Molten

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Molten

Annual Report FY24

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REGISTRATION NUMBER: 09799594

Molten
Make More Possible

We are a leading venture capital firm investing in and developing disruptive, high-growth technology companies.

We inject visionary companies with energy to help them transform and grow. This energy comes in many forms – including capital, knowledge, experience and relationships. We believe it is our role to support the entrepreneurs who will invent the future, and that future is being built, today, in Europe.

Contents

Overview

Financial highlights

£1,379m
Gross Portfolio Value*
(31 March 2023: £1,371m)

£1,251m
Net assets
(31 March 2023: £1,194m)

662p
NAV per share*
(31 March 2023: 780p)

£57m
Consolidated Group cash
(31 March 2023: £23m)

-1%
Gross Portfolio fair value movement*
(31 March 2023: -16%)

£39m
Cash proceeds from realisations
(year to March 31 2023: £48m)

£55m
Raised, net of fees raised during the year (31 March 2023: £Nil)

0.1%
Operating costs (net of fee income and exceptional items) (31 March 2023: <0.1%) below the targeted 1% of year-end NAV*

£65m
Invested, £40m direct and £25m representing Forward Partners share-for-share exchange, in addition a further £37m from the managed EIS/VCT funds (year to March 31 2023: £138m from plc and £41m from EIS/VCT funds)**

*The above figures contain alternative performance measures ("APMs") - see Note 35 for reconciliation of APMs to IFRS measures.
**EIS and VCT funds are managed by Molten Ventures plc group but are not consolidated. See Accounting Policies on page 116 and Glossary on page 162 for defined terms.

Performance highlights

- Investments of £65m during the year from the Molten Ventures balance sheet, with a further £37m from the managed EIS/VCT funds, alongside cash proceeds from realisations during the year of £39m
- Completed share-for-share acquisition of Forward Partners plc ('Forward Partners') in March 2024
- Stake acquired in Seedcamp Fund III in February 2024, continuing the strategy of acquiring portfolios with high potential for near-term realisation
- Committed to 6 new seed funds via our Fund of Funds programme, bringing the overall Fund of Funds portfolio to 80 funds
- Weighted average revenue growth of Core portfolio forecast to be over 50% for calendar year 2024
- Over 85% of companies in the Core portfolio with at least 18 months of cash runway as at 31 March 2024 (based on existing budgets and growth plans)

ESG highlights

- Launched inaugural stand-alone Sustainability Report on our website
- Delivered tailored climate workshops to portfolio companies with the aim of improving their climate literacy and alignment to the Net Zero transition, in line with the commitments set out in our Climate Strategy
- Joined the Steering Group of ESG_VC, became a member of Ventures ESG and continued to report against external standards and frameworks including PRI, CDP, TCFD, Investing in Women Code and SECR
- Formally launched the Esprit Foundation (part of the Molten Ventures Group) and awarded its first grants to the Social Mobility Foundation, Included VC and Foundervine

Post period-end

- On 30 April 2024, Hologic, Inc, a NASDAQ listed entity, signed definitive agreement to acquire Endomagnetics Ltd. ('Endomag'). The acquisition, which is subject to completion conditions and regulatory approval as well as working capital and other customary closing adjustments, values Endomag at approximately $310 million, which is modestly above NAV

Capital allocation policy

- As reported in our announcement on 30 April, we provide an update to our capital allocation policy which outlines how the Company intends to deploy its capital resources across NAV per share accretive opportunities in order to deliver long-term value for its shareholders whilst ensuring the Company has appropriate liquidity headroom

1. The Company will continue to focus its efforts on deploying capital into exceptional new primary and secondary investments
2. The Company manages liquidity risk by maintaining adequate reserves with ongoing monitoring of forecast and actual cash flows. Capital resources are managed to ensure there is sufficient headroom for 18 months' rolling operating expenses
3. Given the strong realisation pipeline, the Directors likewise believe that the current share price provides an opportunity to deliver accretive benefits to shareholders by purchasing its own shares at the prevailing discount levels. The Company therefore intends to allocate a minimum of 10% of realisation proceeds to buy back its own shares, utilising the existing authority granted to the Board at the AGM

- The Company will continue to balance the pipeline of new investment opportunities against the ability to drive returns to shareholders through share buy backs whilst maintaining sufficient reserves

Our Sustainability Report can be found on our website: investors.moltenventures.com/sustainability

Climate Strategy commitments pages 12 to 14

Esprit Foundation grants page 24

Our business at a glance

Powered by our Purpose

We advance society through technology innovation, focusing on developing and investing in disruptive, high-growth technology companies.

'One strategy, multiple sources of capital'

Our mission is to empower entrepreneurs to invent the future. Where investments qualify, we combine three pools of capital (across plc, EIS and VCT vehicles) to invest in the best UK and European technology companies.

01

PLC

A leading venture capital business listed on the London Stock Exchange, and Euronext Dublin.

We invest across the UK and Europe, in private high-growth technology companies with global ambitions. We do this because we believe the future is being built, today, by leading entrepreneurs across the UK and Europe.

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EIS and VCT

Tax-efficient wrapped EIS and VCT investment strategies, are managed by Encore Ventures LLP and Elderstreet Investments Limited, Molten group entities.

The EIS and VCT typically co-invest alongside Molten where investments meet the relevant eligibility requirements. This co-investment strategy allows us to lead more deals and increase the total size of investment in direct investee companies.

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Third-party capital

Alongside EIS and VCT, we are expanding our third-party capital offerings, providing investors with access to our expertise in identifying and supporting high-growth technology companies.

We operate a Fund of Funds programme to invest in seed and early-stage European tech companies, and launched a €50m Irish focused fund with Ireland Strategic Investment Fund ('ISIF').

Our investment case

Long-term, capital allocation

Molten takes a long-term, patient capital approach to investing in and developing high-growth technology companies across the UK and Europe.

Focused on disruptive, high-growth technology companies

Molten specialises in investing in disruptive, high-growth technology companies, capturing their full growth potential by building meaningful ownership stakes over time.

Diversified portfolio of leading companies

We have a diversified portfolio of 110+ companies. The top 20 comprise 62% of portfolio value across sectors and stages, spanning the UK and Europe.

Multiple sources of capital

We combine multiple pools of capital, across PLC, EIS, VCT and third-party investment strategies, to invest in the best UK and European technology companies.

Experienced team and value-added support

Molten has an experienced team with active Board management; providing strategic guidance, access to networks, and operational support to portfolio companies, and helping them to scale and achieve growth objectives.

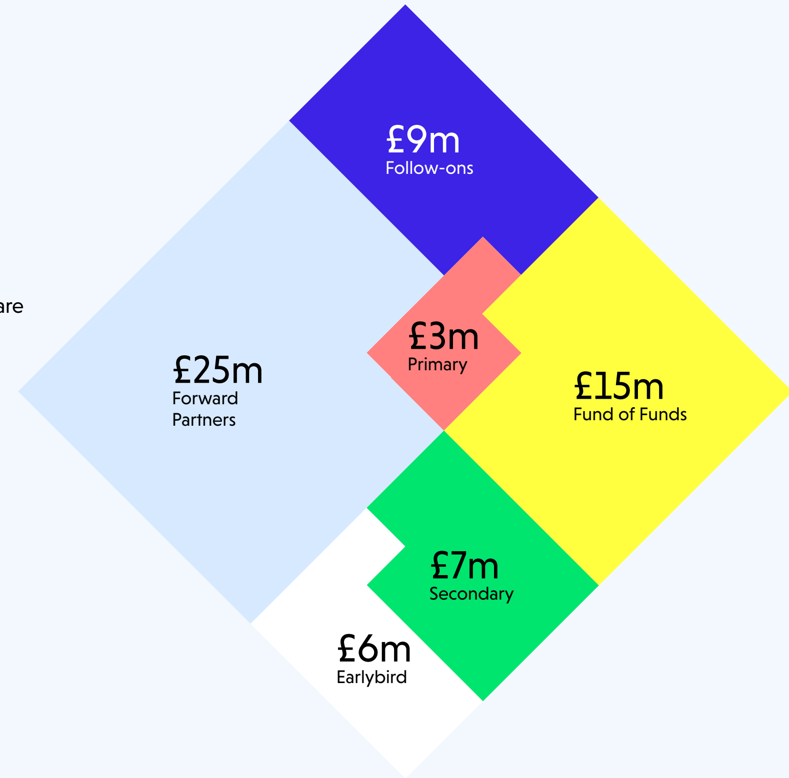
Proven track record

Molten Ventures plc has deployed over £1 billion in capital, and realised over £520 million from successful exits, thus demonstrating a strong track record of value creation for investors.

Total investments by type in FY24

Total balance sheet investments of £65m (including £25m in relation to the share-for-share exchange for Forward Partners) broken down.

For more info see p28



A proven track record

Alongside capital, we also commit brainpower, passion and energy to solve problems. We do this by finding and equipping the best innovators with the tools they need to transform the way the world works. By empowering our people to use their talent, ambition and expertise, we aspire to push things forward and make the world better.

FY24 annual results
Returns track record since 2016 IPO

Returns Multiple*	No return at 0x	<1x	1x < 3x	3x+
	world stores, Push Doctor, resolver, Cervest, Fluidic Analytics	Aveillant, Conversocial, moviepilot, pollen, ubitricity, PremFina, Cazoo, Friday Finance, hopin	bitbar, Bright Computing, Clavis Insight, Codility, Datahug, Decibel, graze, horizon, NFON, pod point, Qosmos, socialbakers, Roomex.com, vaultree, Manna	TransferWise, Movidius, peak games, Sportpursuit, Tails.com, UiPath, Trustpilot, Revolut
% of Invested Capital^	18%	24%	25%	33%
Return Proceeds	–†	£19m	£93m	£377m

Key: Fully realised; Partially realised; Accessed via strategic relationships with Earlybird or Seedcamp

Note: Past performance is not a reliable indicator of future performance. This graph includes larger realisations only and does not reflect certain realisations through underlying funds and relating to the syndication of our Fund of Funds programme.
* Return Multiple defined as Multiple of Invested Capital for fully realised assets or Valuation Multiple on Exit for partially realised assets.
^ Pertains to "Returns" deals only as appear on this slide and includes exits and interest payments on debt.
† Loss ratio as a percentage of invested capital is 6% which is calculated as the realised loss over the total cash invested since IPO.

