

5 August 2024

Mindflair plc

("Mindflair" or the "Company")

Additional Investment in Sure Ventures plc

Mindflair plc, the company that invests in next-generation technology focused on AI, announces that it has agreed to subscribe £300,000 for 315,790 new shares (the "Subscription") in Sure Ventures plc ("SV plc") at a price of 95 pence per share.

Prior to the Subscription, Mindflair held 1,501,000 ordinary shares in SV plc, representing a 20.5% shareholding which it acquired in February 2021 through the issue of its own equity at a price of 13.6 pence per share.

SV plc's principal asset is a 25.9% shareholding in Sure Valley Ventures Fund ("SVV1"). Mindflair already has a 13% direct interest in SVV1 and a 5.3% indirect interest in SVV1 via its current holding in Sure Ventures plc. SVV1 is both closed to new investment and has entered its realisation phase. In addition, the Subscription has also increased the Company's indirect interest in the Sure Valley Ventures UK Software Technology Fund ("SVV2").

The recent announcement of the sale of one of SVV1's portfolio companies, Landvault, in which SVV1 has a 7% interest, to Infinite Reality for US\$450 million, could potentially generate a very significant uplift in the carrying value of this investment with a realisation expected to follow thereafter if this company implements its IPO on Nasdaq. Based on the figures set out above, this disposal generated a circa 470% uplift on SVV1's carrying value of Landvault as at 31 December 2023 and an increase in the net asset value of SVV1 compared to the value at 31 December 2023. Infinite Reality is now also on the Crunchbase Unicorn Board list of the most valuable private companies in the world. In addition, SVV1 has a number of other exciting portfolio companies which have the potential to generate significant returns.

As at 2 August 2024, SV plc traded at a slight premium of circa 13% to its last reported NAV of 82.5 pence per share as at 31 March 2024, however, this NAV excludes the very significant uplift to NAV expected as a result of the sale of Landvault. A recent RNS issued by SV plc on 11 July 2024 estimates that its NAV could increase by 60% to 70% as a result of this disposal. Furthermore, due to SV plc being an investment trust, it is required to distribute a significant proportion of investment funds realised to its investors thereby potentially resulting in a substantial cash inflow to Mindflair from SV plc. For the year ended 31 March 2024 SV plc made a loss of approximately £2.5 million.

The Subscription will increase the Company's shareholding to 23.8% in SV plc and could increase both book profits and cash returns that may be realised by Mindflair both in the short and medium term from its increased exposure to SVV1.

SVV1 is a venture capital fund, investing in a range of software companies with a focus on companies in AI and ML, Immersive Tech, Metaverse and Cybersecurity sectors. The fund is run by the SVV team which has been highly successful in achieving a number of cash realisations from, and upward revaluations of, companies in the SVV portfolio. SVV1, which includes a cornerstone €10 million investment from Enterprise Ireland, was launched in March 2017. SVV1 is currently in its investment realisation phase.

Nicholas Lee, Director of Mindflair, commented:

"Given the potential returns that may be generated from SVV1, both from the disposal of Landvault and various of its other investments, it makes sense, at this time, for Mindflair to increase its exposure to this fund by increasing its shareholding in SV plc."

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement. The person who arranged for the release of this information is Nicholas Lee, a director of the Company.

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Notes to Editors

Mindflair plc (AIM: MFAI) is an investment company providing investors with access to a portfolio of next generation technology businesses focused on AI with significant growth potential. The Company is building an investment portfolio of high-tech businesses focused on Artificial Intelligence, across such areas as Internet of Things, Cyber Security, Machine Learning, Immersive Technologies and Big Data, which the Board believes demonstrate evidence of traction and the potential for exponential growth, due to increasing global demand for development in these sectors. For further information, visit: <http://www.mindflair.tech/>.

Sure Valley Ventures (www.surevalleyventures.com) ("SVV") is a venture capital firm that invests in early-stage AI software companies in the UK and Ireland. Investing in AI since the firm's inception in 2017, SVV has a strong track record of accelerating the growth of private AI companies through to Series A and beyond.

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