

16 February 2026

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

Update on Morphic Medical, Inc.

The Board of Crystal Amber is pleased to provide an update on Morphic Medical Inc. ("MMI") and further investment.

Update on MMI

Morphic Medical Inc. owns Reset®, the world's first medical device focused on treating the root cause of obesity and type 2 diabetes. Following MMI receiving the European CE mark and UK regulatory approval for its Reset® system, patients have had procedures in both the UK and India. MMI has also signed distribution agreements in Spain, Belgium, Netherlands, Czech Republic and the Middle East. Patient enrolment for its US Step-1 study is ongoing and expected to complete in between late 2027 and early 2028. FDA approval for the Reset® device in the US is expected in either 2028 or 2029.

Patient recruitment in the USA for the pivotal FDA study for Reset® is accelerating. Last month, two further procedures were carried out in Miami and seven patients are scheduled for February 2026. The FDA has also recently agreed to a change to the study protocol, which will speed up patient recruitment.

Due to the data collected so far from over 200 studies on safety, efficacy and durability, in Germany, NUB status (the reimbursement and pricing of innovative in-patient drugs and devices) has been awarded following a rigorous assessment by the German hospital and reimbursement system and reflects recognition that Reset® is supported by a substantial and growing body of clinical evidence and research, demonstrating both clinical relevance and therapeutic potential. The designation enables hospitals in Germany to apply for supplementary reimbursement for the use of Reset® while broader reimbursement pathways in other countries continue to be evaluated.

To satisfy future demand for Reset®, MMI has now agreed terms with its contract manufacturers to start manufacturing Reset® at scale.

MMI remains in discussions with several potential investors, including some large, multi-national medical device companies. Whilst there can be no certainty at this stage, the directors of MMI believe that any such investment would be at a premium to the Company's current carrying value of MMI. Recently, MMI presented at MedInvest, New York and has received further expressions of interest.

Further investment

As the Company announced on 14 November 2025, recognising MMI's potential to deliver substantial additional shareholder value, the Board believes that the optimal time to seek to realise its investment in MMI would be following FDA approval and access to the US market. Consequently, the Board believes that the Fund should continue to actively manage its investment in MMI until then. Accordingly, further to the announcement of 18 July 2025 regarding investment so far in 2025 (which at that point was 6 million rather than 5.15 million as previously stated), the Company has invested a further US 8 million (approximately £5.9 million at current exchange rates) in MMI at US 0.48 per share in three tranches since 18 July 2025. The Fund now holds an aggregate of 418,944,800 preferred and common shares in MMI, representing approximately 97.8% of its aggregate preferred and common issued share capital. The Fund will consider supporting further investment alongside cornerstone investors if appropriate.

Change of strategy and manager

On 14 November 2025, a proposed change of strategy and investment manager (the 'Proposals') was announced. Work on the Proposals is advanced and a circular with further details of the Proposals and notice of an Extraordinary General Meeting is expected to be sent to shareholders later this month.

Further update announcements will be provided as soon as appropriate.

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