SuperSeed Capital Limited

Annual Report and Audited Financial Statements
for the period from incorporation on 6 October 2021 to 31 December 2022

SuperSeed Capital Limited

Contents

	Page(s)
General Information	3
Chairman's Statement	4 to 5
Investment Manager's Report	6 to 7
Director's Report	8 to 10
Corporate Governance Report	11 to 18
Report of the Audit Committee	19 to 20
Independent Auditor’s Report	21 to 24
Statement of Comprehensive Income	25
Statement of Financial Position	26
Statement of Changes in Equity	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 to 42

SuperSeed Capital Limited

General Information

Directors:	Joseph Truelove *(Chairman, appointed 10 November 2021)* Andrew Hatton *(appointed 6 October 2021)* Mads Jensen *(appointed 6 October 2021)*
Registered Office:	First Floor, St Peter's House Le Bordage St Peter Port Guernsey, GY1 1BR
Administrator:	Imperium Fund Services Limited First Floor, St Peter's House Le Bordage St Peter Port Guernsey, GY1 1BR
Investment Manager:	SuperSeed Ventures LLP 231-232 Strand London WC2R 1DA
Aquis Stock Exchange Corporate Adviser and Corporate Broker:	VSA Capital Limited Park House 16-18 Finsbury Circus London EC2M 7EB
Registrar:	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampsons Guernsey, GY2 4LH
Auditor:	Grant Thornton Limited St James Place St James Street St Peter Port Guernsey, GY1 2NZ

SuperSeed Capital Limited

Chairman's Statement
for the period from incorporation on 6 October 2021 to 31 December 2022

Introduction

It is my pleasure to make my maiden statement on the inaugural audited financial statements published for SuperSeed Capital Limited ("SuperSeed" or the "Company") since its admission to trading on Aquis Stock Exchange Growth Market in January 2022. The IPO represented a significant milestone for the Company and came at a very difficult time for the market. It was the only closed ended listed investment company to have an IPO during the calendar year. The IPO provided the Company with the opportunity to permit investors to invest into a listed fund with liquidity and no minimum investment which can access opportunities in seed stage venture capital portfolio companies through funds managed by SuperSeed Ventures LLP. As a result, the Board is confident that the Company will deliver value to its shareholders in the years to come.

The focus was to secure a £2m funding which was successfully achieved on Admission, latterly this has been augmented with a £1m loan facility, allowing the Company to continue to meet its capital commitments to SuperSeed II LP (the "Fund") which has in turn deployed its drawn capital into eight new investments that are strongly positioned to take advantage of exceptional growth opportunities. The Company has also entered into share swap arrangements with shareholders of two of the Fund's portfolio companies further increasing its issued share capital to £2,365,606.

The Company became a member of the Association of Investment Companies and has adopted the AIC Code of Corporate Governance which ensures that it meets the required standards of governance and ESG, which are expected by investors and stakeholders. It is an honour to lead such a dynamic and forward-thinking organisation, and I am excited about the opportunities that lie ahead.

Investment Policy

The Company invests in early-stage European software and AI businesses which have technologies that are disruptive to the traditional services sector. A typical investment will offer the prospect of high growth and the potential to scale. The Company's objective is to provide long-term capital growth to shareholders.

Performance

I am pleased to report that the Company has performed well with an increase in the Company's NAV from inception to 101p per share, which is all the more creditable when compared to the performance of 794 UK-domiciled funds, only 17% of which managed to show positive growth[1]. Accordingly, we are pleased with the Company's performance which give us confidence in its current value and future prospects. Revenue in SuperSeed II LP's (the "Fund") portfolio companies was up 200% for 2022 as a whole, averaging 9.6% compound monthly growth. The Company continues to actively review potential acquisition targets at various stages of development and operating in a number of geographic regions, all of which have potential global relevance.

[1] https://www.morningstar.co.uk/uk/news/230527/2022s-best-and-worst-performing-funds.aspx

Stakeholders

I would like to extend my sincere thanks to our stakeholders, including my fellow board members, the Company’s investment manager, administrator, investors, and investee companies, for their contributions to SuperSeed's success over the past year. The investment manager has demonstrated exceptional commitment, resilience, and dedication in supporting the growth and success of the Company. The Board is also grateful to our investors for their continued support and confidence in our vision and strategy. The Fund’s investee companies have played a crucial role in our success, and we are proud to partner with them in their journey.

New Joiners

Over the reporting period we have welcomed Mrs Colette Taylor to the Board as a permanent, alternate director to Mr Andrew Hatton. As a very small Company it is important that costs are controlled and the board is acutely aware of the requirement to have greater diversity. The board hope that Colette’s addition as an alternate director will ensure that the Board is not only the right size for the Company’s market capitalisation and stage of development, with an appropriate and diverse balance of skills, knowledge and experience but also has greater diversity.

Pipeline

The investment pipeline of the Fund remains strong and the Company’s investment manager continues to have visibility over large swathes of the opportunities in European SaaS and AI.

ESG

The Company and its investment manager, SuperSeed Ventures LLP, recognises the importance of ESG and governance considerations in building a sustainable and resilient business. As an investment fund with no staff and premises the Company's main effort to ensure positive ESG outcomes are achieved is by monitoring the actions of our investment manager and our portfolio companies, further details of which can be found here: https://www.superseed.com/journal/superseed-esg-policies-and-investment-strategy/.

Outlook

The Board is of the view that the combination of an established, successful and hands-on investment manager with access to an attractive seed portfolio as well as an identified and growing pipeline of investments in the SaaS and AI space, makes this a compelling investment. We remain committed to our vision and strategy of supporting the growth of innovative and high-potential AI companies, while adhering to high standards of governance and ESG practices. We welcome our new shareholders and look forward to working with them and successfully delivering on our investment strategy.

Joseph Truelove
Chairman
SuperSeed Capital Limited

SuperSeed Capital Limited

Investment Manager's Report
for the period from incorporation on 6 October 2021 to 31 December 2022

As we enter 2023, we are in the middle of three major transitions:

1. Zero Interest Rate Policy (ZIRP) --> Inflation and higher Interest Rates
2. Globalisation --> Global Power Rivalry
3. Internet & Mobile --> Next-Gen AI

We have only seen the beginning of the disruption caused by these transitions. The next decade will see an upheaval of business unlike anything we have seen in our lifetimes. The challenges will be immense but the opportunities will be profound.

Opportunities in software investing
As the world changes and industries are dislocated, lots of new investment opportunities emerge. When measuring using the return on investment method, the biggest investment opportunities continue to be in software. In the past decade, SaaS has already been an attractive investment category. And the value created by SaaS companies only increases when they embed advanced AI into their platforms.

SuperSeed exists to back Europe's best B2B SaaS founders at the earliest stages, and to help them build great companies. In the short term, our portfolio companies enable their customers to drive revenue growth and efficiency savings using next-generation software and AI. In the long-term, they have an opportunity to create category defining global technology companies.

The current investing landscape
In 2021 we started seeing something we haven't seen for a long time: inflation. In response, central banks have increased interest rates to reduce liquidity and cool down economies.

This policy change has done exactly what was expected. Liquidity has come down, and with less money sloshing around, so have the frothy valuations of 2020 and 2021.

The tech sector went through a massive valuation correction in 2022. From the peak in November 2021 to the trough in November 2022, EMCLOUD (the Bessemer Emerging Cloud Index - an index of 75 publicly listed SaaS/Cloud companies) declined by 62%. It's not quite the dotcom collapse, but it is a meaningful drop.

