

SUPERSEED CAPITAL LIMITED
(the “Company”)

Q3 2024 AND NINE-MONTHS ENDING 30 SEPTEMBER 2024 RESULTS

SuperSeed Capital Limited, a company established as a venture capital fund of funds for early-stage AI/SaaS companies, announces results for Q3 2024 and the nine-months ending 30 September 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 Q3 2024:

- NAV per share has held fairly steady, with a minor decrease of 3p during the quarter due to ongoing costs, now at £1.11 per share on a fully diluted basis.

Fund Portfolio and Investment Highlights:

- Fund portfolio revenue grew 10% in the quarter, or 40% on an annualised basis. This was slightly below expectations, and Fund portfolio companies are generally forecasting sales growth to continue at an increased pace in Q4.
- No new companies were added to the Fund portfolio in Q3.

Outlook for Q4 2024:

- Continued strong investment activity, with the Fund having several potential new portfolio companies lined-up for investment, the first of which closed in early Q4.
- Fund investment strategy continues to be to back the best founders who are using (AI-powered) software to change how business is done.

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

"The Fund has had a steady Q3 2024, and while there were no new investments until just after the quarter end, solid progress across the wider portfolio continued. 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 and Venture in the Final Stretch of 2024

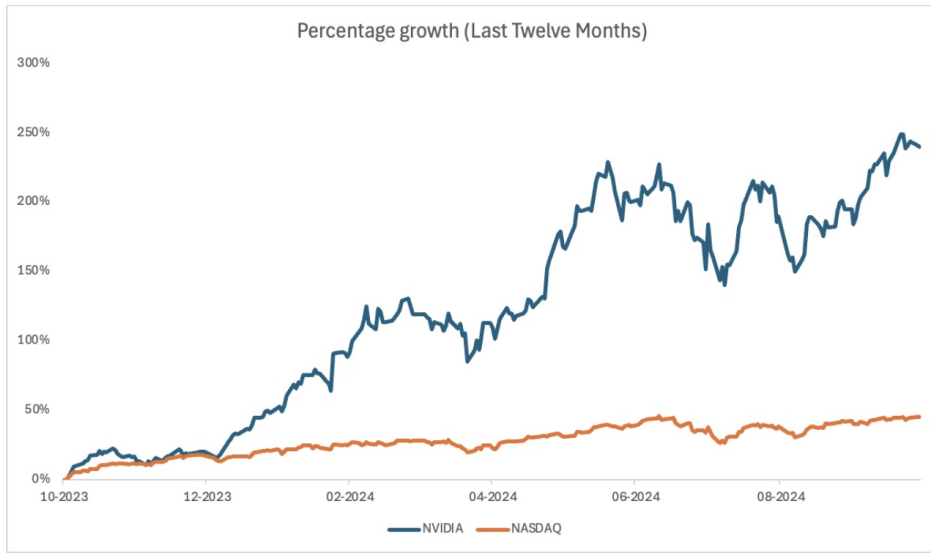
October 2024 marked significant shifts in the technology and venture capital landscapes. Nvidia continued its impressive ascent, but rising US interest rates presented fresh challenges. The U.S. presidential election added another layer of complexity which influenced market sentiments and inflation expectations. Venture funding remained concentrated in AI and B2B SaaS, amid liquidity constraints and regulatory changes affecting mergers and acquisitions. Here we are examining these trends and their implications for VC investors as we approach yearend.

We look at:

- Nvidia's continued outperformance;
- The US election and what it means for the global economy;
- Trends in venture capital; and
- General trends in AI and technology.

Stock Market and Economic Indicators

Nvidia and the Nasdaq's Performance



Nvidia's stock surged more than 20% during the first three weeks of October, before falling back to leave the share price up "just" shy of a 10% gain for the month. The overall growth was driven by extraordinary demand for its Blackwell chip, which delivers up to 2.5 times the performance of its predecessor, Hopper. The Blackwell GPU is fully booked 12 months in advance, reflecting a backlog due to high demand from companies like Meta, Microsoft, and OpenAI. Nvidia's CEO Jensen Huang notes that they are "early in a long-term AI investment cycle." Analysts expect Nvidia's revenue to double this fiscal year.

