independent third-party valuation commissioned by the Company. The valuer reported a range of valuations using discounted cash flow techniques and a probability-weighted expected returns method in the event of a trade sale or IPO. The total valuation was then allocated through a waterfall to the Series A shares and common stock owned by the Company. The Level 3 equity investment in Sigma Broking Limited was valued by reference to the valuation of three separate constituent parts, which included the broking business, a wealth management business and Novum Investment Management. Advanced negotiations are ongoing regarding sale of the broking business.

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

**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:

|  | 2025<br>£   | 2024<br>£  |
|--|-------------|------------|
| Opening balance at 1 July 2024/1 July 2023 | 91,587,810  | 43,032,574 |
| Purchases                                  | 5,263,312   | 7,602,881  |
| Movement in unrealised (loss)/gain         | (5,440,279) | 41,688,252 |
| Sales                                      | –           | (536,250)  |
| Effect of exchange rate movements          | (4,523,595) | (199,647)  |
| Closing balance at 30 June 2025/2024       | 86,887,248  | 91,587,810 |

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 Financial Statements**  
For the year ended 30 June 2025 (continued)

**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Fair value hierarchy – Level 3 (continued)**

The table below provides information on significant unobservable inputs used at 30 June 2025 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.

|                                      | <i>Valuation Method</i>                   | <i>Fair Value at<br/>30 June 2025</i> | <i>Unobservable<br/>inputs</i>                  | <i>Factor</i> | <i>Sensitivity to<br/>changes in significant<br/>unobservable inputs</i>   |
|--------------------------------------|---|---------------------------------------|---|---------------|--|
| <b>Morphic<br/>Medical Inc</b>       | <b>Discounted cash flow<br/>and PWERM</b> | <b>£78,142,386</b>                    | Discount rate                                   | 30%           | An increase (decrease) in the discount rate by 2% (2%) would reduce (increase) FV by £9.4m (£10.9m)  |
|                                      |   |                                       | <i>Revenue exit<br/>multiples used</i>          |               |  |
|                                      |   |                                       | Discounted cash flow                            | 5.00x         | An increase (decrease) in the exit multiple by 1x (1x) would increase (reduce) FV by £4.6m (£4.6m)   |
|                                      |   |                                       | Trade Sale pre FDA approval scenario            | 8.50x         | An increase (decrease) in the exit multiple by 1x (1x) would increase (reduce) FV by £0.1m (£0.1m)   |
|                                      |   |                                       | Trade Sale post FDA approval scenario           | 9.50x         | An increase (decrease) in the exit multiple by 1x (1x) would increase (reduce) FV by £1.6m (£1.6m)   |
|                                      |   |                                       | IPO scenario                                    | 5.50x         | An increase (decrease) in the exit multiple by 1x (1x) would increase (reduce) FV by £2.2m (£2.2m)   |
|                                      |   |                                       | <i>Probability weightings</i>                   |               |  |
|                                      |   |                                       | Weightings Trade Sale pre FDA approval scenario | 5%            | An increase (decrease) in the probability assigned to the trade sale pre FDA approval to 10% (0%) with equal weightings to the other 2 scenarios would reduce (increase) FV by |
|                                      |   |                                       | Trade Sale post FDA approval scenario           | 47.50%        | £1.1m (£1.1m)  |
|                                      |   |                                       | IPO scenario                                    | 47.50%        | £1.1m (£1.1m)  |
| <b>Sigma<br/>Broking<br/>Limited</b> | <b>Sum of Parts</b>                       | <b>£4,950,000</b>                     | N/A   | N/A           | N/A  |
| <b>Allied<br/>Minds</b>              | <b>NAV</b>                                | <b>£3,794,860</b>                     | Illiquidity discount                            | 25%           | An increase (decrease) in the liquidity discount to 35% (to 15%) would reduce (increase) FV by £0.5m   |

