CRYSTAL AMBER

Crystal Amber Fund Limited

Interim Report and Unaudited Condensed Financial Statements
For the six months ended 31 December 2022

Company No. 47213

Contents

Key Points

- Total returns in the six months ended 31 December 2022 were 4.4% (£16.6 million) reflecting total dividend payments of 20p per share (two 10p dividends) during the period. As a result, Net Asset Value ("NAV") per share fell by 10% over the period to 130.05p per share.
- The Fund's performance compares to a 1.3% increase in the Numis Small Cap Index.
- Further progress in delivering profitable exits, with disposals of Equals Group plc and Board Intelligence Limited realising profits in the period of £7.8 million.
- Recommended offer for Hurricane Energy plc announced post period end in March 2023 following formal sale process.
- De la Rue cut profit guidance by a third at its October interims.
- GI Dynamics enrolled its first patients to the clinical trial in India.
- The Fund undertook no buybacks during the period. Share price discount to NAV averaged 22.7%.
- Crystal Amber Fund named as the sixth most influential global activist investor of 2022 by Insightia and delivering a return of 27.9%.

All capitalised terms are defined in the Glossary of Capitalised Defined Terms on pages 15 to 27 unless separately defined.

Chairman's Statement

During the six month period to 31 December 2022, and following the return of £16.6 million to shareholders, net asset value fell from £120.7 million (145.03 pence per share) to an unaudited NAV of £108.2 million (130.05 pence per share). The Fund's underlying total return per share was 4.4% which compares to a 1.3% increase in the Numis Small Cap Index in the same period.

The period under review saw the fallout from the UK Government's mini-budget as well as a succession of increases in global interest rates. Inflation moved to generationally high levels and geopolitical tensions continued in Europe and Asia. The market impact of interest rate rises has initially been most visible in the derating of technology stocks, as increased discount rates mean that high multiples of future earnings are harder to justify. However, since the period end, the consequences of higher rates are also all too evident in the banking sector, where significant unrealised losses in bond holdings have called into question the true strength of many balance sheets. This crisis of confidence has now led to the forced acquisition of Credit Suisse by UBS and will surely see banks becoming even more risk-averse in their lending. This is likely to result in a tightening of financial conditions and may well usher in a general economic slowdown later this year, which to some extent is already being anticipated by commodity prices, which have abated in the expectation that higher rates will slow economic growth. Against this, the reopening of China following its change of Covid policies may provide some support to the global economy.

In March last year the Fund's investment strategy was recast to focus on maximising returns to shareholders through timely disposals and the Board is pleased with the Manager's disciplined and targeted progress in realising the Fund's holdings in this period. This was evidenced by timely and profitable disposals during the period of the Fund's residual holding in Equals Group plc ("Equals"), which at the start of the period amounted to 10% of the issued share capital of Equals. It is worth remembering that in 2020, the Fund was able to opportunistically increase its holding in Equals at less than 30p a share. These final disposals achieved an average price of 87p a share.

The inevitable consequence of the continued and successful return of capital is that it has resulted in a portfolio with a very high concentration of holdings and associated combined lower liquidity. However, it is important to emphasise that there is little value for shareholders in a fire sale of the Fund's assets and that the Board is fully supportive of the Manager's patient approach to the Fund's remaining holdings. This is particularly evident with Hurricane, where over the last three years the Fund's engagement has transformed the outlook from a near wipeout of equity value to a live bid situation. The Board is also hopeful that the Fund's continuing engagement and agitation for change will lead to improvements at De La Rue, although this has proved to be a frustrating process. This and other core holdings are covered in more detail below in the Investment Manager's Report.

Chairman's Statement (continued)

The Board remains optimistic that the Fund will return significant disposal proceeds to shareholders in the second half of 2023, although clearly this will be significantly influenced by the outcome of the current bid for Hurricane. Nevertheless, the priority of the Board is to maximise the level of return, rather than to work to an arbitrary deadline and it is likely that certain assets will remain within the portfolio into 2024. Given that this will further reduce liquidity, the Board anticipates consulting with shareholders later in 2023 to discuss the future structure of the Fund.

Christopher Waldron
Chairman

20 March 2023

Investment Manager's Report

Strategy and performance

On 31 December 2022, investments in six companies represented 100% of NAV.

During the period, the Fund exited its positions in Equals Group plc and Board Intelligence Limited realising a combined gain of £7.8 million. The Fund continued to support progress at GI Dynamics with an investment of £2.3 million during the period.

The key contributors to performance during the period were Hurricane Energy (3.8%) and Equals Group (2%). Allied Minds plc was the main detractor (-2.9%).

Investee companies

Hurricane Energy plc ("Hurricane")

The Fund has been a shareholder in Hurricane for ten years. The investment case was based on providing capital to explore and produce oil from fractured basements in the west of Shetland region of the UK continental shelf. Exploration has proved successful and the production of more than 10 million barrels has been achieved.

Over the last decade, there has been a sea change in both attitudes and actions relating to fossil fuels, the importance of oil supplies as a national strategic asset and more recently, windfall taxes. Each has had a significant impact. The investment journey has had its good times and bad times. Prior to Covid, Crystal Amber banked profits of £43 million and retained a shareholding of just over 5%.