Our year in review: a Q&A with our CEO

Can you tell us how Molten performed?

Our portfolio is in good shape, with valuations continuing to stabilise, and the validity of our valuation methodology has been reinforced by the expected realisations of Perkbox and Endomag (post-period), subject to completion conditions and regulatory approvals. We are continuously working to develop our innovative platform, and we are ready for the year ahead.

What was the rationale for Molten's recent fundraising activity?

The £55m capital raise (net of fees) gives us additional liquidity to bridge our cashflow through to realisations over the next 18 months, pursue primary and follow-on investments, and access exceptional secondary investments at attractive valuations. Also, as part of the secondary strategy, we (earlier this calendar year) acquired a stake in Seedcamp's Fund III, with value concentrated in six mature, proven assets in attractive market segments.

How will the recent acquisition of Forward Partners benefit Molten?

The acquisition provides Molten with a broader and more diverse pipeline with access to Forward Partners early-stage deal flow opportunities, in fast growing sub-sectors like applied AI and digital marketplaces. This gives us the opportunity to blend the maturity of our assets through a wider and more diverse pipeline of earlier stage companies for follow-on investments.

What is your outlook for the industry?

We're beginning to see greater visibility on the 'likely future cost' of capital (compared to the last two years), and we're expecting to see a greater degree of normalisation in the realisations' market as M&A transactions begin to pick back up. We're already seeing this in our portfolio with the expected realisations of Perkbox and Endomag, subject to completion conditions and regulatory approvals.

How well funded is the Molten portfolio?

Our Core portfolio remains well funded, with management teams focused on capital efficiency. At Molten, our investment teams work closely with our founders, often sitting on their Boards, and have been working proactively to support them on extending runways and preserving cash, although, crucially, wherever possible not at the expense of growth.

What is your key focus for the year ahead?

Molten is built for the long term, to invest and operate throughout the cycle, and, as such, our overwhelming focus is on continuing to identify and support the entrepreneurs inventing the future across Europe. We will continue to develop our innovative platform, and are committed to generating returns for our investors.

Backing the visionaries of the future

Our portfolio: a snapshot

We invest in tech companies that see new ways for the world to work. They're inventors, they're visionaries, and they're driven to push us further.

£1,379m
Gross Portfolio Value* at 30 March 2024

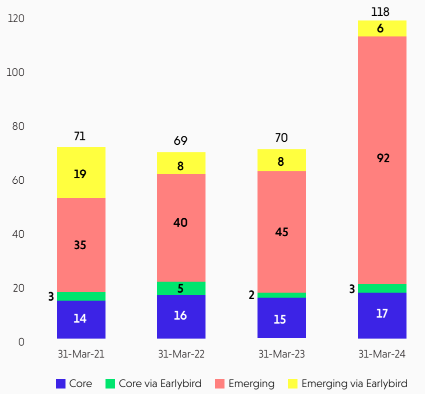
£65m
Balance sheet investments during the year (including £25m relating to the Forward Partners share-for-share acquisition)

£39m
Cash proceeds from realisations during the period

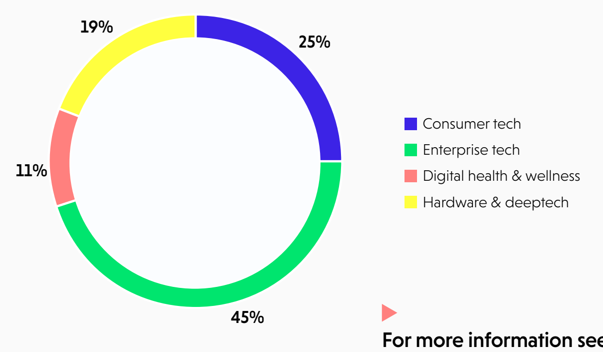
£18m
Net portfolio fair value reduction*

*The above figures contain alternative performance measures ("APMs") – see Note 35 for reconciliation of APMs to IFRS measures. See the Glossary on page 162 for defined terms.

Number of portfolio companies (YoY growth)



Number of companies by sector



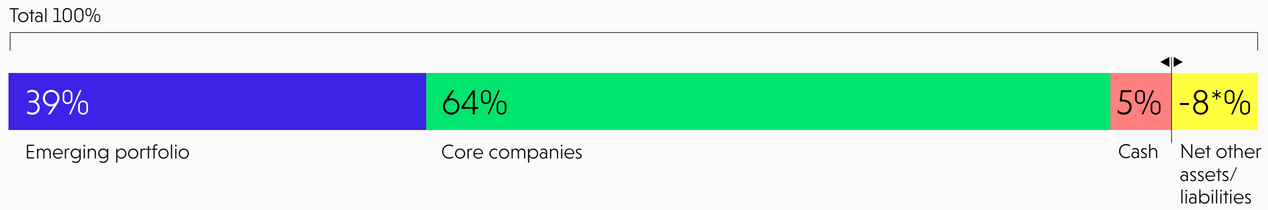
For more information see p27

What's in a share?

As our companies grow, we have the ability to provide follow-on capital to build our stake.

62% of Gross Portfolio Value, and 64% of our Net Asset Value ("NAV"), is distributed in 20 companies, representing our core holdings. By doubling down on the winners in our portfolio, we manage the risk exposure of the portfolio and generate improved upside potential. Equally, our more flexible approach to capital enables the companies themselves to grow over a longer period, creating value for the benefit of our Shareholders. When we exit companies, cash is returned for reinvestment.

NAV breakdown
Core and emerging percentage of NAV is calculated with reference to their proportions of the Gross Portfolio Value.



Emerging portfolio
The Group continually invests in exceptional entrepreneurial and fast-growing tech business.

Core companies
The companies in the portfolio representing 62% of Gross Portfolio Value, which is 64% of the NAV. Molten provides follow-on capital, developing a more significant stake in the business once it has proven its business model.

Cash
When we exit from companies, the cash generated is returned to the balance sheet and reinvested after overheads into new opportunities in the market.

Net other assets and liabilities*
Other assets and liabilities of the Group.

*To see more details on other assets and liabilities please see the consolidated statement of financial position on page 112.

Strategic Report

Contents

Chairman's introduction

It is a great privilege for me to join Molten Ventures as Chairman and I am excited about the opportunities ahead of us.

In the years preceding my appointment, Molten developed and built an innovative platform, cementing itself as one of Europe's leading venture capital firms. We support high-growth, disruptive technology companies, and through our listing on the London Stock Exchange and secondary listing on Euronext Dublin, we provide access to the returns attainable from venture capital to both institutional and retail investors. I am looking forward to helping Molten Ventures build an even more successful business in the coming years.

After two years of a very challenging economic and market backdrop, we are beginning to see some signs of increased market stability, helped by improved visibility on global interest rates. Our portfolio remains in good health and the overall underlying performance of our assets has been strong. While reduced M&A activity since the end of the pandemic has resulted in fewer transactions and correspondingly fewer realisations, the coming year shows more promise, highlighted most recently by the announced sales of Perkbox in the period, and Endomag post-period end, both subject to completion conditions and regulatory approval. We anticipate further exits in the course of the current financial year. In the past year, the management team has continued to enhance the platform through the equity capital raise, the all-share acquisition of Forward Partners and the subsequent purchase of a stake in Seedcamp Fund III. These were important initiatives in ensuring that Molten is favourably positioned going forward. We have the firepower to pursue attractive opportunities in a buyer's market for venture capital investment in our preferred areas of expertise.

I was pleased to welcome some of the portfolio companies and colleagues coming across with Forward Partners at Molten's annual Investor Day in February, which was also my first. I have also begun a programme of meeting many of our major Shareholders, as well as industry bodies and other key stakeholders for the Group. Our AGM in 2025 will be a policy approval year for executive remuneration, and we will be proactively engaging with Shareholders on this matter in the months ahead. In January, the Financial Reporting Council announced the revisions it is making to the UK Corporate Governance Code that enhance the transparency and accountability of UK public companies, as well as help support the growth and competitiveness of the UK, and preparation is well under way to ensure that Molten continues to be fully compliant.

In my role as Chairman, ensuring Molten has best-practice governance is an important priority. We commenced our first externally facilitated Board evaluation in February, and more can be found on this in the Governance section of this report. We will continue to address such issues as Board diversity, mindful of the Parker Review's recommendations. Ensuring that Molten's culture, ethos and mission is carried across future key employees is critical, and succession planning both for the Board and executive management is underway. We refer to this in more detail in the Nomination Committee report. We appointed Lara Naqushbandi as a Non-Executive Director in September. Lara brings with her a wealth of global commercial, strategic, and investment experience. Gervaise Slowey has succeeded Richard Pelly as the designated Non-Executive Director for employee engagement.

ESG issues are important to us, and as we have stated in the past, Molten's contribution to sustainability is two-fold, both through our consideration of ESG in investment decision-making and our excitement about investment opportunities in the climate tech space in particular. We also continue to develop our reporting and remuneration structure in alignment to ESG and wider sustainability best practice. More information can be found in the ESG pages of our Annual Report, and in our inaugural stand alone Sustainability Report which has also been released today.