**Notes to the Financial Statements**  
For the year ended 30 June 2025 (continued)

**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Fair value hierarchy – Level 3 (continued)**

|                                      | <i>Valuation Method</i>                   | <i>Fair Value at<br/>30 June 2025</i> | <i>Unobservable<br/>inputs</i>                  | <i>Factor</i>   | <i>Sensitivity to<br/>changes in significant<br/>unobservable inputs</i>   |
|--------------------------------------|---|---------------------------------------|---|---|--|
| <b>Morphic<br/>Medical Inc</b>       | <b>Discounted cash flow<br/>and PWERM</b> | <b>£59,955,378</b>                    | Discount rate                                   | 30%   | An increase (decrease) in the discount rate to 32% (28%) would reduce (increase) FV by £9.9m (£11.6m).   |
|                                      |   |                                       | Revenue<br>Exit Multiple                        | 7.5x  | A decrease (increase) in the exit multiple to 8.5x (6.5x) would reduce (increase) FV by £7.0m (£7.0m).   |
|                                      |   |                                       | Trade Sale<br>Revenue Exit<br>Scenario Multiple | 10.5x   | An increase (decrease) in the exit multiple to 11.5x (9.5x) would reduce (increase) FV by £3.3m (£3.3m).   |
|                                      |   |                                       | Probability<br>Weightings                       | 5%<br>liquidation<br>scenario<br><br>47.5% trade<br>sale post<br>FDA approval<br><br>47.5%<br>IPO<br>scenario | An increase (decrease) in the liquidation scenario to 10% (2.5%) with equal weightings to the other two scenarios would reduce (increase) FV by £2.7m (£1.4m). |
| <b>Sigma<br/>Broking<br/>Limited</b> | <b>Third party funding</b>                | <b>£6,794,101</b>                     | N/A   | N/A   | N/A  |
| <b>Allied<br/>Minds</b>              | <b>NAV</b>                                | <b>£4,471,681</b>                     | Illiquidity<br>discount                         | 25%   | An increase (decrease) in the liquidity discount to 35% (to 15%) would reduce (increase) FV by £0.6m.  |

**15. 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 (2024: 10,000) Ordinary shares in the Company, representing 0.01% (2024: 0.01%) of the voting share capital of the Company at the year end.

During the year, the Company incurred management fees payable to the Investment Manager of £690,000 (2024: £615,000) of which £115,000 were outstanding at the year-end (2024: £nil). No performance fees were incurred in the year (2024: £nil) and none were outstanding at the year-end (30 June 2024: £nil). Details of the revised Investment Management Agreement announced on 23 October 2023 is included in note 17.

As at 30 June 2025, the Investment Manager held 4,067,781 Ordinary shares (2024: 6,299,031) of the Company, representing 6.24% (2024: 8.64%) of the voting share capital. Richard Bernstein is the majority shareholder of the Investment Manager.

**Notes to the Financial Statements**  
For the year ended 30 June 2025 (continued)

**15. RELATED PARTIES (continued)**

As at 30 June 2025, the Company holds its investment in MMI an unconsolidated subsidiary due to the Company's undiluted 98% holding in the voting share capital of MMI. There is no restriction on the ability of MMI to pay cash dividends or repay loans, but it is unlikely that MMI will make any distribution or loan repayments given its current strategy. During the year, the Company purchased unsecured convertible loan notes of \$2.0 million (not driven by any contractual obligation) for the purpose of supporting MMI in pursuing its strategy. These loan notes were converted to equity in January 2025. After conversion, the Company made an additional equity investment of \$4.0 million in MMI.

MMI was incorporated in Delaware, had five wholly owned subsidiaries as at 30 June 2025 and its principal place of business is Boston. The five subsidiaries were as follows:

- Morphic Medical Securities Inc., a Massachusetts-incorporated non-trading entity;
- Morphic Medical Europe Holding B.V., a Netherlands-incorporated non-trading holding company;
- Morphic Medical Europe B.V., a Netherlands-incorporated company that conducts certain European business operations;
- Morphic Medical Germany GmbH, a German-incorporated company that conducts certain European business operations; and
- Morphic Medical UK Ltd, a UK-incorporated company that conducts UK business operations.

