

SEED INNOVATIONS LIMITED

UNAUDITED CONDENSED HALF-YEARLY REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

SEED INNOVATIONS LIMITED

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www.seedinnovations.co

Incorporated under
the Companies (Guernsey) Law, 2008, as amended.
REGISTERED IN GUERNSEY No. 44403

SEED INNOVATIONS LIMITED

DIRECTORS & ADVISERS

Directors

Ian Burns (Non - Executive Chairman)

Edward McDermott (Executive Director, CEO)

Lance De Jersey (Executive Director, CFO & COO)

Luke Cairns (Non-Executive Director)

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SEED INNOVATIONS LIMITED

INVESTING POLICY FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The Board proposes to invest in companies which, in normal circumstances, individual investors may have limited access to.

Investments sought will be in sectors which have, or have the potential for, significant intellectual property, principally in the wellness and life sciences sectors (including biotech, longevity of life and pharmaceuticals) along with aligned technology sectors (including artificial intelligence and digital delivery). Equally the Board will consider investments in established industries where the business is applying new technologies and/or 'know how' to enhance its offering or taking established business models or products to new markets. In keeping with its desire to provide its shareholders with access to investments they may otherwise not be able to participate in, the Board also intends to apply a portion of the portfolio to opportunistic investments which may, by exception, fall outside the above criteria but represent good potential for short term returns. Such investments will be limited at 15% of the Company's NAV and would typically be in fundraisings by listed companies or as part of an IPO.

Initially the geographical focus will be North America and Europe but investments may also be considered in other regions to the extent that the Board considers that valuable opportunities exist and positive returns can be achieved.

In selecting investment opportunities, the Board will focus on businesses, assets and/or projects that are available at attractive valuations and hold opportunities to unlock embedded value. In line with the existing portfolio it is expected that investments will be in SMEs with sub £100m valuations but with the potential for significant growth. Where appropriate, the Board may seek to invest in businesses where it may influence the business at a board level, add its expertise to the management of the business, and utilise its industry relationships and access to finance. The extent that the Company will be a passive or active shareholder will depend on the interest held and the maturity of the investee company.

The Company's interests in a proposed investment and/or acquisition will range from minority positions to full ownership and will comprise multiple investments. The proposed investments may be in either quoted or unquoted companies; are likely to be made by direct acquisitions or investments; and may be in companies, partnerships, earn-in joint ventures, debt or other loan structures, joint ventures or direct or indirect interests in assets or businesses.

The Company will pursue a balanced portfolio of an even mixture of early stage, pre-liquidity event and liquid investments which it will aim to hold within the portfolio for 2-4 years, 6-24 months and up to 12 months respectively. Whilst the target is to have the portfolio split fairly evenly between the different stages of liquidity there will be no set criteria for which the Company will hold an investment and the proportion of the portfolio which will be represented by each investment type.

There is no limit on the number of projects into which the Company may invest. The Directors intend to mitigate risk by appropriate due diligence and transaction analysis. The Board considers that as investments are made, and new promising investment opportunities arise, further funding of the Company may also be required.

Where the Company builds a portfolio of related assets it is possible that there may be cross holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Board may also offer new Ordinary Shares by way of consideration as well as or in lieu of cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

The Board will conduct initial due diligence appraisals of potential businesses or projects and, where it believes that further investigation is warranted, it intends to appoint appropriately qualified persons to assist. The Board believes it has a broad range of contacts through which it is likely to identify various opportunities which may prove suitable.

The Board believes its expertise will enable it to determine quickly which opportunities could be viable and so progress quickly to formal due diligence. The Company will not have a separate investment manager. The Board proposes to carry out a comprehensive and thorough project review process in which all material aspects of a potential project or business will be subject to rigorous due diligence, as appropriate. Due to the nature of the sectors in which the Company is focused it is unlikely that cash returns will be made in the short to medium term on the majority of its portfolio; rather the Company expects a focus on capital returns over the medium to long term.

SEED INNOVATIONS LIMITED

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

2022 has been one of the most testing periods for a considerable time with persistent challenging headwinds from global economic and political instability, rising inflation and interest rates, as well as volatile global stock markets. Combined, this is impacting the current appetite for public markets, and investor activity across all sectors has remained poor. Most sectors are failing to deliver on investor expectations, and Venture Capital investors have had a very tough twelve months as price pressure globally has seen a marked decrease in values almost across the board.

All this being said however, even in these difficult times we continue to develop our portfolio by focusing on our core objective of providing investors with exposure to disruptive growth opportunities that would normally be inaccessible to private investors, with medical cannabis, health, and wellness at the core. We are optimistic for the New Year as we end 2022 with a diverse portfolio of innovative companies, that if successful could have a positive and lasting impact on people and the planet alike while proving to be profitable investments for Seed Innovations.

Our portfolio comprises small cap companies, many of which are not listed. Naturally this increases the risk of investment as well as its potential future volatility. What is particularly challenging is that, inevitably, small start-up companies do not have the depth of resources of their larger peers to manage and report on their company. This means that often they rely on a small team led by an entrepreneur which increases the risk of a skills gap within management as the company develops. With SEED's collective experience and skillset, we work with these companies to chart their path to a successful liquidity event wherever we can.

We continue to be a firm believer in investing in the health and wellness space, including medical cannabis and CBD. With our access and network in the sector, we are well positioned to capitalise on future growth in the short, medium, and long term, whilst continuing to seek investments in other disruptive technologies that we believe will create shareholder value such as Clean Food Group, our new portfolio company, which we invested in during the period.

On 7 December, we announced the potential disposal of our legacy holding in Leap Gaming ("Leap") (Fralis LLC) to IMG Arena US, LLC. Post completion this will generate approximately €5.9 million to us in cash over two years. We had been pursuing a liquidity event for Leap over the last 3 years, but the worsening equity market conditions and macroeconomic factors made it clear that this was not going to materialise in any sensible time frame. While the eventual proceeds are less than we had hoped, after several years of a strategic partnership between Leap and IMG, this deal is the natural next step in the development of Leap's product. The divestment importantly means that SEED is not committed to continually fund a company which does not align with our current investment preference and the proceeds of the sale will provide us with additional funds to invest in other projects where we see better opportunity.

We have continued to support our existing medical cannabis portfolio companies. As the cannabis sector matures, I remain confident of the opportunities which companies in the sector present to investors, despite investor sentiment and share price value not currently reflecting the growth opportunity that the cannabis market represents, particularly in Europe. For instance, Germany continues to be the largest European medical cannabis market, larger than all others combined. Imports of medical cannabis into Germany have almost doubled year on year from 2017 to 2021 and are expected to be worth over €840 million by 2024. Whilst the medical cannabis industry continues to be impacted by worldwide geopolitical and economic events, we believe in the long-term potential of this emerging sector and remain focused on providing investors with exposure to selective, disruptive growth opportunities that would otherwise be inaccessible.