I am conscious that Karen Slatford and Grahame Cook (who adeptly covered her role as Interim Chair) will be hard acts to follow. They have served Molten with distinction over several years – Grahame continues to do so as Senior Independent Director and Chairman of the Audit, Risk and Valuations Committee – and have helped to develop the firm into the innovative venture capital investor it is today. I would like to thank them both for their leadership of the Board, and in particular Grahame for an informed and seamless handover. I look forward to supporting management and the wider team in continuing to develop a platform that provides inspirational founders with long-term capital, access to international networks and decades of experience building businesses. Finally, I would like to thank our Shareholders for their support during the past year as well as our Executive Directors, and, importantly, each of our employees who are so vital in ensuring the continued growth of Molten Ventures plc.

Laurence Hollingworth
Chairman

CEO's statement

Our adaptable model allowed us to act quickly to identify opportunities at attractive valuations in the year, with a focus on providing value for our Shareholders.

Overview

It has been a busy and productive year for Molten Ventures, marked with significant achievements amid an economic backdrop that has been challenging for most technology companies and those who invest in them.

We continued to develop our platform, operating model, and acquisition strategy while simultaneously navigating 'higher-for-longer' interest rates, inflationary pressures and the ongoing geopolitical tensions which have cast a cautionary shadow over some notable signs of stabilisation in the second half of the year.

Our focus within this context has been on what we can control. We have maintained discipline around our own investment process and worked closely with our portfolio companies to extend cash runways, control costs, and retain talent. Our business performance and the revenue growth of our portfolio companies has remained strong, and the disruptive entrepreneurs we have backed across UK and Europe continue to transform the industries in which they operate.

Our adaptable model allowed us to act quickly to identify opportunities at attractive valuations in the year, with a focus on providing value for our Shareholders. Data from previous downturns suggests that investments made in periods of economic decline have yielded some of the greatest returns of all vintages for technology investors. We continued to support innovation through our fundraising activity, and by offering exposure to investors of privately owned technology assets in the year.

Forward Partners acquisition

In November 2023, we announced a share-for-share acquisition of Forward Partners, adding a portfolio of over 40 companies. The acquisition, completed in March 2024, blends the maturity of our assets with a more diverse pipeline of earlier-stage companies for follow-on investment.

Forward Partners was founded in 2013 by Nic Brisbourne, a former Molten Partner. Forward Partners investment strategy has been focused on earlier-stage businesses than Molten has traditionally invested in previously. We see significant opportunity for continued growth in these portfolio companies and to accelerate value creation.

The Molten platform can provide the winners with the additional support and resource to reach their potential and generate returns.

We extended an official welcome to Nic Brisbourne and the rest of the Forward Partners team in March, with the history between Molten and Forward allowing for a smooth integration which can be attributed in part to a similar set of experiences, investment ethos and cultural affinity. Several of our Forward Partners' colleagues have now joined our investment and finance teams, leading to cost synergies and alignment across operational functions.

Alongside the Forward Partners transaction we successfully completed an oversubscribed fundraise of £55 million (net of fees) by way of issuance of new shares on the London Stock Exchange, and the Euronext Dublin, to capitalise on attractive primary and secondary investment opportunities during a period of market dislocation.

Seedcamp III acquisition

Our acquisition of a stake in Seedcamp III in February 2024, builds on Molten's strategy to access exceptional Secondary investments at attractive valuations. Our Secondaries acquisition strategy acts to leverage our network in the venture capital market to provide liquidity to Limited Partners in later life funds, with a focus on acquiring portfolios of high-quality assets with nearer-term visibility on realisation opportunities. To date, the Secondaries strategy has delivered 2.5x returns (as a multiple on invested capital).

The Seedcamp acquisition is an illustration of our strategy in action and comes on the back of a strong track record of Secondary investments; including Seedcamp Funds I & II, Earlybird DWES Funds IV and Earlybird Digital East Fund I.

CEO's statement continued

Our strategic acquisitions and disciplined investment approach provide a foundation to capitalise on emerging opportunities.

Third-party asset activity

Elsewhere, we continued to make progress with our third-party assets strategy through the launch of our Irish-focused fund in July 2023, which continues our long-standing relationship with the Ireland Strategic Investment Fund as a strategic partner – as we continue to back promising Irish technology companies and founders, in a key European centre for the global tech industry.

We are pleased to welcome Isabel ('Izzy') Fox as the Head of Third-Party Funds, a new strategic role aimed at expanding the firm's impact through various targeted investment funds complementing its publicly listed core model, EIS and VCT investment vehicles. With Izzy's appointment, Molten intends to make further progress in building its third-party assets under management and associated income, including via its syndicated Fund of Funds programme and other third party private funds strategies.

Venture capital as an asset class has typically generated equal or better returns compared with listed equities or other alternative asset classes, and the UK Government is keen that Defined Contribution ('DC') pension schemes are able to invest in these types of assets. This has the full support of the British Private Equity & Venture Capital Associations ('BVCA'), and is something we at Molten are supporting wholeheartedly. Facilitating access to venture capital for high-growth companies remains a priority for UK and European governments, and forms part of the UK's proposed pension system reforms. Molten Ventures is among the 20 signatories to the BVCA's Venture Capital Compact, supporting the UK government's Mansion House initiative to improve DC pension schemes' access to venture capital investments.

Molten Board

Our most valuable asset is our people, and we continue to bolster our strength and expertise year-on-year. We appointed Lara Naqushbandi as a Non-Executive Director in September 2023, followed by the appointment of Laurence Hollingworth in January 2024 as Chair of the Board. Lara brings a wealth of experience from previously held roles in both finance and sustainability, and Laurence brings significant capital markets, investment banking and leadership experience to Molten.

Integrating ESG

We continue to develop our ESG agenda as part of our commitment to being a responsible investor. The integration of ESG across our portfolio is a business priority throughout the full investment cycle, and through our portfolio management we continue to fulfil our broader corporate purpose of advancing society through technological innovation.

We aim to invest in businesses and entrepreneurs who recognise and embrace the need for more sustainable practices, and strive to improve their ESG performance to contribute towards a more sustainable and prosperous future for all. You can read more about these efforts in our Sustainability Report, also published today.

During the year, we have made significant progress against the commitments set out in our Climate Strategy, particularly with regards to our portfolio engagement programme. We have also continued to disclose against PRI, CDP, TCFD and the Investing in Women Code.

Finally, The Esprit Foundation awarded its first four grants to charities and organisations, whose objectives focus on the advancement of education for the public benefit (especially those aged under 30), with particular emphasis on the fields of technology, business and entrepreneurship.

Market environment and the Molten model

The cost of capital remains a significant factor for investors, and we have adapted to an environment of higher-for-longer interest rates. More recently, we have seen forecasts for interest rates stabilising, which is set to allow greater visibility of the cost of capital over the next 12 to 24 months.

We have seen early shifts towards fresh capital raising, with a much higher proportion of 'flat rounds', and in some cases small up-rounds, compared to last year. General Partners are typically raising less and taking longer to close funds due to a more restricted liquidity environment.

We believe the visibility over the interest rates provides further confidence across the private market valuations. Although public and private markets are interconnected, any anticipated rise in confidence among public investors will take time to reflect in private market valuations.

We remain confident that our unique and flexible model will lead to significant returns for our investors.

Financial position and our portfolio

We have retained the discipline of preserving our balance sheet, and raised funds, which has provided us with a sufficient cash position of £57 million, along with the £60 million additional headroom that our undrawn revolving credit facility provides. I am pleased to say that these measures have provided us with the ability to support our existing portfolio and to invest in high-quality opportunities where identified. Our portfolio has remained resilient and well-funded, and we have continued to realise investments which provides capital back for reinvestment in a period of muted liquidity.

The Gross Portfolio Value at 31 March 2024 was £1,379 million, which is marginally up from £1,371 million at 30 September 2023, predominantly resulting from investments in Seedcamp III and Forward Partners. We have generated realisations of £39 million and a fair value uplift (excluding the impact of FX) of £6 million.

We are rightly proud of our strong track record, having deployed more than £1 billion of capital and realised over £520 million since our IPO in 2016, achieving a 16% average return per year for our Shareholders.

Realisations and exits

During the period, realisations remained fairly low relative to previous years as a consequence of uncertain global macroeconomic conditions and the resulting downturn in corporate transactions across almost all industries and markets. While we do not anticipate the IPO market for high-growth technology companies to return to pre-downturn levels immediately, there is evidence that some high-tech companies are publicly considering an IPO.

Historically, most of our exits have been through trade sales, and we have seen an uptick in M&A enquiries, alongside the exits of Perkbox and Endomag, subject to completion conditions and regulatory approvals (both due to take place above our holding NAV).

Capital allocation

With a number of realisation processes either underway or planned across the portfolio, we expect to be able to deliver in the region of £100 million in realisations this upcoming financial year alongside our existing meaningful cash resources.

As reported in our announcement on 30 April, we provide an update to our capital allocation policy which outlines how the Company intends to deploy its capital resources across NAV per share accretive opportunities in order to deliver long-term value for its shareholders whilst ensuring the Company has appropriate liquidity headroom.

1. The Company will continue to focus its efforts on deploying capital into exceptional primary and secondary investments

2. The Company manages liquidity risk by maintaining adequate reserves with ongoing monitoring of forecast and actual cash flows. Capital resources are managed to ensure there is sufficient headroom for 18 months' rolling operating expenses

3. Given the strong realisation pipeline, the Directors likewise believe that the current share price provides an opportunity to deliver accretive benefits to shareholders by purchasing its own shares at the prevailing discount levels. The Company therefore intends to allocate a minimum of 10% of realisation proceeds to buy back its own shares, utilising the existing authority granted to the Board at the AGM

The Company will continue to balance the pipeline of new investment opportunities against the ability to drive returns to shareholders through share buy backs whilst maintaining sufficient reserves.

Outlook

Our flexible investment model has consistently demonstrated its resilience and ability to generate significant returns. We have implemented a capital allocation policy that aligns with our current share price discount to NAV and the anticipated timeline for realisations. This policy ensures that we are well-positioned to maximise value for our Shareholders while maintaining a prudent approach to capital management.