During the same period, the median forward revenue multiple declined from 15x out of the ordinary increase while 4.5-5x is the norm since 2017. (it's since recovered to 5x). Investment valuations are now back to where they were in 2017.

The upside of "back-to-basics"
Counterintuitive as this may sound, the reduction in valuations is largely a great thing for serious technology start-up founders and investors. Frothy valuations and abundance of capital drove all the wrong behaviours. Too much capital spent on unproductive endeavours. And too much competition for talent and customer attention.

All of this has been replaced with a "back-to-basics" focus on strong unit economics and how to build good companies. This makes it easier for founders to focus on what matters, and for investors to buy into the best companies at appropriate valuations.

Strong performance in the SuperSeed portfolio
At SuperSeed, we have always focused on the fundamentals. Essentially, we are about helping founders build good companies with strong unit economics and sensible distribution models.

SuperSeed Capital Limited

Investment Manager's Report (continued)
for the period from incorporation on 6 October 2021 to 31 December 2022

Strong performance in the SuperSeed portfolio (continued)

This approach served the portfolio well in 2022. While SuperSeed's companies were subject to declining valuation multiples just like everyone else, robust revenue more than made up for the multiple contraction.

Essentially, companies in the Fund's portfolio more than tripled SaaS revenue over the course of 2022. In essence, top line grew faster than revenue multiples declined. The result of this was that the Fund was up more than 23% over the year.

Outlook for 2023

Financial markets continue to be turbulent in 2023, and we don't expect to see valuation multiples increase meaningfully in the short term. However, the wider market backdrop leads to many exciting investment opportunities in 2023 – especially in AI.

Generative AI is a concept that has been building for years, but it really came to the forefront of the tech industry in 2022. Over the past decade, AI/machine learning has primarily been used for classification. Show an algorithm lots of data, and it can help figure out whether it is a cat or a dog; a working product or a defective product; a stock to buy or a stock to sell: classification.

With generative AI, the field of AI is taking a great leap forward. It's no longer just about classifying things into neat categories but about creating new things. At first, as digital objects (e.g. a digital product design), but this now also extends to physical objects. An example of this is our portfolio company Ai Build which helps high-end manufacturers in automotive and aerospace use AI and 3D printing to create new products, faster and more efficiently.

The outlook for the Fund's portfolio in 2023 is very encouraging. Revenue for the existing portfolio is expected to more than double over the course of the year, and in parallel we will be adding existing new AI/SaaS companies to the portfolio.

2023 is a great time to build technology companies, and an excellent time to back the best technology founders to help them on their journey. We look forward to an exciting year ahead for both our portfolio and the wider software/AI industry.

Mads Jensen
Managing Director
SuperSeed Ventutes LLP

SuperSeed Capital Limited

Director's Report
for the period from incorporation on 6 October 2021 to 31 December 2022

The Directors of SuperSeed Capital Limited present their Report, together with the audited financial statements for the period from 6 October 2021 to 31 December 2022.

Principal activities and status

The Company was incorporated on 6 October 2021 in Guernsey, as a non-cellular company limited by shares under The Companies (Guernsey) Law, 2008 (as amended) ("Company Law"). The Company is regulated by the Guernsey Financial Services Commission as a Registered Closed-ended Collective Investment Scheme pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the Registered Collective Investment Schemes (RCIS) Rules and Guidance 2021.

On 31 January 2022, the Company was admitted to the Access segment of the Aquis Stock Exchange ("AQSE") Growth Market.

The main purpose of the Company is to carry on business as a fund-of-funds. The Company will invest in technology-led innovation primarily through unquoted funds managed by SuperSeed Ventures LLP, the Investment Manager, with the objective of maximising investors' long term total returns – principally through capital appreciation.

Review of the Company's activities

A review of the business together with potential future developments is contained in the Investment Manager's Report and Chairman's Statement. The Directors are satisfied with the performance of the Investment Manager during the period.

Results

The results for the period are set out in the Statement of Comprehensive Income on page 25.

Dividends

The Company invests in funds which aim to themelves invest in early-stage technology companies with potential for very high growth rates, well above what is typically seen in publicly traded companies. As long as the Investment Manager believes it can continue to identify investment opportunities with opportunity for outsized growth, the Company will seek to reinvest all capital in preference of returning the capital as dividends. No dividends were paid to shareholders during the period.

Going concern

The Directors, and the Investment Manager having considered the Company's objectives and available resources along with its projected income and expenditure, are satisfied that the Company has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future. The Company adopts an "Overcommitment Policy" in order to reduce the cash reserves held by the Company that have not been called by its commitment-based investments. In order to meet ongoing investment commitments, the Company may utilise any cash reserves held, incur borrowings, issue new share capital or sell assets in order to realise their value. The Directors are cognisant of potential capital calls from underlying investments. On 28 February the Company sold £1,000,000 of its commitment in SuperSeed II LP to the investment manager SuperSeed Ventures LLP as disclosed under note 15 to improve liquidity. Loans can also be drawn from the Investment Adviser under the Convertible Loan Note Instrument entered into on 14 September 2022, if required. The Directors do not consider there to be any threat to the going concern status of the Company.

Accordingly the financial statements have been prepared on a going concern basis.

SuperSeed Capital Limited

Director's Report (continued)
for the period from incorporation on 6 October 2021 to 31 December 2022

Directors
The Directors of the Company during the period and to date are stated on page 3.

As at 31 December 2022 and on the date of this report Mads Jensen held 1,511,071 shares in the Company via a nominee.

Joseph Truelove
Joseph is a Chartered Accountant and Trust Estate Practitioner with 25 years' experience of corporate governance and strategy derived from roles in audit, financial control, operations, client management and fund administration leadership. Joseph is an experienced Director of multiple public and private investment funds in various roles including Director, Chairman and Chair of the audit committee. Joseph has wide experience of asset classes including venture capital, private equity, real estate, infrastructure, debt and listed securities.

Andrew Hatton
Andrew has more than 20 years' financial services experience and was Head of the Guernsey Funds Team for a major fund administration company prior to his current role at the Administrator, where he is a client service director. He has gained further experience of third-party fund administration through various positions at Gentoo Fund Services Limited, Ipes and Northern Trust. Andrew holds a Diploma in Company Direction (Dip IoD), a Diploma in International Finance and Administration and is a Fellow of the Institute of Administrative Management (Fins AM).

Mads Jensen
Mads is a successful entrepreneur and passionate technologist (having authored multiple US patents) who has worked for 2 decades building and growing tech businesses. At SuperSeed Ventures LLP he helps ambitious technical founders build companies from the early stages. Prior to SuperSeed Ventures LLP, Mads was an entrepreneur, taking Sefaira (a SaaS company) from inception in 2009 to exit in 2016. Before that he was a business executive at IBM. Mads Jensen holds an MBA from INSEAD and a BSc in International Business from Copenhagen Business School.

Significant Shareholdings
The following shareholdings represent interests of 3 per cent or more of the shares of the Company as at 30 April 2023:

Shareholder	Number of Ordinary Shares	% Shareholding
Ms Anne Mette Horneman	135,000	5.71
Interactive Investor Services Nominees Limited SMKTNOMS Acct	1,168,005	49.37
Lawshare Nominees Limited ISA Acct	252,990	10.69
Lawshare Nominees Limited SIPP Acct	511,235	21.61
Lawshare Nominees Limited Dealing Acct	138,784	5.87

The Alternative Investment Fund Managers Directive
The Investment Manager has been appointed as the Alternative Investment Fund Manager ("AIFM") of the Company and is regulated by the Financial Conduct Authority as a small authorised UK AIFM (sub-threshold) for the purposes of the UK AIFMD laws.