This robust performance contributed significantly to pushing the Nasdaq to a record high in October. The sustained demand for generative AI infrastructure—from models like ChatGPT to Microsoft's AI Copilot—demonstrates the foundational role of Nvidia's GPUs in supporting AI driven applications.

S&P 500 Trends

S&P500 and the Nasdaq-100 had a largely quiet October before pulling a few percentage points back in the first few days of the month. Once again, it was mainly the "Magnificent Seven" tech companies that were driving performance in the indices.

Interest Rates, Inflation, and the U.S. Presidential Election

U.S. Inflation Rate and Treasury Yields



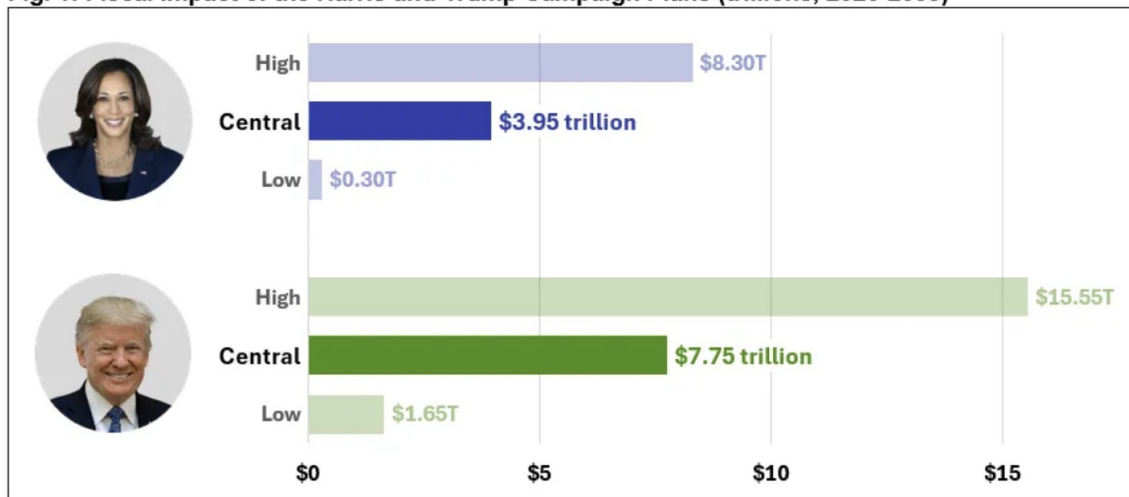
Inflation remained steady at 2.4%, but yields on the 10-year Treasury rose sharply—from below 3.75% in mid-September to over 4.25% in October. This rise reflects cautious sentiment in bond markets and has significant

implications for sectors like venture capital and tech, where higher borrowing costs may affect valuations and access to capital.

Impact of the 2024 U.S. Presidential Election on Markets

As the 2024 U.S. presidential election approached, concerns started to intensify about rising inflation. Both major candidates proposed fiscal policies that could fuel inflation, albeit through different mechanisms. Importantly, both candidates signal continued high deficit spending, albeit Trump has been discussing working with Elon Musk to "cut \$2 Trillion from the US Budget".

Fig. 1: Fiscal Impact of the Harris and Trump Campaign Plans (trillions, 2026-2035)



Source: [CRFB](#)

Given that both policies could be pushing inflation, “safe-haven assets” like gold (up 30% this year) and Bitcoin (up ca 50% this year) have been surging. And now that Trump has won the election, let’s unpack his policies further and see what they might mean