The Fund has previously described events since the spring of 2020, which culminated in the High Court agreeing with Crystal Amber and refusing to sanction the Hurricane board's attempt to force through a highly dilutive debt for equity swap. At the time, Hurricane claimed that without a debt for equity swap, bondholders would not be able to recover more than 56% of their investment. The board had proposed that $50 million of the $230 million repayable to bondholders be converted into 95% of Hurricane's equity, with the remaining $180 million debt earning cash interest of 9.4 % per annum plus payment in kind interest of 5% per annum. Hurricane's share price weakness enabled the Fund to increase its shareholding to 28.9% and as a result, substantially reduce the average cost of its remaining holding to 6.7p per share.

Last week's announcement of a takeover offer is expected, on the basis that the acquisition is completed, to enable the Fund to receive a further cash monetisation of £34.5 million and participate in future contingent payments of up to a further £37.3 million. To date, we do not believe that Hurricane has adequately communicated the rationale for and merits of the proposed takeover offer.

The best way to achieve price discovery is to conduct an auction, advertise it and secure the best offer. The formal sale process ran for more than four months and attracted interest from several parties. Both Hurricane Energy and Crystal Amber consider the offer from Prax Exploration & Production PLC ("Prax") to be the most attractive offer submitted.

Investment Manager's Report (continued)

Investee companies (continued)

Hurricane Energy plc ("Hurricane") (continued)
The Prax offer reduces the downside risk of the shares whilst providing visibility of upside far greater than if Hurricane was to remain as an independent single well operator with steadily declining production. Whilst the enterprise value is linked to future revenues at Hurricane, critically, it will also include revenues from future acquisitions by Hurricane, funded by Prax. Having met the Mergers and Acquisitions team at Prax, Crystal Amber believes that Prax has the firm intention of using the Hurricane vehicle to make significant acquisitions. For context, the P6 well at Hurricane currently produces 7,700 barrels a day. Were Prax to make an acquisition producing 10,000 barrels a day, based on $80 a barrel, Crystal Amber believes that Hurricane shareholders would be entitled to 2p per share per annum from this one acquisition. This would be in addition to approximately 1.5p a share from the P6 well.

Given Hurricane management's failure in September 2022 to achieve regulatory approval for its "P8" well after trumpeting its potential and fast payback to investors, Hurricane, under its present management, has no further growth potential. The Fund has lost confidence in Hurricane's management and has concluded that the North Sea Transition Authority will not sanction any further exploration or production. However, with Prax as the new owners, it will be possible for existing Hurricane shareholders to benefit from deferred consideration payments. The Fund has estimated that, if the Prax offer fails meaning that Hurricane continues as an independent company and depending on P6 well performance, shareholders in Hurricane would only ultimately receive between 5p and 8.5p. By contrast, this takeover offer provides growth potential which the Fund believes will deliver a far more capable and commercial management that is motivated to ensure that the contingent consideration of 6.48p per share is paid to Hurricane shareholders, resulting in Hurricane shareholders receiving 12.5p per share. Crystal Amber also believes that Hurricane's tax losses will provide Prax with significant incentives to purchase production assets, all of which will deliver existing Hurricane shareholders with what is effectively royalty income through to December 2026.

This outcome should also be seen in context. Firstly, the share prices of several of Hurricane Energy's peer group have fallen by 40% over recent months, Secondly, had Crystal Amber not succeeded in blocking the proposed and unnecessary debt restructure, which would have resulted in shareholders owning just five per cent of the company, this exit results in shareholders achieving a return 19 times greater, as a result of the then proposed 95% dilution to shareholders not being approved by the Court. Thirdly, over the last 12 months, it is widely acknowledged that the fiscal regime has become much more onerous, making the North Sea a far less attractive region in which to invest. As a result, Crystal Amber is supportive of the offer from Prax and for the above reasons the Fund has agreed to provide an irrevocable undertaking to vote in favour of the Acquisition. Crystal Amber believes that Hurricane will be a very good investment for Prax. The purchase has been structured so that existing Hurricane shareholders will benefit financially from the success of Prax.

Investment Manager's Report (continued)

Investee companies (continued)

De La Rue

The past is often a reliable indicator of the future. During the period under review, De La Rue delivered its third profit warning of 2022. Since January 2022, the Fund has found it necessary to update De La Rue shareholders on the faltering turnaround plan and offer solutions, which management has repeatedly ignored. De La Rue management chose instead to blame both Crystal Amber, as a long-term significant shareholder and incredibly, in November, its auditor EY, for arriving at the same conclusions as Crystal Amber. The failure of the De La Rue executives and the board as a whole to take responsibility for mistakes and instead blame others is symptomatic of their inability to grasp the nature of De La Rue's predicament.

In September 2022, we stated that De La Rue stands out as a case study of how poor leadership is the ultimate destroyer of shareholder returns. In July 2020, De La Rue completed a £100 million fundraise which was priced at 110 pence a share. Crystal Amber provided £18 million of this funding and at the time was an 18% shareholder in De La Rue. The "honeymoon" period following the fundraise and a buoyant market within its currency division resulted in the share price increasing by 70% and Crystal Amber reduced its shareholding to just under 10%.

