

**SUPERSEED CAPITAL LIMITED**  
**(the "Company")**

**UNAUDITED FOURTH QUARTER 2023 RESULTS**

SuperSeed Capital Limited, a company established as a venture capital fund of funds for early-stage AI/SaaS companies, announces unaudited results for Q4 and the year ending 31 December 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 Q4 2023:**

- NAV per share has remained flat in Q4 at £1.13. YTD it has grown by 15%.
- A total of £ 299,683 was invested in new portfolio investments in the period.

**Portfolio and Investment Highlights:**

- Portfolio SAAS revenue growth continued in Q4 2023, with a 13% increase on the previous quarter.
- Three new AI/SaaS companies added to the portfolio in Q4 2023 (Hirundo, Popp and FreightCore) with Messium closing early Q1 2024 and one further investment expected to close in Q1.

**Outlook for Q1 2024:**

- Continued strong investment activity, with the Fund expecting to make one to three investments in the AI/SaaS space on a quarterly basis in 2024.

Mads Jensen, Managing Partner of the Investment Manager, commented:

*"The Fund continues to perform to strategy with existing portfolio companies growing well and exciting new companies being added to the portfolio. This positions the Fund strongly to capitalise on the continued opportunity in AI in 2024 and beyond. "*

**Related Party Transactions**

The Company has agreed to sell £300,000 of its commitment to the Fund to the Investment Manager. This represents 6.7% of the Company's total commitment in the Fund of £4.5m. Of the £300,000 committed to be sold, £139,801 has been drawn in cash, which has a net investment cost of £119,974 (after taking into account the pro-rata share of distributions received from the Fund to date). The sale is being completed at net asset value of the Fund, which results in cash proceeds to the Company of £141,238 and represents a profit of £21,264, or 15.2% above the original purchase price. The Company's commitment to the Fund is now reduced from £4.5m to £4.2m and future returns from the Fund will be reduced pro rata.

The Investment Manager is a related party of the Company pursuant to the rules of the Aquis Stock Exchange. The independent directors of the Company, having exercised reasonable care, skill and diligence believe that the sale of Fund commitment is fair and reasonable as far as the shareholders of the Company are concerned.

Further to this, in the previous announcement made on 13 February 2023, we stated that: *"on 12 February 2023 the Company issued 60,000 Convertible Loan Notes to Superseed Ventures for a subscription price of £60,000 (the "Issue")."* Please be informed that this announcement contained a typographical error in the date and the correct date of the issuance of Convertible Loan Notes was 12 February 2024.

For more information, please contact:

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**SuperSeed Capital Limited**  
Mads Jensen, Investment Manager

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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.

## **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 expressed 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.

## **Investment Manager's Review**

### ***Is 2024 going to be a rerun of 2000?***

Chat GPT was released on the 30th of November 2022. We (and many others) thought this was a pretty big deal. And presto, 15 months later, NVIDIA hits a \$2trn market cap (up 367% since the ChatGPT launch). Obviously, something is going on.

But is this a rerun of the dotcom boom, or are we in the early stages of a different script? First, the scary parallels.