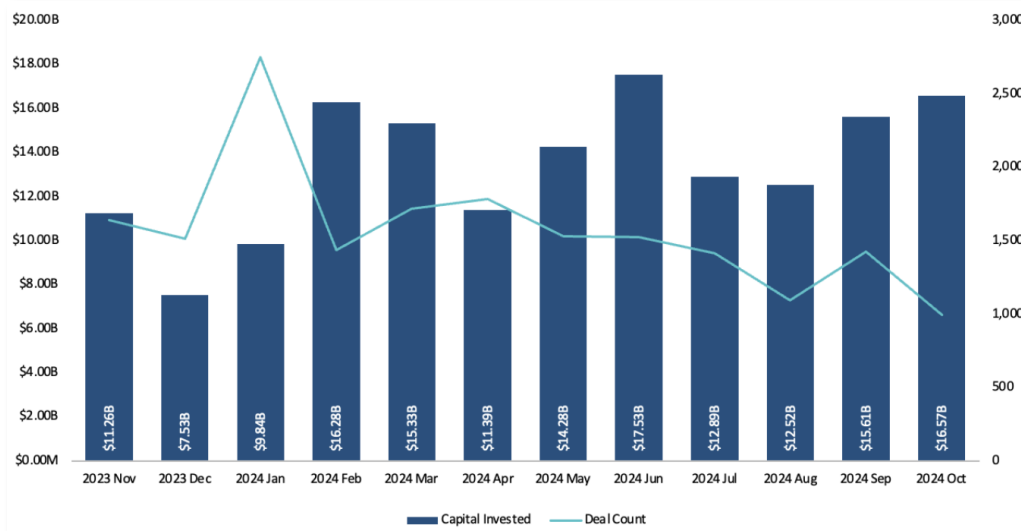
Trump's Policies and Inflationary Drivers

Trump's proposals focus on tax cuts, import tariffs, and restrictive immigration measures. His proposal for universal tariffs would raise import costs, directly contributing to consumer inflation. Additionally, forcibly removing millions of illegal immigrants could tighten the labour market, potentially pushing wages higher and compounding inflation. Trump's aggressive stance on tariffs and immigration, as well as his potential reshaping of Federal Reserve policies, have raised concerns of political interference in monetary policy, which could impact medium-term inflation.

Analysts from sources like the Peterson Institute expect that fiscal plans could elevate inflation back to the 6% to 9% range by 2028. Our assessment is that some of the proposed policies were campaign rhetoric rather than things that will actually be implemented. Especially around tariffs. And so - while we do expect the deficit to remain high and for there to be some curtailment of immigration, we expect tariffs to be used mainly as a instrument of trade negotiation (rather than a tool to be applied bluntly to all imports). It's basically our expectation that cooler heads will prevail once Trump is in office. But his election certainly creates some uncertainty for the years ahead with respects to inflation and global trade.

Venture Capital and B2B SaaS Trends

Global Venture Funding in AI and SaaS



Venture funding in applied AI and SaaS remained strong in October 2024, focusing on companies with solid revenue models. Notable funding rounds include:

- OpenAI’s Massive Funding Round: OpenAI raised \$6.6 billion in October, nearly doubling its valuation to \$157 billion; and
- Perplexity AI’s Funding Drive: Perplexity AI, an AI-powered search engine and chatbot start-up, initiated discussions to raise approximately \$500 million, aiming for a valuation boost to around \$8 billion.

Other significant recent rounds include:

- Waymo’s Significant Raise: Waymo secured \$5 billion from Alphabet, reinforcing its position in autonomous driving technology.
- Anduril Industries’ Funding: The defence technology company raised \$1.5 billion in a round led by Founders Fund.
- Safe Superintelligence’s Investment: The AI safety start-up founded by former OpenAI co-founder Ilya Sutskever closed a \$1 billion round.

Liquidity Challenges and Investor Strategies

The venture market faces liquidity constraints with prolonged exit timelines due to delayed IPOs and mergers. New merger control regulations have further complicated M&A activities, affecting venture capital liquidity. In response, we see both founders and investors adopting more disciplined approaches to capital deployment for anything outside the most well-funded AI companies. There’s a heightened focus on achieving cash flow breakeven—essentially treating every funding round as if it were the last. This shift is expected to lead to more capital efficient companies capable of sustaining growth amid market volatility.

With Trump now president elect, there is expectation that the US M&A climate will meaningfully improve over the coming 12 months. Whereas Lina Khan (current US Federal Trade Commissioner) has adopted a very combative approach to big tech M&A, Trump has signalled that his new administration will be much more supportive of corporate deal making. This should unblock VC exits and lead to more liquidity in the ecosystem in the coming years.

