

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

**Q1 2024 AND THREE-MONTHS ENDING 31 MARCH 2024 RESULTS**

SuperSeed Capital Limited, a company established as a venture capital fund of funds for early-stage AI/SaaS companies, announces results for Q1 2024 and the three-months ending 31 March 2024. 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 Q1 2024:**

- NAV per share has increased by 5p during the quarter, now at £1.16 per share on a fully diluted basis.
- A total of £494,924 was invested in new Fund portfolio investments in the period.

**Fund Portfolio and Investment Highlights:**

- Fund Portfolio SAAS revenue growth continued in Q1 2024, growing at ~50% on an annualised basis.
- One new AI/SaaS company was added to the Fund portfolio in Q1 2024 (Messium) with additional investments in existing Fund portfolio companies, FreightCore, OctaPIPE and Finteum.

**Outlook for Q2 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 has had a good start to 2024, landing a new investment in Messium and with solid progress across the wider portfolio. The investment climate continues to be positive for early stage B2B AI/SaaS companies."*

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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**

### ***The world of tech investing, ½ into 2024***

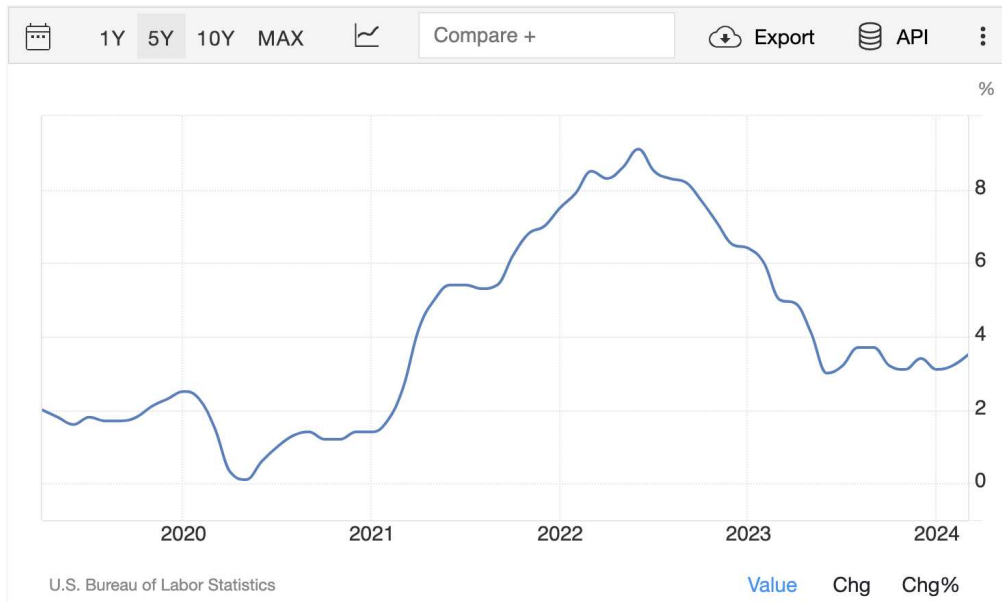
Four months ago, at the start of 2024, we said we thought that US equities looked pretty fully valued. We also said that we thought the S&P 500 might have further to rise on the back of positive market sentiment.

Two months ago, markets were even higher, and we wrote how investors were partying like it was 1999. At the time I asked whether this was a revival of the dotcom bubble.

NVIDIA peaked on 25 March, and the S&P 500 3 days later. Since then, the S&P 500 is down 5% and NVIDIA is down 20%. Volatility is back.

### ***Inflation isn't slain yet***

Up until late March, there was still hope that inflation was more or less under control, and that the Fed would start cutting rates. That hope has been put on pause for now. US inflation has come down significantly from 2022, but it is still stubbornly high.



Cue the Fed and Powell, who have been rethinking interest rate cuts in the face of stubborn inflation numbers. Here is Jerome Powell on April 16th: "Given the strength of the labour market and progress on inflation so far, it is appropriate to allow restrictive policy further time to work and let the data and the evolving outlook guide us."