Statement of Directors' Responsibilities
The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company Law requires Directors to prepare financial statements for each financial year. The Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB and applicable laws.

Under the Company Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company for that year. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Company Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor
Grant Thornton Limited were appointed as auditor on 15 November 2022 and has expressed its willingness to continue in office.

Corporate Governance
A report on Corporate Governance is included on pages 11 to 18.

DocuSigned by: 88CD8830F9114C2... DocuSigned by: 04ECD8B924974D5...

Joseph Truelove and Andrew Hatton
Directors
SuperSeed Capital Limited

10 May 2023

SuperSeed Capital Limited

Corporate Governance Report
for the period from incorporation on 6 October 2021 to 31 December 2022

The Directors present their Corporate Governance Report for the period ended 31 December 2022.

As a Company registered in Guernsey and listed on the Access segment of the AQSE Growth Market, the Company is subject to the requirements of the Finance Sector Code of Corporate Governance Code (the "Guernsey Code") issued by the Guernsey Financial Services Commission ("GFSC"), or any other such governance code that is recognised and endorsed by the GFSC as compatible with the Guernsey Code. The Association of Investment Companies ("AIC") has issued the AIC Code of Corporate Governance which sets out a framework of best practice in respect of the governance of investment companies and has been endorsed by the GFSC as compatible with the Guernsey Codes. As the Company is an AIC member, the Board has elected to report in accordance with the principles and recommendation in the AIC Code, https://www.theaic.co.uk/aic-code-of-corporate-governance.

The GFSC republished the GFSC Finance Sector Code of Corporate Governance (Guernsey Code) in October 2021. The introduction to the Guernsey Code states that "Companies which report against the UK Corporate Governance Code or the Association of Investment Companies Code of Corporate Governance are deemed to meet this Code". Therefore, AIC Members which are Guernsey-domiciled and which report against the AIC's Code of Corporate Governance are not required to report separately against the Guernsey Code. The Board places a high degree of importance in ensuring that high standards of corporate governance are maintained and has considered the principles and recommendations of the AIC Code. For the year ended 31 December 2022, the Company has complied with the applicable provisions of the AIC Code, except for the matters set out below which the Board has determined do not impact effective corporate practices. It is the intention of the Board that the Company will continue to comply with the applicable provisions of the AIC Code throughout the year to 31 December 2022.

The Board of SuperSeed Capital Limited has considered the Principles and Provisions of the AIC Code of Corporate Governance (AIC Code). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to SuperSeed Capital Limited. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by 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 website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The appointment of a Senior Independent Director: Given the size and composition of the Board it is not practical or cost effective to separate the roles of Chairman and Senior Independent Director. The Board considers that all the independent Directors have different qualities and areas of expertise on which they may lead where issues arise and to whom concerns can be conveyed.

Internal audit function: The Board has reviewed the need for an internal audit function and due to the size of the Company and the delegation of day-to-day operations to regulated service providers, who report to the Board on the outcomes of its internal monitoring programme, an internal audit function is not considered necessary. The Directors will continue to monitor the systems of internal controls in place in order to provide assurance that they operate as intended.

The appointment of a Nomination Committee: Given the size and composition of the Board it is considered unduly burdensome to establish a separate Nomination Committee. All the Directors are deemed to be independent and qualified to vote on candidates for the appointment of new independent directors.

The appointment of a Remuneration Committee: Given the size of the Board it was considered unnecessarily costly to establish a separate Remuneration Committee. There are no executive directors and although consideration of directors' remuneration remains a function of the Board as a whole, no individual Director is entitled to vote in relation to his own remuneration. The Board considers that these provisions are not relevant to the structure of the Company, being a small company with day-to-day administrative functions outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Board has therefore not reported further in respect of these provisions.

Board leadership and purpose

The Board regularly assesses the basis on which the Company generates and preserves value over the long-term. The Board considers strategy and Company performance at quarterly board meetings. The Investment Manager is committed to the active management of the investment portfolio to ensure the best possible returns for shareholders. The Board regularly considers the risks to the Company's future success, further details are included under the "Audit, Risk and Internal Control" section of this report.

The Board undertakes an annual evaluation (details on page 14) of its own performance and that of individual Directors. The Board has considered and discussed the outcomes of the evaluations undertaken during the period and is satisfied that its policies, practices and behaviour are aligned with the Company's purpose, values and strategy.

The Company's investment policy is to invest in technology-led innovation primarily through unquoted funds managed by the Investment Manager, with the objective of maximising the investors' long term total returns – principally through capital appreciation.

The Investment Manager predominantly backs technical founders who have developed a ground-breaking technology with global potential. The Investment Manager invests in these businesses at an early stage of their development and uses its experience to accelerate the journey to their first £1m in revenue and prepare them for a Series A funding round.

The Company intends to subscribe for investments which operate on a "commitment" approach ("Commitment Based Investments"). Investors in such Commitment Based Investments agree (or "commit") to pay in moneys up to an agreed amount (such amount their "commitment") upon request (when they are "called" or "drawn down" by the Commitment Based Investments), typically when such moneys are required by the Commitment Based Investments. Accordingly, the amount of money actually drawn down by such Commitment Based Investments on or about the date of the Company making its commitment is expected to be significantly less than the commitment amount itself.

The Company acknowledges the importance of communicating clearly and openly with its shareholders. The Board welcomes correspondence from shareholders, addressed to the Company's registered office. All shareholders have the opportunity to attend and vote at the Annual General Meeting and put questions to the Board and the Investment Manager.

Board leadership and purpose (continued)

There may be occasions where the Investment Manager may encounter potential conflicts of interest in connection with business activities and operations of the Company. If any matter arises that the Investment Manager determines in its good faith judgement constitutes an actual conflict of interest, the Investment Manager will take reasonable steps to ensure that the conflict is resolved in accordance (so far as applicable in the circumstances) with applicable regulations and its conflicts of interest policy. If, in the Investment Manager's reasonable opinion, such steps are insufficient to prevent the risk of damage to the interests of the Company, the Investment Manager will discuss with the Board how such conflict is to be managed and mitigated.

Andrew Hatton is an employee of the Administrator, whilst Mads Jensen is the managing partner of the Investment Manager. In the event of any conflict of interest arising between the duties owed by any Director to the Company and their duties owed to, or interests in, any other party, such conflicts will be notified to the Board in accordance with Company Law and the Board will take appropriate steps in the circumstances to manage such conflict and to mitigate the risk of damage to the interests of the Company.

The Directors are required by the RCIS Rules to take all reasonable steps to ensure that there is no breach of the conflicts of interest requirements of the RCIS Rules.

Division of responsibilities

The AIC Code principles are:

- The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.
- The board should consist of an appropriate combination of directors (and, in particular, independent nonexecutive directors) such that no one individual or small group of individuals dominates the board's decision making.
- Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third party service providers to account.
- The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

The Board is responsible for the overall leadership of the Company, setting the Company's values and strategic objectives, and for the oversight of the Company's operations and performance. The Board is led by the Chairman whose primary role is to ensure that the Board is effective in its task of setting and implementing the Company's direction and strategy.

