

1 March 2023

SUPERSEED CAPITAL LIMITED
("SuperSeed" or the "Company")

FOURTH QUARTER 2022 RESULTS

SuperSeed, (AQSE:WWW) a company established as a venture capital fund of funds for early-stage technology investments, announces unaudited results for the fourth quarter ending 31 December 2022.

Investment Policy

The Company invests in B2B SaaS companies, primarily through funds managed by SuperSeed Ventures LLP (the "Manager") - a London-based venture capital firm. SuperSeed's investee companies help their customers drive revenue growth and efficiency savings using next-generation software and Artificial Intelligence (AI).

Highlights

- SuperSeed II LP (the "Fund") closed an investment into Intelligent AI in Q4.
- Following the Intelligent AI investment, the Fund's portfolio is now eight SaaS companies.
- Revenue in the Fund's portfolio companies was up 21% on an ARR basis for Q4, and 200% for 2022 as a whole, averaging 9.6% compound monthly growth.
- The main driver of the strong revenue growth is that businesses (in particular enterprise customers) are deploying AI-powered software to enable continued efficiency gains.
- The Company reported earnings per share of £0.06 for Q4.
- The Company's Net Asset Value is now £1.02 per share.

2022 in Review

2022 already seems distant memory, but it was a pivotal year for tech. Some of the key points:

- Market crash. Especially for tech stocks.
- War in Ukraine.
- Crypto collapse.
- Implosion of bad business models.
- Layoffs at major tech firms.

But also:

- Incredible advances in AI (ChatGPT, MidJourney).
- A "back-to-basics" focus on building proper companies.
- Start-up valuations looking more realistic as revenue multiples contract.

Fund Portfolio Commentary

2022 witnessed significant market volatility and economic uncertainty, resulting in significant falls in SaaS companies' valuations during the period. The BVP Nasdaq Emerging Cloud Index, designed to track the performance of emerging public companies primarily involved in providing cloud software to their customers, saw its median ARR multiple fall from 12.65x to 5.64x.

For the Fund's portfolio companies, however, robust revenue more than made up for the multiple contraction.

Companies in the Fund's portfolio more than tripled SaaS revenue over the course of 2022. Although tech companies generally saw declining multiples, SuperSeed's companies grew faster than revenue multiples declined. This delivered a performance for the portfolio was up more than 23% over the year. Net of costs and expenses, this led to an uplift of 16% on invested capital.

Outlook for 2023

Since the start of 2023, stocks (and in particular tech stocks) have rallied. S&P500 is up 4.2%, and Nasdaq 100 is up 10.7% YTD. We still see volatility on the horizon, but - so far - Q1 has been a positive for tech stocks.

In the context of the current market backdrop, there are many exciting investments lining up 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

the team, industry, in 2022. Over the past decade, 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.

With the current economic and market backdrop, it is likely that wider sentiment towards the technology sector will remain subdued for some time yet, but we anticipate significant rerating when markets recover. The portfolio is well placed to continue to benefit from the increasing adoption of AI technology which continues apace, in spite of stock market volatility.

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 before any new SaaS and AI companies are added to the portfolio.

New investment - Intelligent Ai

Key information

Intelligent Ai ("IAI") enables insurance companies and asset owners, for the first time, to have a 360-degree view of risk. IAI's multi-layered platform delivers data to allow insurers, brokers and corporations the access they need to near real-time, location-based risk insights to make sure they have the correct insurance cover.

Investment name	Intelligent AI
Industry	AI
Geography	UK
Currency of investment	GBP
Stage of initial investment	Seed
Website	https://www.intelligentai.co.uk/

Investment Rationale

The Team - IAI has exceptionally deep industry knowledge. They have designed and delivered 6 of the top Insurers' Risk and Underwriting Platforms (RSA, AXA, XL Carlin, Aviva, MS Amlin and QBE).

Defensibility - The data held in the platform generates a significant defensible competitive moat.

Traction - The company already has five major insurers as clients and have analysed 20,000+ global properties with great results. IAI automatically reads bulk risk reports, augmenting them with Construction, Occupancy, Protection, Exposure (COPE) data. This can then integrate smoothly into an Underwriter's Workbench.

Other Fund Portfolio Highlights

Ai Build

Ai Build is a rapidly growing SaaS business that enables its clients to fully automate the additive manufacturing process from planning to printing, vastly improving the speed, quality and scalability across the entire enterprise.

Highlights:

- Contracted SaaS revenue grew more than 8x in 2022.
- The company has signed contracts with Global Tier 1 manufacturers.
- The company has landed the first six-figure contracts with the expectation that the largest contracts will grow into 7-8 figures, annually.
- The company has formed strategic partnerships with a number of large-format 3D printing hardware.

Duel

Leading Brand Advocacy SaaS platform that allows consumer brands to track, measure and coordinate thousands of their own advocates at scale, massively accelerating social commerce.

Highlights:

- ARR increased 51% from December 2021 to December 2022.
- Q4 2022 signed a large contract with a huge multinational brand in consumer goods.
- In advanced talks with other leading fashion and beauty groups.
- Projected to grow 2x ARR in 2023.
- One leading jewellery design company has seen a revenue increase of £1m annually directly attributable to deploying the Duel platform.