So the Fed keeps looking at their favourite data points, and they don't much like what they see. However, their pessimism may be excessive. The Truflation team has US inflation at 2.09% as of the latest reading, vs the Fed's reported 3.5% rate. And as the FT Alphaville Team points out, fears about inflation stickiness might be overdone.

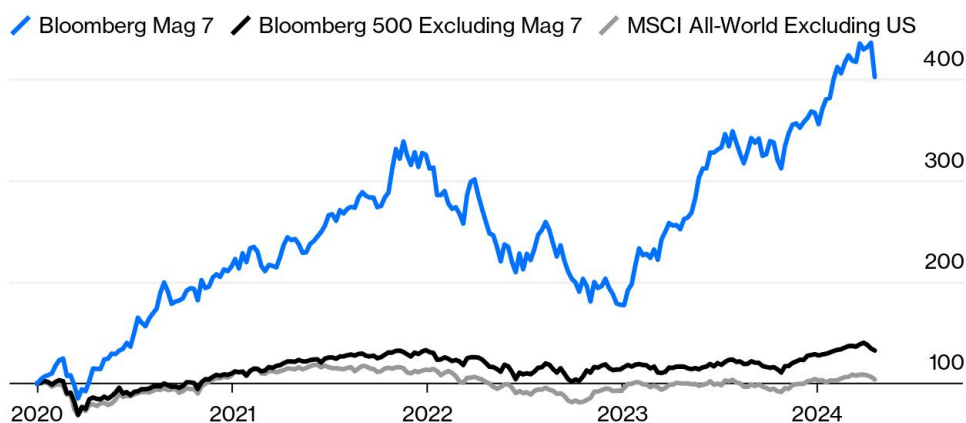
So there are clearly two sides to the story. Even so, it's likely that we will get fewer cuts than hoped for in 2024. And thus markets are taking a breather and going soft.

### ***Have the Magnificent Seven run out of Steam?***

Since US Markets bottomed out in October 2022, the runup to current levels (+40%) have been powered by the Magnificent Seven (Apple, Google, Facebook, Amazon, Nvidia, Tesla, Microsoft). Investors have (in many ways correctly) treated the Seven as an unbeatable block of growth and profit. All driven by exceptionally dominant positions in their respective areas of technology.

### **Magnificence Isn't For Everyone**

The post-pandemic financial world would look very different without Big Tech



Source: Bloomberg  
Note: 100 = 01/01/2020

Bloomberg Opinion

But start scratching under the surface, and we can see that the party might be coming to an end.

While the Mag 7 are still up way above their position as of a year ago, the last month has been challenging. And there might be further headwinds.

Look under the covers:

- **Apple** is struggling to explain where future growth will come from. Demand for iPhones has gone into a tailspin in China, and the pipeline of new blockbuster products looks bare.
- **Tesla** is still growing modestly, but the company has missed Earnings Per Share for the past two quarters. And there are worries that both revenue and profit could be put under pressure from Chinese manufacturers:
- **NVIDIA** has had an incredible run over the past 18 months on the back of the LLM/AI boom, but there are major questions as to whether the company can keep up the current combination of growth and profit margins (which would be needed to justify the valuation).
- **Facebook/Meta** has also had a formidable run since the start of 2023. But a lot of the performance was driven by cost optimisation as the company got lean and trimmed investments in the Metaverse, leading to better operating profits. The company is theoretically well-placed to benefit from AI, given its massive data trove. However, as Meta felt it was behind Google and Open AI in the LLM race, it took an early decision to open-source its own LLM (Meta Llama). This potentially caps the upside of any benefit Meta can derive in the AI space.
- **Google** was widely seen as the indisputable leader in AI prior to OpenAI's launch of ChatGPT. For more than a decade, Google (and Google Deepmind) produced world-leading research in the AI field. However, internal cultural issues have slowed down the pace of innovation at Google, exemplified by the botched launch of Google Gemini earlier this year. Gemini is in many ways an awe-inspiring product, and Google certainly hasn't been knocked out yet. But with its core business model (search and advertising) under assault from LLMs, many are questioning future growth prospects.