In early July 2022, the Fund wrote to the Chairman and Chief Executive of De La Rue to request that Crystal Amber, as a near 10% shareholder, be invited to nominate a director in a non-executive capacity. At the end of September 2022, it was disappointing to be informed by De La Rue that it had rejected this request.

On page 14 of De La Rue's interim results released in November 2022, a reference was made to a material uncertainty going concern audit qualification. This relates to potential banking covenant breaches. Coming only two years after the £100 million equity raise in July 2020, market participants were understandably alarmed and the share price fell sharply. Immediately following the publication of the interim results, Crystal Amber wrote to the directors of De Le Rue in a personal capacity. In that letter, Crystal Amber highlighted several specific concerns, including the effect on revenues and profits of making 300 staff redundant at the Kenyan print facility and ceasing print operations. The company wrote to deny that this was the case. However, on 20 January 2023, it announced the closure of its Kenyan print facilities. Whilst it said that this was not expected to affect revenues to March 2023, it made no reference to the effect on revenues for the year commencing on 1 April 2023. Revenues from Kenya comprise around 12% of total revenues from the Currency division.

De La Rue's current market capitalisation is £103 million. Adjusting for the 2020 capital raise would bring this down to £3 million. When Kevin Loosemore became Chairman in October 2019, before the £100 million fundraise, De La Rue's market capitalisation was £205 million. Immediately prior to announcing the 2020 fundraise, De La Rue's market capitalisation was £125 million. This is a like-for-like 98% reduction in returns to shareholders.

Investment Manager's Report (continued)

Investee companies (continued)

De La Rue (continued)

Management has sought to blame factors outside of its control. However, the blunt reality is that it has made operational and strategic mistakes. Margins have shrunk because De La Rue has failed to secure new business in both its Currency and Authentication divisions. Despite savage cost-cutting, margins in both divisions are unacceptable. Driving down costs in an attempt to avoid a fourth profit warning is not a good strategy. It is revenue that matters: removing headcount means that when business is won, orders cannot be fulfilled. Even after significant investment funded by shareholders, the business still fails to generate cash and it is all too evident that the turnaround plan has failed.

GI Dynamics Inc ("GI Dynamics")

GI Dynamics is focused on the worldwide pandemic in Type 2 diabetes and obesity. Crystal Amber owns 81% of its fully diluted share capital.

In December 2022, Diabetes Care and the American Diabetes Association published a paper demonstrating the benefits of GID's 60cm impermeable fluoropolymer endoscopically implanted sleeve. Of over 3,000 patients treated, mean weight loss was 13.3kg (11.1% in body weight). There was also a considerable reduction in blood pressure and cholesterol.

The company initiated enrolment in its Indian clinical trial, with first patient recruitment achieved during the period. This is being carried out in conjunction with its local partner, Apollo Sugar. GI Dynamics also continued enrolling in the US FDA trial during the period. Having secured approval for changes to its enrolment criteria in the US, the company expects to improve the speed of enrolment.

The company continues to work towards CE Mark approval which is now expected before the end of Q4 2023. The Fund invested an additional £2.3 million over the period and remains committed to supporting the company as GI Dynamics pursues its goal of regaining the CE Mark designation and advancing with its FDA trial.

Allied Minds

Allied Minds is an investor in technology and life science sectors and operates as a private equity firm of early-stage companies. The Fund first invested in November 2018, and it owns 18.4% of the company's issued share capital.

In November 2022, the company delisted from the market to reduce costs and preserve cash as it pursues its strategy to realise assets.

The company guided to a $2.2 million saving and the Fund agreed to support the delisting on the condition that a member of the Investment Adviser would join its board. Delisting followed a formal sale process initiated in March 2022 that did not yield interest at a sufficiently attractive level.

Investment Manager's Report (continued)

Investee companies (continued)

Allied Minds (continued)
Since delisting, the company has undertaken a review of internal costs and external providers. As a result, it is outsourcing its finance function to a third-party supplier. This is expected to result in annualised savings of over $1 million.

In May 2022, Federated Wireless completed its last funding round at a $302 million valuation. Allied Minds owns 24% of the company. Over the year, Federated Wireless delivered a 75% revenue growth to $19 million and finished the year with a $35 million cash position. The company delivers private wireless and shared spectrum services. While the company has attractive contract pipelines ahead, near term growth might be held back by economic uncertainty.

Orbital Sidekick raised a $10 million extension of its Series A round in which Allied Minds did not participate. The company is now funded to launch four satellites in 2023. The first two of those are due to be launched in Q2 2023. Those could result in higher margin revenues for large private and public contracts in energy, defence and climate technology. Allied Minds owns 16% of the company's equity and the post-money valuation of the last round was $57 million.