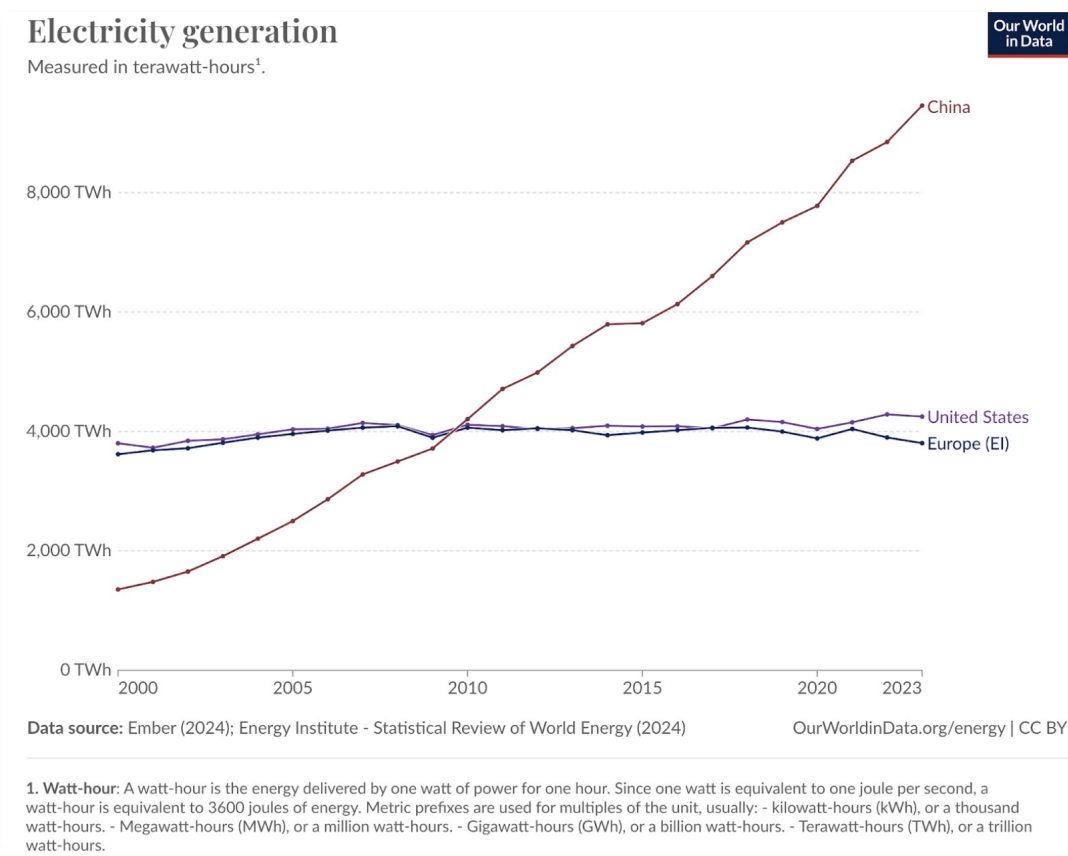
Trends in AI and Emerging Technologies

Rapidly growing AI’s Market

Bain & Company estimates that AI hardware and software markets will grow from \$185bn in 2023 to \$780-\$990 billion by 2027. The focus currently remains on high-performance infrastructure led by hyper-scalers like Microsoft and Alphabet. Microsoft alone invested \$56bn on capex in its last fiscal year (ending June 2024), mainly driven by the buildout of AI infrastructure. We see this spending start to shift from hardware to applications as the application set matures over the coming years.

Energy Demands Driven by AI

AI continues to drive a massive spike in energy demands. The U.S. and Europe face significant challenges in meeting projected energy demands over the next decade. The current energy infrastructure is woefully insufficient, with a limited number of new power plants under construction compared to China's aggressive energy expansion.



Recent nuclear agreements struck by Microsoft and Google underscore the urgency to secure reliable energy sources. Advances in renewables, especially the photovoltaic (PV) buildout in Texas, offer some relief but may not fully bridge the impending energy gap.