Amazon and Microsoft - the two remainders - have their own challenges. But even if we accept that they are formidable companies, it's hard to see those two pick up the slack from the other five to continue to drive the stock market all on their own.

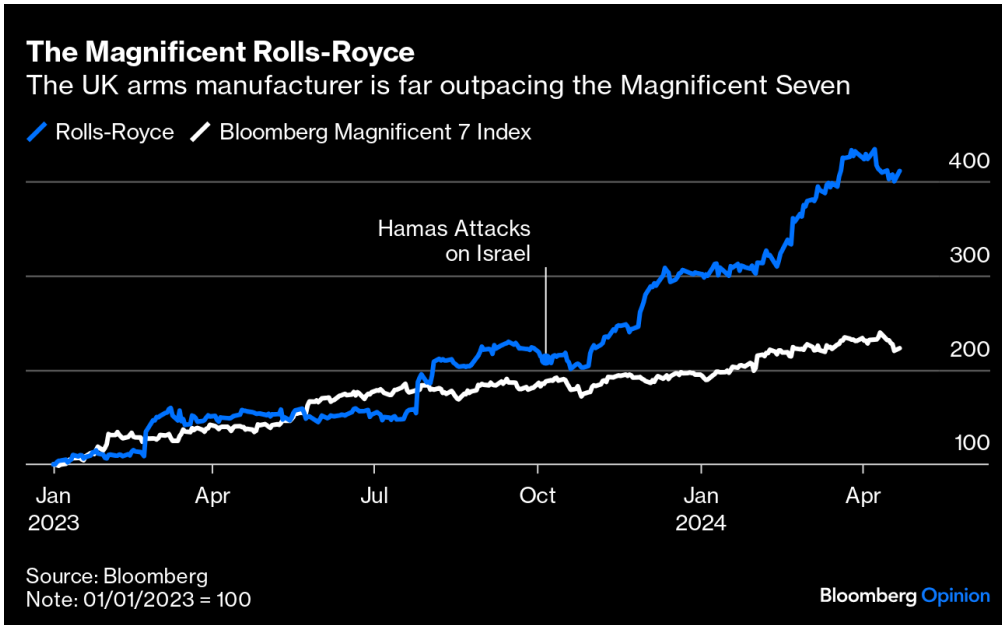
### ***So where are the growth opportunities?***

As early-stage tech investors, we are unapologetically optimistic here at SuperSeed. That said, there has been some grim reading in the global news columns so far this year. It does not look like the war in Ukraine is drawing to a positive conclusion in the near term, and Israel's conflict with Iran's proxies Hamas and Hizbollah have threatened to engulf the wider region. On a macro scale, this is all "bad for business".

At the same time, there were hopes of a rapprochement between China and the US following November's largely successful summit between Xi Jinping and Joe Biden. But the underlying conflicts have not gone away. The US is unhappy with China's support for Russia, and China is unhappy with the US's support for Taiwan. And there are a host of other issues underneath these.

So rather than collecting a "peace dividend", everyone is now busy restocking their weapons arsenals. The UK government has announced a targeted increase in defence spending from 2.3% to 2.5% of GDP.

While all of this might be bad for peace (at least in the short term), it's good news for arms manufacturers. Rolls-Royce, for instance, have quadrupled in share price in less than 2 years.