**16. DIRECTORS' INTERESTS AND REMUNERATION**

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

|                                     | 2025                                     |                                    | 2024                                     |                                    |
|-------------------------------------|--|------------------------------------|--|------------------------------------|
|                                     | <i>Number of<br/>Ordinary<br/>shares</i> | <i>Total<br/>voting<br/>rights</i> | <i>Number of<br/>Ordinary<br/>shares</i> | <i>Total<br/>voting<br/>rights</i> |
| Christopher Waldron <sup>(1)*</sup> | 30,000                                   | 0.04%                              | 30,000                                   | 0.04%                              |
| Jane Le Maitre <sup>(1)</sup>       | 13,500                                   | 0.02%                              | 13,500                                   | 0.02%                              |
| Fred Hervouet                       | 7,500                                    | 0.01%                              | 7,500                                    | 0.01%                              |
| <b>Total</b>                        | <b>51,000</b>                            | <b>0.07%</b>                       | <b>51,000</b>                            | <b>0.07%</b>                       |

<sup>(1)</sup> Ordinary shares held indirectly

\* held by persons closely associated to him

During the year, the Directors earned the following remuneration in the form of Directors' fees from the Company:

|                                    | 2025           | 2024           |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Christopher Waldron <sup>(1)</sup> | 47,500         | 47,500         |
| Jane Le Maitre <sup>(2)</sup>      | 42,500         | 42,500         |
| Fred Hervouet <sup>(3)</sup>       | 40,000         | 40,000         |
| <b>Total</b>                       | <b>130,000</b> | <b>130,000</b> |

<sup>(1)</sup> Chairman of the Company with effect from 23 November 2017.

<sup>(2)</sup> Chairman of Audit Committee with effect from 4 January 2018.

<sup>(3)</sup> Chairman of Remuneration and Management Engagement Committee with effect from 22 November 2019

At 30 June 2025, Directors' fees of £32,500 (2024: £32,500) were accrued within trade and other payables.

**Notes to the Financial Statements**  
**For the year ended 30 June 2025 (continued)**

**17. MATERIAL AGREEMENTS**

The Company was party to the following material agreements:

**Crystal Amber Asset Management (Guernsey) Limited**

In accordance with the revised Investment Management Agreement approved by shareholders on 7 March 2022 the management fee payable to the investment manager was intended to cease on 31 December 2023. In order to ensure that the Fund continued to have active portfolio management post 2023, a new Investment Management Agreement was agreed with the Investment Manager on 25th October 2023. It was agreed that the Fund would continue to pay a monthly management fee to the Investment Manager calculated on the basis of amounts paid in 2023. Accordingly, the IMA was amended such that from 1 January 2024, the monthly fee due to the Investment Manager was £57,500 (£690,000 annually, as per 2023). This fee equates to approximately 0.58% of the current NAV on an annual basis. The monthly management fee will be subject to review by the Fund on one month's notice and will be formally reviewed by the Board at regular intervals. It is intended that this will provide the Fund with flexibility and control, depending on the status of the portfolio and progress with realisations.

In accordance with the revised Investment Management Agreement, the performance fee will continue to be calculated by reference to the aggregate cash returned to Shareholders after 1 January 2022. The Investment Manager will receive 20% of the aggregate cash paid to Shareholders after 1 January 2022 (including the interim dividend of 10p per Ordinary Share declared on 22 December 2021) in excess of a threshold of £216,000,000.

Depending on whether the Ordinary shares are trading at a discount or a premium to the Company's NAV per share when the performance fee becomes payable, the performance fee will be either payable in cash (subject to the restrictions set out below) or satisfied by the sale of Ordinary shares out of Treasury or by the issue of new fully paid Ordinary shares (the number of which shall be calculated as set out below):

- If Ordinary shares are trading at a discount to the NAV per Ordinary share when the performance fee becomes payable, the performance fee shall be payable in cash. Within a period of one calendar month after receipt of such cash payment, the Investment Manager shall be required to purchase Ordinary shares in the market of a value equal to such cash payment.
- If Ordinary shares are trading at, or at a premium to, the NAV per Ordinary share when the performance fee becomes payable, the performance fee shall be satisfied by the sale of Ordinary shares out of Treasury or by the issue of new fully paid Ordinary shares. The number of Ordinary shares that shall become payable shall be a number equal to the performance fee payable divided by the closing mid-market price per Ordinary share on the date on which such performance fee became payable.

