

18 July 2025

**Crystal Amber Fund Limited
("Crystal Amber" or the "Fund")**

Fund update

The Board of Crystal Amber is pleased to provide an update on the Fund, its investments and its strategy.

De La Rue plc

The Fund has now received the cash proceeds from the takeover of De La Rue plc ("DLAR") following the announcement of the Scheme of Arrangement becoming effective on 2 July 2025. The Fund received a final payment of c.£18 million (including the Fund's trading in DLAR securities, a total of £40.67 million has been received since DLAR entered an offer period) and the Board is considering the future strategy of the Fund and the use of proceeds from DLAR, including the return of capital to shareholders via the ongoing share buyback programme and potential distributions.

Morphic Medical Inc. ("MMI")

The Fund's primary focus beyond DLAR is to achieve the regulatory approvals for MMI's RESET® device to enable sales to commence. The Board of Crystal Amber believes that this should not only underpin but should significantly enhance the value of this core investment. As announced on 3 July 2025, with CE Mark approval now in place for RESET®, MMI has started offering RESET® for sale in Germany, with plans to expand across the European Union and other countries recognising CE certification. The addressable market in Europe is around 93 million patients.

MHRA registration for RESET®, which will allow sales of the RESET® device in the UK, is expected in the coming weeks. Obesity costs the NHS an estimated £6.5bn per year (source: UK Government / NHS England, 2023) and indirectly around £27bn per year. MMI believes that around 1.6 million patients in the UK could benefit from RESET®.

Initial interest in RESET® from customers across Europe and the UK has been encouraging and the Board believes that MMI is in a strong position to capitalise on these opportunities in the medium term.

MMI continues to recruit patients for the FDA fast track approved pivotal study. Now that CE Mark has been achieved, patient recruitment can accelerate. It is estimated that FDA approval of RESET® in the US could be obtained in the second half of 2027 on an expedited basis. 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. Since receiving CE Mark approval, one S&P 500 healthcare company has expressed interest in making an initial investment of US 5 million to US 10 million. Whilst there can be no certainty of this investment, MMI believes that such an investment would be at a premium to Crystal Amber's current carrying value for MMI.

Since the start of 2025, the Fund has invested US 5.15 million of cash into MMI at US 0.48 per share and anticipates up to a further US 1.5 million of investment in the next few weeks. The Fund will consider supporting further investment alongside cornerstone investors if appropriate. Given the outlook for MMI and industry discussions with potential partners and investors, as well as the CE mark only having recently been obtained and the pending MHRA registration, the Board of Crystal Amber considers that at this time it is in the best interests of the Fund to retain its holding in MMI.

Further details on MMI are set out further below.

Other investments

The Board continues to seek to maximise the opportunity to realise value from the Fund's other investments, Sigma Broking Limited, Allied Minds and Sutton Harbour Plc. The Board notes recent press comment that Sigma Broking is in advanced discussions with a third party about being acquired. There can be no certainty that this transaction will complete. The Investment Adviser is in active discussions with both the boards of Allied Minds and Sutton Harbour Plc regarding the timing of realisations of value from these investments.

Strategy

The Fund is consulting with shareholders and advisers over the future structure of the Fund, as well as considering strategy and ensuring returns to shareholders are made in a timely fashion whilst continuing to maximise value from its investments. The Fund notes that according to Trustnet, over one, three and five years, shareholder returns have been 72.2%, 118.5% and 267.4% respectively. This compares with 3%, 24.4% and 69.3% for UK Investment Trust Smaller Companies.

About Morphic Medical Inc.

MMI's flagship product, 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.

Based on MMI's latest statutory accounts for the year ended 31 December 2024, MMI had no revenue and made a loss before tax of US 10,449,000.

As at 31 December 2024, MMI was held by the Fund at a fair value of £60.6 million and the Fund held 95.3% of the issued share capital in MMI. An updated and audited valuation of MMI will be included in the Fund's annual report and accounts for the year ended 30 June 2025 which the Board expects to show a significant increase in valuation as a result of progress during 2025, such as obtaining the CE Mark and the conversion of c.£28 million of loan notes by the Fund, as announced in January 2025. The Fund currently owns approximately 96.7% of the combined issued common and preference shares in MMI.

For further enquiries please contact:

Crystal Amber Fund Limited

Chris Waldron (Chairman)

Tel: 01481 742 742

www.crystalamber.com

Crystal Amber Advisers (UK) LLP - Investment Adviser

Richard Bernstein

Tel: 020 7478 9080

Allenby Capital Limited - Nominated Adviser

Jeremy Porter/ Dan Dearden-Williams

Tel: 020 3328 5656

Winterflood Investment Trusts - Broker

Joe Winkley/Neil Langford

Tel: 020 3100 0160

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