A summary of the Directors' attendance at meetings during the period from incorporation to 31 December 2022 to which they were eligible to attend is provided below.

	Board meetings	Audit Committee meetings
Joseph Truelove	8	2
Andrew Hatton	8	2
Mads Jensen	9	-

Division of responsibilities (continued)

It is a principle of the AIC Code that a majority of the board should be independent of the Investment Manager. There are three Directors on the Board, two of whom are considered to be independent and non-executive, Joseph Truelove and Andrew Hatton. The Chairman, Joseph Truelove, is non-executive independent of the Investment Manager while the second non-executive director, Andrew Hatton, is an employee of the Administrator. The Board does not feel however that this relationship with the Administrator is sufficiently material to compromise Mr Hatton's independence. The third director, Mads Jensen, is a representative of the Investment Manager and an executive director. The Board therefore complies with the provision of the AIC Code that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent. The Chairman is not considered to have any conflicts of interest between his interests as Chairman and those of shareholders.

Given the size of the Board, the Company has not appointed a senior independent director.

The Directors will meet at least four times a year, to review and assess the Company's investment performance, the performance of the Company's service providers and to supervise the conduct of its affairs.

The Investment Manager has the authority, power and discretion to acquire, consolidate or dispose of any investment on behalf of the Company. The Investment Manager meets with the Board at least 4 times a year to review the performance of the Company's investments and to discuss the Investment Policy and Investment Restrictions.

Other service providers of the Company are as set out on page 3. Clear documented contractual arrangements are in place with these firms which define the areas where the Board has delegated responsibility to them. The Board evaluates the performance of each service provider, including the Investment Manager, at quarterly Board meetings. Given the size of the Board, the Company has not established a separate management engagement committee to carry out reviews of the Investment Manager.

Composition, succession and evaluation

The AIC Code principles are:

- Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
- The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.
- Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

Composition, succession and evaluation (continued)

The company will not initially have a separate nominations committee. The Board as a whole will instead review the Board's size, structure and composition taking into account the interests of Shareholders and the performance of the Company.

All Directors will be subject to re-election at each annual general meeting of the Company.

The AIC Code recommends that the Board have a policy on tenure of the Chairman. The Board does not consider it appropriate that Directors should be appointed for a specific term but has determined that all directors will be subject to annual re-election at the annual general meeting of the Company.

The Directors believe that the Board, taken as a whole has sufficient expertise and a variety of complementary skills for the Company to operate and develop its business satisfactorily.

The performance of the Board, the Audit Committee, the Chairman and the individual directors are subject to annual evaluation. The first annual evaluation was undertaken in February 2023. The Board has considered and discussed the outcomes of the evaluations and is satisfied that it is operating well.

The Board has chosen not to adopt a definitive policy on diversity and inclusion, however knowledge, experience and governance credentials are all considered when recommending appointments to the Board and in formulating succession plans.

Audit, risk and internal control

The AIC Code principles are:

- The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.
- The board should present a fair, balanced and understandable assessment of the company's position and prospects.
- The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.

The Company has established an Audit Committee comprising of its two non-executive directors, Joseph Truelove and Andrew Hatton. Andrew Hatton is the Chairman of the Audit Committee. The Board has determined it to be appropriate for the Company's Chairman to be a member of the Audit Committee due to the small size of the Board. Both Audit Committee members have recent and relevant financial experience.

Further details on the Audit Committee can be found on pages 19 to 20.

The ultimate responsibility for reviewing and approving the annual report and financial statements remains with the Board. Having reviewed the annual report and audited financial statements in detail, having considered all matters brought to the attention of the Board during the year, and having regard to the work of the Audit Committee, the Directors consider that the annual report and audited financial statements taken as a whole, provide a fair, balanced and understandable representation of the Company's affairs, and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Audit, risk and internal control Continued)

The company will not initially have a separate risk committee. The Board as a whole will instead review risk matters.

The Board has taken into account the relevant provisions of the AIC Code in formulating the systems and procedures in operation for the Company and conducts annual risk assessments to identify any deficiencies in the controls currently operating over all aspects of the Company. The Board believes that the Company has adequate and effective systems in place to identify, mitigate and manage the risks to which it is exposed and to highlight any emerging risks.

The following sets out key Company, emerging and principal risks and associated control procedures and mitigation measures.

Risk	Control Procedure
Cash	
Risk of fraud, defalcation	The Administrator will produce the information to the Board to monitor the cash position. Two authorised signatories are required for any payment or cash transfer.
Credit risk of deposit counterparty failure	Selection of counterparties with an appropriate credit rating will be approved by the Board. Consideration of multiple counterparties where necessary to reduce risk of failure of a single counterparty. Quarterly accounts are reviewed and approved by the Board.
Interest rate risk	Interest rates are monitored by the Investment Manager.
Fixed Assets	
Risk of theft/misappropriation	It is not envisaged that the Company will have any fixed assets of note. Important documents will be kept in safe custody by the Administrator.
Expenditure Controls	
Unauthorised expenditure takes place	Appropriate authorisation levels are set and two authorised signatories are required for any payment or cash transfer.
Investment Manager Risk	
Investment Manager invests outside the investment policy	The Board will monitor investments to ensure they fall within the investment policy.
Key Supplier Risk	
Loss of the Investment Manager's Key Personnel	The Board maintains an insurance policy to cover loss of investment management services.
Accounting Errors	
Risk of accounting errors	The Administrator prepares the accounts with oversight from the Chairman and quarterly review by the Board. The year-end financial statements are audited by Grant Thornton Limited.
Information Systems	
Loss of data due to systems outage	Data is stored in a ISO27001 certified data Centre and is backed up daily.

Risk	**Control Procedure**
<u>Cyber Crime</u>	
Loss of funds due to financial crime	Two authorised signatories are required for transfers. Call back procedures are in place to ensure that any changes to beneficiary bank account details are bonafide. Physical security measures are in place in addition to information security measures at the registered office to prevent unauthorised access to banking systems, tokens, passwords etc.
<u>Insurance</u>	
General insurances	Annual reviews take place as to the adequacy of any insurance coverage.
D & O insurance	The agreed policy limit is reviewed annually.
<u>Investment Risk</u>	
Performance / default	It is likely that some of the underlying investments that are in the Company's portfolio will fail to achieve the returns expected and some may fail completely. The mitigation against this is: a) to work with a competent manager who can help reduce the probability of failure, b) mitigate loss in the event of a failure, and c) diversify investments such that losses in some underlying investments are more than offset by gains in other investments.

The Board does not intend to establish a separate internal audit function given the current size and stage of development of the business. Any material concerns raised in management letters or reports received from the auditors will be considered by the Audit Committee and reported to the Board. Appropriate internal controls and segregation of duties are in place to guard against fraud.

Based on their assessment of the prospects of the Company, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due.

Remuneration

The AIC Code principles are:

- Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.
- A formal and transparent procedure for developing policy remuneration should be established. No director should be involved in deciding their own remuneration outcome.
- Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

The Company will not initially have a separate remuneration committee. The Board as a whole will instead review the scale and structure of the Directors' fees, taking into account the interests of Shareholders and the performance of the Company.

Remuneration (continued)

The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

Remuneration does not include share options or other performance based elements.

Details of Directors fees can be found in note 13 to the financial statements.