We remain cautiously optimistic on the stabilisation of interest rates, and the early signs of renewed capital raising activity, indicating a potential shift towards a more favourable investment climate. The strength of our business model stands us in good stead.

I extend my thanks to the Molten team and look forward to delivering on our strategy in the year to come.

Martin Davis
Chief Executive Officer

£65m
Balance sheet investments

£1.4bn
Gross Portfolio Value

662p
NAV per share

Market overview

Venture capital: an overview

We believe that venture capital works best when VCs give their energy to help companies succeed. At Molten this 'energy' can come in the form of capital, experience or knowledge, as well as building relationships with our portfolio companies that demonstrate our commitment for the long term.

In its most basic form, venture capital (VC) is a form of financing where capital is invested into a company—a privately held start-up or small business—in exchange for equity or convertible debt in the company.

While investing in early-stage technology companies comes with a degree of risk, VCs are driven by a conviction that tomorrow's problems won't be solved by today's conventions, and that the process of rapid technological innovation and transformation is set to continue.

As well as generating returns for investors, VC is about empowering start-up businesses with capital, mentorship, and advice to help them succeed in their endeavours, and in doing so, helping them create products and services that improve the human experience.

Sometime these endeavours are connected to some of the world's largest and most complex challenges, and at other times they could involve entirely new problem sets which are yet to be clearly defined.

Starting a new business is always a daunting experience, and entrepreneurs often find themselves having to educate investors, customers, and the broader market as to why they exist at all.

Companies raise money from VC investors to:

1. help build their business and products
2. recruit and retain a good pipeline of talent
3. make acquisitions and invest further into intellectual property
4. acquire access to relevant networks and relationships, and
5. gain advice and guidance from seasoned operators

VC investors take the opportunity to assess companies, and invest in those they believe to have highly credible management teams, a unique product offering, and a framework to execute a business plan and become a prominent competitor in their respective market niche.

There are three major VC markets globally which are the US, Europe, and Asia, and in 2023, over $300bn was invested between those regions in start-up businesses. While the US and Asia are larger than the European VC market, Europe is growing at a faster rate, and the capital sought to support that market growth is failing to keep pace. For this reason, Molten continues to see great opportunities to invest in the category-defining businesses of tomorrow, with a focus on investing in the best venture-stage opportunities throughout Europe.

Who are Molten and how do they fit in the VC sphere?

Molten disrupted the conventional venture capital model, recognising the limitations of traditional approaches in driving sustainable, transformative growth by pursuing an IPO in 2016. Our focus is to collaborate with entrepreneurs who share in our conviction that disruptive innovation is imperative for building enduring, category-defining businesses.

Molten's legacy traces back to 2006 when Esprit Capital Partners was established as a spin-off from a larger asset manager. Since then, we have scaled into a well-established VC platform, supported by a team of over 60 professionals dedicated to investing in promising start up and growth-stage businesses.

While headquartered in London and Dublin, Molten's investment platform has a pan-European mandate, spanning the entire lifecycle from seed stage (typically as a limited partner) to later stages (typically as a direct investor) through to IPO or acquisition. Our adaptable platform is designed to facilitate long-term investments and support companies throughout economic cycles, with a focus on businesses capable of fundamentally disrupting the status quo and becoming category leaders.

As a minority equity investor, Molten fosters early relationships with portfolio companies, and adds value through active Board participation. Beyond capital, we provide entrepreneurs and management teams with strategic advice, mentorship, and access to a global network, which creates outcomes for all stakeholders, including our Shareholders.

Molten operates a unified strategy across three vehicles: the plc, and the managed EIS and VCT funds. Where investments qualify, this structure enables us to combine three capital pools to invest in the UK and Europe's most promising technology companies in a risk-adjusted and tax-efficient manner for our respective investors.

Additionally, our Fund of Funds programme, established in 2017, enables us to gain exposure and invest in the most promising seed and early-stage venture capital funds across the UK and Europe. Seed and early-stage investing is a highly localised endeavour, requiring deep networks within local ecosystems of angel investors, incubators, and technology entrepreneurs. We believe that nascent businesses are best funded by investors who can engage founders locally or within specific verticals, and our Fund of Funds programme (complemented by the acquisition of Forward Partners) allows us to effectively leverage this expertise.

Our decision in 2016 to IPO on the AIM growth market of the London Stock Exchange, and Euronext Dublin, thereby adapting beyond the traditional GP/LP model to become one of the largest public venture capital firms in Europe, was partly driven by our commitment to 'democratise' the returns available from venture capital as an asset class, and make the rewards of our investments accessible to public market investors, not just a small group of Limited Partners.

Our innovative structure as a public company allows us to direct capital from institutional and retail investors towards our portfolio companies. We benefit from an evergreen balance sheet strategy that offers flexible investment terms, and allows Molten to focus on helping portfolio companies grow, while evaluating the market for optimal exit conditions, which we aim to achieve above NAV to maximise value for our Shareholders. This structure also provides us with the flexibility to raise capital from public market investors, including retail investors via the PrimaryBid platform, giving us the 'firepower' to pursue investment opportunities.

Our direct investment strategy primarily focuses on early and growth-stage opportunities. We maintain a balanced portfolio that is diversified across four key sectors of consumer tech, enterprise tech, digital health and wellness, hardware and deeptech.

Our market at a glance

17%
European VC market CAGR (2015-2023)

$66bn
European VC market valuation (2023)

189
No. of active unicorns in Europe combined value over $500bn (2023)

Market events that have occurred in VC in the past year

Over the past 12 months the global economy has experienced stabilised high interest rates across most major currencies, including the USD, EUR and GBP. Towards the end of 2022 (and into the beginning of 2023) asset prices were volatile which seeped into the private markets. Across 2023 and early 2024, both valuations and volatility began to stabilise, with recent new heights on the S&P 500, STOXX 600, and the FTSE 100.

Going forward, the consensus for global monetary policy appears to favour dovish sentiment which historically has supported upside potential for equity prices. As these market dynamics filter into the VC market there is a sense of cautious optimism for new compelling investment opportunities. In September 2023 we saw the highly anticipated Tech IPO for ARM Holdings which was widely regarded as a barometer for the IPO market. ARM successfully raised nearly $5 billion and has shown promising after-market performance. This is evidencing that 'good deals can get done' and that the public market is ready to support outstanding high growth technology businesses.

The market is showing signs of improvement, and technology businesses are coming back into focus to drive performance through innovation. Much of the tailwind experienced in the technology market over the past 12 months has been driven by the potential productivity gains through rapid adoption of artificial intelligence. Microsoft's most recent investment in Open AI valued the business at $80 billion, NVIDIA's market cap had crossed $2 trillion, surpassing Google and closing in on Apple and Microsoft. At the earlier stages of the business lifecycle, Molten is seeing companies take the next step in this market and focusing more closely on real-world applications to drive productivity gains.

Private markets typically lag public markets and 2023 displayed the largest contraction in European VC within the last ten years. 2023 saw $66 billion invested in European VC deals which was down 42% from the previous year. Much of that contraction was due to liquidity restrictions in a challenging fundraising environment coupled with repricing dynamics as a result of a higher interest-rate environment. Given the public sphere showed more promising returns than anticipated over the last 12 months to March 2024, we anticipate seeing improvements in the private market over the next 12 months due to that lag effect.

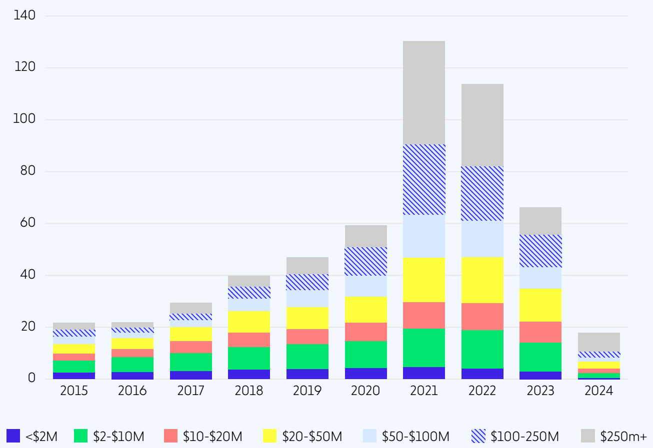
Currently in 2024, we are witnessing more capital invested in European VC than in 2023. Since 2015 that continues to follow a growth trajectory for the market which is scaling more rapidly than the US or Asia.

Looking closely at the quarterly investment data for European VC (see charts on bottom of this page), it was the larger rounds in excess of $100 million that saw the biggest contractions throughout 2023, while investment in smaller/earlier rounds continued to persist at more modest valuations. Q1 2024 saw some larger deals (in excess of $250 million) come to market, raising over $7 billion in aggregate in the first quarter. Comparatively, the total investment in rounds at or above $250 million over all four quarters in 2023 was only $11 billion.

Heading into the remainder of 2024, Molten sees value opportunities in the market. With the recent acquisition of Forward Partners, and having acquired a stake in Seedcamp III, we have an expanded portfolio of assets, combined with those in our Fund of Funds programme, which continue to present us with unique investment opportunities. With this in mind, Molten is well positioned to invest in the most interesting and competitive deals in the market throughout the next 12 months.