### ***Is NVIDIA the new Cisco?***

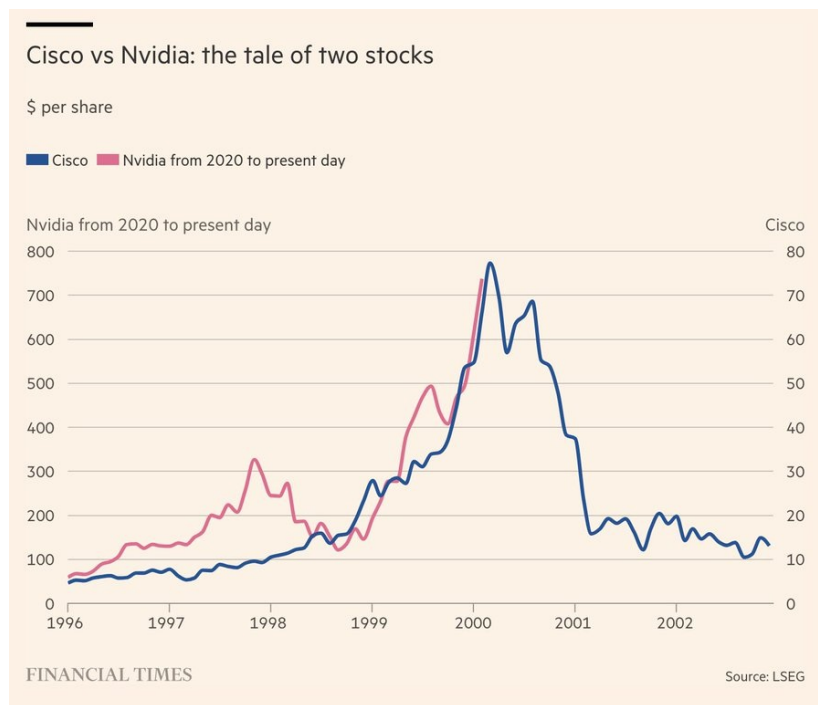
In the late 90s, the World Wide Web was making the internet useful for consumers, and the tech world was on fire. Lots of dreams for lots of big things, and lots of ways to burn venture dollars (remember pets.com and Webvan?).

But some amazing things also came out of this period – Amazon and Google, to name a few. And whatever people were building, we all needed more infrastructure. More bandwidth. And more hardware to power our networks. And atop the networking throne was CISCO – the golden child of the Internet's picks and shovels era.

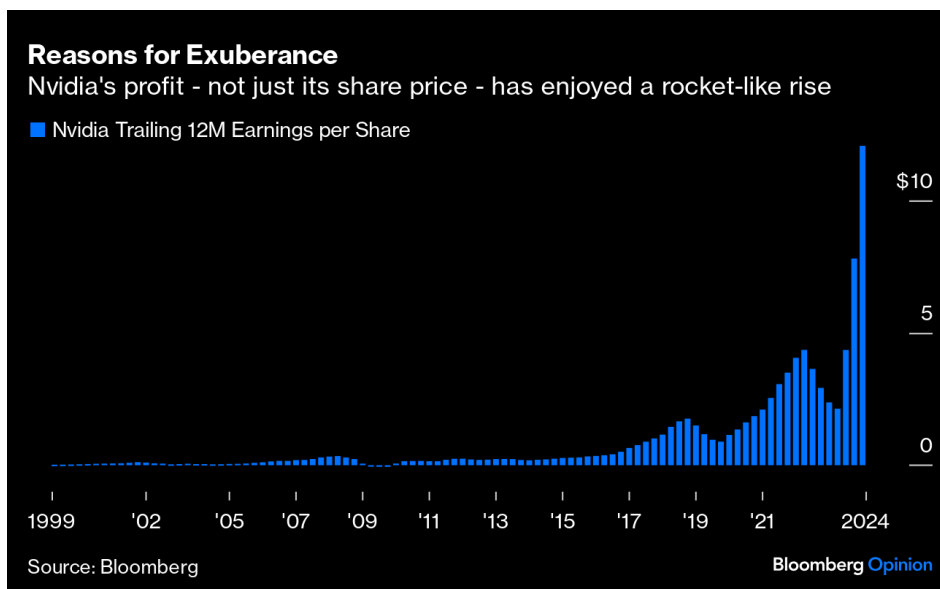
Today, the Internet is yesterday's news, and AI is all the rage. We are seeing a plethora of new start-ups pursue this opportunity. Most won't succeed in building enduring companies, but there will be great businesses coming out of this. And whether companies are destined for glory or failure, many of them rely on the same thing: the best processors to train and develop their AI models.

And so, today's CISCO is NVIDIA – a company perfectly positioned to be the “picks and shovels” company of the AI revolution.

To hammer home the parallel, the kind folks at the FT recently created this chart that maps CISCO's ascent in the 1990s to NVIDIA's growth over the past four years. Yes, it has been formatted for maximum scariness. But the comparison is fair.