ThingTrax

Integrated platform that enables manufacturers to set targets and track performance using sensors and manage the continuous performance improvement of manufacturing plants using digital workflows.

Highlights:

- Grew contracted SaaS revenue +125% in 2022
- Organic expansion in customer accounts led to the first 6-figure contracts signed in the year
- Projected to more than double revenue again in 2023

Related Party Transactions

- The Company has sold £1,000,000 of commitment in the Fund (representing 18.2% of the Company's interest in the Fund) to the Manager. This sale has taken place at the Net Asset Value, representing a profit of 12.4% above the purchase price. The sale is being settled in cash.
- To align the Company's policies with normal market practice, it is now paying the Manager a 20% performance fee on successful investments. This is the industry standard, and it ensures that the Company will continue to benefit from access to the best investment opportunities going forward.

Having considered the matter carefully using skill and diligence, the independent directors Mr Andrew Hatton and Mr Joseph Truelove consider both matters to be fair and reasonable for the shareholders of the Company.

- Further to the announcement made on 16 September 2022 in respect of the establishment of a £1,000,000 loan facility through the issue of convertible loan notes (the "Convertible Loan Notes") to the Manager, on 22 February 2023 the Company issued 50,000 Notes to the Manager for a Subscription Price of £50,000.

Appointment of Alternate Director

The board has appointed Mrs Colette Taylor as a permanent alternate non-executive director to Mr Andrew Hatton with effect from 27 February 2023. Mrs Taylor is a member of the Association of Chartered Certified Accountants and has more than twelve years' experience in the private equity sector.

In accordance with Rule 4.3 of the AQSE Growth Market Access Rulebook, it is confirmed that there are no additional details to be disclosed in relation to Mrs Taylor.

The directors of the Company accept responsibility for the content of this announcement.

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SuperSeed Capital Limited

Condensed Statement of Comprehensive Income
for the period from 1 October 2022 to 31 December 2022

	Current Quarter 1 October 2022 to 31 December 2022 £
Income	
Investment income	175
Unrealised gain on investments held at fair value through profit or loss	163,222
Other income	141
Total income	163,538
Expenses	
Establishment costs	-
Administration fees	7,500
Audit fees	5,293
Directors' fees	4,500
Insurance	259
Legal & professional fees	12,505
Regulatory fees	3,525
Sundry expenses	448
Total expenses	34,030
Total gain/(loss) and comprehensive income for the period	129,508
Basic earnings per share	£0.062577
Diluted earnings per share	£0.060946

SuperSeed Capital Limited

Condensed Statement of Financial Position
as at 31 December 2022

	31 December 2022 £
Non-current assets	
Investments	2,126,898
Total non-current assets	2,126,898
Current assets	
Trade and other receivables	24,018
Cash and cash equivalents	235,089
Total current assets	259,107
Total assets	2,386,005
Current liabilities	
Trade and other payables	265,985
Total current liabilities	265,985
Total liabilities	265,985
Net assets	2,120,020
Equity	
Share capital	2,080,000
Retained earnings	27,027
Warrants	12,993
Total equity	2,120,020
Net asset value per ordinary share	£1.019240

The financial statements were approved by the Board of Directors and authorised for issue on 27 February 2023.

SuperSeed Capital Limited

Condensed Statement of Changes in Equity
for the period from 1 October 2022 to 31 December 2022

	Share Capital £	Retained Earnings £	Total £
Issue of Ordinary Shares	2,080,000	-	2,080,000
Total comprehensive gain for the period	-	27,027	27,027
Balance as at 31 December 2022	2,080,000	27,027	2,107,027

SuperSeed Capital Limited

Condensed Statement of Cash Flows
for the period from 1 October 2022 to 31 December 2022

	Current Quarter 1 October 2022 to 31 December 2022 £
Cash flows from/used in operating activities	
Net cash flow used in operating activities	218,452
Cash flows used in investing activities	
Net cash flow used in investing activities	(312,190)
Cash flows from financing activities	
Net cash flow from financing activities	-

Net movement in cash and cash equivalents during the period	(93,738)
Cash and cash equivalents at the beginning of the period	328,828
Cash and cash equivalents at the end of the period	235,090

SuperSeed Capital Limited

Investment Analysis
for the period from 1 October 2022 to 31 December 2022

31 December 2022 £

Cost	1,782,875
Capitalised expenses	400
Cumulative movement in value	343,623
Fair value	2,126,898

Investment fair value can be further analysed as follows:

Current Quarter 1 October 2022 to 31 December 2022 £

Cost	
Cost at beginning of the period	-
Cost of investment - settled	1,791,035
Cost of investment - due for settlement after period end	-
Cost of investment - prepaid, closing equalisation	(8,160)
Total cost of investment	1,782,875
Fair value movement	
Fair value adjustment at beginning of the period	-
Revaluation of underlying investments	409,319
Capitalised expenses	400
SuperSeed II LP management fee and other net movements in NAV	(65,696)
	344,023
Fair value of investments	2,126,898

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