

**SUPERSEED CAPITAL LIMITED**  
**(the “Company”)**

**INTERIM RESULTS FOR Q2 AND THE HALF YEAR ENDING 30 JUNE 2023**

*Continued delivery with a 436% increase in total income and 648% rise in operating profit<sup>1</sup> over H1’22,  
with a confident outlook for FY23*

<sup>1</sup> Operating profit is the operating profit excluding establishment costs for the period.

SuperSeed Capital, a company established as a venture capital fund of funds for early-stage AI/SaaS companies, announces results for the Q2 and the six months ending 30 June 2023. The Company invests in technology-led innovation, primarily through funds managed by SuperSeed Ventures LLP (the “Investment Manager”). The Company’s principal investment to date is in SuperSeed II LP (the “Fund”).

**Financial Highlights for Q2 2023:**

- NAV per share has grown by 21.7% in H1 2023 and, within this, Q2 was up by 12.6% on Q1 to £1.18.
- IRR on portfolio investments since IPO has increased to 35%.
- Available cash and prepaid investment commitments of £270,546 at 30 June 2023.

**Portfolio and Investment Highlights:**

- Transaction to sell Techsembly to Sabre was completed on June 30<sup>th</sup> contributing to H1 NAV growth, with cash of £96,542 received shortly after H1 end. IRR on investment was in excess of 40%.
- Offer for the purchase of another portfolio company received in quarter, with expectations that the transaction will close in Q3. Expected profit from this transaction has been included in the Q2 results.
- Portfolio SAAS revenue growth continued in Q2 2023, with quarter-on-quarter Annual Recurring Revenue (“ARR”) growth across the portfolio of the Fund up by 21% over the previous quarter (Q1 2023) and overall SaaS ARR growth in H1 2023 up 37% on the previous financial year-end. This level of growth is expected to continue for the remainder of the year.
- Two new AI/SaaS companies added to the portfolio – Ankra and Octaipipe.

**Outlook for Q3 2023:**

- Portfolio sales forecast for the Fund in Q3 2023 remains strong, and the expectation is sales growth will land in the 15-25% range (quarter-on-quarter growth).
- On the back of the performance of the underlying Fund portfolio and given the uncertain market environment, the Company expects third-quarter profit to be in the £200,000 to £300,000 range (8-13p/share).
- Continued strong investment activity, with the Fund expecting to make a further two investments in the AI/SaaS space in Q3 2023.

Mads Jensen, Managing Partner of the Investment Manager commented:

*"The Fund's underlying portfolio has continued to perform strongly and is well-positioned for further growth in the remainder of 2023. Due to the high quality of our portfolio we continue to have strong M&A interest, recently evidenced by the exit of Techsembly less than a year from our investment."*

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## About SuperSeed Capital Limited

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. SuperSeed focuses on the fundamentals by helping founders build good companies with strong unit economics and sensible distribution models.

### Investment Manager's Review:

In 2022 we saw a big shift in how public markets value tech companies. Last year, markets shifted from valuing companies primarily on growth to valuing them mainly on sales efficiency.

We saw that development as a positive evolution. It meant that we shifted from a "grow at all costs" paradigm to "grow when it makes financial sense". So what's happened over the past quarter? Most public tech company valuations are still connected to business fundamentals. But we've seen valuations for the best-performing companies shift back to more of a pure-play growth focus. And with that, the Nasdaq-100 has rallied +40% YTD (largely driven by the "Magnificent 7" - Microsoft, Apple, Nvidia, Google/Alphabet, Amazon, Tesla and Facebook/Meta). The BVP Nasdaq Emerging Cloud Index (listed as EMCLOUD) designed to track the performance of emerging public SaaS companies primarily involved in providing cloud software to their customers, saw, valuations also up, with multiples growing to over 7x revenue.

### The context

When asking why, the answer still seems to be "the Fed, stupid". Markets generally expected a hard-ish landing for the US economy in 2023. We started the year with US inflation of 6.4%. That's high, and the Fed has been raising rates aggressively to fight inflation. Most investors thought that the rate increases would lead to a recession. But so far, things have been looking benign. US growth is above 2%. And at the same time, inflation is down to 3%. It looks like a soft landing is within reach.

The major warning sign? The yield curve is still decidedly inverted. 3-month treasury bills yield 5.5%, and 10-year bills yield 4%. However, headline growth and inflation numbers look like they are heading in the right direction. But on the other, bond investors still seem to be betting on recession. It's a noteworthy conundrum.

### Back to tech stocks

So why have high-growth tech stocks rallied? If inflation is under control, markets expect lower rates in the future. And with lower rates, future growth becomes more valuable. Once again, it's the Fed (and benign inflation numbers).

### SuperSeed progress in Q2

#### New Investments

We added two exciting new companies to the portfolio in Q2.

#### **Ankra** - SaaS / Cloud Infrastructure Management

Since Amazon launched AWS in 2006, cloud computing has grown rapidly to a ~\$100bn industry. Cloud servers are faster to provision and easier to maintain than traditional in-house data centres. This allows companies to reduce both capex and time to market.