A key investment for SEED is ASX listed company Little Green Pharma ('LGP'), which has made strides in advancing its global expansion strategy with early penetration into key future markets with limited supply options. This period saw LGP add several supply deals to its portfolio: including a supply agreement with Cannamedical and an offtake agreement with Demecan in Germany, representing an annual revenue opportunity of approximately AU\$9 million (€6 million) post ramp-up for its Danish facility, further showcasing the viability and the quality of its products.

SEED INNOVATIONS LIMITED

CHAIRMAN'S STATEMENT (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The company also entered into a two-year AU\$2 million medicinal cannabis supply agreement with Ilios Santé in Germany, to purchase a guaranteed annual quantity of a high-THC white-label medicinal cannabis flower product being developed by LGP. LGP has demonstrated its ability to grow in all aspects of its European strategy from cultivation, production, manufacturing, and distribution; further consolidating LGP's growing industry reputation as one of the leading global pure-play medicinal cannabis suppliers operating in Europe. SEED is pleased to see LGP recently reporting ever-growing patient numbers, sales, and new market entries, achieving a record quarterly revenue to 30 September 2022 of AU\$4.9 million and cash receipts of AU\$4.4 million. Our only frustration being that LGP's progress has not been reflected in its share price performance, but we firmly believe they have the foundations in place to be a long-term player as the industry continues to mature.

During the period Eurox rebranded to Avextra. Our investment in Avextra provides us with exposure to the largest European medical cannabis market and continues to show excellent growth in patient numbers and total market revenues. Avextra continues to make encouraging progress as it broadens its revenue streams and generates sales in segments of the medical cannabis market with high-entry barriers. A demonstration of the strength of this company is that it successfully completed a €7.4 million fundraising in October via a secured convertible loan note.

We made a further investment in South West Brands ('SWB'), the female-led multi-brand consumer goods group focusing on the health & wellness segment. SWB utilises plant ingredients including CBD to create unique and efficacious products. Earlier this year the company launched two new brands to market: FEWE and LoveMeMeMe in prominent retailers such as Superdrug stores and online at ASOS. In August we invested a further £50,000 by way of a three-year, 8% Convertible Loan Note ('CLN'). More recently, SEED agreed to extend the terms of an earlier £150,000 CLN, due to mature in October 2022, to 16 January 2023.

Yooma Wellness Inc, a company whose strategy is to become a vertically integrated global leader in the manufacturing, marketing, distribution, and sale of wellness products, including hemp seed oil and hemp-derived cannabinoid ingredients, has continued to see a disappointing share price performance. However, we remain quietly optimistic about its recently reported acquisitions.

We recently invested in Clean Food Group, a biotech company focused on cellular agriculture and the commercialisation of bio-equivalent palm oil production by fermentation. Cellular agriculture, and the innovative nature of CFG's yeast technology, produces cultivated, sustainable alternatives to palm oil and soy protein, and will, we believe, play a major part within the cultivated food industry as the sector endeavours to minimize its global environmental footprint. SEED invested a further £125,000, during the period, which is in line with our investment strategy of diversification by investing in the life science and biotech sectors alongside the medical cannabis sector. CFG recently announced a partnership with Doehler Ventures, the venture arm of Doehler Group GmbH ("Doehler"), who are focused on early-stage start-ups in the Nutrition & Technology ecosystem. For a young company, CFG's opportunity to be involved with Doehler, an influential and global producer, marketer and provider of technology-driven natural ingredients and systems, represents a key milestone and could potentially drive the next uplift in valuation of CFG as it moves to demonstrating a commercially scalable production methodology.

We have seen positive progress by NASDAQ listed Portage Biotech Inc. ('Portage') as it continues to advance a pipeline of operational and clinical developments. Portage acquired four best-in-class assets targeting the adenosine pathway as a result of an acquisition of Tarus Therapeutics. SEED anticipates further progress as the excellent Portage team continues with its strategy to identify and efficiently develop novel opportunities to improve the landscape of immuno-oncology treatment for patients with cancer.

In May of this year, Juvenescence, a longevity biotech, and life sciences company, entered into a new venture with the formation of Selah Therapeutics Limited in collaboration with the Buck Institute for Research on Ageing, to focus on developing first-in-class novel ketone-based therapies. Also, through its JuvLife Division, the company invested in Chrysea Labs, a synthetic biology company developing high-value and difficult to source natural products. Post period end the Company announced a Series C fund raise which, market conditions allowing, will be its last raise prior to a public listing.

In contrast, the education technology company and legacy investment, Vemo Education, has faced several well publicised regulatory and political hurdles which will likely result in the company ceasing to trade. The board of SEED wrote the remaining value down to nil in March 2022.

SEED INNOVATIONS LIMITED

CHAIRMAN'S STATEMENT (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Finally, following the restructuring of a legacy investment, Inveniam has agreed to a strategic partnership with Apex Group Ltd., a global financial services provider, to offer Valuation-as-a-Service to clients worldwide. The partnership will allow a wide range of institutional investors and family offices to use Inveniam.io's patented blockchain technology to provide greater trust and efficiency to private asset valuations.

Results

The net asset value of the Company at 30 September 2022 was £16,689,000 (31 March 2022: £20,461,000), equal to net assets of 7.84p per Ordinary Share (31 March 2022: 9.62p per Ordinary Share).

Looking to the months ahead, I firmly believe that SEED is now in a position to expand and balance the liquidity of our portfolio. Bear market conditions often provide opportunities for nimble companies to make acquisitions at prices which offer excellent long-term value. Despite the macroeconomic challenges, we continue to work to increase shareholder value by investing in disruptive technologies, particularly in the life sciences, biotech, health, and wellness industries (including cannabis) where we see value.

I do not believe that the current share price reflects the true value of the Company, it remains, in my opinion, significantly undervalued by the market.

We believe that taking a 5% stake in Clean Food Group at the founders and seed round levels demonstrates the boards commitment to making sure that our current and future investors are getting the earliest stage investment exposure possible in ventures they would be unlikely to be presented with were it not for a vehicle like SEED. This is one of the key reasons for SEED's very existence; to provide all investors with opportunities that are usually reserved for very high net worth investors only.

Upon completion of the sale of Leap, SEED will be in a strong cash position to make more such investments.