In September 2022, Bridgecomm completed a funding round at a valuation of $11.5 million. Allied Minds owns a 40% fully diluted stake. In early 2023, Bridgecomm raised an additional $1.5 million investment from a trade partner. The company's optical communications solutions enable high transmission rates of data in space, space to air and on the ground. Bridgecomm continues to progress toward a one-kilometre demonstration of this technology. Those solutions can fill in where laying fibre optic is difficult or impossible. The one-kilometre test is targeting end of June 2023 and would open multi-million-dollar contract opportunities.

OcuTerra (formerly SciFluor Life Sciences) is progressing with the patient enrolment for its clinical trial, with over 25% of the trial patients enrolled. The phase 2 trial will assess efficacy and safety of its eye drop treatment for Diabetic Retinopathy. Allied Minds owns a 14% stake in the company. Its funding round in November 2021 valued the company at $51 million.

Concirrus, the business that acquired the IP assets of Spark Insights in November 2021 has been acquired for a consideration that resulted in no payment for Allied Mind's common stock.

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

Realisations
The Fund realised total net gains of £7.1 million in the period. These relate mainly to the sales of Equals Group (£8.1 million gain), offset by realised losses in De la Rue and Board Intelligence.

Investment Manager's Report (continued)

Outlook

With an extremely concentrated portfolio and with visibility of significant cash returns from a successful takeover of Hurricane Energy, the Fund hopes to accelerate its return of capital programme, whilst retaining sufficient liquidity to continue to fund growth at GI Dynamics and protect the value of its holding in De La Rue.

Crystal Amber Asset Management (Guernsey) Limited
20 March 2023

Condensed Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the six months ended 31 December 2022

	Notes	Six months ended 31 December 2022 Revenue £	Capital £	Total £	Six months ended 31 December 2021 Revenue £	Capital £	Total £
Income							
Dividend income from listed investments		–	–	**–**	20,311	–	**20,311**
Interest received		10,182	–	**10,182**	–	–	**–**
		10,182	–	**10,182**	20,311	–	**20,311**
Net gains/(losses) on financial assets designated at FVTPL and derivatives held for trading							
Equities							
Net realised gains/(losses)	4	–	7,135,460	**7,135,460**	–	(3,103,595)	**(3,103,595)**
Movement in unrealised (losses)/gains	4	–	(2,393,065)	**(2,393,065)**	–	2,564,126	**2,564,126**
Debt Instruments							
Movement in unrealised gains	4	–	327,869	**327,869**	–	92,097	**92,097**
		–	5,070,264	**5,070,264**	–	(447,372)	**(447,372)**
Total income/(expense)		10,182	5,070,264	**5,080,446**	20,311	(447,372)	**(427,061)**
Expenses							
Transaction costs		–	38,624	**38,624**	–	96,331	**96,331**
Exchange movements on revaluation of investments and working capital		(3,401)	(40,747)	**(44,148)**	(83,682)	(723,899)	**(807,581)**
Management fees	9	540,000	–	**540,000**	880,981	–	**880,981**
Directors' remuneration		65,000	–	**65,000**	65,000	–	**65,000**
Administration fees		60,435	–	**60,435**	79,003	–	**79,003**
Custodian fees		27,626	–	**27,626**	91,301	–	**91,301**
Audit fees		30,488	–	**30,488**	17,755	–	**17,755**
Other expenses		184,066	–	**184,066**	193,473	–	**193,473**
		904,214	(2,123)	**902,091**	1,243,831	(627,568)	**616,263**
Return/(loss) for the period		(894,032)	5,072,387	**4,178,355**	(1,223,520)	180,196	**(1,043,324)**
Basic and diluted earnings/(loss) per share (pence)	2	(1.07)	6.09	**5.02**	(1.46)	0.22	**(1.25)**

All items in the above statement derive from continuing operations.

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

The Notes to the Unaudited Condensed Financial Statements on pages 15 to 27 form an integral part of these Interim Financial Statements.

Condensed Statement of Financial Position (Unaudited)

As at 31 December 2022

	Notes	As at 31 December 2022 *(Unaudited)* £	As at 30 June 2022 *(Audited)* £	As at 31 December 2021 *(Unaudited)* £
Assets				
Cash and cash equivalents		177,083	47,370	106,075
Trade and other receivables		77,314	70,728	95,796
Financial assets designated at FVTPL and derivatives held for trading	**4**	108,290,491	120,862,525	119,352,781
Total assets		108,544,888	120,980,623	119,554,652
Liabilities				
Trade and other payables		306,148	274,039	181,808
Total liabilities		306,148	274,039	181,808
Equity				
Capital and reserves attributable to the Company's equity shareholders				
Share capital	**6**	997,498	997,498	997,498
Treasury shares reserve	**7**	(19,767,097)	(19,767,097)	(19,614,035)
Distributable reserve		61,394,708	78,040,908	86,378,909
Retained earnings		65,613,631	61,435,275	51,610,472
Total equity		108,238,740	120,706,584	119,372,844
Total liabilities and equity		108,544,888	120,980,623	119,554,652
NAV per share (pence)	**3**	130.05	145.03	143.19

The Interim Financial Statements were approved by the Board of Directors and authorised for issue on 20 March 2023.