Duty to Promote

In accordance with Section 172 of the Companies Act 2006, as the AIC Code requires us to comment on, the Directors are satisfied that during the period, each Director acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desire of the Company to maintain a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

SuperSeed Capital Limited

Report of the Audit Committee
for the period from incorporation on 6 October 2021 to 31 December 2022

The Board is supported by the Audit Committee, comprising of its two non-executive directors, Joseph Truelove and Andrew Hatton. The Chairman of the Audit Committee is Andrew Hatton. The Board has considered the composition of the Committee and is satisfied that the Members have sufficient skills and relevant expertise.

See page 9 for biographical details of the current audit committee members.

The function of the Audit Committee is to ensure that the Company maintains high standards of integrity, financial reporting and internal controls.

Internal Control Review and Risk Management System

The Board of Directors is responsible for establishing the system of internal controls relevant to the Company and for oversight of the effectiveness of those systems. The review of internal controls is an on-going process for identifying and evaluating the risks faced by the Company, designed to effectively manage rather than eliminate business risks to ensure the Board's ability to acheive the Company's business objectives.

It is the responsibility of the Board to undertake the risk assessment and review of the internal controls in the context of the Company's objectives in relation to business strategy and the operational compliance and financial risks facing the Company. These controls are operated by the Company's main service providers. The Board receives regular updates from each provider and undertakes an annual review of the effectiveness of each service providers' controls environment.

The Board is satisfied that each service provider has effective controls in place to control the risks associated with the services that they are contracted to provide to the Company and therefore the Board is satisfied with the internal controls of the Company.

The Audit Committee has written terms of reference, which clearly set out its duties and authority conveyed upon it by the Board, and are reviewed annually.

Roles and Responsibilities

The main roles and responsibilities of the Audit Committee include:

- monitoring the integrity of the financial statements of the company and any formal announcements relating to the company’s financial performance, and reviewing significant financial reporting judgements contained in them;
- providing advice (where requested by the Board) on whether the annual report and accounts, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company’s position and performance, business model and strategy;
- reviewing the adequacy and effectiveness of the Company's internal financial controls and the Company's other internal control and risk management systems;

- conducting the tender process and making recommendations to the Board, about the appointment, reappointment and removal of the external auditor, and approving or recommending to the Board the remuneration and terms of engagement of the external auditor;

- reviewing and monitoring the external auditor's independence and objectivity;
- reviewing the effectiveness of the external audit process, taking into consideration relevant professional and regulatory requirements;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required; and
- reporting to the Board on how it has discharged its responsibilities.

Activities of the Audit Committee

The Audit Committee met twice during the period under review. Individual attendance of the Directors is outlined within the Directors' Report.

During the period the Audit Committee has reviewed the integrity of the information contained in the quarterly results and investment valuations prior to their publication on the Aquis Stock Exchange.

The Audit Committee has also periodically assessed the independence and effectiveness of the external audit process through discussions within the Committee and then further to the full Board and is satisfied that the external auditor has been and remains independent from the Company in all aspects. The external auditor provided confirmation of willingness to act in October 2021 and was subsequently formally appointed, by way of execution of an engagement letter in November 2022 and works carried out in respect of these financial statements are the first conducted by them.

There was no non-acceptance by the Board of the Audit Committee's recommendation on the appointment of the external auditor. Further, the external auditor provided no further non-audit services to the Company.

SuperSeed Capital Limited

Independent Auditor's Report
for the period from incorporation on 6 October 2021 to 31 December 2022

Opinion
We have audited the financial statements of SuperSeed Capital Limited (the "Company") for the period ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements:
- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of the Company's profit for the period then ended;
- are in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Standards Board (IASB); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

The key audit matter	How the matter was addressed in our audit
Valuation of unquoted investments (2022: £1.88m) The valuation of unquoted investments, which comprised 89% of the total fair value of the Company's net assets, requires significant judgment, use of estimates, industry specialism and expertise and specific market consideration, as described in Notes 2d, 2g and 7 to the financial statements. The fair value of unquoted investments might be misstated due to the application of inappropriate methodologies, assumptions or source data for estimates made and/or inappropriate underlying judgments made due to error or fraud.	Our audit procedures consisted of but were not limited to: • Obtaining understanding of management's processes, policies and methodologies, and controls in relation to the valuation of the unquoted investments; • Obtaining and inspecting the valuation models prepared by the Investment Manager, and inspecting the supporting data to assess whether the data used is appropriate and relevant; • Holding discussions with management, including the investment manager, and evaluating whether the fair value of the unquoted investments is reasonably stated, and corroborating those discussions with the supporting documents inspected, including challenging the assumptions made by management;

The key audit matter	How the matter was addressed in our audit
	• Assessing whether the valuation of unquoted investments' accounting policy is in line with the requirements of IFRS and consistently applied; • Assessing the independence, competence and objectivity of management's valuation expert; • Obtaining the valuations prepared by management and the valuation report prepared by management's expert and challenging the valuation conducted by them through the following; • Assessing whether the valuation model used by management to estimate the fair values of the unquoted investments is consistent with methods usually used by market participants for similar types of instruments • Reviewing key assumptions considered within management's expert's calculations and ensure that these assumptions are reasonable and consistent with the requirements of the accounting standards • Testing key inputs/data used in the calculation of the fair value, through inspecting supporting documents and discussions with management; and • Determining if the fair value estimates are within the range of values determined by the audit team. **Our results:** Based on the work performed, we have not identified any matters to report to those charged with governance in relation to the fair value measurement of unquoted investments at fair value through profit or loss.

Other information in the Annual Report

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited financial statements 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, except to the extent otherwise explicitly stated in our report, we do not express 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.

SuperSeed Capital Limited

Independent Auditor's Report (continued)
for the period from incorporation on 6 October 2021 to 31 December 2022

Responsibilities of the directors for the financial statements
As explained more fully in the Directors' Responsibilities Statement set out on page10, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRSs as issued by the International Standards Board (IASB), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Jeremy Ellis.

Use of our report

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.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept by the Company; or
- the Company’s financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

DocuSigned by:
Grant Thornton Limited
55AB06199AAA481...

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey

Date: 12 May 2023

SuperSeed Capital Limited

Statement of Comprehensive Income
for the period from incorporation on 6 October 2021 to 31 December 2022

	Notes	6 October 2021 to 31 December 2022 £
Income		
Investment income		379
Unrealised gain on investments held at fair value through profit or loss	7	260,581
Bank interest income		2,347
Total income		**263,307**
Expenses		
Administration fees	13	27,432
Audit fees		21,000
Directors' fees	13	18,000
Establishment costs		194,298
Insurance		1,316
Legal & professional fees		40,838
Regulatory fees		14,839
Sundry expenses		1,599
Total expenses		**319,322**
Total profit and comprehensive income for the period		**(56,015)**
Basic earnings per share	6	**(0.037115)**
Diluted earnings per share	6	**(0.036791)**

All the above items are derived from continuing operations.

The accompanying notes on pages 29 to 42 form an integral part of these financial statements.

There is no other comprehensive income for the period.

SuperSeed Capital Limited

Statement of Financial Position
As at 31 December 2022

	Notes	2022 £
Non-current assets		
Investments	7	1,799,616
Total non-current assets		**1,799,616**
Current assets		
Trade and other receivables	8	11,025
Cash and cash equivalents		235,089
Total current assets		**246,114**
Total assets		2,045,730
Current liabilities		
Trade and other payables	9	21,745
Total current liabilities		**21,745**
Total liabilities		21,745
Net assets		**2,023,985**
Equity		
Share capital	11	2,080,000
Retained earnings		(56,015)
Total equity		**2,023,985**
Net asset value per ordinary share		**0.973070**

The financial statements on pages 25 to 42 were approved by the Board of Directors and authorised for issue on 10 May 2023.