Ian Burns
Non-Executive Chairman

12 December 2022

SEED INNOVATIONS LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The continuing inflation shock, combined with recent domestic and geopolitical instability and central banks raising rates, have impacted investor sentiment, with investors looking particularly at growth stocks valuations more sceptically and some moving away from their riskiest positions, particularly in the technology market. This in turn has impacted valuations across many small cap sectors and which we expect may take some further time to recover.

I believe firmly that the macroeconomic back drop provides SEED with a great opportunity to take advantage of more realistic venture valuations. We are committed to investing in companies where we can add value as a key driver, and where the cutting-edge businesses we invest in are supported by entrepreneurs who truly care about the future. This is clearly highlighted by our most recent investment in Clean Food Group which aims to play a major part within the cultivated food industry as the sector endeavours to minimize its global environmental footprint.

With the highly experienced and well-connected team at SEED, we remain dedicated to supporting the continued growth of our investee companies, while delivering on our strategy of providing access to investment opportunities in sectors often inaccessible to the smaller investor. We continue to see a number of interesting investment opportunities across a number of themes where we have previously made very strong investment returns while entertaining new sectors that very much fit within our investment strategy.

The net asset value of the Company at 30 September 2022 was £16,689,000 (31 March 2022: £20,461,000), equal to net assets of 7.84p per Ordinary Share (31 March 2022: 9.62p per Ordinary Share).

The table below lists the Company's holdings at 30 September 2022 and 31 March 2022.

Holding	Inv. Type	Category	Country of Incorporation	Portfolio % of Net Asset Value	Number of Shares Held at 30 September 2022	Valuation at 30 September 2022 £'000	Number of Shares Held at 31 March 2022	Valuation at 31 March 2022 £'000
Fralis LLC (Leap Gaming)	All	Gaming	Nevis	31.24%	Equity, CLN & Loan	5,214	Equity & CLN	8,270
Yooma Wellness Inc	Equity	CBD Wellness	Canada	0.26%	4,427,609	43	4,427,609	351
Juvenescence Limited	Equity	Biotech/Healthcare	Isle of Man	16.99%	128,205	2,835	128,205	2,410
Portage Biotech Inc.	Equity	Biotech/Healthcare	BVI	1.38%	37,623	230	50,123	251
Little Green Pharma	Equity	Biotech/Healthcare	Australia	6.39%	7,324,796	1,067	7,324,796	2,028
Inveniam Capital Partners	Equity	Fintech	USA	3.96%	8,681	661	8,681	562
Avextra Pharma GmbH	Equity	Biotech/Healthcare	Germany	26.58%	5,142	4,436	5,142	4,281
Northern Leaf Ltd	CLN	Biotech/Healthcare	Jersey	4.14%	-	691	-	660
Clean Food Group Limited	Equity	Food Technology	England	3.51%	5,850,000	585	4,600,000	46
South West Brands	CLN	CBD Wellness	England	3.25%	-	543	-	476
CiiTECH Limited	CLN	CBD Wellness	England	0.08%	-	13	-	188
Vemo Education, Inc.	Equity	Edtech	USA	-	1,000,000	-	1,000,000	-
Total Investment Value						16,318		19,524
Cash and receivables, net of payables and accruals						371		937
Net Asset Value						16,689		20,461

SEED INNOVATIONS LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Liquid Investments

Yooma Wellness Inc. ('Yooma')

Yooma is an emerging global marketer and distributor of cannabinoid and hemp-derived wellness products, whose mission is to become a vertically-integrated global leader in the manufacturing, marketing, distribution, and sale of wellness products, including hemp seed oil and hemp-derived and cannabinoid ingredients. The company leverages strategically curated sales channels and ecommerce networks to deliver a diverse mix of wellness products through operating subsidiaries in the United States, United Kingdom, France and Japan.

Yooma has since announced its interim financial statements for the three-month period ended 30 September 2022, which showed revenues up 14% in Q3 over the same period last year to US\$2.4 million. The increase in revenues year-on-year has been predominantly as a result of the effect of M&A activity as well as acquisitions completed by Yooma in the second half of 2021, including most notably the acquisitions of Vitality CBD in the UK and of Vertex Co., Ltd. in Japan.

Despite the Company's belief that the current price is well below the underlying value, very low trading volumes have impacted general valuation multiples negatively, as has poor sector sentiment, which continues to have a downward impact on SEED's NAV.

Portage Biotech, Inc ('Portage')

NASDAQ listed Portage Biotech Inc., is an emerging clinical-stage biotechnology company developing an immunotherapy-focused pipeline to improve patient lives and increase survivability by avoiding and overcoming cancer treatment resistance. Its focus is to combine its own technology with already proven immune-boosting PD1 agents and to this end, Portage has a pipeline of products targeted for clinical testing and a growing roster of notable partnerships. Portage's portfolio consists of five diverse platforms, leveraging delivery by intratumorals, nanoparticles, liposomes, aptamers and virus-like particles. Within these five platforms, Portage has 10 products currently in development with multiple clinical readouts expected over the next 12-24 months.

Portage continues to execute on its core business model whilst enhancing its value proposition and pipeline with its recent transactions. Early in the reporting period, Portage presented data at the American Association for Cancer Research (AACR) 2022 Annual Meeting discussing its work with the potential of STING-based therapies, in collaboration with Stimunity, an early-stage biotech company.

Portage also shared preliminary data from the Phase ½ trial of PORT-2, an invariant natural killer T cell (iNKT) agonist for patients with melanoma and non-small cell lung cancer (NSCLC), at the 2022 American Society of Clinical Oncology meeting. Portage also presented three posters on INT230-6 (PORT-1) in collaboration with Intensity Therapeutics. In September, Portage announced that it is focusing research and development priorities on converting their investigator-initiated PORT-2 study into a company-sponsored study and launching their company-sponsored adenosine trial (PORT-6 and PORT-7) in the U.S., Portage has subsequently provided updated data support the proof of concept of using an iNKT agonist monotherapy (PORT-2) to induce immune response for patients with refractory NSCLC and melanoma.

In July, Portage signed an agreement to acquire Tarus Therapeutics, a private company developing adenosine receptor antagonists, as it follows its own development strategy to identify and efficiently develop novel opportunities to improve the landscape of Immunology treatment for patients with cancer. As a result of the transaction, Portage has acquired four best-in-class assets targeting different aspects of the adenosine pathway, and is now in a unique position to evaluate the role of adenosine in cancer and other diseases.

In recent months, Portage announced a clinical trial collaboration agreement with Merck which will evaluate PORT-2 in combination with KEYTRUDA® (pembrolizumab) for the treatment of patients with front-line as well as refractory non-small cell lung cancer.