Regulatory Environment and Venture Capital in Europe

Continued Shortage of Venture Capital in Europe

The European economy (here loosely defined as the EU + the UK) is ca. \$23trn, vs the US GDP of \$26trn. So - comparable in size. Even so, the US deploys three times as much venture capital as Europe. And this is one of the reasons why the US continues to grow faster than the European economies.

There are a lot of things we can improve about the European ecosystem, not least put more capital into innovative companies. One of the challenges we face is that European pension funds (particularly in the UK, France, and Germany) operate under regulatory mechanisms that make it difficult to invest in venture capital compared to their Canadian and U.S. counterparts. Regulatory constraints and risk-averse investment mandates limit their participation in the VC ecosystem.

The good news is that this is a problem we can solve. The Mansion House Compact was a first step towards channelling more capital to the innovation economy. There is still a long way to go, but at least we are seeing some steps being taken.

VC Strategy for Q4 2024 and Beyond

As we move into the final quarter of 2024, we continue to emphasise a disciplined investment strategy, focusing on well-run start-ups with viable paths to growth and profitability. The current environment necessitates a thoughtful deployment of capital, with both founders and investors focusing on achieving cash flow breakeven—essentially treating every funding round as if it were the last. This approach will lead to better, more capital-efficient companies.

The substantial enterprise demand for AI solutions presents significant opportunities for start-ups in the B2B SaaS space, especially those specialising in AI integration and infrastructure. And this is where we continue to focus.

Fund progress in Q3 2024

Portfolio Revenue:

Portfolio revenue grew 10% in Q3. This was slightly below expectations, and portfolio companies are generally forecasting sales growth to continue at an increased pace in Q4.

Valuations

Duel and Popp both closed new investment rounds in Q3, on the terms outlined in the Q2 report. Other than that, there have been no changes to valuations in Q3.

Outlook for the remainder of 2024

While we didn't complete any new investments in Q3, we lined up several great companies for Q4 investments (the first of which has since already closed). The strategy continues to be to back the best founders who are using (AI-powered) software to change how business is done. We are currently forecasting to do 3 new investments in Q4 ahead of the year-end.

Related Part Transaction

Following similar transactions in February 2023, March 2024, June 2024 and more recently September 2024, the Company has agreed to sell a further £300,000 of its commitment in the Fund to the Investment Manager. This represents 8.6% of the Company's total commitment in the Fund of £3.50m. Of the £300,000 committed to be sold, £181,912 has been drawn in cash, which has a net investment cost of £162,085 (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 £186,746 and represents a profit of £24,661, or 13.2% above the original purchase price. The Company's commitment to the Fund is now reduced from £3.50m to £3.20m 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.

SuperSeed Capital Limited
Condensed Statement of Comprehensive Income
for the period 1 January 2024 to 30 September 2024

	1 July 2024 to 30 September 2024 £	1 January 2024 to 30 June 2024 £	1 January 2024 to 30 September 2024 £	1 January 2023 to 30 September 2023 £
Income				
Investment income	-	-	-	1,024
Realised gain on investments held at fair value through profit or loss	32,172	57,200	89,372	221,955
Unrealised (loss)/ gain on investments held at fair value through profit or loss	(74,797)	106,066	31,269	220,973
Other income	142	3,456	3,598	1,694
Total income	(42,483)	166,722	124,239	445,646
Expenses				
Administration fees	7,727	15,453	23,180	22,837
Audit fees	6,284	12,432	18,716	17,203
Directors' fees	5,000	10,000	15,000	13,500
Insurance	-	1,036	1,036	-
Legal & professional fees	9,999	23,554	33,553	40,049
Loan interest	-	5,380	5,380	134
Management fees	1,662	3,304	4,966	-
Regulatory fees	3,951	9,349	13,300	12,509
Sundry expenses	278	547	825	1,277
Total expenses	34,901	81,055	115,956	107,509
Total (loss)/gain and comprehensive income for the period	(77,384)	85,667	8,283	338,137
Basic earnings per share	(0.0327)	0.0362	0.0035	0.1440
Diluted earnings per share	(0.0314)	0.0362	0.0034	0.1381
Operating (loss)/profit excluding establishment costs for the period	(77,384)	85,667	8,283	338,137
Basic operating (loss)/profit excl. establishment costs per share	(0.0327)	0.0362	0.0035	0.1440
Diluted operating (loss)/profit excl. establishment costs per share	(0.0314)	0.0362	0.0034	0.1381

All the above items are derived from continuing operations.