NVIDIA has a strong lead in making chips that can do vector maths (the kind of maths needed to train deep learning and generative AI models). This gives the company incredible pricing power, and profits have been skyrocketing, with the company providing a rosy outlook for the future.

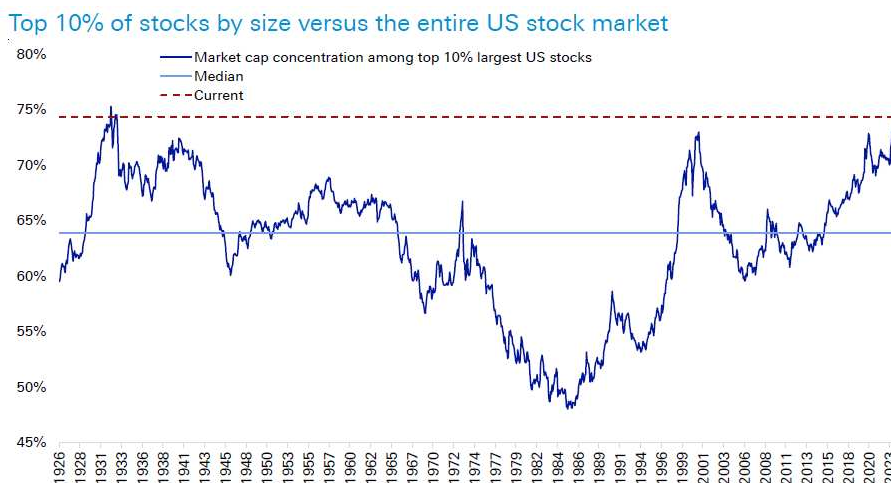


Given the rapid growth in revenue and profit, and given the positive outlook, the buoyant share price seems justified. But at 66x earnings, profit will have to keep growing for some time to justify even the current valuation, leaving alone any upside.

So the question beckons: are we on the precipice of a “dot.ai bubble”, or is there more upside from here? Let's look at some more scary data.

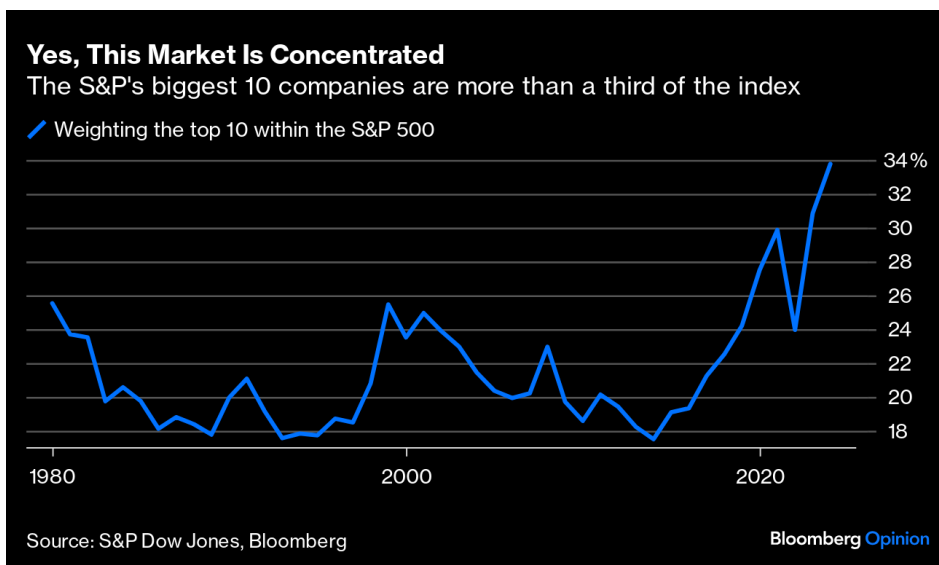
### Have we been here before?

The top 10% of US stocks are currently 75% of the US stock market. The last two times that happened were in 2000 and 1929. And we know what came next.



Source: Kenneth R. French database, Deutsche Bank.