As at 30 June 2025, the Investment Manager held 4,067,781 Ordinary shares (30 June 2024: 6,299,031) of the Company, representing 6.24% (30 June 2024: 8.64%) of the voting share capital.

*Performance fee for year ended 30 June 2025*

At 30 June 2025, the Basic Performance Hurdle was £216,000,000 (as adjusted for all dividends paid during the performance period on their respective payment dates, compounded at the applicable annual rate) (2024: £216,000,000).

The aggregate cash returned to Shareholders since 1 January 2022 has been £63,249,905 (2024: £54,200,729). Accordingly, no performance fee was earned during the year ended 30 June 2025 (2024: £nil).

**Notes to the Financial Statements**  
**For the year ended 30 June 2025 (continued)**

**17. MATERIAL AGREEMENTS (continued)**

**Ocorian Administration (Guernsey) Limited**

The Administrator provides administration and company secretarial services to the Company. For these services, the Administrator is paid an annual fee of 0.12% (2024: 0.12%) of that part of the NAV of the Company up to £150 million and 0.1% (2024: 0.1%) of that part of the NAV over £150 million (subject to a minimum of £75,000 per annum). During the year, the Company incurred administration fees of £164,781 (2024: £96,841).

**Butterfield Bank (Guernsey) Limited**

Under the custodian agreement, the Custodian receives a fee, calculated and payable quarterly in arrears at the annual rate of 0.05% (2024: 0.05%) of the NAV per annum, subject to a minimum fee of £25,000 per annum. Transaction charges of £100 per trade for the first 200 trades processed in a calendar year and £75 per trade thereafter are also payable. During the year, the Company incurred custodian fees of £61,377 (2024: £40,186).

**18. ULTIMATE CONTROLLING PARTY**

In the opinion of the Directors and on the basis of the shareholdings advised to them, the Company has no ultimate controlling party.

**19. POST BALANCE SHEET EVENTS**

The Company sold all its shares in De La Rue plc for £18,017,439, at £1.30 a share, following a takeover and the Scheme of Arrangement becoming effective on 2 July 2025. Cash proceeds were received on 16 July 2025.

In July 2025, the Company purchased 3,125,000 shares in MMI at a cost of \$1.5 million. In August 2025, the Company purchased 4,166,667 shares in MMI at cost of \$2.0 million.

Except for the above, there were no material events after the year end to the date on which these Financial Statements were approved.

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## Glossary of Capitalised Defined Terms

- “**AEOI Rules**” means the Automatic Exchange of Information Rules;
- “**AGM**” or “**Annual General Meeting**” means the annual general meeting of the Company;
- “**AIF**” means Alternative Investment Funds;
- “**AIFM**” means AIF Manager;
- “**AIFM Directive**” means the EU Alternative Investment Fund Managers Directive (no. 2011/61/EU);
- “**AIC**” means the Association of Investment Companies;
- “**AIC Code**” means the 2019 AIC Code of Corporate Governance;
- “**AIM**” means the AIM market of the London Stock Exchange;
- “**Annual Report**” means the annual publication of the Company to the Shareholders to describe its operations and financial conditions, together with the Company’s financial statements;
- “**APMs**” means Alternative Performance Measures.
- “**Articles of Incorporation**” or “**Articles**” means the articles of incorporation of the Company;
- “**Audited Financial Statements**” or “**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;
- “**Australian Stock Exchange**” means the Australian Stock Exchange Limited;
- “**Basic Performance Hurdle**” means the threshold return of aggregated cash returned to shareholders after 1 January 2022 return for Performance Fee. The performance fee is payable at a rate of 20% of the excess amount;
- “**Board**” or “**Directors**” or “**Board of Directors**” means the directors of the Company;
- “**CEO**” means chief executive officer;
- “**CE Mark**” means a certification mark that indicates conformity with health, safety, and environmental protection standards;
- “**CFD**” means Contract For Difference financial instrument;
- “**Committee**” means the Audit Committee of the Company;
- “**Company**” or “**Fund**” means Crystal Amber Fund Limited;
- “**Companies Law**” means the Companies (Guernsey) Law, 2008, (as amended);
- “**CRS**” means Common Reporting Standard;
- “**EBITDA**” means earnings before interest, taxes, depreciation and amortisation;
- “**EGM**” or “**Extraordinary General Meeting**” means an extraordinary general meeting of the Company;
- “**FATCA**” means Foreign Account Tax Compliance Act;
- “**FCA**” means the Financial Conduct Authority;
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## Glossary of Capitalised Defined Terms (continued)