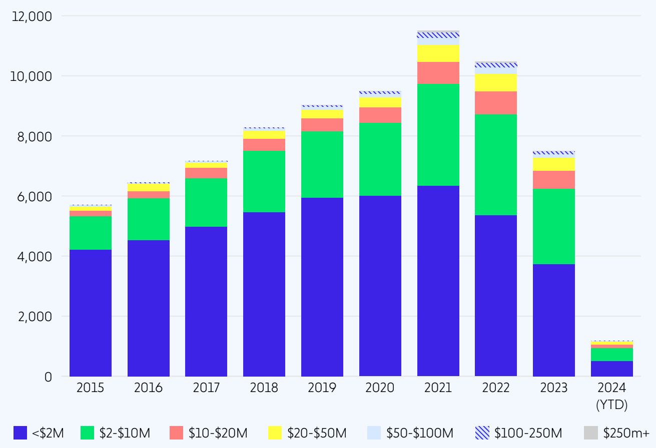
Capital invested by stage ($bn) per year

Source: Pitchbook data up to 31 March 2024



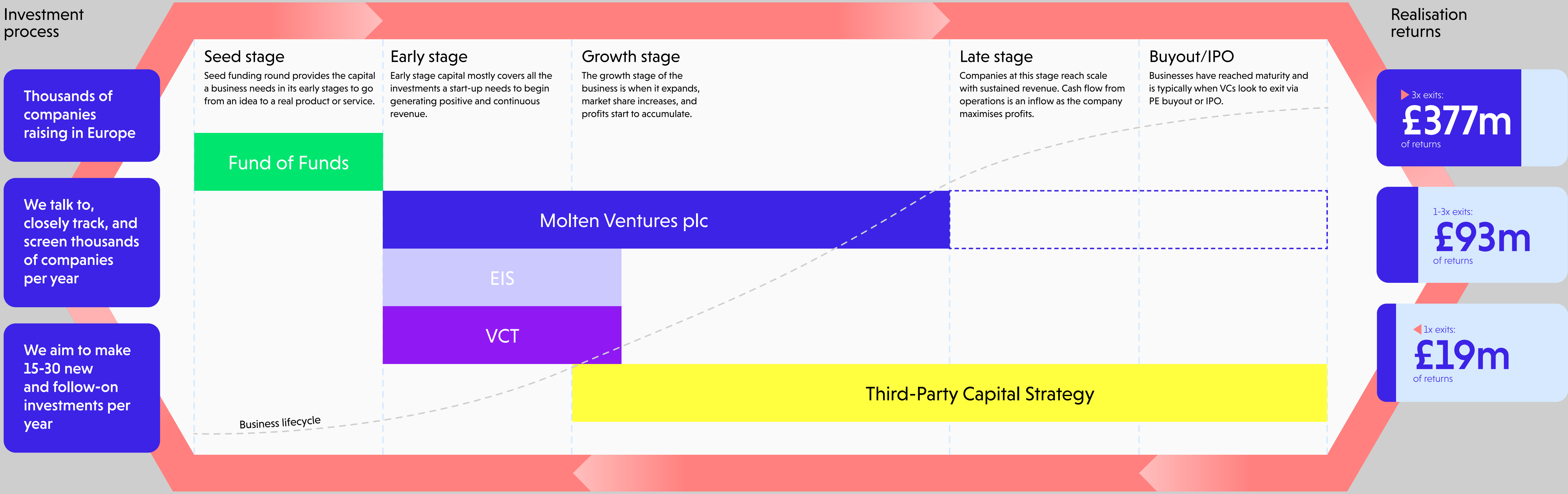
EU deal count

Source: Pitchbook data up to 31 March 2024



Business model

We back businesses with the capital, expertise and networks to fuel their growth. Our brand, people, networks, and Fund of Funds programme offer a large pipeline of promising private technology companies from across Europe.



1x exits:
£19m
of returns

Aveillant, Conversocial, moviepilot, pollen, PremFina, ubitricity, Cazoo, Friday Finance, hopin

1-3x exits:
£93m
of returns

bitbar, Bright Computing, Clavis Insight, Codility, Data Hug, Decibel, NFON, horizon, Qosmos, vaultree, graze, Roomex.com, socialbakers, Manna, pod Point

3x exits:
£377m
of returns

TransferWise, Movidius, peak, Sportpursuit, stripe, UiPath, Tails.com, Trustpilot, Revolut

Key

Fully realised

Partially realised

Accessed via strategic relationships with Earlybird or Seedcamp

Business model continued

We invest in high-growth private technology companies in the UK and Europe. We back businesses with the capital, expertise and networks to fuel their growth. Investing in early-stage companies is our core business, with access to seed stages via our Fund of Funds programme and Earlybird partnership.

We invest in four core sectors

Consumer technology

New consumer-facing products, innovative business models, and proven execution capabilities which bring exceptional opportunities that are enabled by technology.

Hardware and Deeptech

R&D-heavy technologies which emerge to become commercially dominant, upending industries and enabling entirely new ways of living and doing business.

Enterprise technology

The software infrastructure, applications and services that make enterprises more productive, cost-efficient, and smoother to run.

Digital health and wellness

Using data, software and hardware to create new products and services for the health and wellness market.

For more info see p 28

using several deployment strategies

Fund of Funds
Our Fund of Funds programme – now connected with third-party capital – allows us to support fund managers across the UK and Europe, investing at an earlier stage and providing our investors with access to seed-stage businesses. By seeding the early-stage ecosystem, we can also source the best companies for Series A and B, pooling expertise from sector-specific funds based across the UK and Europe.

Earlybird
As well as a co-investment partner, we have invested into seven of the Earlybird funds, allowing us to expand our investment footprint in the European market.

SPVs
As an extension of our existing strategy of deploying capital via other vehicles through our Fund of Funds programme, co-investments with some of our seed and early stage fund managers have enabled us to access exciting opportunities into forward-thinking European companies via investments through Special Purpose Vehicles.

Direct
We invest directly, deploying capital in the UK and across Europe, generally in early and growth stage deals.

Secondaries
We look to access exceptional secondary investments at attractive valuations from time-to-time, by acquiring investments held by other investors and founders.

This enables us to further diversify our investment strategy and blend the maturity of assets. Secondary investments typically span a shorter period of time, reaching maturity quicker.

and our responsible investment process

Our investment criteria

Molten and its wider Group aims to seek out high-growth companies originating from across Europe that:

- operate in new markets with the potential for strong cross-border or global expansion
- have the potential to address large new markets or disrupt major existing ones, utilising disruptive technology to achieve this
- have competitive barriers to entry to encourage strong margins and capital efficient business models
- have the potential to be global sector leaders
- are run by impressive entrepreneurs who have the ability to build world-class management teams
- are backed by strong syndicates of investors to reduce financing risk in future rounds
- will be attractive candidates for acquisition by large corporations, private equity or public ownership by institutions by way of an IPO
- aim for sustainability and/or are committed to positive and sustainable growth
- have the potential to generate multiples of invested capital for investors

Integration of ESG in our investment strategy

We are committed to responsible investing through the life cycle of our investments, from pre-screening to exit. We believe that ESG integration across our portfolio is paramount and enables us to fulfil our broader corporate purpose: to advance society through technological innovation. All prospective portfolio companies in which we consider making a direct investment are initially screened against our Exclusion List and thereafter assessed as part of our ESG due diligence process before a final decision is taken on the investment.

See page 15 of our Sustainability Report.

Team structure and supporting companies for growth

Investment Team meetings
Quarterly Investment Team meetings to (i) establish and develop a strategy around high priority deals and (ii) separately review, discuss and plan more broadly the ongoing delivery of the Company's overall investment strategy.

Dealflow
Deals reviewed each week in the Investment Team weekly dealflow meeting. Investment Committee review and approval process takes place if a company moves onto the next stage (and Board process if required).

Partnership Team
Our seasoned and stable Partnership Team boasts extensive cross-sector expertise. Whether facilitating connections or sharing insights, they're dedicated to supporting growth. Many have been founders themselves, adept at guiding companies through international expansion, customer acquisition, hiring, funding rounds, exits, and IPOs.

Platform Team
Our Platform Team handles investments, evaluations, and post-investment portfolio engagement. Supported by legal, compliance, investor relations, finance, and ESG specialists, we aid companies with branding, regulatory compliance, public markets, governance, and implementing sustainable ESG strategies as they scale.

Our strategy

Our strategy consists of six clear objectives, underpinned by our corporate purpose 'to advance society through technology and innovation'.

Strategic objective	FY24 progress	FY25 outlook	Links
To back disruptive high-growth technology companies to invent the future	• Continued development of our platform and team. • Investments of £65 million made during the year, including £25 million share-for-share exchange for Forward Partners, with an additional £37 million from the managed EIS/VCT funds. • Invested into 13 new and existing companies (direct) and committed to 6 new funds via our Fund of Funds strategy. • Trading performance of our portfolio companies continues to be strong, with weighted average revenue growth rates in the core portfolio expected to be over 52% in 2024.	• Expected level of annual deployment in the region of £100-150 million, including the managed EIS/VCT funds.	**Link to principal risks** (pages 58 to 65) 1, 2, 3, 5, 6, 7, 8 **Link to KPIs** 3, 4
To fuel their growth with access to capital	• Investments of £65 million made during the year, including £25 million share-for-share exchange for Forward Partners, with an additional £37 million from the managed EIS/VCT funds.	• Expected level of annual deployment in the region of £100-150 million, including the managed EIS/VCT funds.	**Link to principal risks** (pages 58 to 65) 1, 3, 4, 5, 9 **Link to KPIs** 3
To provide a holistic capital model, supporting entrepreneurs through the duration of their journey	• £57 million of cash and £60 million undrawn RCF at 31 March 2024, with a further £66 million available for investment from EIS/VCT funds. • Committed to a further six Fund of Funds, leading to total commitments in 80 funds as part of our Fund of Funds programme. • Investments from the managed EIS/VCT funds.	• Continue to utilise our flexible model to support entrepreneurs through the duration of their journey. • Continue to support our Fund of Funds programme.	**Link to principal risks** (pages 58 to 65) 1, 3, 4, 7, 8 **Link to KPIs** 3, 5
To scale our platform for growth while maintaining the integrity of the investment process	• The platform's AUM (including EIS and VCT) is c. £1.8 billion. • Share-for-share acquisition of Forward Partners contributing 40+ companies to the portfolio, and new Investment and Finance team members. • Continued development of our team.	• Continue to consider opportunities to introduce third-party capital, enabling the Group to build a more material stake in companies. • Continue to develop our processes as we grow.	**Link to principal risks** (pages 58 to 65) 1, 2, 3, 4, 7, 9 **Link to KPIs** 1, 3, 5
To maintain a high-quality bar for investments to continue to deliver strong investment returns underpinned by cash realisations	• Fair value increase of 0.4% in the gross portfolio. • Realisations of £39 million during the year.	• Continued target of 20% fair value growth through the cycle. • Continued target of 10% in realisations of the Gross Portfolio Value through the cycle.	**Link to principal risks** (pages 58 to 65) 3, 4, 7, 9 **Link to KPIs** 1, 2, 4
To support visionaries who find new ways for the world to work in the future. We want that future to be sustainable, fair and accessible to all	Achievement of FY24 ESG KPIs - see page 48 of this report for further details, or see more in our inaugural Sustainability report, also published today.	• See page 49 for details of FY25 ESG KPIs.	**Link to principal risks** (pages 58 to 65) 3, 4, 5, 7, 9 **Link to KPIs** 6

KPIs

We are focused on delivering a strong financial performance and achieving the targets we have set. These core KPIs demonstrate our strategy's effectiveness, and validate the value delivered to Shareholders.