SEED INNOVATIONS LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Little Green Pharma ('LGP')

Little Green Pharma is an ASX-listed vertically integrated medicinal cannabis business with operations from cultivation and production through to manufacturing and distribution. During the period, LGP made large strides advancing its global expansion strategy with early penetration into key future markets with limited supply options.

LGP has seen strong progress as it fast-tracks its European growth strategy of partnering with quality global distribution partners to gain market share in Europe, notable progress in the period under review included:

- Signed an offtake agreement with long-standing foundation distribution partner Demecan in Germany, representing an annual revenue opportunity of approximately AU\$9 million (€6 million) post ramp-up for its Danish facility.
- Signed a two-year AU\$2 million medicinal cannabis supply agreement with Ilios Santé in Germany, to purchase minimum annual quantities of a high-THC white-label medicinal cannabis flower product being developed by LGP. The Agreement represents continued validation of LGP's key strategy of developing bespoke, high-value white label strains for export to lucrative jurisdictions.
- Appointed highly regarded former Director of Public and Regulatory Affairs at Bayer Spain, Ms. Beatriz Vicen Banzo, as independent non-executive director.
- During the quarter to 30 September 2022, LGP achieved record quarterly revenue of AU\$4.9 million and cash receipts of AU\$4.4 million. Revenue growth was driven by a 40% increase in flower sales in Australia (AU\$1.6 million) (unaudited) and a 25% increase in Australian flower sales into Germany and the United Kingdom (AU\$0.5 million) (unaudited) over the previous quarter, while oil sales into Australia increased by 10% to AU\$2.6 million (unaudited) over the same period.
- Achievements made within the reporting period further consolidates LGP's growing industry reputation as one of the leading global pure-play medicinal cannabis suppliers operating in Europe.

Post period end, LGP has partnered with German cannabis pioneer Cannamedical for the supply of bulk medicinal cannabis from Denmark to Germany, with a potential value of over AU\$4.5 million (€3 million) over two years, the fourth medicinal cannabis supply agreement with key wholesalers and distributors in Germany that LGP has announced in 2022.

As announced on 2 November, LGP has also raised AU\$4 million from new and existing investors along with on a AU\$2 million Share Purchase Plan for eligible shareholders that will close 19 December 2022. Funds will be used for operational expenses and accelerating European and Australian sales.

We believe that LGP is undervalued relative to its peers and that the management continue to make positive steps forward and the business strategy is aligned with our own views for future success.

SEED INNOVATIONS LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Fralis LLC (trading as Leap Gaming - 'Leap')

Leap is a B2B developer and provider of high-end 3D gaming applications and products with a focus on virtual sports and virtual casino, partnering with top-tier online and land-based gaming companies to provide advanced gaming products for end-users worldwide. Leap is licensed by the MGA and currently holds gaming licenses obtained in Sweden, the Netherlands, Romania, South Africa and Greece.

SEED has invested a total of approximately £4.92 million in Leap (comprised of a mix of equity, convertible loan notes and the term loan detailed below).

On 7 December 2022, shareholders of Leap entered into a conditional Share Purchase Agreement ('SPA') for the sale of the entire issued share capital of Leap to IMG Arena US, LLC ('IMG') based upon an enterprise value of €14 million (the 'Leap Transaction').

The price will be adjusted for both working capital and repayment of debt (including both the term loan of €250,000 advanced by SEED (see announcement of 8 June 2022) (the 'Term Loan') and a further bridging loan of €500,000 advanced by IMG to provide Leap with working capital through to completion. Completion is subject to receipt by Leap of regulatory approvals required from various Gambling Commissions (including the United Kingdom and Malta). This regulatory review process will take some months and the parties are currently estimating it may be late Q1 or early Q2 2023 before the transaction can be confirmed

SEED currently estimates that the consideration at completion will be in the region of €12.9 million. Of this SEED expects to receive approximately €5.6 million, payable €2.8 million upon Completion and €2.8 million on the 12-month anniversary of Completion.

In addition, SEED will also receive repayment of its €250,000 Term Loan plus accrued interest upon Completion.

The expected total blended return on investment over all of the Leap investments is disappointing at approximately 4%, albeit this is skewed by losses made on units purchased at high prices in 2018 (when the Gaming market was trading strongly). By comparison, the more recent CLNs acquired by SEED's current management in 2020 & 2021 will return approximately 36% (being an expected €1M against a cost of €733K).

Juvenescence Ltd ('Juvenescence')

Juvenescence is a life sciences company developing therapies and consumer products to modify and support healthy aging focused on improving and extending human lifespans. By utilising a coalition of best scientists, physicians, and investors across its four divisions, it aims to create cutting-edge therapies and products that disrupt the thinking and behaviour around ageing. Juvenescence has a broad portfolio of products in development and is driving innovation amongst two divisions: JuvTherapeutics— Focused on traditional prescription medicines to modify aging and prevent diseases, and JuvLife— Consumer products that manage aging and help increase health span.

In May, the company announced a new joint venture with the formation of Selah Therapeutics Limited in collaboration with the Buck Institute for Research on Ageing, to focus on developing first-in-class novel ketone-based therapies for chronic diseases of ageing of which our first therapeutic focus is heart disease with secondary interests in neurological diseases.

Within the reporting period, Juvenescence, through its JuvLife Division, invested in Chrysea Labs, a synthetic biology company developing high-value and difficult to source natural products, using proprietary synthetic biology platforms alongside investors including 200M Fund Portfolio, managed by Banco Português de Fomento. Juvenescence and Chrysea will collaborate to develop and commercialise one of Chrysea's products.

SEED INNOVATIONS LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Southwest Brands ('SWB')

South West Brands Limited is a London-based, pioneering multi-brand consumer goods group focusing on the health & wellness segment, utilising plant ingredients (including CBD) to create unique and efficacious products.

In August 2022, SEED made a further investment of £50,000, by way of a three year, 8% Convertible Loan Note ('CLN') in South West Brands Limited. This was part of a larger funding round by SWB to raise up to a maximum of £1,000,000, of which £570,000 has been secured. More recently, SEED agreed to extend the terms to 16 January 2023 of a £150,000 CLN that came up for maturity in October 2022.

Seed continues to see progress by SWB since launching its two own brands (LoveMeMeMe and FEWE) in prominent retailers such as Superdrug stores and online at ASOS earlier in the year. The Company will continue to support the SWB team as they build a sustainable and scalable wellness business developing while supporting the SWB's omnichannel approach to commercialising their brands.

Northern Leaf Ltd ('Northern Leaf')

Northern Leaf is focused on becoming a key player in the European medical cannabis supply chain, having already built a secure operational facility in Jersey. Northern Leaf is leading the development of a new industry for the British Isles, using state-of-the-art tracking systems and robust policies and procedures to ensure the highest levels of quality from seed to sale.