Cloud infrastructure might be easier to provision and maintain than buying your own servers. But it's not an "automatic experience". This is especially felt by fintech companies with large and complex cloud infrastructures. Today, these companies spend billions on cloud infrastructure management or "devops".

Ankra's platform enables large enterprises to leverage AI to automate cloud configuration, deployment and management. The platform also increases cloud security and time to market. As such, Ankra offers customers strong ROI and rapid payback. Founders Mattias Åsell, Benjamin Klingsbo and Mark Shine are building an exciting business, and we look forward to partnering with them in the years ahead.

### **OctaiPipe - SaaS / Distributed AI for Autonomous Devices**

Autonomous machines are devices that can carry out tasks without human direction. Think self-driving cars, drones and farming equipment. "Robots" in popular parlance. Today, this space is still in its infancy, but it is rapidly gaining pace.

OctaiPipe's platform enables device manufacturers to manage the AI models that sit on autonomous devices. Essentially, it pushes the machine learning intelligence to the devices, rather than expecting all the data to be sent back to the cloud for processing. It does this by combining distributed Machine Learning Operations and federated learning. Benefits include reduced costs, improved response times and better management of data privacy.

Founders Eric Topham and Ivan Scattergood have deep experience in the field of distributed AI. With OctaiPipe, they have built a platform that delivers on the promise of device autonomy. It helps device manufacturers leverage the same approaches used by leading firms like Tesla, but with vastly reduced cost to building these capabilities in-house.

### **Exit**

On 30th June, we closed the sale of Techsembly to global travel tech company Sabre.

When we first met [Amy Read](#), the CEO and Co-Founder of Techsembly, we were impressed by her tenacity and vision for how to transform the world of luxury hospitality. Amy and the team were still working out their model, but we knew we had to back them to help build their company. Since then, the Techsembly team has done well, securing an almost 50% market share in their initial target market.

On the back of that strong commercial success, the Techsembly team has landed a successful exit and will partner with [Sabre](#) for the next phase of the journey. The sale came much faster than expected, only 9 months after our investment, but still delivered a >30% return to the fund (>40% on an IRR basis).

Sabre was founded by American Airlines to handle airline reservations in 1960. Today the company delivers more than \$2bn in annual revenue.

We congratulate Amy and her team on the exit, and wish them all possible success in the years ahead.

### **Portfolio revenue**

The portfolio continued solid revenue growth in Q2. Sales were strong, with contracted ARR up 21% for the quarter from Q1 2023. Based on the forecasts from portfolio companies, we expect this level of growth to continue in the coming quarters.

## **Outlook for the rest of 2023**

The macro picture is that US inflation and recession fears are receding. In tech, AI continues to dominate the agenda. Both our investments in Q2 had strong AI angles, and we see this being the core theme for the remaining quarters of 2023.

Although we've seen the initial wave of excitement about foundational generative AI Models (like GPT from OpenAI and LaMDA from Google), we are still in the early days of the AI journey. And just like cloud computing was a foundation for the explosion of the SaaS industry, the generative AI models will enable the next wave of SaaS innovation. We expect to see many founders build exciting companies using this technology in the years ahead. It continues to be our mission to find and back the very best teams among them, and this continues to be our main focus for the second half of 2023.

## **Forward looking statements**

This announcement contains statements that are or may be forward-looking statements. All statements other than statements of historical facts included in this announcement may be forward-looking statements, including statements that relate to the Company's future prospects, developments and strategies. The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions express by the press or other media regarding the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "targets", "expects", "aim", "anticipate", "projects", "would", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this announcement are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from those expressed or implied by such forward looking statements include, but are not limited to, those described in the Risk Management Framework section of the Company's most recent Annual Report. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Group and the environment in which it is and will operate in the future. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. Each forward-looking statement speaks only as at the date of this announcement. Except as required by law, regulatory requirement, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the Company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

**SuperSeed Capital Limited**  
Condensed Statement of Comprehensive Income  
for the period 1 January 2023 to 30 June 2023

	1 April 2023 to 30 June 2023 £	1 January 2023 to 31 March 2023 £	1 January 2023 To 30 June 2023 £	1 January 2022 to 30 June 2022 £
<b>Income</b>				
Investment income	-	328	328	7
Realised gain on investments held at fair value through profit or loss	-	33,052	33,052	-
Unrealised gain on investments held at fair value through profit or loss	353,051	180,555	533,606	129,162
Other income	1	1	2	951
<b>Total income</b>	<b>353,052</b>	<b>213,936</b>	<b>566,988</b>	<b>130,120</b>
<b>Expenses</b>				
Establishment costs	-	-	-	153,028
Administration fees	7,613	7,611	15,224	12,432
Audit fees	5,734	5,671	11,405	10,414
Directors' fees	4,500	4,500	9,000	9,000
Legal & professional fees	16,142	12,183	28,325	14,036
Loan interest	-	134	134	-
Regulatory fees	3,836	5,351	9,187	7,315
Sundry expenses	295	703	998	830
<b>Total expenses</b>	<b>38,120</b>	<b>36,153</b>	<b>74,273</b>	<b>207,055</b>
<b>Total gain/(loss) and comprehensive income for the period</b>	<b>314,932</b>	<b>177,783</b>	<b>492,715</b>	<b>(76,935)</b>
<b>Basic earnings per share</b>	<b>0.132897</b>	<b>0.086776</b>	<b>0.021873</b>	<b>(0.045245)</b>
<b>Diluted earnings per share</b>	<b>0.120480</b>	<b>0.069795</b>	<b>0.202219</b>	<b>(0.045245)</b>
<b>Operating profit/(loss) excluding establishment costs for the period</b>	<b>314,932</b>	<b>177,783</b>	<b>492,715</b>	<b>76,093</b>
<b>Basic operating profit excl. establishment costs per share</b>	<b>0.132897</b>	<b>0.086776</b>	<b>0.210873</b>	<b>0.044750</b>
<b>Diluted operating profit excl. establishment costs per share</b>	<b>0.120480</b>	<b>0.069795</b>	<b>0.202219</b>	<b>0.044750</b>