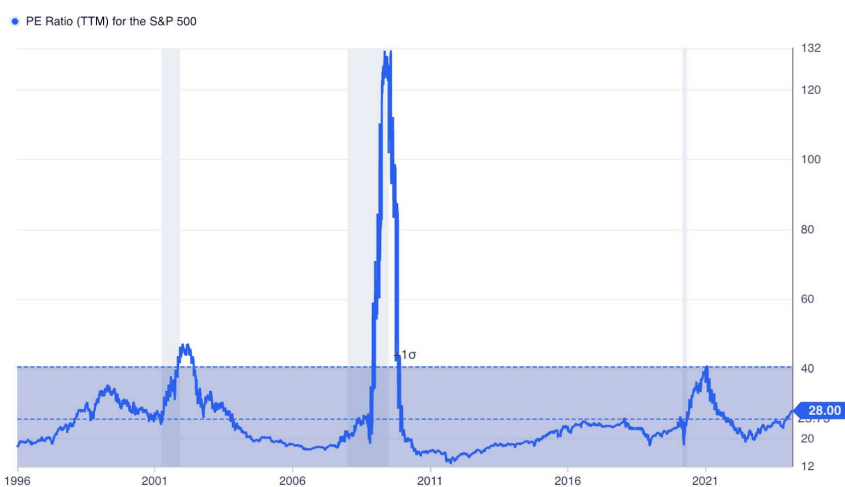
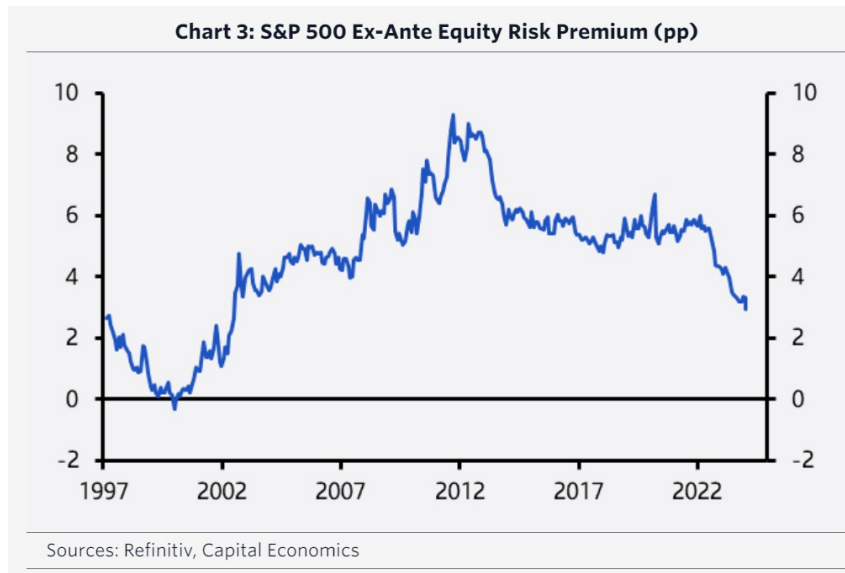
This concentration in the top stocks is driven by the Magnificent Seven. For good measure, let's add Berkshire Hathaway, Eli Lilly and Broadcom to the mix, and we can see that the top 10 US stocks now account for more than 1/3 of the value of the full market.



There are more ways to show how concentrated and unusual the situation is, but let's leave it here for now.

### So, is it a bubble?

When we measure the stock market using PE ratios and the equity risk premium (i.e. the yield premium you get paid to hold stocks over risk-free bonds), the market looks expensive, but nowhere near as expensive as in 2000 before the dotcom crash (or in the Great Financial Crash, where profits imploded).



***If not 2000 all over again, then what?***

As I wrote two months ago, stocks look expensive relative to historical metrics. But as long as the top companies keep growing earnings, and as long as there isn't a major geopolitical event, I don't expect an implosion in stocks.

At the same time, I am struggling to see NVIDIA go to \$7trn (as some people have suggested), but I can easily see the S&P500 go higher from here - at least in the shorter term.