SuperSeed Capital Limited
Condensed Statement of Financial Position
as at 30 September 2024

	30 September 2024	30 June 2024	31 December 2023
	£	£	£
Non-current assets			
Investments	2,690,759	2,748,549	2,433,012
Total non-current assets	2,690,759	2,748,549	2,433,012
Current assets			
Trade and other receivables	1,506	6,341	182,827
Cash and cash equivalents	30,950	37,762	99,185
Total current assets	32,456	44,103	282,012
Total assets	2,723,215	2,792,652	2,715,024
Current liabilities			
Trade and other payables	29,321	21,374	29,413
Total current liabilities	29,321	21,374	29,413
Total liabilities	29,321	21,374	29,413
Net assets	2,693,894	2,771,278	2,685,611
Equity			
Share capital	2,369,743	2,369,743	2,369,743
Retained earnings	324,151	401,535	315,868
Total equity	2,693,894	2,771,278	2,685,611
Net asset value per ordinary share	1.1368	1.1694	1.1333
Net asset value per ordinary share inclusive of notional management fee*	1.1116	1.1450	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 £59,731.*

SuperSeed Capital Limited
Condensed Statement of Changes in Equity
for the period 1 January 2024 to 30 September 2024

	Share Capital	Retained Earnings	Total
	£	£	£
Balance as at 1 January 2024	2,369,743	315,868	2,685,611
Total comprehensive profit for the period	-	8,283	8,283
Balance as at 30 September 2024	<u>2,369,743</u>	<u>324,151</u>	<u>2,693,894</u>

SuperSeed Capital Limited
Condensed Statement of Cash Flows
for the period 1 January 2024 to 30 September 2024

	1 July 2024 to 30 September 2024 £	1 January 2024 to 30 September 2024 £	1 January 2023 to 30 September 2023 £
Cash flows used in operating activities			
Net cash flow used in operating activities	(22,584)	(105,022)	(110,274)
Cash flows used in investing activities			
Net cash flow used in investing activities	15,772	42,168	307,580
Cash flows used in financing activities			
Net cash flow used in financing activities	-	(5,381)	(134)
Net movement in cash and cash equivalents during the period	<u>(6,812)</u>	<u>(68,235)</u>	<u>197,172</u>
Cash and cash equivalents at the beginning of the period	37,762	99,185	235,089
Cash and cash equivalents at the end of the period	<u>30,950</u>	<u>30,950</u>	<u>432,261</u>

SuperSeed Capital Limited
Investment Analysis
for the period 1 January 2024 to 30 September 2024

	30 September 2024	31 December 2023
	£	£
Cost	2,101,536	1,875,058
Cumulative movement in value	589,223	557,954
Fair value	<u>2,690,759</u>	<u>2,433,012</u>

Investment fair value can be further analysed as follows:

	1 July 2024 to 30 September 2024	1 January 2024 to 30 September 2024	1 January 2023 to 31 December 2023
	£	£	£
Cost			
Cost at beginning of the period	2,084,529	1,875,058	1,539,035
Cost of investment - settled	180,115	675,039	939,321
Cost of investment - sold	(163,108)	(448,561)	(603,298)
Total cost of investment	<u>2,101,536</u>	<u>2,101,536</u>	<u>1,875,058</u>
Fair value movement			
Fair value adjustment at beginning of the period	664,020	557,954	260,581
Revaluation of underlying investments	(74,797)	31,269	297,373
	<u>589,223</u>	<u>589,223</u>	<u>557,954</u>
Fair value of investments	<u>2,690,759</u>	<u>2,690,759</u>	<u>2,433,012</u>