Northern Leaf have continued to make good progress across key areas of the business. On the operations side, progress continues towards the second validation batch and the company are in the final stages of preparation for both the GACP and EU-GMP audits. Achieving both GACP and EU-GMP accreditations will be significant milestones for the Northern Leaf business.

Vemo Education ('Vemo')

VEMO is an education technology company founded to address the student debt crisis by developing income share agreement ('ISA') programmes and deferred tuition plans and partnering with higher education institutions to make these funding options available to students.

As previously reported, Vemo has faced a number of significant issues including encountering political and regulatory head-winds within the controlled sector. Again, SEED do not expect to recoup any more of our investment in Vemo and consequently wrote the value down to nil in March 2022, with the expectation that the company may well fail in the near future.

SEED INNOVATIONS LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Avextra ('Avextra') (formally Eurox Group GmbH)

Avextra is a German-based, vertically integrated medical cannabis company focused on intensifying its investment in pharmaceutical development internationally while maintaining the highest European pharmaceutical quality standards to expand its Avextra-branded pharmaceutical products.

Eurox rebranded to Avextra to emphasise its clear focus on the highest quality cannabis extracts and its commitment to the development of evidence-based cannabis medicines. Following its successful launch of its own-brand 'made-in-Germany' products in August 2021 (see SEED RNS of 17 August 2021), Avextra continues to prioritise its medical cannabis range and crucially its distribution channels while remaining focused on innovation and product development, which has seen revenues gradually increasing as multiple supply agreements were signed (as reported in SEED RNS announcements of 2 November 2021, and 12 and 13 January 2022).

In April 2022, Avextra raised a total of €4.4 million from new and existing investors at an approximate 62% premium to its July 2021 fundraising in which SEED previously invested approximately €3 million. SEED invested c. €176k in this round. Post period end, Avextra announced a further €7.4 million fundraising via a secured convertible loan note which will be used to support Avextra's launch in Germany, R&D activities including the start of clinical studies, as well as furthering the expansion of their Portuguese operations.

SEED's holding in Avextra was valued at €5 million (£4.4 million) as at 30 September 2022, an increase of 62% compared like for like with the holding as at 30 September 2021. We remain enthusiastic about the prospects for the holding and, through our supervisory board seat, we look forward to adding further value in 2023.

CiiTECH Limited ('CiiTECH')

CiiTECH is an established research-led cannabis healthcare company. It uses its partnerships with leading institutions and scientists to create consumer focused brands, the company is dedicated to ongoing cannabis research and the commercialisation of cannabis products and the best science-led brands.

As reported at the time of SEED's Annual Report, discussions regarding a planned reverse takeover by Fragrant Prosperity Holdings Limited ceased in March 2022, primarily as a result of movements in equity capital markets driven by geopolitical instability. The SEED management have been closely watching developments and the performance of the business continues to be poor. Despite management downsizing capital expenditure, CiiTECH is likely to need further funding in the near term. Given recent uncertainty for fundraisings and therefore the potential ongoing viability of the company as a result, the Company has written down the value of the holding substantially but will continue to monitor.

Inveniam Capital Partners ('Inveniam')

Inveniam is a private Fintech company which built Inveniam.io, a powerful technology platform that utilises big data, AI and blockchain technology to provide surety of data and high-functioning use of that data in a distributed data ecosystem. Inveniam has built Inveniam.io, the data operating system for delivering access, transparency, and trust in the value and performance of private market assets.

Within the reporting period the leading financial technology company entered into a strategic partnership with Apex Group Ltd. a global financial services provider, to offer Valuation as a Service to clients worldwide. Through the partnership, Inveniam and Apex Group will use Inveniam's patented blockchain technology and the Inveniam.io data operating system to deliver digitally credentialed, higher-functioning private asset data for more consistent, fully auditable valuations. The partnership will allow a wide range of institutional investors and family offices to use Inveniam.io's patented blockchain technology to provide greater trust and efficiency to private asset valuations.

SEED INNOVATIONS LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Clean Food Group Limited ('CFG')

Clean Food Group is a UK-based cellular agriculture company focused on the commercialisation of palm oil by fermentation and bringing sustainable, cultivated foods to market, initially in the UK and Europe. CFG are developing a sustainable yeast technology that produces cultivated, sustainable alternatives to palm oil and soy protein, two ingredients in food and cosmetics with currently massive and still growing demand and negative environmental impact. Clean Food Group operates within the fast-developing cultivated food industry, a market with significant opportunities driven by global, environmental, health and animal welfare concerns about existing and future consumption levels of animal protein and other foods such as palm oil.

SEED invested a total of £171,000 into CFG. The investment was made in two parts, firstly £46,000 for 4.6 million shares was invested in a seed round in March 2022 and a further £125,000 for 1.25 million shares has now been invested in the "Friends & Family" funding round which raised a further £1.65 million and was led by Agronomics Limited, the AIM traded alternative proteins company with a focus on cellular agriculture and cultivated meat. CFG recently announced a partnership with Doehler Ventures, the venture arm of Doehler Group GmbH ("Doehler"), who are focused on early-stage start-ups in the Nutrition & Technology ecosystem. This partnership with Doehler Ventures further highlights CFG's opportunity as a disruptive food-tech business bringing sustainable, cultivated foods to market.

SEED's investment into CFG fits within the Company's policy of investing in the life science and biotech sectors. As CFG matures it should provide steady news flow that should resonate with SEED investors and the market, this investment also brings with it further diversification to SEED's current portfolio.

Ed McDermott
CEO

12 December 2022

SEED INNOVATIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The Directors are responsible for preparing these unaudited condensed half-yearly financial statements, which have not been reviewed or audited by the Company's independent auditors, and are required to:

- prepare the unaudited half-yearly financial statements in accordance with International Accounting Standard 34: Interim Financial Reporting;
- include a fair review of important events that have occurred during the period, and their impact on the unaudited half-yearly financial statements, together with a description of the principal risks and uncertainties of the Company for the remaining six months of the financial year as detailed in the Chairman's Statement; and
- include a fair review of related party transactions that have taken place during the six-month period which have had a material effect on the financial position or performance of the Company, together with disclosure of any changes in related party transactions from the last annual financial statements which have had a material effect on the financial position of the Company in the current period.