Christopher Waldron
Chairman
20 March 2023

Jane Le Maitre
Director
20 March 2023

The Notes to the Unaudited Condensed Financial Statements on pages 15 to 27 form an integral part of these Interim Financial Statements.

Condensed Statement of Changes in Equity (Unaudited)

For the six months ended 31 December 2022

	Notes	Share Capital £	Treasury Shares £	Distributable Reserve £	Retained earnings Capital £	Retained earnings Revenue £	Retained earnings Total £	Total Equity £
Opening balance at 1 July 2022		997,498	(19,767,097)	78,040,908	68,401,964	(6,966,688)	61,435,276	**120,706,585**
Purchase of Ordinary shares into Treasury	7	–	–	–	–	–	–	**–**
Dividends paid in the period	8	–	–	(16,646,200)	–	–	–	**(16,646,200)**
Return for the period		–	–	–	5,072,387	(894,032)	4,178,355	**4,178,355**
Balance at 31 December 2022		997,498	(19,767,097)	61,394,708	73,474,351	(7,860,720)	65,613,631	**108,238,740**

For the six months ended 31 December 2021

	Notes	Share Capital £	Treasury Shares £	Distributable Reserve £	Retained earnings Capital £	Retained earnings Revenue £	Retained earnings Total £	Total Equity £
Opening balance at 1 July 2021		997,498	(19,191,639)	88,472,333	57,984,984	(5,331,188)	52,653,796	**122,931,988**
Purchase of Ordinary shares into Treasury	7	–	(422,396)	–	–	–	–	**(422,396)**
Dividends paid in the period	8	–	–	(2,093,424)	–	–	–	**(2,093,424)**
Return for the period		–	–	–	180,196	(1,223,520)	(1,043,324)	**(1,043,324)**
Balance at 31 December 2021		997,498	(19,614,035)	86,378,909	58,165,180	(6,554,708)	51,610,472	**119,372,844**

The Notes to the Unaudited Condensed Financial Statements on pages 15 to 27 form an integral part of these Interim Financial Statements.

Condensed Statement of Cash Flows (Unaudited)

For the six months ended 31 December 2022

	Six months ended 31 December 2022 *(Unaudited)* £	Six months ended 31 December 2021 *(Unaudited)* £
Cash flows from operating activities		
Dividend income received from listed investments	–	20,311
Bank interest received	10,182	–
Management fees paid	(540,000)	(880,981)
Directors' fees paid	(65,000)	(65,000)
Other expenses paid	(277,090)	(61,164)
Net cash outflow from operating activities	(871,908)	(986,834)
Cash flows from investing activities		
Purchase of equity investments	(1,152,316)	(20,521,735)
Sale of equity investments	19,612,051	23,716,999
Purchase of debt instruments	(2,273,290)	(4,802,643)
Sales of debt instruments	1,500,000	–
Transaction charges on purchase and sale of investments	(38,624)	(118,813)
Net cash inflow/(outflow) from investing activities	17,647,821	(1,726,192)
Cash flows from financing activities		
Purchase of Company shares into Treasury	–	(557,542)
Dividends paid	(16,646,200)	(2,093,424)
Net cash outflow from financing activities	(16,646,200)	(2,628,470)
Net decrease in cash and cash equivalents during the period	129,713	(5,341,496)
Cash and cash equivalents at beginning of period	47,370	5,447,571
Cash and cash equivalents at end of period	177,083	106,075

The Notes to the Unaudited Condensed Financial Statements on pages 15 to 27 form an integral part of these Interim Financial Statements.

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2022

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 initially 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 5 pence per share per annum following consideration of the accumulated retained earnings as well as the unrealised gains and losses. This was achieved through investment in a concentrated portfolio of undervalued companies, which were expected to be predominantly, but not exclusively, listed or quoted on UK markets and which had a typical market capitalisation of between £100 million and £1,000 million.

In the early part of 2022, a change of investment policy was approved by Shareholders representing a change of strategy. The Company has adopted a realisation strategy to maximise capital returned to Shareholders by way of timely disposals. Following any material realisations of the Fund's investments, the Directors intend to return cash to Shareholders.

GI Dynamics Inc., is an unconsolidated subsidiary of the Company and was incorporated in Delaware. As at 31 December 2022, it had five wholly-owned subsidiaries and its principal place of business is Boston. Refer to Note 9 for further information.

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

All capitalised terms are defined in the Glossary of Capitalised Defined Terms on pages 28 to 30 unless separately defined.

1. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

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

The Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Company's Annual Financial Statements for the year to 30 June 2022. The Annual Financial Statements have been prepared in accordance with IFRS.

The same accounting policies and methods of computation are followed in the Interim Financial Statements as in the Annual Financial Statements for the year ended 30 June 2022.

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2022 (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where presentational guidance set out in the SORP "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (issued by the AIC in November 2014 and updated in February 2018, October 2019, April 2021 and July 2022) is consistent with the requirements of IFRS, the Directors have sought to prepare the Interim Financial Statements on a basis compliant with the recommendations of the SORP. In particular, supplementary information which analyses the Statement of Profit or Loss and Other Comprehensive Income between items of a revenue and capital nature has been presented alongside the total Statement of Profit or Loss and Comprehensive Income.