“**FDA**” means the United States Food and Drug Administration;

“**FRC**” means the Financial Reporting Council;

“**FRC Code**” means the UK Corporate Governance Code 2018 published by the FRC;

“**FV**” means Fair Value;

“**FVTPL**” means Fair Value Through Profit or Loss;

“**GFSC**” means the Guernsey Financial Services Commission;

“**GFSC Code**” means the GFSC Finance Sector Code of Corporate Governance as amended from time to time.

“**Gross Asset Value**” means the value of the assets of the Company, before deducting its liabilities, and is expressed in Pounds Sterling;

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

“**IASB**” means the International Accounting Standards Board;

“**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;

“**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;

“**Investment Adviser**” means Crystal Amber Advisers (UK) LLP

“**Investment Manager**” means Crystal Amber Asset Management (Guernsey) Limited

“**Investment Management Agreement**” means the 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. Additionally, the Investment Management Agreement was further amended and restated on 14 February 2022 and further amended on 25 October 2023.

“**IPEV Capital Valuation Guidelines**” means the International Private Equity and Venture Capital Valuation Guidelines on the valuation of financial assets;

“**KPMG**” means KPMG Audit Limited;

“**LSE**” or “**London Stock Exchange**” means the London Stock Exchange Plc;

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

“**MMI**” means Morphic Medical Inc.;

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## Glossary of Capitalised Defined Terms (continued)

“**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;

“**NMPI**” means Non-Mainstream Pooled Investments;

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

“**PWERM**” means Probability Weighted Expected Return Method

“**Risk Committee**” means the Risk Committee of the Investment Manager;

“**S&P**” means Standard & Poor’s Credit Market Services Europe Limited, a credit rating agency registered in accordance with Regulation (EC) No 1060/2009 with effect from 31 October 2011;

“**Smaller Companies Index**” means an index of small market capitalisation companies;

“**SME**” means small and medium sized enterprises;

“**SORP**” means Statement of Recommended Practice;

“**Stewardship Code**” means the Stewardship Code of the Company adopted from 14 June 2016, as published on the Company’s website [www.crystalamber.com](http://www.crystalamber.com);

“**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;

“**UK Stewardship Code**” means the UK Stewardship Code published by the FRC in July 2010 and revised in September 2012;

“**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;

“**US Federal Reserve**” means the Federal Reserve System, the central banking system of the US; and

“**£**” or “**Pounds Sterling**” or “**Sterling**” means British pounds sterling and “**pence**” means British pence.

## Alternative Performance Measures

### ALTERNATIVE PERFORMANCE MEASURES (“APMs”)

The Company assesses its performance using a variety of measures that are not specifically defined under IFRS and therefore termed APMs. The APMs that are used may not be directly comparable with those used by other companies.

### ONGOING CHARGES

Ongoing charges are calculated using the AIC Ongoing Charges methodology, which was last updated in October 2024 and is available on the AIC website (theaic.co.uk). They represent the Company’s investment management fee and all other operating expenses, excluding currency loss/profit, ad-hoc costs associated with portfolio transactions, ad-hoc research expenses and non-recurring legal and professional fees and are expressed as a percentage of the average Net Asset Value for the year. The Board continues to be conscious of expenses and works hard to maintain a sensible balance between good quality service and cost. The ongoing charges calculation is shown below:

|                                      | 2025         | 2024         |
|--------------------------------------|--------------|--------------|
|                                      | £            | £            |
| Average NAV for the year (a)         | 123,992,059  | 87,294,715   |
| Investment management fee            | 690,000      | 615,000      |
| Other company expenses               | 878,265      | 691,411      |
| Total recurring company expenses (b) | 1,568,265    | 1,306,411    |
| <b>Ongoing Charges Ratio (b/a)</b>   | <b>1.26%</b> | <b>1.50%</b> |

### NET ASSET VALUE (“NAV”)

The NAV is the net assets attributable to shareholders that is, total assets less total liabilities, expressed as an amount per individual share.