The Directors confirm that the unaudited condensed half-yearly financial statements comply with the above requirements and are signed on behalf of the Board of Directors by:

Ian Burns
Director

12 December 2022

Lance De Jersey
Director

12 December 2022

SEED INNOVATIONS LIMITED

CONDENSED HALF-YEARLY STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

		01 April 2022 to 30 September 2022 (unaudited) £'000	01 April 2021 to 30 September 2021 (unaudited) £'000
	Notes		
Net realised (loss)/gain on disposal of financial assets at fair value through profit and loss	5	4	(1,930)
Net unrealised (loss)/gain on revaluation of financial assets at fair value through profit and loss	5	(3,536)	762
Interest income on financial assets at fair value through profit and loss		<u>41</u>	<u>45</u>
Total investment (loss)/income		(3,490)	(1,123)
Other income			
Arrangement fee		<u>9</u>	<u>-</u>
Total other income		9	-
Expenses			
Directors' remuneration and expenses	12	(173)	(200)
Recognition of Directors share based expense	12	(16)	(16)
Legal and professional fees		(40)	(118)
Other Expenses		(80)	(65)
Administration fees		(24)	(48)
Adviser and broker's fees		<u>(46)</u>	<u>(57)</u>
Total expenses		(379)	(504)
Net (loss)/profit before losses and gains on foreign currency exchange		<u>(3,860)</u>	<u>(1,627)</u>
Net foreign currency exchange gains/(loss)		72	25
Total comprehensive (loss)/gain for the period/year		<u>(3,788)</u>	<u>(1,602)</u>
(Loss)/earnings per Ordinary share - basic and diluted	7	(1.78p)	(0.75p)

The Company has no recognised gains or losses other than those included in the results above.

All the items in the above statement are derived from continuing operations.

The accompanying notes on pages 20 to 27 form an integral part of these unaudited condensed half-yearly financial statements.

SEED INNOVATIONS LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

		30 September 2022 (unaudited) £'000	31 March 2022 (unaudited) £'000
	Notes		
Non-current assets			
Financial assets at fair value through profit or loss	5	<u>16,318</u>	<u>19,524</u>
		<u>16,318</u>	<u>19,524</u>
Current assets			
Cash and cash equivalents		360	922
Other receivables		<u>30</u>	<u>57</u>
		<u>390</u>	<u>979</u>
Total assets		<u>16,708</u>	<u>20,503</u>
Current liabilities			
Payables and accruals		<u>(19)</u>	<u>(42)</u>
		<u>(19)</u>	<u>(42)</u>
Net assets		<u>16,689</u>	<u>20,461</u>
Financed by			
Share capital	11	2,127	2,127
Employee stock option reserve		228	212
Other distributable reserve		14,334	18,122
		<u>16,689</u>	<u>20,461</u>
Net assets per Ordinary share - basic and diluted	10	7.84	9.62

The financial statements on pages 16 to 27 were approved by the Board of Directors on 12 December 2022 and were signed on their behalf by:

Ian Burns
Director

Lance De Jersey
Director

The accompanying notes on pages 20 to 27 form an integral part of these unaudited condensed half-yearly financial statements.

SEED INNOVATIONS LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY

AS AT SEPTEMBER 2022

		<i>Share Capital</i> £'000	<i>Deferred shares reserve</i> £'000	<i>Employee share option reserve</i> £'000	<i>Other distributable reserve</i> £'000	<i>Total</i> £'000
Balance as at 31 March 2022	Note	2,127	-	212	18,122	20,461
Total comprehensive loss for the period		-	-	-	(3,788)	(3,788)
<i>Transactions with shareholders</i>						
Employee share scheme - value of employee services	12	-	-	16	-	16
Balance as at 30 September 2022		2,127	-	228	14,334	16,689
Balance as at 31 March 2021		2,127	-	180	22,632	24,939
Total comprehensive loss for the period		-	-	-	(1,602)	(1,602)
<i>Transactions with shareholders</i>						
Employee share scheme - value of employee services	12	-	-	16	-	16
Balance as at 30 September 2021		2,127	-	196	21,030	23,353

The accompanying notes on pages 20 to 27 form an integral part of these unaudited condensed half-yearly financial statements.

SEED INNOVATIONS LIMITED

CONDENSED HALF-YEARLY STATEMENT OF CASHFLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	<i>01 April 2022 to 30 September 2022</i> (unaudited) £'000	<i>01 April 2021 to 30 September 2021</i> (unaudited) £'000
	Notes	
Cash flows from operating activities		
Total comprehensive (loss)/income for the year	(3,788)	(1,602)
<i>Adjustments for:</i>		
Unrealised loss/(gain) on fair value adjustments on financial assets at FVTPL	3,536	(762)
Realised loss/(gain) on disposal of financial assets at FVTPL	(4)	1,930
Foreign exchange movement	(72)	(25)
Directors' share based payment expense	16	16
Finance income	(37)	(45)
<i>Changes in working capital:</i>		
Decrease in other receivables and prepayments	27	17
Decrease in other payables and accruals	(23)	(5)
Net cash outflow from operating activities	<u><u>(345)</u></u>	<u><u>(476)</u></u>
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit or loss	5 (439)	(4,714)
Disposal of financial assets at fair value through profit or loss	5 150	5,566
Net cash inflow/(outflow) from investing activities	<u><u>(289)</u></u>	<u><u>852</u></u>
(Decrease)/Increase in cash and cash equivalents	<u><u>(634)</u></u>	<u><u>376</u></u>
Cash and cash equivalents brought forward	922	1,675
(Decrease)/Increase in cash and cash equivalents	(634)	376
Foreign exchange movement	72	25
Cash and cash equivalents carried forward	<u><u>360</u></u>	<u><u>2,076</u></u>

The accompanying notes on pages 20 to 27 form an integral part of these unaudited condensed half-yearly financial statements.

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1. General Information

SEED Innovations Limited (the "Company") is an authorised closed-ended investment scheme. The Company is domiciled and incorporated as a limited liability company in Guernsey. The registered office of the Company is PO Box 343, Obsidian House, La Rue D'Aval, Vale, GY6 8LB.

The Company's objective is set out in its Investing Policy which can be found at <https://seedinnovations.co/about/investing-policy> and as detailed on page 4 of these financial statements.

The Company's Ordinary Shares are quoted on AIM, a market operated by the London Stock Exchange and is authorised as a Closed-ended investment scheme by the Guernsey Financial Services Commission (the "GFSC") under Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the Authorised Closed-Ended Investment Schemes Guidance and Rules 2021.

2. Statement of Compliance

These condensed half-yearly financial statements, which have not been independently reviewed or audited by the Company auditors, have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 March 2022.

The unaudited condensed half-yearly financial statements were approved by the Board of Directors on 12 December 2022.