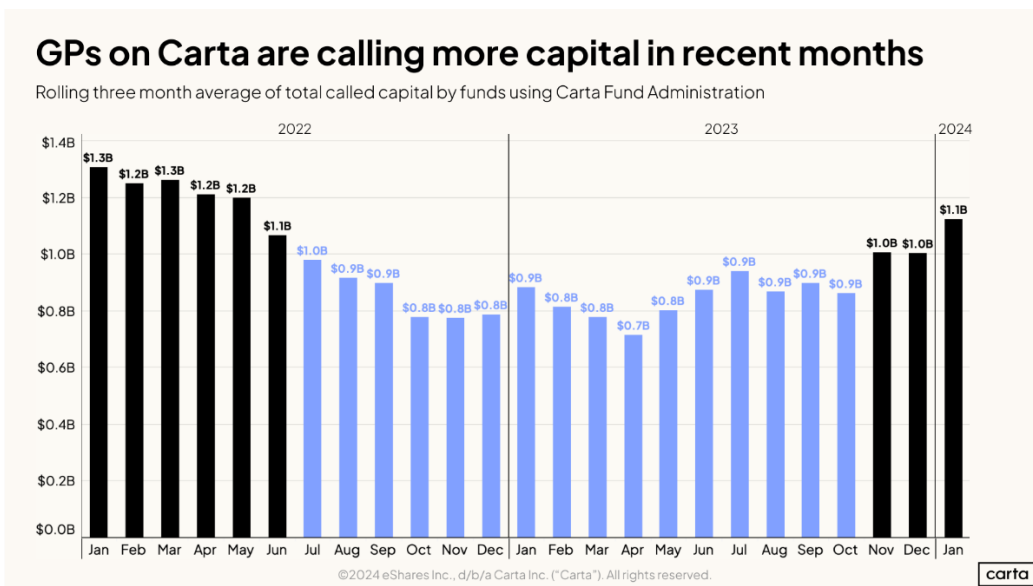


Whatever your penchant for defence investments, weapons manufacturers and cybersecurity companies are likely to benefit in the years ahead.

#### What's happening in venture capital?

While 2023 was largely a year of going sideways, the VC industry has started to rebound as of the past few months.

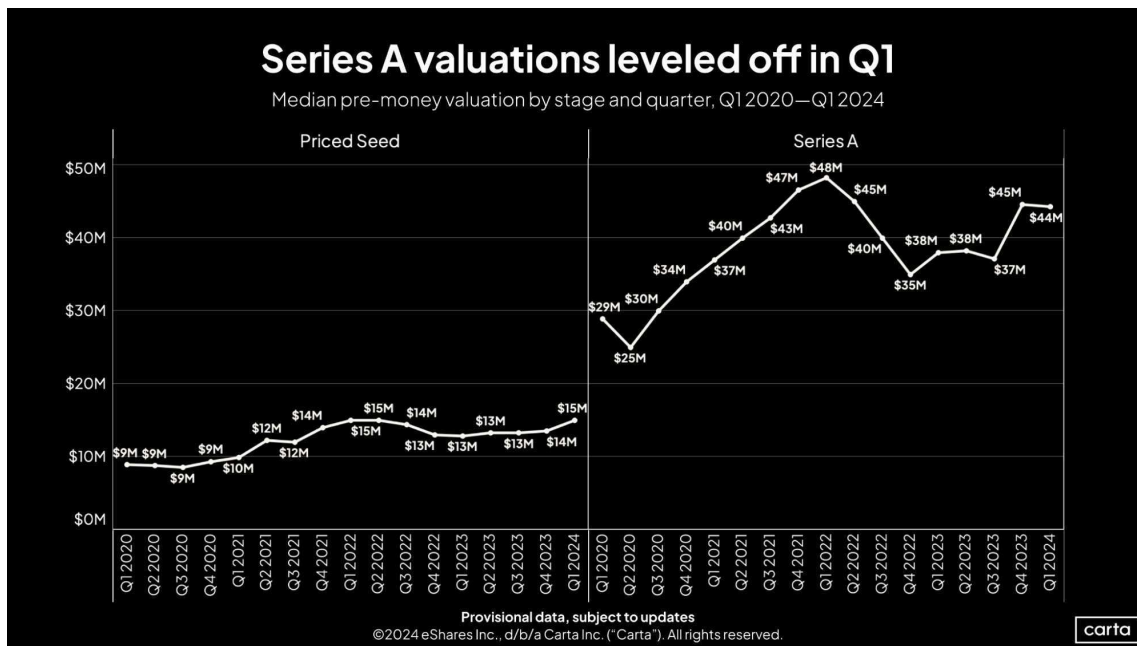
US fund administration platform Carta reported that VC fund capital calls finally are on the rise again. While it is still too early to tell whether this is a bona fide new "cycle", the data is certainly showing green shoots.