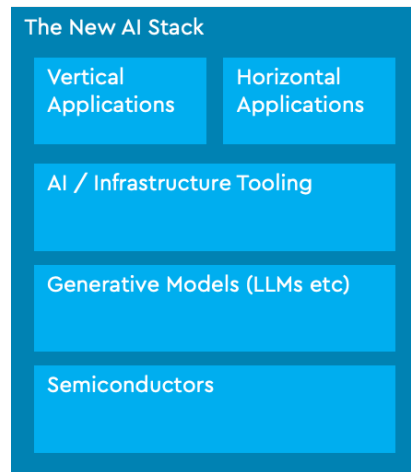
Because although companies are expensive, there is a major difference now compared to 2000. The best public tech companies are a lot more profitable. And even private companies like OpenAI have grown revenue at an impressive rate, going from basically zero to a \$2bn annual run-rate in 13 months (OpenAI hit the \$2bn annual run-rate market in December).

While a lot of the investments during the internet boom were well ahead of their time, many of the companies that are being built now have real revenue, strong growth and a path to real profit.

***So, where are the private market opportunities?***

Firstly, it's important to distinguish AI as a buzzword vs. AI as "next-generation software". (Generative) AI feels like magic, but - in our view - it's really just the next way to create software. And just like mainframes made way for distributed computers that in turn made way for the cloud, so are we now transitioning from a world where software is deterministic to a world where it is probabilistic. It's a big change with profound implications, but it won't remove the fundamental value of software. If anything, it just makes software even more valuable, because probabilistic behaviour means that software can do things in ways previously only humans could. For me, the takeaway is: when thinking about AI, think about next-generation software, not magic.

But even so, the opportunity in AI is so big that it needs to be broken down. Many investors divide the opportunities into five categories.



There are the two layers which have received the most press to date:

1. A semiconductor layer populated by incumbents like NVIDIA and new players like Groq.
2. A generative model layer with firms like OpenAI, Anthropic, Mistral (and, of course, Google),

On top of these sit three other layers which have received much less press, but where we see incredible innovation right now:

1. There is a new class of companies that are creating tools companies to manage AI models and model infrastructure,
2. Application companies making vertical applications (industry-specific - e.g. manufacturing or pharma), and
3. Application companies making horizontal applications (e.g. sales tools, marketing tools, etc).

Over the past two years, 50% of our investments have been in vertical AI applications. 25% in horizontal AI applications, 15% in AI Infrastructure Tooling, and 10% sit outside mainstream AI use cases (although all do use some level of machine learning).

We see incredible opportunity in those areas going forward, as they are places where smart founding teams can build capital-efficient software companies powered by the new underlying AI capabilities.

### ***Does generative AI spell the end of the software industry?***

Software development was one of the first areas to be impacted by generative AI. Armed with ChatGPT or Github CoPilot, developers are now at least 2x as efficient as they were before. It's become much easier to create, optimise and debug code. This makes it easier to build software. It potentially also makes it easier for new competitors to emerge or for customers to make their own software, as applications can be rebuilt with less effort.

Some observers have speculated that this is the end of the SaaS industry. That AI makes it so easy to create new software that margins will be competed away or replaced by new in-house apps.

There is some sense to these arguments. But in many ways, this was also what people said about the software industry when open source emerged.

The modern software industry is incredibly reliant on open-source software. And open source did displace some companies (e.g. how the once mighty Sun Solaris made way for Linux). But as some companies got displaced by open source, the wider software industry continued to thrive. Open Source was an enabler for the software industry.

Here are two reasons why I predict that AI will also be an accelerator for the SaaS industry:

- Yes – Generative AI makes it easier and cheaper for new entrants to create software clones. But it also makes it easier for independent software firms to innovate rapidly. And independents are nimble and focused. While Generative AI gives many new weapons to rebellious start-ups, it will also confer big advantages on start-ups. I predict that this will lead to a continued thriving software ecosystem.
- Generative AI also makes it easier for in-house development teams to build their own platforms. And while this gives them an advantage when negotiating pricing, it will not replace external software vendors for the same reasons corporates buy software today. Most businesses are much better off getting best-of-breed from specialist vendors rather than crafting and maintaining their own systems. Not only because it is expensive and inefficient for everyone to build and maintain essentially the same thing, but also because specialist vendors are better at innovating and, therefore, providing a better platform and user experience.