3. Significant Accounting Policies

These unaudited condensed half-yearly financial statements have adopted the same accounting policies as the last audited financial statements, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board, interpretations issued by the IFRS Interpretations Committee and applicable legal and regulatory requirements of Guernsey Law and reflect the accounting policies as disclosed in the Company's last audited financial statements, which have been adopted and applied consistently.

The Company has adopted all revisions and amendments to IFRS issued by the IASB, which may be relevant to and effective for the Company's financial statements for the annual period beginning 1 April 2022. No new standards or interpretations adopted during the period had an impact on the reported financial position or performance of the Company.

4. Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The Directors believe that the underlying assumptions are appropriate and that the financial statements are fairly presented. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

4. Critical Accounting Estimates and Judgements (continued)

Judgements

Going concern

After making reasonable enquiries, and assessing all data relating to the Company's liquidity, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Company. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Assessment as an investment entity

In determining the Company meeting the definition of an investment entity in accordance with IFRS 10, it has considered the following:

- the Company has raised the commitments from a number of investors in order to raise capital to invest and to provide investor management services with respect to these private equity investments;
- the Company intends to generate capital and income returns from its investments which will, in turn, be distributed to the investors; and
- the Company evaluates its investment performance on a fair value basis, in accordance with the policies set out in these financial statements.

Although the Company met all three defining criteria, management has also assessed the business purpose of the Company, the investment strategies for the private equity investments, the nature of any earnings from the private equity investments and the fair value model. Management made this assessment in order to determine whether any additional areas of judgement exist with respect to the typical characteristics of an investment entity versus those of the Company. Management have therefore concluded that from the assessments made, the Company meets the criteria of an investment entity within IFRS 10.

Part of the assessment in relation to meeting the business purpose aspects of the IFRS 10 criteria also requires consideration of exit strategies. Given that the Company does not intend to hold investments indefinitely, management have determined that the Company's investment plans support its business purpose as an investment entity.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that: it holds more than one investment; the investments will predominantly be in the form of equities, derivatives and similar securities; it has more than one investor and the majority of its investors are not related parties.

Estimates and assumptions

Fair value of securities not quoted in an active market.

The Company may value positions by using its own models or commissioning valuation reports from professional third-party valuers. The models used in either case are based on valuation methods and techniques generally recognised as standard within the industry and in accordance with International Private Equity and Venture Capital Valuation (IPEV) Guidelines. The inputs into these models are primarily revenue or earnings multiples and discounted cash flows. The inputs in the revenue or earnings multiple models include observable data, such as the earnings multiples of comparable companies to the relevant portfolio company, and unobservable data, such as forecast earnings for the portfolio company. In discounted cash flow models, unobservable inputs are the projected cash flows of the relevant portfolio company and the risk premium for liquidity and credit risk that are incorporated into the discount rate. In some instances, the cost of an investment is the best measure of fair value in the absence of further information. Models are calibrated by back-testing to actual results/exit prices achieved to ensure that outputs are reliable, where possible.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shifts in these inputs, taking into consideration historical volatility and estimations of future market movements.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

4. Critical Accounting Estimates and Judgements (continued)

Valuation of Options

The fair values of the Options are measured using the Black-Scholes model, for those options with non-market vesting conditions, and a Monte Carlo Simulation model for those Options with market related vesting conditions.

The key estimates and assumptions which are used as inputs in these valuation models are as follows;

- any market vesting conditions;
- the expected vesting period;
- the term of the options;
- the expected volatility of the Company's share price as at grant date;
- the risk-free rate of return available at grant date;
- the Company's share price at grant date;
- the expected dividends on the Company's shares over the expected term of the options; and
- the exercise (strike) price of the options.

For those Options which did not vest immediately on issue, non- market vesting conditions, the expected vesting period of the options is estimated to be 5 years from the grant date. 5 years is deemed to be a realistic timeframe in which the performance conditions can be expected to be achieved.

However, the options can be exercised (subject to market conditions being met where applicable) at any point after vesting and prior to the Option expiry date.

5. Investments designated at fair value through profit or loss

A reconciliation of the opening and closing balances of assets designated at fair value through profit or loss classified as Level 1 is shown below:

	30 September 2022	31 March 2022
	£'000	£'000
Fair value of investments brought forward	2,632	5,455
Purchases during the year	-	1,922
Transfer from Level 3 to Level 1	-	-
Disposals proceeds during the year	(100)	(529)
Realised gains/(losses) on disposals	4	384
Net unrealised change in fair value	<u>(1,190)</u>	<u>(4,600)</u>
Fair value of investments carried forward	<u><u>1,346</u></u>	<u><u>2,632</u></u>

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

5. Investments designated at fair value through profit or loss (continued)

A reconciliation of the opening and closing balances of assets designated at fair value through profit or loss classified as Level 3 is shown below:

	30 September 2022	31 March 2022
	£'000	£'000
Fair value of investments brought forward	16,892	17,825
Purchases during the year	439	3,855
Transfer from Level 3 to Level 1	-	-
Disposals proceeds during the year	(50)	5,376
Capitalised interest on loan	37	104
Realised gains/(losses) on disposals	-	2,335
Net unrealised change in fair value	<u>(2,347)</u>	<u>2,819</u>
Fair value of investments carried forward	<u>14,972</u>	<u>16,892</u>

During the period there were no transfers between the levels.

The valuations used to determine fair values are validated and periodically reviewed by experienced personnel, in most cases this validation and review is undertaken by members of the Board, however professional third-party valuation firms are used for some valuations and the Company also has access to a network of industry experts by virtue of the personal networks of the directors and substantial shareholders. The valuations prepared by the Company or received from third parties are in accordance with the International Private Equity and Venture Capital Valuation Guidelines. The valuations, when relevant, are based on a mixture of:

- Market approach (utilising EBITDA or Revenue multiples, industry value benchmarks and available market prices approaches);
- Income approach (utilising Discounted Cash Flow, Replacement Cost and Net Asset approaches);
- Price of a recent transaction when transaction price/cost is considered indicative of fair value; and
- Proposed sale price.

6. Segmental Information

In accordance with IFRS 8: Operating Segments, it is mandatory for the Company to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board in order to assess each segment's performance and to allocate resources to them.

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as a whole. The board is responsible for the Company's entire portfolio and considers the business to have a single operating segment. Asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.

7. (Loss)/Earnings per Ordinary Share

The loss per Ordinary Share of -1.78p (30 September 2021: -0.75p loss per ordinary share) is based on the loss for the year of £3,789,000 (30 September 2021: loss £1,602,000) and on a weighted average number of 212,747,395 Ordinary Shares in issue during the year (30 September 2021: 212,747,395 Ordinary Shares).