DocuSigned by: 88CD8830F9114C2...
DocuSigned by: 04ECD8B924974D5...

Joseph Truelove and Andrew Hatton
Directors
SuperSeed Capital Limited

Date: 10 May 2023

The accompanying notes on pages 29 to 42 form an integral part of these financial statements.

SuperSeed Capital Limited

Statement of Changes in Equity
for the period from incorporation on 6 October 2021 to 31 December 2022

	Share Capital £	Retained Earnings £	Total £
Ordinary Shares issued on incorporation	1	-	1
Issue of Ordinary Shares	2,079,999	-	2,079,999
Total comprehensive income for the period	-	(56,015)	(56,015)
Balance as at 31 December 2022	**2,080,000**	**(56,015)**	**2,023,985**

The accompanying notes on pages 29 to 42 form an integral part of these financial statements.

SuperSeed Capital Limited

Statement of Cash Flows
for the period from incorporation on 6 October 2021 to 31 December 2022

	2022
	£
Cash flows from/(used in) operating activities	
Net profit for the period	(56,015)
Unrealised gain on investment revaluation	(260,581)
Movement in receivables	(11,025)
Movement in payables	21,745
Net cash flow used in operating activities	**(305,876)**
Cash flows used in investing activities	
Purchase of investments	(1,539,035)
Net cash flow used in investing activities	**(1,539,035)**
Cash flows from financing activities	
Proceeds from issue of shares	2,080,000
Net cash flow from financing activities	**2,080,000**
Net movement in cash and cash equivalents during the period	235,089
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**235,089**

The accompanying notes on pages 29 to 42 form an integral part of these financial statements.

SuperSeed Capital Limited

Notes to the Financial Statements
for the period from incorporation on 6 October 2021 to 31 December 2022

1 General Information

The Company was incorporated on 6 October 2021 in Guernsey, as a non-cellular company limited by shares under The Companies (Guernsey) Law, 2008 (as amended) ("Company Law"). The Company is regulated by the Guernsey Financial Services Commission as a Registered Closed-ended Collective Investment Scheme pursuant to the The Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the Registered Collective Investment Schemes Rules and Guidance 2021. The address of the registered office is given on page 3.

The main purpose of the Company is to carry on business as a fund-of-funds. The Company will invest in technology-led innovation primarily through unquoted funds managed directly and indirectly through Fund II by SuperSeed Ventures LLP, the Investment Manager, with the objective of maximising investors' long term total returns – principally through capital appreciation.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been adopted consistently in the preparation of the financial statements unless otherwise stated.

No comparative figures have been presented as the Company's financial information covers the period from incorporation on 6 October 2021.

Basis of accounting

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and The Companies (Guernsey) Law, 2008. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

a) Functional and presentational currency

The financial statements are presented in British Pound Sterling ("GBP" or "£"), which is the Company's functional currency as the Company's primary business transactions and majority of overall transactions are conducted in GBP. The Directors consider GBP as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company.

b) Foreign currency translation

Monetary assets and liabilities are translated from currencies other than GBP ("foreign currencies") to GBP (the "functional currency") at the rate prevailing at the period end date. Income and expenses are translated from foreign currencies to the functional currency at the rate prevailing at the date of the transaction. Exchange differences are recognised in the Statement of Comprehensive Income.

Foreign currency transaction gains and losses on financial instruments classified as fair value through profit or loss are included in the Statement of Comprehensive Income.

2 Significant accounting policies (continued)

c) Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the Statement of Financial Position and Statement of Comprehensive Income when there is a currently enforceable legal right to offset the recognised amounts and the Fund intends to settle on a net basis or realise the asset and liability simultaneously.

The Company's financial assets comprise of receivables and cash at amortised cost and investments held at fair value through profit and loss.

Receivables

With the exception of receivables related to investments, receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They principally comprise trade and other receivables. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition, and subsequently carried at amortised cost using the effective interest rate method, less provisions for impairment. The effect of discounting on these financial instruments is not considered to be material.

For assets measured at amortised cost, IFRS 9 requires an assessment of impairment based on providing for expected losses. The Company has chosen to apply an impairment approach similar to the simplified approach for expected credit losses under IFRS 9 for the Company's receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on life time expected credit losses at each reporting date. This approach takes into account historic observed loss rates over the expected life of the receivables, and is adjusted for forward looking estimates.

Investments at fair value through profit or loss

(i) Classification

The Company classifies its investments as financial assets at fair value through profit or loss. These financial assets are designated by the Company at fair value through profit or loss at inception.

(ii) Recognition

Purchase and sales of investments will be recognised on the trade date which is the date on which the Company commits to purchase or sell the investment. Investment purchases which involve earn-out payments or similar deferred payments will be accounted for at the best estimate of fair value, any subsequent changes in these fair value estimates are recognised in the Statement of Comprehensive Income as part of the changes in fair value of financial assets held at fair value through profit or loss.

2 Significant accounting policies (continued)

c) Financial instruments (continued)

(iii) Measurement

The investments will be initially recognised at cost, being the fair value of consideration given. Subsequently such assets are carried at fair value and the changes in fair value are recognised in the profit and loss.

(iv) Derecognition of financial assets

A financial asset (in whole or in part) is derecognised either:

- When the Company has transferred substantially all the risks and rewards of ownership; or
- When it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or
- When the contractual right to receive cash flow has expired.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and highly liquid investments readily convertible to known amounts of cash with an original maturity of three months or less and are subject to an insignificant risk of changes in value. As at 31 December 2022 cash and cash equivalents consists only of cash at bank.

d) Fair value estimation

International Financial Reporting Standard 13, “Fair Value Measurement” recommends investments treated as “financial assets at fair value through profit or loss” to be subsequently measured at fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

The Board has delegated responsibility for carrying out the fair valuation of the Company’s portfolio to the Investment Manager.

Investments are reported as having the fair value estimated by the Investment Manager at the reporting date. The fair value of the Company’s investments in SuperSeed Fund II LP and other future investments will be calculated in accordance with International Private Equity and Venture Capital ("IPEV") valuation guidelines. Under IPEV guidelines, the fair value of unquoted investments can be calculated using a number of approaches, broadly categorised under three headings, Income Approach, Market Approach and Replacement Cost.

2 Significant accounting policies (continued)

d) Fair value estimation (continued)

Given the type and stage of investments, the Investment Manager will seek to take a Market Approach where possible, most often based on calibration to the price of the recent investment and market multiples. Alternative methodologies may be considered in accordance with IPEV.

It is the opinion of the Directors, that the IPEV valuation methodology used in deriving a fair value is not materially different from the fair value requirements of IFRS 13.

All valuations made by the Investment Manager will be made, in part, on valuation information provided by the portfolio companies of SuperSeed Fund II LP alongside other future investments. Although the Investment Manager will evaluate all such information and data, it may not be able to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports provided by the Portfolio Companies may be provided only on a quarterly basis and generally will be issued one to two months after their respective valuation dates. Consequently, each quarterly Net Asset Value is likely to contain information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual Net Asset Values at such time may be materially different from the quarterly valuations.

Investment income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income when the Company's right to receive payments is established.

e) Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

All financial liabilities are initially recognised at fair value net of transaction costs incurred. All purchases of financial liabilities are recorded on trade date, being the date on which the Company becomes party to the contractual requirements of the financial liability. Unless otherwise indicated, the carrying amounts of the Company’s financial liabilities approximate to their fair values. The Company’s financial liabilities consist of only financial liabilities measured at amortised cost.