We've heard the same story about infrastructure and compute many times. It's cheaper to buy your own servers than to rent them from AWS. Yet 87% of Fortune 500 companies today use at least one public cloud.

One of Jeff Bezos' business maxims is to only do the things that "make your beer taste better". As in, focus on the things that make a tangible difference to your customers. Running your own data centres and writing your own back-office software is unlikely to do that for most companies. And so, our investment strategy remains focused on next-generation, AI-powered SaaS companies, as we believe they will continue to be very attractive businesses.

#### **Fund progress in Q4**

The Fund ended 2023 on a strong note, making three new investments and laying the ground for two further investments to be finalised in Q1 2024 (one of which has now been announced)

#### ***New Investments:***

##### ***Hirundo – Providing optimisation and “unlearning” capabilities for AI models***

Hirundo's platform enables AI-driven businesses to seamlessly debug and refine AI models throughout the lifecycle. While the advancement of AI has the potential to create dramatic efficiency improvements, its true potential has often been limited by the 'black box' issue: the indiscriminate treatment of data that is used to train models. Not all data enhances model performance; some hinder it. Hirundo solves this problem by deciphering the influence of each individual training datapoint, enabling the optimisation of models, rectification of production issues, and the purging of detrimental data. By radically transforming and streamlining training, Hirundo ensures that AI models are constructed from only the very best data substrates. This curation of training data paves the way for a new era in AI—one where models are not just intelligent but also extremely efficient and trustworthy.

##### ***Popp – Transform high-volume recruitment with AI***

Large Language Models have transformed how AI can be used in business, and in particular recruitment. Popp's SaaS tool enables large enterprises to automate the candidate selection and initial screening elements of the recruitment workflow. 70% of the effort in the enterprise recruitment process goes on reviewing applications, communicating with candidates for further screening, and arranging and analysing the first round of interviews. Popp uses AI to automate this time-consuming, low-leverage part of the recruitment workflow.

##### ***FreightCore – Transform freight-forwarding with AI***

80% of the world's cargo moves via ocean freight. Importers, exporters, and logistics companies facilitate the movement of 11 billion tonnes of cargo each year, and orchestrating the bureaucracy and administration of the movement of this cargo are freight forwarders. They handle a complex web of logistics processes involving shipping, trucking, and insurance for container movement. Freight forwarding companies operate on thin margins, and the majority of their cost is headcount. Unlike traditional freight services or more modern digital counterparts that struggle with operational inefficiencies, FreightCore has fully automated the end-to-end forwarding process. The platform has virtually nullified the marginal operational cost of adding additional shipments, demonstrating remarkable efficiency and significant scalability.

##### ***Messium – Using AI to optimise fertiliser use in agriculture (closed Q1 2024)***

Massium uses hyperspectral satellite imagery to monitor the nitrogen concentration of crops, and applies machine learning to infer the appropriate application of fertiliser. The solution optimises fertiliser application to increase yield and reduce waste, significantly growing farmers' margins. The average margin for a farm is

11.3%. Top-quartile farms achieve 75% higher margins than an average-performing farm. As agricultural subsidies continue to wane, and as crop prices continue to fall, farmers must focus on reducing costs. Fertilisers exist to maximise crop yield from arable land, but routinely, farmers over- or under-fertilise. Fertiliser prices are at historic highs, and are expected to continue to grow. Nitrogen concentration monitoring solutions that exist today generate unreliable, inaccurate information about nitrogen density in soil, leading to misinformed purchasing and application of fertiliser, or they are prohibitively time-consuming and expensive. While the over-purchasing of fertiliser further erodes farmers' slim margins, significant environmental implications also result from its overapplication.

One further investment in an AI application company was agreed in principle in Q4, with closing expected in Q1 2024.