# SuperSeed Capital Limited

## Condensed Statement of Financial Position As at 30 June 2023

	30 June 2023 £	31 March 2023 £	31 December 2022 £
<b>Non-current assets</b>			
Investments	2,542,338	2,189,288	1,799,616
<b>Total non-current assets</b>	<b>2,542,338</b>	<b>2,189,288</b>	<b>1,799,616</b>
<b>Current assets</b>			
Trade and other receivables	255,550	254,895	11,025
Cash and cash equivalents	20,546	64,006	235,089
<b>Total current assets</b>	<b>276,096</b>	<b>318,901</b>	<b>246,114</b>
<b>Total assets</b>	<b>2,818,434</b>	<b>2,508,189</b>	<b>2,045,730</b>
<b>Current liabilities</b>			
Trade and other payables	11,991	16,678	21,745
<b>Total current liabilities</b>	<b>11,991</b>	<b>16,678</b>	<b>21,745</b>
<b>Total liabilities</b>	<b>11,991</b>	<b>16,678</b>	<b>21,745</b>
<b>Net assets</b>	<b>2,806,443</b>	<b>2,491,511</b>	<b>2,023,985</b>
<b>Equity</b>			
Share capital	2,369,743	2,369,743	2,080,000
Retained earnings	436,700	121,768	(56,015)
<b>Total equity</b>	<b>2,806,443</b>	<b>2,491,511</b>	<b>2,023,985</b>
<b>Net asset value per ordinary share</b>	<b>1.184282</b>	<b>1.051384</b>	<b>0.973070</b>

**SuperSeed Capital Limited**  
Condensed Statement of Changes in Equity  
for the period 1 January 2023 to 30 June 2023

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Ordinary Shares issued on incorporation	1	-	1
Issue of Ordinary Shares	1,999,999	-	1,999,999
Total comprehensive loss for the period	-	(119,977)	(119,977)
<b>Balance as at 30 June 2022</b>	<b>2,000,000</b>	<b>(119,977)</b>	<b>1,880,023</b>
	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 January 2023	2,080,000	(56,015)	2,023,985
Issue of Ordinary Shares	289,743	-	289,743
Total comprehensive profit for the period	-	492,715	492,715
<b>Balance as at 30 June 2023</b>	<b>2,369,743</b>	<b>436,700</b>	<b>2,806,443</b>

**SuperSeed Capital Limited**  
Condensed Statement of Cash Flows  
for the period 1 January 2023 to 30 June 2023

	<b>1 January 2023 to 30 June 2023 £</b>	<b>6 October 2021 to 30 June 2022 £</b>
<b>Cash flows used in operating activities</b>		
Net cash flow used in operating activities	(86,750)	(246,423)
<b>Cash flows used in investing activities</b>		
Net cash flow used in investing activities	(127,659)	(777,870)
<b>Cash flows from financing activities</b>		
Net cash flow from financing activities	(134)	2,000,000
Net movement in cash and cash equivalents during the period	(214,543)	975,707
Cash and cash equivalents at the beginning of the period	235,089	-
<b>Cash and cash equivalents at the end of the period</b>	<b>20,546</b>	<b>975,707</b>



**SuperSeed Capital Limited**  
Investment Analysis  
for the period 1 January 2023 to 30 June 2023

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
Cost	1,748,152	1,539,035
Cumulative movement in value	794,187	260,581
Fair value	<b>2,542,338</b>	<b>1,799,616</b>

Investment fair value can be further analysed as follows:

	<b>1 January 2023 to 30 June 2023</b>	<b>6 October 2021 to 31 December 2022</b>
	<b>£</b>	<b>£</b>
Cost		
Cost at beginning of the period	1,539,035	-
Cost of investment - settled	515,017	1,539,035
Cost of investment - sold	(305,901)	-
Total cost of investment	<b>1,748,152</b>	<b>1,539,035</b>
Fair value movement		
Fair value adjustment at beginning of the period	260,581	-
Revaluation of underlying investments	533,606	260,581
SuperSeed II LP management fee and other net movements in NAV	-	-
	<b>794,187</b>	<b>260,581</b>
Fair value of investments	<b>2,542,338</b>	<b>1,799,616</b>