KPIs	Measurement	Progress this year	Focus for 2025
01 Growth in value of the portfolio	Gross Portfolio Value determined using IPEV Guidelines.	Gross Portfolio Value has increased to £1,379 million, with a fair value movement of £6 million, reflecting a fair value increase of 0.4% from FY23 (FY23: £1,371 million).	Continued target of 20% fair value growth through the cycle.
02 Realising cash	Cash generated from portfolio company exits against original cost.	£39 million realised in the year (FY23: £48 million).	Continued target of 10% in realisations of the Gross Portfolio Value through the cycle.
03 New investments	Deploying funds for investments into new portfolio companies, follow-on investments into existing companies, stake building into existing companies and secondary investments.	Investments of £65 million made during the year, including £25 million share-for-share exchange for Forward Partners, (FY23: £138 million), with an additional £37 million from the managed EIS/VCT funds (FY23: £41 million).	Expected level of annual deployment in the region of £100-150 million, including EIS/VCT.
04 Dealflow	We maintain an internal database of opportunities.	We continually track deals done at stages earlier than our target investment criteria and filter to pre-qualify future potential deals.	Through our brand and network, continue to access high quality dealflow across Europe.
05 Cash balances	Maintaining sufficient liquidity to meet operational requirements, take advantage of investment opportunities and support the growth of portfolio companies.	£117 million cash available to plc, incluidng undrawn £60 million revolving credit facility balance from our £150 million debt facility at year-end with £90 million term debt drawn (FY23: £83 million, £90 million drawn, with undrawn revolving credit facility of £60 million) at year-end. £66 million (FY23: £48 million) cash in the managed EIS and VCT funds available for investment.	Target maintenance of 12-18 months of cash resources.
06 ESG	Progress and track ESG performance in line with our ESG KPIs (see page 48).	We continued to make progress in our ESG efforts, particularly with regard to tailored portfolio engagement (Please refer to our Sustainability Report for more detail). Summary of our progress against FY24 ESG KPIs (see page 48).	Execute on the Company's FY25 ESG KPIs, which can be found in the Sustainability section of the report on page 49.

Our strategy in action

Our acquisition of Forward Partners

Molten completed its strategic acquisition of Forward Partners in March 2024 to diversify and strengthen its portfolio and team. Molten has gained access to a range of promising start-ups, in high-growth sectors across AI, alternative asset and digital marketplaces, and is delighted to bring members of the Forward Team into the Group in a move that complements Molten's existing investments.

Molten Ventures welcoming the Forward Partners team

"I founded Forward Partners because there was a gap in the market for a dedicated pre-seed and seed-focused fund, inspired by the emergence of Silicon Valley funds focused on the earliest stages. The UK seed market has gone from strength to strength since then and I am proud of the role Forward played in getting it going.

It's great to be back at Molten. It's a bit like coming home, albeit the Company is much larger than when I left. The deal made sense for us because we are now part of a bigger and better capitalised group, and because our strategies complement each other."

Nic Brisbourne

"The acquisition is a bold step for Molten as it looks to capture more of the innovation market by driving value creation in a challenging economic landscape.

The addition of Forward Partners will enable us to diversify the blend of maturity of our assets, and provide a broader pipeline for follow-on investment. This ongoing expansion of the platform helps position the business to capture opportunities at attractive valuations in what remains a buyer's market for venture capital."

Martin Davis
CEO Molten

Forward Partners: an introduction

Forward Partners was founded in 2013 by Nic Brisbourne, a former Molten Partner, and is a London-based venture capital firm investing in early-stage UK businesses. Since its establishment, the company continued to maintain strong ties with Molten.

When Nic set up Forward, he hired a team of operators and finance experts to create a unique investment firm, dedicated to finding high quality opportunities to deploy into performing pre-seed and seed-stage businesses. At the date of completing the acquisition, Forward had over 40 portfolio companies and a Gross Portfolio Value of £65 million.

In 2021, Forward listed on the London Stock Exchange's AIM market, raising £36.5 million in an IPO that was supported by Molten's £2 million participation. The existing relationship between Forward's founding partner Nic, and Molten's Head of Fund-of-Funds, Jonathan Sibilia, played an important role in the successful evolution of the partnership. Molten has brought on five new staff members who have all been warmly welcomed as strong additions to Molten's Investment and Finance teams.

Forward's thesis is to partner with its portfolio companies to offer more than just capital, using the team and its operating specialists to influence key hires and operational models, while supporting each company on their path to success.

Forward Partners built a balanced, well-capitalised portfolio of assets, and was well positioned in the context of evolving market trends, complementing Molten's existing portfolio of 70+ companies. There is momentum in Forward Partners' assets, some of which are on a path to become strategically valuable market leaders in attractive niches, including companies with specialisms in applied AI and other growth areas.

Molten and Forward Partners: the deal

Molten acquired Forward in March 2024 via an all-share transaction exchanging one Molten share for nine Forward shares in a deal worth £37.5 million (£41 million when originally announced). The transaction saw Molten add over 40 assets with a book value of £65 million, and £12 million in net cash onto the Molten balance sheet, implying an attractive discount to NAV of 51%.

The acquisition provided Molten with an opportunity to acquire a quality and well-invested portfolio. Molten has a proven track record in acquiring and managing secondary VC assets and delivering strong returns over time.

Forward's Investment Team members have focused on pre-seed and seed-stage investing, where they have conducted thorough diligence on thousands of early-stage deals. This expertise complements Molten's early and growth-stage investment practice; thus offering new growth opportunities from the Forward portfolio, and signalling ability and sector deal experience in Digital Marketplaces, Applied AI and Web3-powered alternative assets.

The rationale

Molten's corporate purpose is to advance society through technological innovation—whether this is achieved through direct, primary or secondary investments; growing and nurturing our Fund of Funds ecosystem; or by acquisitions.

The acquisition of Forward Partners enhances our competitive edge and further expands our ability to work directly with transformative founders and technologies at earlier stages (pre-seed and seed).

Our unique listed platform and broad investment mandate to support businesses for the long term, provides us with the flexibility to undertake this type of M&A activity that others are less able to, by virtue of their structure and investment model.

At this point of the economic cycle, we have seized the opportunity to acquire secondary assets at a significant discount, while also underscoring our commitment to strengthening our Shareholder register.

Our decision reflected a calculated move to leverage the current market dynamics to Molten's advantage. The high-interest-rate environment and depressed valuations we are seeing present an opportunity to invest in and secure valuable assets like Forward Partners, at a favourable moment in the cycle. We remain confident in our strategy, and ability to navigate and grow amidst economic uncertainties, while positioning the portfolio for growth, as and when the market stabilises.

We believe that Forward Partners' culture of innovation, track record of successful investments, and its team's expertise, will serve to further strengthen Molten's capabilities and competitive advantage in the venture capital market.

Our strategy in action continued

Acquired a secondary position in Seedcamp Fund III

Molten Ventures has been investing in select secondary opportunities since its inception, and has previously acquired secondary positions in Seedcamp Funds I and II, EarlyBird DWES Funds IV, and EarlyBird Digital East Fund I.

The vision

The UK and Europe are home to some of the most talented entrepreneurs and VC-backed businesses globally. And by understanding the dynamics of private markets, we can leverage our deep network and expertise to create value for our public market Shareholders.

Molten's flexible capital model enables the firm to provide liquidity solutions through Limited Partners and existing investors in technology businesses, by acquiring positions in individual assets or funds. Accessing high-quality tech business via Secondaries has always been a key component part of Molten's strategy.

€8.5m
Cost of investment

6
Key assets

The strategy

Through its extensive network, Molten identifies opportunities where investors holding multiple stakes in high-growth technology companies desire liquidity across one or more of their holdings for strategic reasons.

As part of Molten's secondary strategy, the focus is on acquiring high-quality asset portfolios at attractive discounts. This approach offers the benefits of investing in more mature companies and a shorter path to realisation opportunities. Molten has demonstrated a proven ability to create value through these transactions.

The Investment Team rigorously analyses underlying portfolios of potential secondary targets, evaluating key value drivers using the same disciplined process as primary investments. Molten leverages high-performing assets to target funds which are nearing the end of their life cycle (and have proven later-stage assets) with visibility on potential exit opportunities; via portfolio acquisitions, LP stake purchases, whole firm acquisitions, or direct secondaries from early investors.

The track record

Molten has a proven track record in secondary portfolio acquisitions, and in unlocking significant value for Shareholders through acquired venture capital portfolios such as Seedcamp Funds I & II, Earlybird DWES Funds IV and VI, and Earlybird Digital East Fund I. This positions Molten to take advantage of the market environment (which gives rise to opportunities within Molten's range of of expertise) to acquire portfolios or secondary stakes with attractive expected-return profiles.