***Portfolio Progress and Revenue:***

Fund portfolio sales reaccelerated again in Q4, growing at an annualised rate of 60%. While this is lower than the start of 2023, it represents an increase from Q3. There is a general sense in the industry that software revenue growth bottomed out in 2023, with a positive outlook for 2024.

The Investment Manager's talent function delivered a meaningful impact on the portfolio in Q4. We helped bring in excellent business leaders across four companies:

- At Uhura we brought in Pete O'Neil (former Chief Revenue Officer of Blueprism) as new VP Sales.
- At Octaipipe we brought in Arnaud Lagarde (former VP Europe of Automation Anywhere) as new Chief Revenue Officer.
- At FreightCore we brought in David Emerson (former COO of Seko) as independent board member.
- And at Finteum we brought Rupert Hume Kendall (former chairman of Bank of America Merrill Lynch in Europe) as vice chair of the board.

***Outlook for the rest of 2024:***

As we look to the rest of 2024, we continue to look for the best founders that create AI companies focusing on either vertical or horizontal applications, or in the AI tooling layer. We expect to complete two investments in Q1 2024 and to keep this cadence for the remainder of the year.

**SuperSeed Capital Limited**  
Condensed Statement of Comprehensive Income  
for the year 1 January 2023 to 31 December 2023

	<b>1 October 2023 to 31 December 2023 £</b>	<b>1 July 2023 to 31 September 2023 £</b>	<b>1 January 2023 to 31 December 2023 £</b>	<b>1 January 2022 to 31 December 2022 £</b>
<b>Income</b>				
Investment income	-	-	1,024	379
Realised gain on investments held at fair value through profit or loss	-	188,903	221,955	-
Unrealised gain/(loss) on investments held at fair value through profit or loss	76,400	(161,071)	297,373	260,581
Other income	1,253	1,692	2,947	2,347
<b>Total income</b>	<b>77,653</b>	<b>29,524</b>	<b>523,299</b>	<b>263,307</b>
<b>Expenses</b>				
Establishment costs	-	-	-	153,028
Administration fees	7,613	7,613	30,450	27,431
Audit fees	6,297	5,798	23,500	21,000
Directors' fees	4,500	4,500	18,000	18,000
Insurance	1,036	-	1,036	1,036
Legal & professional fees	14,862	11,724	54,911	40,838
Loan interest	-	-	134	-
Management fees	5,109	-	5,109	-
Regulatory fees	3,622	3,322	16,131	13,411
Sundry expenses	849	279	2,126	1,537
<b>Total expenses</b>	<b>43,888</b>	<b>33,236</b>	<b>151,397</b>	<b>276,281</b>
<b>Total gain/(loss) and comprehensive income for the period</b>	<b>33,765</b>	<b>(3,712)</b>	<b>371,902</b>	<b>(12,974)</b>
<b>Basic earnings per share</b>	<b>0.0142</b>	<b>(0.0016)</b>	<b>0.1580</b>	<b>(0.0069)</b>
<b>Diluted earnings per share</b>	<b>0.0137</b>	<b>(0.0015)</b>	<b>0.1516</b>	<b>(0.0069)</b>
<b>Operating profit/(loss) excluding establishment costs for the period</b>	<b>33,765</b>	<b>(3,712)</b>	<b>371,902</b>	<b>140,054</b>
<b>Basic operating profit excl. establishment costs per share</b>	<b>0.0142</b>	<b>(0.0016)</b>	<b>0.1580</b>	<b>0.0749</b>
<b>Diluted operating profit excl. establishment costs per share</b>	<b>0.0137</b>	<b>(0.0015)</b>	<b>0.1516</b>	<b>0.0745</b>

All the above items are derived from continuing operations.