(i) Financial liabilities measured at amortised cost

These include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

2 Significant accounting policies (continued)

e) Financial liabilities (continued)

(ii) Derecognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Statement of Comprehensive Income.

f) Segmental reporting

In accordance with IFRS 8, Operating Segments, the Company is required to present and disclose segmental information. The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business through its investment portfolio, with the aim of providing long-term returns through capital appreciation to shareholders. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

g) Critical accounting judgements and key sources of estimation uncertainty

IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in future periods.

The areas where assumptions and estimates are significant to the financial statements include the valuation of investments. The Company's investment into SuperSeed II LP is measured at the net asset value of the Company's investment at year end. The underlying investments of SuperSeed II LP are valued in accordance with the IPEV methodology in which unlisted investments are carried at such fair value as is considered appropriate by the Investment Manager. Direct investments have been valued at the price at which third party capital has recently been raised. The models used to determine fair values are validated and periodically reviewed by the Investment Manager. Refer to note 2 (d) for further disclosure details.

h) Income and expenses

Operating income and expenses have been accounted for on an accruals basis, and are recognised in the Statement of Comprehensive Income in the period which they are incurred.

2 Significant accounting policies (continued)

i) Management fees

Management fees are accounted for on an accruals basis and are measured at the fair value of the consideration paid.

j) Going concern

The Directors, and the Investment Manager having considered the Company's objectives and available resources along with its projected income and expenditure, are satisfied that the Company has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future. The Company adopts an "Overcommitment Policy" in order to reduce the cash reserves held by the Company that have not been called by its commitment-based investments. In order to meet ongoing investment commitments, the Company may utilise any cash reserves held, incur borrowings, issue new share capital or sell assets in order to realise their value. The Directors are cognisant of potential capital calls from underlying investments. On 28 February the Company sold £1,000,000 of its commitment in SuperSeed II LP to the investment manager SuperSeed Ventures LLP as disclosed under note 15 to improve liquidity. Loans can also be drawn from the Investment Adviser under the Convertible Loan Note Instrument entered into on 14 September 2022 if required. The Directors do not consider there to be any threat to the going concern status of the Company.

For these reasons, the Company continues to adopt the going concern basis in preparing the financial statements.

3 Adoption of new and revised standards

Standards issued and effective

There are new standards and amendments to existing standards that are effective for the period beginning on 6 October 2021 and have therefore been adopted. None of these standards or amendments have a significant impact on the Company's financial results or position; hence they have not been disclosed.

Standards issued but not yet effective

New standards, amendments and interpretations issued but not yet effective and not early adopted by the Company. At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company and are not thought to have any impact on the Company's financial results.

4 Taxation

The Company is exempt from income taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended. An annual fee of £1,200 is payable and is included in the Statement of Comprehensive Income within regulatory fees.

5 Material agreements

Investment Manager

Under the Alternative Investment Fund Management Agreement dated 21 January 2022, the Company has appointed SuperSeed Ventures LLP as the Company's Investment Manager to provide portfolio and risk management services to the Company. The Investment Manager does not charge separate fees to the Company for managing funds where it is already paid a fee as part of a direct fund management mandate (including the Company's investment in SuperSeed II LP). For all other investments, the Investment Manager is entitled to receive from the Company a management and performance fee for the management of investments. This is calculated as being:

(a) 0.25 per cent. of the Total Portfolio Value; and
(b) 20 per cent. of the aggregate net realised profits on Investments since the start of the relevant Calculation Period.

In each case, calculated as at the end of a Calculation Period and payable in arrears within 30 days after the end of that Calculation Period.

For these purposes:

"Calculation Period" means each calendar quarter, with the first Calculation Period commencing on Admission and ending on 31 March 2022.

"Investment" means any investment or other asset (including cash) of the Company of any description, the acquisition or holding of which is authorised under the investment policy of the Company from time to time, and in the case of investment commitments into other funds the total commitment to that fund should be regarded as an "Investment".

"net realised profits" means the net profit received by the Company following a disposal of an Investment as recorded in its accounts in accordance with the Company's adopted accounting policies from time to time.

"Portfolio" means the portfolio of Investments held by the Company directly or indirectly from time to time.

At 31 December 2022 there were no portfolio companies subject to management fees.

Administrator

Under the Administration agreement dated 15 October 2021, Imperium Fund Services Limited provides secretarial, directors and administration services to the Company and is entitled to remuneration and reimbursement of expenses as may be determined from time to time by the parties.

VSA Engagement Letter

Under the engagement letter dated 7 October 2021, the Company appointed VSA Capital Limited to act as its Corporate Adviser for the purposes of seeking admission of the Company's shares to trading on the Access Segment of the Growth Market operated by Aquis Exchange Limited, for which the Company agreed to pay VSA Capital Limited £40,000 plus any applicable VAT.

SuperSeed Capital Limited

Notes to the Financial Statements (continued)
for the period from incorporation on 6 October 2021 to 31 December 2022

5 Material agreements (continued)

AQSE Corporate Adviser Agreement

Under the AQSE Corporate Adviser agreement dated 7 October 2021, the Company has appointed VSA Capital Limited to act as corporate adviser and broker to the Company on an on-going basis following admission of the Company's shares to trading on the AQSE, for which the Company agreed to pay VSA Capital Limited a fee of £40,000 plus any applicable VAT per annum payable quarterly in advance.

Registrar

The Company utilises the services of Link Market Services (Guernsey) Limited as a registrar in relation to the transfer and settlement of its issued shares. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual fee of £3,500 per annum. In addition, the Registrar is entitled to remuneration as may be determined from time to time by the parties. Additional remuneration of £2,916 was paid during the period.

6 Earnings per share

Earnings per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue during the period.

	31 December 2022
	£
Total profit and comprehensive income for the period	(56,015)
Weighted average number of shares in issue	1,509,234
Basic earnings per share	(0.037115)
Diluted weighted average number of shares in issue	1,522,505
Diluted earnings per share	- 0.036791

7 Investments held at fair value through profit or loss

	31 December 2022
	£
Cost as at inception	-
Purchases during the period	1,539,035
Cost as at 31 December 2022	1,539,035
Movement in fair value during the period	260,581
Movement in fair value as at 31 December 2022	260,581
Fair value at period end	**1,799,616**

All investments are fair valued at the period end.

The Company has committed to invest up to £5,500,000 in SuperSeed II LP, of which £4,041,365 is unfunded as at 31 December 2022.

SuperSeed Capital Limited

Notes to the Financial Statements (continued)
for the period from incorporation on 6 October 2021 to 31 December 2022

8 Trade and other receivables

	31 December 2022
	£
Prepayments	2,689
Prepaid investment costs	8,336
Total	**11,025**

9 Trade and other payables

	31 December 2022
	£
Audit fees payable	21,000
Legal fees payable	745
Total	**21,745**

10 Financial risk management

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk, and the market risks of interest rate risk, price risk and foreign currency risk. The Company uses different methods to measure and manage the various types of risk to which it is exposed. These methods are explained below.

a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument will default on its contractual obligations that it has entered into with the Company resulting in financial loss to the Company. At 31 December 2022, the major financial assets which were exposed to credit risk are cash and cash equivalents, investments (note 7) and trade and other receivables (see note 8). The maximum exposure to credit risk is represented by the carrying value of each financial asset recognised in the statement of financial position. The Company has no overdue financial assets as at the period end.