The Company has a long-standing relationship with Seedcamp, which has seen Molten making LP commitments into Seedcamp's Fund IV in 2017, Fund V in 2020 and Fund VI in 2023. At the time of its first LP commitment into Fund IV, Molten also completed a secondary transaction with Seedcamp, acquiring all unrealised assets in Fund I and II, providing liquidity to the LPs in two later-life funds, with potential for near-term realisation opportunities and robust returns (2.0x TVPI (total value to paid-in).

Since 2017, Molten's secondary opportunities have, in aggregate, delivered a TVPI of 2.5× and DPI (distributed to paid-in capital) of 2.3× demonstrating Molten's ability to create value while providing access to high-quality later-stage businesses, and allowing capital to be recycled back to the balance sheet more quickly.

Molten Secondary Fund transactions pre-/post IPO	Pre-IPO	Post-IPO			Total post IPO plc Secondary Funds' track record
	3i	Seedcamp	EARLYBIRD	EARLYBIRD	
Transaction date	*Sep 09*	Nov 17	Feb 19	Feb 19	
# Assets	*23*	41	10	11	**62**
Cash Price	*£70m*	£18m	£55m	£17m	**£90m**
Discount to NAV	*20%*	27%	20%	5%	**19%**
Distributions	*£126m*	£36m	£99m	£74m	**£210m**
Total return (TVPI)	*1.5×*	2.0×	2.0×	4.7×	**2.5×**
Cash return (DPI)	*1.5×*	2.0×	1.8×	4.3×	**2.3×**

The deal

Molten acquired an LP interest in Seedcamp's 2014 Fund III. The deal was offered to existing LPs, and Molten acquired approximately 19% of the fund for a total value of €8.5 million as part of a strategy to acquire a high-quality portfolio of unicorns and category-leading tech businesses in Europe.

The core assets

The 2014 vintage fund contains a portfolio of high-growth, disruptive technology companies, with the value concentrated in five mature, proven value drivers in attractive market segments: Revolut, Pleo, Grover, WeFox Thriva and Curve. Revolut is a common portfolio company between Seedcamp and Molten, and one of Europe's largest unicorns. Molten directly invested in Revolut (in May 2018), and has followed the company's progress with conviction behind the business ever since.

The Group does not envisage that it will need to provide any further funding to the underlying portfolio companies.

Revolut	One of the world's largest retail fintech platforms offering banking, investment, and insurance services to over 40 million customers in 150 countries alongside a business banking offering with over 500k customers.
PLEO	A business expense management platform helping businesses manage corporate spending. Platform features include virtual and physical expense cards, real-time spending analytics, automated reporting, and accounting software.
Grover	A subscription-based rental service for consumer electronics. Grover allows its customers to rent the latest consumer electronics instead of buying them outright, saving them money on a "pay for usage" model. Products include laptops, smartphones, tablets, cameras, headphones, and much more – across 15 countries, including Germany, France, Spain, the Netherlands, and the UK.
wefox	A digital insurance company creating simple affordable products for consumers. The Company offers car insurance, home insurance, and travel insurance all priced, underwritten and executed digitally both directly and through insurance brokers.
thriva	A personal health tech solution that provides at-home blood tests (and health insights) directly to consumers, alongside healthcare professionals. It offers a variety of blood tests, including tests for cholesterol, blood sugar, and vitamin D, among others. Thriva is available in Ireland, the Netherlands and the UK.
CURVE	**Curve –** A fintech platform consolidating customer credit and debit cards into a single usable interface, giving them full control over their finances. Curve offers features like cashback rewards, travel insurance, fraud protection and automated spending limits. The company has over 4.3 million customers.

Financial review

I'm delighted to present our 2024 results, which demonstrate the flexibility of our operating model. Capital preservation has been our focus in response to a more challenged venture capital market during a period of higher interest rates and subdued valuations.

The current market cycle has been characterised by higher interest rates leading to lower valuations, as a function of the cost of capital increasing, and reduced liquidity in an environment with less M&A and IPO activity. This backdrop has been in place since March 2022, and we responded quickly to reflect the reduced public market valuation multiples for technology businesses into our portfolio holding values in September 2022 (the first valuation period following the market adjustment). Alongside ensuring our portfolio holding values are consistent with the prevailing market, in line with IPEV guidelines, we focused on preserving the balance sheet capital by reducing the amount invested and ensuring there was sufficient liquidity to support our existing portfolio.

The resilience of the portfolio has been demonstrated by: (1) the capital raisings that have been undertaken during this past two years, with over £1.2bn raised in FY23 and FY24, in spite of a less active fundraising environment, (2) the continued commercial traction and revenue growth of the portfolio businesses, and (3), the limited capital support that was required from Molten.

As we appear to be entering an improving environment for realisations, the robustness of our valuation processes and the quality of our underlying portfolio is being validated as demonstrated by our recent announcements, relating to portfolio companies Perkbox and Endomag, modestly above their holding values.

The flexibility of our evergreen balance sheet model has been further illustrated through the equity fundraise in the year to take advantage of opportunities presented by a disconnected market, where asset prices have been depressed alongside limited liquidity. This provided an opportunity for the Group to acquire high-quality assets via a share acquisition of Forward Partners ,and also through a stake in Seedcamp Fund III.

The financial year 2024 reflects a continuation of this more challenged market environment, but also demonstrates stability in the portfolio values in the second half of the year. The first half of the year saw further reduction in valuation multiples across the broader technology sector before stabilising in the latter half of the year. In addition to the decline in public market technology valuations, private company fundraising has continued to stutter across the broader market, outside of specific pockets of interest. We have seen the impact of these factors in our own portfolio valuations. Despite this macroeconomic picture, it has been pleasing to see continued value creation stemming from our secondary strategy. Our acquisition of a stake in Seedcamp's Fund III, along with an all-share acquisition of Forward Partners (both which took place in the second half of the year) contributed fair value uplifts to the portfolio.

As ever, cash runway and preservation of liquidity remain key for our portfolio, and we are encouraged by the resilience demonstrated by our portfolio companies, as they continue to balance capital preservation and growth priorities.

The first half of the financial year saw a reduction in portfolio value which was offset in the second half by a slight increase in the valuation of the existing portfolio, and increases in fair value following the acquisitions of Forward Partners and Seedcamp III. As at 31 March 2024, net assets stood at £1,251 million, an increase of £57 million on the prior year.

We have generated fee income during the year of £20 million, which serves to offset our cost base such that our costs (net of income) remain substantially less than 1% of NAV. As we continue to build a broader platform to incorporate third-party assets alongside our own balance sheet, we have seen the benefit of fee income covering 93% of our general administrative expenses, including salaries. Minimising the cost drag on investment returns remains an area of focus for our management team.

The Forward Partners acquisition is recognised at fair value through profit or loss ("FVTPL") in the Consolidated Statement of Financial Position and as a gain on bargain purchase in the Consolidated Statement of Comprehensive Income. The terms of the acquisition for Forward Partners were one new Molten share for nine Forward Partners shares, resulting in a portfolio cost of £25 million (net of cash acquired). On acquisition, the Forward Partners portfolio was valued at £65 million, representing a gain on bargain purchase of £39 million. For more information of this transaction see Note 14.

Statement of financial position

Portfolio

The Gross Portfolio Value at 31 March 2024 is £1,379 million (£1,371 million at 31 March 2023). The Gross Portfolio Value is an APM (see Note 35) and there is a reconciliation from the gross to net portfolio value (see Note 30).

Molten has maintained a disciplined approach to its capital allocation through FY24, with cash investments below historical investment rates, and aligned to realisations during the period. Investments of £65 million, including £25 million representing the Forward Partners share-for-share exchange (net of cash acquired), were made during the year; and cash proceeds from exits, escrows and sales of shares were received of £39 million.

The gross fair value reduction on the portfolio was £18 million, of which £24 million results from a decline in foreign exchange and offset by an increase of £6 million from fair value movements. Further details on the Group's valuation policy and valuations basis as at 31 March 2024 can be found in Notes 4 and 30 to the consolidated financial statements. The gross portfolio fair value has stabilised from and is broadly flat for the year at constant currency, reflecting a modest increase in the like-for-like portfolio in the second half of the year.

The Gross Portfolio Value, presented on page 26, is subject to adjustments for the fair value of accrued carry liabilities and deferred tax to generate the net portfolio value of £1,292 million. Both carried interest liabilities and deferred tax arise at the level of our investment vehicles and are taken into account when arriving at the fair value of these vehicles to be recognised in the consolidated statement of financial position.

The Net Portfolio Value has increased by £15 million to £1,292 million (31 March 2023: £1,277 million) with the summary of the movements in financial assets held at fair value through the profit and loss (FVTPL) which is recognised on the Consolidated Statement of Financial Position, is shown on page 112 below.

The fair value reduction of £29 million, in accordance with the relevant IFRS in Note 4(j), comprised of fair value movement on investments of £68 million is reflected in the consolidated statement of comprehensive income, offset by a £39 million gain on bargain on purchase. Carry balances of £87 million are accrued to previous and current employees of the Group based on the current fair value at the year-end and deducted from the Gross Portfolio Value. Carry payments totalling £2 million were made in the year following the realisation of assets in the underlying fund holdings that exceeded threshold returns. The non-investment movements to entities held at FVTPL were made of £16 million, including for settlement of priority profit share ("PPS"). The Gross Portfolio Value table below reconciles the gross to net portfolio values, and the movements between 31 March 2023 to 31 March 2024. The percentage of net portfolio value to Gross Portfolio Value is 94% (31 March 2023: 93%), which reflects the decrease to carry balances in line with the movements of the portfolio.

Total liquidity

The consolidated cash balance at 31 March 2024 was £57 million (31 March 2023: £23 million).