The basic and diluted earnings per Ordinary Share were the same. The average share price of the Ordinary Shares during the year was below the exercise price of the Options (exercise prices of 19.00 pence, 20.00 pence and 25.00 pence) and Warrants (exercise price 12.75p). Therefore, as at 30 September 2022 neither the Options nor the Warrants had a dilutive effect.

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

8. Tax effects of other comprehensive income

The Directors do not propose an interim dividend for the period ended 30 September 2022 (30 September 2021: £Nil).

9. Tax effects of other comprehensive income

The Income Tax Authority of Guernsey has granted the Company exemption from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) (Amendment) Ordinance, 2012 and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption under the above mentioned Ordinance entails payment by the Company of an annual fee of £1,200 for each year in which the exemption is claimed. It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to withholding tax in the country of origin.

There were no tax effects arising from the other comprehensive income disclosed in the Statement of Comprehensive Income (30 September 2021: £Nil).

10. Net Assets per Ordinary Share

Basic and diluted

The basic and diluted net asset value per Ordinary Share is based on the net assets attributable to equity shareholders of £16,689,000 (31 March 2022: £20,461,000) and on 212,747,395 Ordinary Shares (31 March 2022: 212,747,395 Ordinary Shares) in issue at the end of the period. The share price of the Ordinary Shares at 30 September 2022 of 7.84 pence (31 March 2022: 9.62 pence) was below the exercise price of any of the Options (lowest exercise price of 19.00 pence) or Warrants (12.75 pence). Therefore, as at 30 September 2022 neither the Options nor the Warrants had a dilutive effect.

11. Share Capital, Warrants, Options, Treasury shares and Other distributable reserves

	30 September 2022	31 March 2022
	£'000	£'000
<i>Authorised:</i>		
1,910,000,000 Ordinary Shares of 1p (2021: 1,910,000,000 Ordinary Shares)	19,100	19,100
100,000,000 Deferred Shares of 0.9p (2021: 100,000,000 Deferred Shares)	900	900
	<u>20,000</u>	<u>20,000</u>
<i>Allotted, called up and fully paid:</i>		
212,747,395 Ordinary Shares of 1p (2021: 212,747,395 Ordinary Shares) (i)	<u>2,127</u>	<u>2,127</u>
Nil Deferred Shares of 0.9p (2021: Nil) (ii)	<u>-</u>	<u>-</u>

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

11. Share Capital, Warrants, Options, Treasury shares and Other distributable reserves (continued)

Share options	(iii)	<u>2,000,000</u>	<u>2,000,000</u>
Warrants	(vi)	24,117,762	24,117,762
Treasury Shares: 2,472,446 Treasury Shares of 1p (2021: 2,472,446)	(v)	<u>25</u>	<u>25</u>

(i) Ordinary Shares

There was no issue of shares during the period ended 30 September 2022 (31 March 2022: Nil).

(ii) Deferred Shares

There was no issue of shares during the period ended 30 September 2022 (31 March 2022: Nil).

(iii) Options

The options granted relate to Ed McDermott.

(iv) Directors' Authority to Allot Shares

The Directors are generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities. The Directors may determine up to a maximum aggregate nominal amount of 100% of the issued share capital during the period until the following Annual General Meeting. The Guernsey Companies Law does not limit the power of Directors to issue shares or impose any pre-emption rights on the issue of new shares.

(v) Shares held in Treasury

There were no changes to the number of Shares held in Treasury during the period.

(vi) Warrants

There were no changes to the number of Warrants during the period.

12. Related Parties

Ian Burns

Mr Burns, Non-Executive Chairman of the Company, is the legal and beneficial owner of Smoke Rise Holdings Limited, which held 1,374,024 (2021: 1,374,024) Ordinary Shares in the Company at 31 March 2022 and at the date of signing this report.

Mr Burns is entitled to an annual remuneration of £36,000, payable quarterly in arrears.

Ed McDermott

Ed McDermott is entitled to an annual remuneration of £160,000 effective 1 April 2021 (2021: £160,000). The Company has also granted Mr McDermott Options over 1,000,000 Ordinary shares at 19 pence per share and further Options over 1,000,000 Ordinary shares at 25 pence per share.

Mr McDermott was paid no performance bonus in 2022 (2021: £15,000) relating to work undertaken in the year ended 31 March 2022.

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

12. Related Parties (continued)

Lance De Jersey

Mr De Jersey, Finance Director of the Company held 400,000 ordinary shares in the Company as at 31 March 2022 and at the date of signing of this report.

Mr De Jersey is entitled annual remuneration of £106,000 (2021: £106,000) and was paid no performance bonus in 2022 (2021: £15,000) relating to work undertaken in the year ended 31 March 2022.

Luke Cairns

Mr Cairns is entitled to an annual remuneration of £36,000 per annum.

30 September 2022

	Directors' Remuneration £'000	Recognition of share based expense £'000	Total £'000
Ian Burns	18	-	18
Ed McDermott	80	16	97
Lance De Jersey	57	-	57
Luke Cairns	18	-	18
	<u>173</u>	<u>16</u>	<u>189</u>

30 September 2021

	Directors' Remuneration £'000	Recognition of share based expense £'000	Total £'000
Ian Burns	18	-	18
Ed McDermott	95	16	111
Lance De Jersey	69	-	69
Luke Cairns	18	-	18
	<u>200</u>	<u>16</u>	<u>216</u>

13. Capital Management Policy and Procedures

The Company's capital structure is derived solely from the issue of Ordinary Shares.

The Company does not currently intend to fund any investments through debt or other borrowings but may do so if appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Company may also offer new Ordinary Shares as consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

SEED INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

13. Capital Management Policy and Procedures (continued)

The Board monitors and reviews the structure of the Company's capital on an ad hoc basis. This review includes:

- The need to obtain funds for new investments, as and when they arise;
- The current and future levels of gearing;
- The need to buy back Ordinary Shares for cancellation or to be held in treasury, which takes account of the difference between the net asset value per Ordinary Share and the Ordinary Share price;
- The current and future dividend policy; and
- The current and future return of capital policy.

The Company is not subject to any externally imposed capital requirements.

14. Events after the Financial Reporting Date

On 11 November 2022 the Company in consultation with South West Brands agreed to extend the terms of the £150,000 12 month Convertible Loan Note due on 27 October 2022 to 16 January 2023.

On 7 December 2022 the Company announced the conditional sale of Fralis LLC (Leap Gaming). Under the terms of the sale (expected to complete within 6 months of signing), SEED will sell its entire holding in Leap for approximately €5.6 million (subject to adjustment for debt and working capital) plus repayment of the €250,000 term loan advanced during the period (together with accrued interest).