Anecdotally, we are feeling spring-time in terms of deal-flow and velocity as well. But where is the activity?

In many ways, AI is still the only game in town. AI has driven expectations (and market cap) for Microsoft, Google and NVIDIA, and AI has also continued to drive investments in early-stage tech companies.

While US seed valuations ticked up in Q1, Series A valuations were largely flat on Q4 (but still well up on the nadir from Q4 2022 to Q3 2023).



### Where are the opportunities?

In March, we looked at areas for early-stage investment opportunities. This month we are going to dive more into opportunities in vertical applications, including some of the AI tooling that enables these opportunities. You can read more here.

### Fund progress in Q1 2024

#### New Investments:

#### Woodsense (closed early Q2)

The global construction industry wastes billions annually due to moisture damage, with approximately half attributed to water ingress alone. This not only impacts the bottom line of construction projects, but also undermines the structural integrity and longevity of buildings. Woodsense's SaaS platform monitors and detects moisture ingress in buildings by leveraging IoT sensors and AI-driven anomaly detection algorithms. Woodsense's platform eliminates risk, reduces cost, and provides quality assurance which is valuable for various stakeholders participating in the industry (architects, contractors, financiers, and insurers). Although still a young company, the business has strong product/market fit, with more than 100 customers already using the platform to manage construction risk.

#### Messium - Using AI to optimise fertiliser use in agriculture

Messium 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.

#### Portfolio Revenue:

Portfolio revenue hovered around the 50% annualised growth mark in Q1. While buying cycles generally are better than 12 months ago, several companies still experienced delays in bringing in forecasted deals. The Q2 forecast is outlooking growth at a similar rate to Q1.

**Valuations**

Duel and Uhura have both had offers of new investments rounds, which has positively impacted valuations for the companies. Other than that, there have been no changes to valuations in Q1.

**Outlook for the remainder of 2024**

With strong deal-flow and positive market sentiment, our strategy for the year remains unchanged: back the best founders that use (AI-powered) software to change how business is done. We look to complete another 4-6 investments on this strategy for the remainder of the year.

**SuperSeed Capital Limited**  
Condensed Statement of Comprehensive Income  
for the period 1 January 2024 to 31 March 2024

	<b>1 January 2024 to 31 March 2024 £</b>	<b>1 October 2023 to 31 December 2023 £</b>	<b>1 January 2023 to 31 March 2023 £</b>
<b>Income</b>			
Investment income	-	-	328
Realised gain on investments held at fair value through profit or loss	21,264	-	33,052
Unrealised gain on investments held at fair value through profit or loss	139,909	76,400	180,555
Other income	2,760	1,253	1
<b>Total income</b>	<b>163,933</b>	<b>77,653</b>	<b>213,936</b>
<b>Expenses</b>			
Administration fees	7,727	7,613	7,611
Audit fees	6,216	6,297	5,671
Directors' fees	5,000	4,500	4,500
Insurance	1,036	1,036	-
Legal & professional fees	12,018	14,862	12,183
Loan interest	699	-	134
Management fees	1,652	5,109	-
Regulatory fees	5,390	3,622	5,351
Sundry expenses	274	849	703
<b>Total expenses</b>	<b>40,012</b>	<b>43,888</b>	<b>36,153</b>
<b>Total gain and comprehensive income for the period</b>	<b>123,921</b>	<b>33,765</b>	<b>177,783</b>
<b>Basic earnings per share</b>	<b>0.0523</b>	<b>0.0142</b>	<b>0.0868</b>
<b>Diluted earnings per share</b>	<b>0.0523</b>	<b>0.0137</b>	<b>0.0698</b>
<b>Operating profit excluding establishment costs for the period</b>	<b>123,921</b>	<b>33,765</b>	<b>177,783</b>
<b>Basic operating profit excl. establishment costs per share</b>	<b>0.0523</b>	<b>0.0142</b>	<b>0.0868</b>
<b>Diluted operating profit excl. establishment costs per share</b>	<b>0.0523</b>	<b>0.0137</b>	<b>0.6980</b>

All the above items are derived from continuing operations.