Going concern

As at 31 December 2022, the Company had net assets of £108.2 million (30 June 2022: £120.7 million) and cash balances of £0.18 million (30 June 2022: £0.05 million) which are sufficient to meet current obligations as they fall due.

The Russian invasion of Ukraine continues to pose significant challenges and uncertainty to business activities and continues to have potentially adverse consequences for investee companies as energy costs rise, but the effects of this on the Company should be somewhat offset by increased revenue from Hurricane Energy.

In relation to the Company's investment portfolio, 60% of the Company's investments are valued by reference to the market bid price as at the date of this report. As these are quoted prices in an active market, any volatility in the global economy is reflected within the value of the financial assets designated at fair value through profit or loss. As such, the Company has not included any fair value impairments in relation to these investments.

Following extensive Shareholder consultation in the early part of 2022, a change of investment policy was approved by Shareholders which prioritised the intention to maximise the return of capital, representing a change of strategy, as noted above.

The Company has a track record of returning cash to Shareholders via share buybacks and dividends: the Company has returned £93.3 million to Shareholders via such means since 2013 when the requirement for the continuation vote to be proposed at the 2021 AGM was introduced.

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.

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

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2022 (continued)

2. BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

(Loss)/Earnings per share is based on the following data:

	Six months ended 31 December 2022 *(Unaudited)*	**Six months ended 31 December 2021** *(Unaudited)*
Return/(loss) for the period	£4,178,355	£(1,043,324)
Weighted average number of issued Ordinary shares	83,231,000	83,600,951
Basic and diluted earnings/(loss) per share (pence)	5.02	(1.25)

3. NAV PER SHARE

NAV per share is based on the following data:

	As at 31 December 2022 *(Unaudited)*	**As at 30 June 2022** *(Audited)*	**As at 31 December 2021** *(Unaudited)*
NAV per Condensed Statement of Financial Position	£108,238,740	£120,706,584	£119,372,844
Total number of issued Ordinary shares (excluding Treasury shares)	83,231,000	83,231,000	83,365,000
NAV per share (pence)	130.05	145.03	143.19

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2022 (continued)

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

	1 July 2022 to 31 December 2022 *(Unaudited)* £	1 July 2021 to 30 June 2022 *(Audited)* £	1 July 2021 to 31 December 2021 *(Unaudited)* £
Equity investments	96,525,470	110,202,065	114,931,234
Debt instruments	11,765,021	10,660,460	4,421,547
Financial assets designated at FVTPL	**108,290,491**	**120,862,525**	**119,352,781**
Total financial assets designated at FVTPL and derivatives held for trading	**108,290,491**	**120,862,525**	**119,352,781**
Equity investments			
Cost brought forward	132,232,346	153,218,932	153,218,932
Purchases	1,152,316	43,347,101	20,521,735
Sales Proceeds	(19,612,051)	(61,399,209)	(23,740,499)
Net realised gain/loss	7,135,460	(2,934,478)	(3,103,595)
Cost carried forward	120,908,071	132,232,346	146,896,573
Unrealised losses brought forward	(24,168,635)	(33,410,174)	(33,410,174)
Movement in unrealised (losses)/gains	(2,393,065)	9,241,539	2,564,126
Unrealised (losses)/gains carried forward	(26,561,700)	(24,168,635)	(30,846,048)
Effect of exchange rate movements	2,179,100	2,138,354	(1,119,291)
Fair value of equity investments	**96,525,471**	**110,202,065**	**114,931,234**
Debt instruments			
Cost brought forward	8,965,416	3,257,955	3,257,955
Purchases	2,273,290	5,707,461	568,612
Debt Repayments	(1,500,000)	–	–
Net realised gain	–	–	–
Cost carried forward	9,738,706	8,965,416	3,826,567
Unrealised gains brought forward	1,682,934	1,254,587	1,254,587
Movement in unrealised gains	327,869	428,347	92,097
Unrealised gains carried forward	2,010,803	1,682,934	1,346,684
Effect of exchange rate movements	15,511	12,110	(751,704)
Fair value of debt instruments	**11,765,020**	**10,660,460**	**4,421,547**
Total financial assets designated at FVTPL	**108,290,491**	**120,862,525**	**119,352,781**

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2022 (continued)

5. FINANCIAL INSTRUMENTS

Fair value measurements

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

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

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

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

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

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

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

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2022 (continued)

5. FINANCIAL INSTRUMENTS (continued)
Fair value measurements (continued)

The following tables analyse, within the fair value hierarchy, the Company's financial assets measured at fair value at 31 December 2022 and 30 June 2022:

31 December 2022	Level 1 *(Unaudited)* £	Level 2 *(Unaudited)* £	Level 3 *(Unaudited)* £	Total *(Unaudited)* £
Financial assets designated at FVTPL and derivatives held for trading:				
Equity instruments – listed equity investments	64,639,802	2,795,730	–	67,435,532
Equity instruments – unlisted equity investments	–	–	29,089,938	29,089,938
Debt instruments – loan notes	–	–	11,765,021	11,765,021
	64,639,802	2,795,730	40,854,959	108,290,491

30 June 2022	Level 1 *(Audited)* £	Level 2 *(Audited)* £	Level 3 *(Audited)* £	Total *(Audited)* £
Financial assets designated at FVTPL and derivatives held for trading:				
Equity Instruments – listed equity investments	77,438,519	2,795,730	–	80,234,249
Equity Instruments – unlisted equity investments	–	–	29,967,816	29,967,816
Debt – loan notes	–	–	10,660,460	10,660,460
	77,438,519	2,795,730	40,628,276	120,862,525

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 and has been valued by reference to the closing bid price in the investee company on the reporting date.