The table below shows the cash balance at the reporting date and the Standard & Poor's credit rating for the counterparty as at 31 January 2023.

	Rating	Carrying Amount 31 December 2022
Silicon Valley Bank (a division of First Citizens Bank)	BBB+	235,089

On 10 March Silicon Valley Bank was placed into receivership and all deposits held by the Company were transferred to an account held by the Investment Manager at Barclays Bank in order to safeguard the Company's assets. At this date its credit rating was lowered to D.

10 Financial risk management (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations arising from financial liabilities. At 31 December 2022 the Company had £235,089 in cash balances. Financial liabilities consist of trade and other payables (see Note 9).

The following table details the Company's expected maturity for its financial liabilities as at 31 December 2022:

	Total 31 December 2022	**Less than 3 months**	**More than 12 months**
Financial liabilities			
Trade and other payables	**21,745**	**21,745**	**-**

The Company's investments will be, by their nature, illiquid. As a result the Company may not be able to liquidate quickly any part of its investment at an amount close to fair value.

In order to meet ongoing liquidity requirements, the Company may incur borrowings, issue new share capital or sell assets in order to realise their value.

c) Market risk

i) 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.

The Company does not have any interest bearing liabilities and hence considers interest rate risk, in respect of financial liabilities to be minimal. The Company monitors market interest rates and will place interest bearing assets at best available rates but also taking into consideration the counterparty's credit rating and financial position.

During the period, the interest received on current accounts and deposit accounts was immaterial, and therefore no sensitivity analysis has been provided.

ii) Price Risk

The Company's investments will be susceptible to market price risk arising from the business and financial uncertainties facing individual underlying portfolio companies. The value of investments may fall as well as rise and consequently the Company may not be able to return all or any of the investment made by shareholders. To manage market price risk, the Investment Manager will review the performance of the underlying portfolio companies and will be in regular contact with the management of the underlying portfolio companies for business and operational matters.

SuperSeed Capital Limited

Notes to the Financial Statements (continued)
for the period from incorporation on 6 October 2021 to 31 December 2022

10 Financial risk management (continued)

c) Market risk (continued)

ii) Price Risk

The table below summarises the sensitivity of the Company's investments. It is based upon the assumption that the investments increase or decrease by 10% with all the other variables held constant. The Directors feel that 10% best represents the margin of price risk associated to the activity of the Company.

	2022
	£
Effect on net assets attributable to investments of an increase in the index	188,266
Effect on net assets attributable to investments of an decrease in the index	(188,266)

iii) Foreign currency risk

As all monetary assets and liabilities and all transactions of the Company are denominated in its functional currency, the Company is not exposed to significant foreign currency risk.

Financial investments measured at fair value

IFRS 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company's investments have been classified within Level 3 as these investments are valued based on unobservable inputs and trade infrequently or not at all.

The following table presents the investments carried on the Statement of Financial Position by level within the valuation hierarchy as at 31 December 2022.

31 December 2022	Level 1	Level 2	Level 3	Total
	£	**£**	**£**	**£**
Investments	-	-	1,799,616	1,799,616

There have been no transfers between levels during the period. Due to the nature of the investments, they are always expected to be classified under Level 3.

Note 7 shows a reconciliation of all movements in the fair value of investments categorised within Level 3 between the beginning and the end of the reporting period.

10 Financial risk management (continued)

c) Market risk (continued)

The Company's investment into SuperSeed II LP is measured at the net asset value of the Company's investment at year end. Direct investments have been valued at the price at which third party capital has recently been raised.

SuperSeed II LP's investments are valued in accordance IPEV valuation guidelines, including valuing investments at the price at which third party capital has recently been raised, comparative industry price earnings ratios discounted for marketability and performance of the investment, and net asset valuations for asset based investments.

A reasonably possible change in the net asset value used +/-10.0% would result in:
- An increase in carrying value of GBP 169,202 or 8% (+10%)
- An decrease in carrying value of GBP (169,202) or -8% (-10%)

A reasonably possible change in the recent capital raising price used +/-10.0% would result in:
- An increase in carrying value of GBP 19,024 or 1% (+10%)
- An decrease in carrying value of GBP (19,024) or -1% (-10%)

11 Share Capital

	31 December 2022	
Authorised:	**Number**	**£**
Ordinary Shares of no par value	Unlimited	Unlimited
Issued:		
Allotted and paid up Ordinary Shares of no par value	2,080,000	2,080,000

On 24 November 100,000 warrants in the Company were issued at no premium with an exercise price of 100p. Each warrant shall entitle the warrantholder (VSA Capital Limited) to subscribe in cash for one share at the exercise price. Each warrant is exercisable at any time during the subscription period on or prior to the expiry date, which is six months from the date of issue.

The subscription rights shall automatically lapse and be of no further effect if they have not been excercised by the expiry date.

Shares issued pursuant to the exercise of a warrant will rank in full for all dividends and other distributions declared, made or paid after the relevant exercise date and rank pari passu in all other respects with the shares in issue at that date.

Ordinary shareholders are entitled to vote at the general meeting of the Company, to receive dividends and to participate in the results of the Company.

12 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

12 Capital risk management (continued)

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the warrants and convertible loan note. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. 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 to reduce debt. As at 31 December 2022 the Company's capital structure consists of 100% equity.

13 Related parties

Joseph Truelove, Andrew Hatton and Mads Jensen were Directors of the Company during the period.

Joseph Truelove earned £18,000 in the period ended 31 December 2022, £nil of which was outstanding at 31 December 2022.

Andrew Hatton is an employee of the Administrator, whose services include the provision of his directorship. During the period ended 31 December 2022, the Company incurred £27,432 of administration fees of which £nil was outstanding at the period end.

Mads Jensen is Managing Partner of the Investment Manager and has waived any director fees payable to himself.

14 Ultimate controlling party

In the opinion of the Directors the ultimate controlling party is Mads Jensen.

15 Contingent liability

On 14 September a convertible loan note agreement was signed with SuperSeed Ventures LLP. This is a loan facility of which the aggregate principal amount of notes outstanding at any time is limited to £1,000,000.

The notes when issued and outstanding shall rank pari passu, equally and rateably, without discrimination or preference among themselves and as obligations of the Company.

Until the notes are repaid by the Company or converted into Shares, in each case in accordance with the provisions of this Instrument, interest shall accrue and be paid on the principal amount of the notes outstanding at the rate of SONIA plus 10% per annum.

All outstanding notes shall automatically convert into fully paid Shares of the class set out below at the Conversion Price on written notice of the noteholder. The noteholder shall have the right to serve a Conversion Notice on the Company at any time to convert some or all of the notes outstanding into fully paid Ordinary Shares at a price of £1.30 per Share.

16 Events after the end of the reporting period

On 12 January 2023 a further 122,120 Ordinary shares were issued by the Company as compensation for a further investment in Duel Holdings Limited (formerly Daredevil Projects Limited) of £244,240 which was completed in December 2022.

16 Events after the end of the reporting period

On 28 February the Company sold £1,000,000 of its commitment in Superseed II LP to the investment manager Superseed Ventures LLP.

On 15 March 2023 a further 41,366 Ordinary shares were issued by the Company as compensation for an investment in Kluster Enterprises Limited of £45,503 which was completed in February 2023.

There are no further subsequent events to note.