### NAV PER SHARE INCLUDING DIVIDENDS

A measure showing how the NAV per share has performed in the year, taking into account both capital returns and dividends paid to shareholders.

NAV total return is calculated by adjusting for dividends paid. It considers the changes in market value as well as other surges of income such as dividends expressed as a percentage. It shows a more accurate valuation of a stock’s return.

The AIC shows NAV total return as a percentage change from the start of the year. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

|   | 2025        | 2024         |
|---|-------------|--------------|
|   | Pence       | Pence        |
| <b>NAV per share including dividends</b>  |             |              |
| Opening NAV per share (a)   | 173.90      | 93.33        |
| Add Dividends for the year (b)  | –           | –            |
| Opening NAV per share (c)   | 173.90      | 93.33        |
| Closing NAV per share (d)   | 178.39      | 173.90       |
| Movement in NAV per share in the year (e) = (d) – (c)                                 | 4.49        | 80.57        |
| NAV per share including Dividends (f) = (a) + (b) + (e)                               | 178.39      | 173.90       |
| Increase/(Decrease)/in NAV per share in the year (g) = (f) – (a)                      | 4.49        | 80.57        |
| <b>Percentage increase/(decrease)/in NAV per share in the year (h) = (g)/(a)* 100</b> | <b>2.6%</b> | <b>86.3%</b> |

Net Asset Value (“NAV”) per share including dividends paid increased by 2.6% (2024: increase 86.3%).

## Directors and General Information

### Directors

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

### Investment Adviser

Crystal Amber Advisers (UK) LLP  
17c Curzon Street  
London W1J 5HU

### Administrator and Secretary

Ocorian Administration (Guernsey) Limited  
PO Box 286  
Floor 2, Trafalgar Court  
Les Banques, St Peter Port  
Guernsey GYI 4LY

### Broker

Winterflood Investment Trusts  
The Atrium Building  
Cannon Bridge House  
25 Dowgate Hill  
London EC4R 2GA

### Independent Auditor

KPMG Audit Limited  
Glategny Court  
Glategny Esplanade  
St. Peter Port  
Guernsey GY1 1WR

### Registered Office

PO Box 286  
Floor 2, Trafalgar Court  
Les Banques, St Peter Port  
Guernsey GYI 4LY

### Identifiers

ISIN: GG00B1Z2SL48  
Sedol: B1Z2SL4  
Ticker: CRS  
Website: <http://crystalamber.com>

### Investment Manager

Crystal Amber Asset Management  
(Guernsey) Limited  
PO Box 286  
Floor 2, Trafalgar Court  
Les Banques, St Peter Port  
Guernsey GYI 4LY

### Nominated Adviser

Allenby Capital Limited  
5 St. Helen's Place  
London EC3A 6AB

### Legal Advisers to the Company

*As to English Law*  
Norton Rose Fulbright LLP  
3 More London Riverside  
London SE1 2AQ

*As to Guernsey Law*

Carey Olsen  
PO Box 98  
Carey House  
Les Banques  
St. Peter Port  
Guernsey GY1 4BZ

### Custodian

Butterfield Bank (Guernsey) Limited  
PO Box 25  
Regency Court  
Glategny Esplanade  
St. Peter Port  
Guernsey GY1 3AP

### Registrar

MUFG Corporate Markets (UK) Limited  
65 Gresham Street  
London EC2V 7NQ

**For your Notes**

CRYSTAL  AMBER

Crystal Amber Fund Limited, PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 4LY