The Level 3 equity and debt investments in GI Dynamics were valued by reference to the discounted cash flow valuation of the company with an additional discount for dilution risk. The total valuation was then allocated through a waterfall to the loan note, Series A shares and common stock owned by the Company. The Level 3 equity investment in Sigma Broking Limited was valued using a multiple of EBITDA of the company with an additional discount for lack of liquidity.

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

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2022 (continued)

5. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy – Level 3

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

Reconciliation in Level 3	Six months ended 31 December 2022 *(Unaudited)* £	Year ended 30 June 2022 *(Audited)* £	Six months ended 31 December 2021 *(Unaudited)* £
Opening balance	40,628,276	29,032,329	29,032,329
Purchases	2,273,290	10,707,462	5,568,613
Movement in unrealised (losses)/gains	1,761,952	(3,912,815)	(1,244,298)
Sales	(3,500,000)	(1,660,933)	–
Net realised gain	(352,974)	1,633,412	–
Effect of exchange rate movements	44,415	4,828,821	809,850
Closing balance	40,854,959	40,628,276	34,166,494

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

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2022 (continued)

5. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy – Level 3 (continued)

The table below provides information on significant unobservable inputs used at 31 December 2022 in measuring equity financial instruments categorised as Level 3 in the fair value hierarchy. It also details the sensitivity to changes in significant unobservable inputs used to measure value in each case.

	Valuation Method	Fair Value at 31 December 2022	Unobservable inputs	Factor	Sensitivity to changes in significant unobservable inputs
GI Dynamics	**Discount cash flow**	**23,086,863**	Discount rate	43%	An increase (decrease) in the discount rate to 48% (48%) would reduce (increase) FV by £8.9m (£7.5m)
			High growth rate over 9 year period	48%	A decrease (increase) in the near-term growth rate to 58% (58%) would decrease (increase) FV by £4.1m (£3.6m)
			Dilution discount	20%	An increase (decrease) in the dilution discount to 30% (to 30%) would reduce (increase) FV by £3.6m (£2.7m)
Sigma Broking Limited	**EBITDA Multiple**	**6,003,074**	Discount rate	50%	An increase (decrease) in the liquidity discount to 70% (to 60%) would reduce (increase) FV by £1.9m (£0.9m)
Board Intelligence	**Discount to comparable company multiples**	**1,245,926**	Comparable Revenue multiple	5.7x	A 25% increase (decrease) in the revenue multiple would increase (decrease) FV by £0.7m (£0.7m)
			Discount to comparable multiple	52.7%	A 25% decrease (increase) in the discount to the revenue multiple would increase (decrease) FV by £0.7m (£0.6m)

Notes to the Unaudited Condensed Financial Statements

For the six months ended 31 December 2022 (continued)

5. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy – Level 3 (continued)

	Valuation Method	Fair Value at 31 December 2022	Unobservable inputs	Factor	Sensitivity to changes in significant unobservable inputs
GI Dynamics Inc	**Discounted cash flow**	**23,057,072**	Discount rate	43%	An increase (decrease) in the discount rate to 48% (38%) would reduce (increase) FV by £8.9m (£13m)
			High growth rate over 9 year period	48%	A decrease (increase) in the near term growth rate to 38% (58%) would decrease (increase) FV by £4.1m
			Dilution discount	20%	An increase (decrease) in the dilution discount to 30% (to 10%) would reduce (increase) FV by £3.6 million
Sigma Broking Limited	**EBITDA Multiple**	**5,664,818**	Discount rate	50%	An increase (decrease) in the liquidity discount to 60% (to 40%) would reduce (increase) FV by £0.9 million

6. SHARE CAPITAL AND RESERVES

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

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

	31 December 2022	*(Unaudited)*	30 June 2022	*(Audited)*
	Number	**£**	**Number**	**£**
Issued, called up and fully paid Ordinary shares of £0.01 each	99,749,762	997,498	99,749,762	997,498

During the period, the Company did not create or issue any Ordinary shares.

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2022 (continued)

7. TREASURY SHARES RESERVE

	Six months ended 31 December 2022		Year ended 30 June 2022	
		(Unaudited)		*(Audited)*
	Number	**£**	**Number**	**£**
Opening balance	(16,518,762)	(19,767,097)	(16,012,762)	(19,191,639)
Treasury shares purchased during the period/year	–	–	(506,000)	(575,458)
Closing balance	(16,518,762)	(19,767,097)	(16,518,762)	(19,767,097)

No Treasury shares were purchased during the period ended 31 December 2022 (2021: 372,000). Treasury shares were purchased at an average price of 113.55 pence per share in 2021, representing an average discount to NAV at the time of purchase of 24.9%. No Treasury shares were sold during the period ended 31 December 2022 or 31 December 2021.