**SuperSeed Capital Limited**  
Condensed Statement of Financial Position  
as at 31 March 2024

	<b>31 March 2024</b>	<b>31 December 2023</b>
	<b>£</b>	<b>£</b>
<b>Non-current assets</b>		
Investments	2,947,871	2,433,012
<b>Total non-current assets</b>	<b>2,947,871</b>	<b>2,433,012</b>
<b>Current assets</b>		
Trade and other receivables	10,216	182,827
Cash and cash equivalents	48,261	99,185
<b>Total current assets</b>	<b>58,477</b>	<b>282,012</b>
<b>Total assets</b>	<b>3,006,348</b>	<b>2,715,024</b>
<b>Current liabilities</b>		
Trade and other payables	196,816	29,413
<b>Total current liabilities</b>	<b>196,816</b>	<b>29,413</b>
<b>Total liabilities</b>	<b>196,816</b>	<b>29,413</b>
<b>Net assets</b>	<b>2,809,532</b>	<b>2,685,611</b>
<b>Equity</b>		
Share capital	2,369,743	2,369,743
Retained earnings	439,789	315,868
<b>Total equity</b>	<b>2,809,532</b>	<b>2,685,611</b>
<b>Net asset value per ordinary share</b>	<b>1.1856</b>	<b>1.1333</b>
Net asset value per ordinary share inclusive of notional management fee*	1.1612	1.1129

*\*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 £57,824.*

**SuperSeed Capital Limited**  
 Condensed Statement of Changes in Equity  
 for the period 1 January 2024 to 31 March 2024

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 January 2024	2,369,743	315,868	2,685,611
Total comprehensive profit for the period	-	123,921	123,921
<b>Balance as at 31 March 2024</b>	<b><u>2,369,743</u></b>	<b><u>439,789</u></b>	<b><u>2,809,532</u></b>

**SuperSeed Capital Limited**  
Condensed Statement of Cash Flows  
for the period 1 January 2024 to 31 March 2024

	<b>1 January 2024 to 31 March 2024 £</b>	<b>1 January 2023 to 31 March 2023 £</b>
<b>Cash flows used in operating activities</b>		
Net cash flow used in operating activities	(41,583)	(43,290)
<b>Cash flows used in investing activities</b>		
Net cash flow used in investing activities	(8,642)	(127,659)
<b>Cash flows used in financing activities</b>		
Net cash flow used in financing activities	(699)	(134)
Net movement in cash and cash equivalents during the period	(50,924)	(171,083)
Cash and cash equivalents at the beginning of the period	99,185	235,089
<b>Cash and cash equivalents at the end of the period</b>	<b>48,261</b>	<b>64,006</b>

**SuperSeed Capital Limited**  
Investment Analysis  
for the period 1 January 2024 to 31 March 2024

	<b>31 March 2024</b>	<b>31 December 2023</b>
	<b>£</b>	<b>£</b>
Cost	2,250,008	1,875,058
Cumulative movement in value	697,863	557,954
Fair value	<u><b>2,947,871</b></u>	<u><b>2,433,012</b></u>

Investment fair value can be further analysed as follows:

	<b>1 January 2024</b>	<b>1 January 2023</b>
	<b>to</b>	<b>to</b>
	<b>31 March 2024</b>	<b>31 December 2023</b>
	<b>£</b>	<b>£</b>
Cost		
Cost at beginning of the period	1,875,058	1,539,035
Cost of investment - settled	494,924	939,321
Cost of investment - sold	(119,974)	(603,298)
Total cost of investment	<u>2,250,008</u>	<u>1,875,058</u>
Fair value movement		
Fair value adjustment at beginning of the period	557,954	260,581
Revaluation of underlying investments	139,909	297,373
	<u>697,863</u>	<u>557,954</u>
Fair value of investments	<u><b>2,947,871</b></u>	<u><b>2,433,012</b></u>