**SuperSeed Capital Limited**  
Condensed Statement of Financial Position  
as at 31 December 2023

	31 December 2023	30 September 2023	31 December 2022
	£	£	£
<b>Non-current assets</b>			
Investments	2,433,012	2,144,932	1,799,616
<b>Total non-current assets</b>	<b>2,433,012</b>	<b>2,144,932</b>	<b>1,799,616</b>
<b>Current assets</b>			
Trade and other receivables	182,827	92,363	11,025
Cash and cash equivalents	99,185	432,261	235,089
<b>Total current assets</b>	<b>282,012</b>	<b>524,624</b>	<b>246,114</b>
<b>Total assets</b>	<b>2,715,024</b>	<b>2,669,556</b>	<b>2,045,730</b>
<b>Current liabilities</b>			
Trade and other payables	29,394	17,691	21,745
<b>Total current liabilities</b>	<b>29,394</b>	<b>17,691</b>	<b>21,745</b>
<b>Total liabilities</b>	<b>29,394</b>	<b>17,691</b>	<b>21,745</b>
<b>Net assets</b>	<b>2,685,630</b>	<b>2,651,865</b>	<b>2,023,985</b>
<b>Equity</b>			
Share capital	2,369,743	2,369,743	2,080,000
Retained earnings	315,887	282,122	(56,015)
<b>Total equity</b>	<b>2,685,630</b>	<b>2,651,865</b>	<b>2,023,985</b>
<b>Net asset value per ordinary share</b>	<b>1.1333</b>	<b>1.1191</b>	<b>0.9731</b>
Net asset value per ordinary share inclusive of contingent management fee*	1.1129	1.1117	0.9705

*\*In accordance with Section 13.1.2 of the Alternative Investment Management Agreement between the Company and SuperSeed Ventures LLP (the "Manager") dated 21 January 2022, the Manager is entitled to receive from the Company a management fee of 20% of the aggregate net realised profits on investments, provided that no fee shall be payable in connection with any investment in respect of which the Manager already receives a fee. If all assets were to be realised at the current valuation, the Manager would be due management fees in the amount of £48,311.*

**SuperSeed Capital Limited**  
Condensed Statement of Changes in Equity  
for the year 1 January 2023 to 31 December 2023

	<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	-	371,902	371,902
<b>Balance as at 31 December 2023</b>	<b><u>2,369,743</u></b>	<b><u>315,887</u></b>	<b><u>2,685,630</u></b>

**SuperSeed Capital Limited**  
Condensed Statement of Cash Flows  
for the year 1 January 2023 to 31 December 2023

	<b>1 October 2023 to 31 December 2023 £</b>	<b>1 January 2023 to 31 December 2023 £</b>	<b>1 January 2022 to 31 December 2022 £</b>
<b>Cash flows used in operating activities</b>			
Net cash flow used in operating activities	(33,393)	(143,667)	(297,919)
<b>Cash flows from / (used in) investing activities</b>			
Net cash flow from / (used in) investing activities	(299,683)	7,897	(1,466,992)
<b>Cash flows from / (used in) financing activities</b>			
Net cash flow from / (used in) financing activities	-	(134)	2,000,000
Net movement in cash and cash equivalents during the period	(333,076)	(135,904)	235,089
Cash and cash equivalents at the beginning of the period	432,261	235,089	-
<b>Cash and cash equivalents at the end of the period</b>	<b>99,185</b>	<b>99,185</b>	<b>235,089</b>

**SuperSeed Capital Limited**  
Investment Analysis  
for the year 1 January 2023 to 31 December 2023

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
Cost	1,875,058	1,539,035
Cumulative movement in value	557,954	260,581
Fair value	<b>2,433,012</b>	<b>1,799,616</b>

Investment fair value can be further analysed as follows:

	<b>1 October 2023 to 31 December 2023</b>	<b>1 January 2023 to 31 December 2023</b>	<b>6 October 2021 to 31 December 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cost			
Cost at beginning of the period	1,663,379	1,539,035	-
Cost of investment - settled	211,679	939,321	1,539,035
Cost of investment - sold	-	(603,298)	-
Total cost of investment	1,875,058	1,875,058	1,539,035
Fair value movement			
Fair value adjustment at beginning of the period	481,554	260,581	-
Revaluation of underlying investments	76,400	297,373	260,581
	557,954	557,954	260,581
Fair value of investments	<b>2,433,012</b>	<b>2,433,012</b>	<b>1,799,616</b>