8. DIVIDENDS
On 7 July 2022, the Company declared an interim dividend of £8,323,100 equating to 10 pence per Ordinary share, which was paid on 12 August 2022 to shareholders on the register on 15 July 2022. On 11 November 2022, the Company declared an interim dividend of £8,323,100 also equating to 10 pence per Ordinary share, which was paid on 23 December 2022 to shareholders on the register on 25 November 2022.

9. RELATED PARTIES
Richard Bernstein is a director and a member of the Investment Manager, a member of the Investment Adviser and a holder of 10,000 (30 June 2022: 10,000) Ordinary shares in the Company, representing 0.01% (30 June 2022: 0.01%) of the voting share capital of the Company at 31 December 2022.

During the period the Company incurred management fees of £540,000 (2021: £880,981) £90,000 of which was outstanding at 31 December 2022 (30 June 2022: £Nil). No performance fees were payable during the period (2021: £Nil) (30 June 2022: £Nil) and none outstanding at the period/year end.

As at 31 December 2022, the Company's investment in GI Dynamics Inc. is treated as an unconsolidated subsidiary due to the Company's percentage holding in the voting share capital of GID. As GID is a private company and its shares are not listed on a stock exchange, the percentage held is not disclosed.

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

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2022 (continued)

9. RELATED PARTIES (continued)

GI Dynamics Inc. was incorporated in Delaware, had five wholly-owned subsidiaries as at 31 December 2022 and its principal place of business is Boston. The five subsidiaries were as follows:

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

Until 7 March 2022, the management agreement with the Investment Manager provided for a management fee of 2% applied to the Market Capitalisation of the Company at 30 June 2013 (£73.5 million) (the "Base Amount"). To the extent that an amount equal to the lower of the Company's NAV and market capitalisation, at the relevant time of calculation, exceeded the Base Amount (the "Excess Amount"), the applicable fee rate on the Excess Amount would have been 1.5%.

The Investment Manager was also entitled to a performance fee in certain circumstances. The fee was originally calculated by reference to the increase in NAV per Ordinary share over the course of each performance period.

At an EGM on 7 March 2022, Shareholders agreed with the Company's proposals to enter into a new Investment Management Agreement incorporating revised management and performance fee arrangements and to make changes to the termination provisions to reflect the future strategy of the Company.

The management fee has been reduced to £90,000 per month from 1 July 2022 until 31 December 2022, falling in stages to £40,000 per month until 31 December 2023 (or if earlier, the date on which all of the Company's investments have been substantially realised) when the management fee will cease.

In accordance with the new Investment Management Agreement, the performance fee will 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 10 pence per Ordinary Share declared on 22 December 2021) in excess of a threshold of £216,000,000.

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2022 (continued)

9. RELATED PARTIES (continued)

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 31 December 2022, the Investment Manager held 6,899,031 Ordinary shares (30 June 2022: 6,899,031) of the Company, representing 6.92% (30 June 2022: 6.92%) of the voting share capital.

Performance fee for period ended 31 December 2022

At 31 December 2022, 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) (June 2022: 261.91 pence).

The aggregate cash returned to Shareholders after 1 July 2022 was £16,646,200. Accordingly, no performance fee was earned during the period ended 31 December 2022 (2021: £Nil).

Notes to the Unaudited Condensed Financial Statements
For the six months ended 31 December 2022 (continued)

9. RELATED PARTIES (continued)
Performance fee for period ended 31 December 2022 (continued)

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

	31 December 2022		30 June 2022	
	Number of Ordinary shares	Total voting rights	Number of Ordinary shares	Total voting rights
Christopher Waldron[(1)(2)]	30,000	0.04%	30,000	0.03%
Jane Le Maitre[(2)]	13,500	0.02%	13,500	0.01%
Fred Hervouet	7,500	0.01%	7,500	0.01%
Total	**51,000**	**0.07%**	**51,000**	**0.05%**

(1) Chairman of the Company
(2) Ordinary Shares held indirectly

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

10. POST BALANCE SHEET EVENTS
On 22 February 2023, the Company reported that its unaudited NAV at 31 January 2023 was 122.8 pence per Ordinary share.

11. AVAILABILITY OF INTERIM REPORT
Copies of the Interim Report will be available to download from the Company's website www.crystalamber.com.

Glossary of Capitalised Defined Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary of Capitalised Defined Terms (continued)

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

"**IMA**" means the investment management agreement between the Company and the Investment Manager dated 16 June 2008, as amended on 21 August 2013, further amended on 27 January 2015, further amended on 12 June 2018 and further amended and restated on 7 March 2022;

"**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;

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

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

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

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

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

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

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

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

Glossary of Capitalised Defined Terms (continued)

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

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

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

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

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

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

Directors and General Information

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

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