Total available cash for Molten Ventures at 31 March 2024 was £117 million, including £60 million undrawn on the Company's revolving credit facility (31 March 2023: £83 million, including £60 million undrawn on the Company's revolving credit facility).

In November 2023, we completed an equity fund raise of £55 million (net of fees) from new and existing investors (including a PrimaryBid retail element), to enable our position for new follow-on direct and secondary investments. Molten issued 21,261,548 shares comprising a placing, subscription, retail offer and offer for subscription. The proceeds of the placing are recognised in the cash balance at the year end and within the share capital movements (please see Note 26 for further detail).

Debt facility

The existing debt facility with J.P. Morgan Chase Bank N.A. London Branch ('JPM') and HSBC Innovation Bank Limited ('HSBC') (the 'Debt Facility') comprises a £90 million term loan and a revolving credit facility ('RCF') of up to £60 million on three and two-year availability periods respectively, and is secured against various assets and LP interests in the Group. The Debt Facility interest rate is SONIA plus a margin of 5.5% per annum and is underpinned by the value of the investment portfolio. The value of the portfolio companies is subject to periodic independent third-party valuation. The Debt Facility is utilised for investment and working capital purposes.

We have been compliant with all relevant financial covenants throughout the duration of the debt facilities and at period-end.

During the year, we amended the terms of the covenants relating to loan to value and market adjusted GAV to provide additional flexibility, see Note 24(i) for more information.

As at 31 March 2024, the £90 million term loan is fully drawn and the £60 million RCF is undrawn and fully available, subject to utilisation conditions. The drawn amount is recognised in the Consolidated Statement of Financial Position at 31 March 2024, offset by capitalised fees from the set-up of the Debt Facility, which are being amortised over its life. Drawdowns and paydowns on the Debt Facility will be driven by portfolio investments and realisations. For further information, please see Note 24(i).

Net assets

Net assets in the Consolidated Statement of Financial Position at 31 March 2024 have increased by £57 million from 31 March 2023, to £1,251 million, an increase of 4.7%. This is mainly the result of the increase in the investments balance and cash due to the fund raise and Forward Partners' acquisition, along with a decrease in deferred tax liability recognised in the statement of financial position.

The Net Asset Value per share for the year ended 31 March 2024 was 662p (31 March 2023: 780p) after the issuance of new shares for the equity fund raise and share-for-share acquisition of Forward Partners.

Statement of comprehensive income

We recognised a loss after tax in the year of £41 million, compared to a £243 million loss in FY23.

Income recognised during the year ending 31 March 2024 comprises investment fair value decreases of £29 million (year ending 31 March 2023: £240 million decreases), including the gain on bargain purchase attributed to the Forward Partners portfolio of £39 million. Fee income of £20 million was generated in the year (year ended 31 March 2023: £23 million), which is principally comprised of priority

Financial review continued

profit share ("PPS"), management fees from the managed EIS/VCT funds, performance fees and promoter fees. PPS is generated from management fees charged on the underlying plc funds, as invested capital, net of realisations, increases so too does the PPS income. The decrease in fee income in the year is a result of a decrease in PPS percentage held in older vintages with the decreased level of investments in 2024. This has resulted in management fees decreasing by 12.7% in the period.

Our operating costs (net of fee income) continue to be less than our target of 1% of NAV. It is anticipated that further income from fees generated from management of third-party funds will provide a further positive contribution to our cost base and profitability in the future.

Finance expenses have increased to £11 million from £7 million in 2023 due to the debt facility being utilised for the full 12 months and an increase in the rate of SONIA. General and administration costs ("G&A") of £21 million, compared to the £19 million recognised in the year to 31 March 2023, have increased in comparison to the prior year following the growth of the Investment Team and supporting infrastructure.

Post-period end

On 30 April 2024, Hologic, Inc, a NASDAQ listed entity, signed a definitive agreement to acquire Endomagnetics Ltd. ('Endomag'). The acquisition, which is subject to regulatory approval as well as working capital and other customary closing adjustments, values Endomag at approximately $310 million, which is at a slight uplift to NAV.

Ben Wilkinson
Chief Financial Officer

11 June 2024

Gross portfolio value table

Investments	Fair value of investments 31-Mar-23 £'m	Investments £'m	Realisations £'m	Non-investment cash movements £m	Movement in foreign exchange £'m	Fair value movement £'m	Fair value movement 31-Mar-23 £'m	Fair value of investments 31-Mar-24 £'m	Cost of Investment 31-Mar-24 £m	Multiple of Invested Cost 31-Mar-24	Ownership interest range*
ThoughtMachine	109.6	–	–	–	–	(10.4)	(10.4)	99.2	36.5	2.7×	A
Coachhub	96.6	–	–	–	(2.6)	(2.1)	(4.7)	91.9	31.3	2.9×	C
Aiven	94.5	–	(6.7)	–	(2.3)	(3.5)	(5.8)	82.0	4.6	14.0×	B
Ledger	71.8	–	–	–	(1.7)	(9.0)	(10.7)	61.1	28.5	2.1×	B
Aircall	58.6	–	–	–	(1.3)	3.2	1.9	60.5	14.3	4.2×	B
Form3	52.4	–	–	–	–	6.8	6.8	59.2	30.1	2.0×	B
Revolut	54.5	4.0	–	–	(1.1)	7.7	6.6	65.1	11.1	5.9×	A
M-Files	44.9	–	–	–	(1.4)	4.2	2.8	47.7	6.5	7.3×	B
ICEYE	35.7	–	–	–	(0.9)	8.1	7.2	42.9	22.5	1.9×	B
Ravenpack	41.0	–	–	–	(0.8)	(3.0)	(3.8)	37.2	7.5	5.0×	D
Endomagnetics	34.0	–	–	–	–	0.7	0.7	34.7	9.3	3.7×	C
FintechOS	28.3	2.6	–	–	(0.8)	(0.5)	(1.3)	29.6	29.6	1.0×	D
ISAR AeroSpace	27.4	–	(1.9)	–	(0.7)	(1.4)	(2.1)	23.4	4.1	4.6×	A
Schuttflix	21.1	1.7	–	–	(0.6)	(0.1)	(0.7)	22.1	21.5	1.0×	B
Graphcore	37.2	–	–	–	(0.4)	(16.2)	(16.6)	20.6	24.0	0.9×	A
Hive MQ	20.9	–	–	–	(0.6)	–	(0.6)	20.3	20.2	1.0×	B
Perkbox	16.2	–	–	–	–	0.1	0.1	16.3	14.0	1.2×	C
Riverlane	13.4	–	–	–	–	2.4	2.4	15.8	5.1	3.1×	B
Freetrade	9.9	–	–	–	–	4.6	4.6	14.5	14.0	1.0×	B
Smava	8.5	–	–	–	(0.4)	5.0	4.6	13.1	14.5	0.9×	A
Remaining	494.3	57.0	(30.3)	–	(8.3)	9.0	0.7	521.7	509.7	1.1x	
Gross portfolio value	**1,370.8**	**65.3**	**(38.9)**	**–**	**(23.9)**	**5.6**	**(18.3)**	**1,378.9**	**858.9**	**1.6x**	
Carry external	(94.0)	–	1.9	–	–	5.0	5.0	(87.1)			
Portfolio deferred tax	–	–	–	–	–	–	–	–			
Trading carry & co-invest	0.3	–	–	–	–	–	–	0.3			
Non-investment cash movement	–	–	–	15.8	–	(15.8)	(15.8)	–			
Net portfolio value	**1,277.1**	**65.3**	**(37.0)**	**15.8**	**(23.9)**	**(5.2)**	**(29.1)**	**1,292.1**			

* Fully diluted interest categorised as follows: Cat A: 0–5%, Cat B: 6–10%, Cat C: 11–15%, Cat D: 16–25%, Cat E: >25%.

Portfolio review

Molten remained well-diversified across our four key sectors of investments which capture technology subsector themes such as fintech, climate-tech, cloud-native and security with early use cases of AI evident in our portfolio.

Consumer technology

Consumer-facing services and products, innovative business models, and proven execution capabilities that bring exceptional opportunities enabled by technology.

allplants, crowdcube, Freetrade, LYST, N26, Onefootball, perkbox, PrimaryBid, Revolut, smava, sweepr, SPOKE, ZOPA

Hardware & Deeptech

R&D-heavy technologies which emerge to become commercially dominant, upending industries and enabling entirely new ways of living and doing business.

BeZero, FocalPoint, GRAPHCORE, hadean, ICEYE, INDY KITE, isaraerospace, LEDGER, PARAGRAF, Ravelin, riverlane, sorare, Thought Machine, XMOS

Companies included in our company numbers and associated analysis are direct investments, co-investment, Earlybird and assets under third party management companies above a £2.0 million fair value threshold to Molten Ventures.

Key
AI First AI-Powered AI-Enhanced

Enterprise technology

The software infrastructure, applications and services that make enterprises more productive, cost-efficient, and smoother to run.

&Open, ably, aircall, aiven, ALTRUISTIQ, APEXX, Breedr, CHOCO, CoachHub, FINALCAD, fintechOS, FORM3, Genesis, GETSAFE, gravity sketch, HIVEMQ, MAKERS, MANNA, Material Exchange, M-Files, MOSTLY·AI, OutThink, Pigment, PLIANT, RavenPack, realeyes, Robin, SCHÜTTFLIX, sennder, SettleMint, SIMSCALE, SPOT QA, Up Learn

Digital health & wellness

Using data, software and hardware to create new products and services for the health and wellness market.

AKTIIA, Clue, endomag, evonetix, ieso digital health, Lifesum

Portfolio review continued

Cash runway within the portfolio remains a key focus within the current environment. We have continued with discipline around our investment process, deploying £40 million into the portfolio, including the acquisition of a stake in Seedcamp fund III, and investments into Fund of Funds and Earlybird strategies.

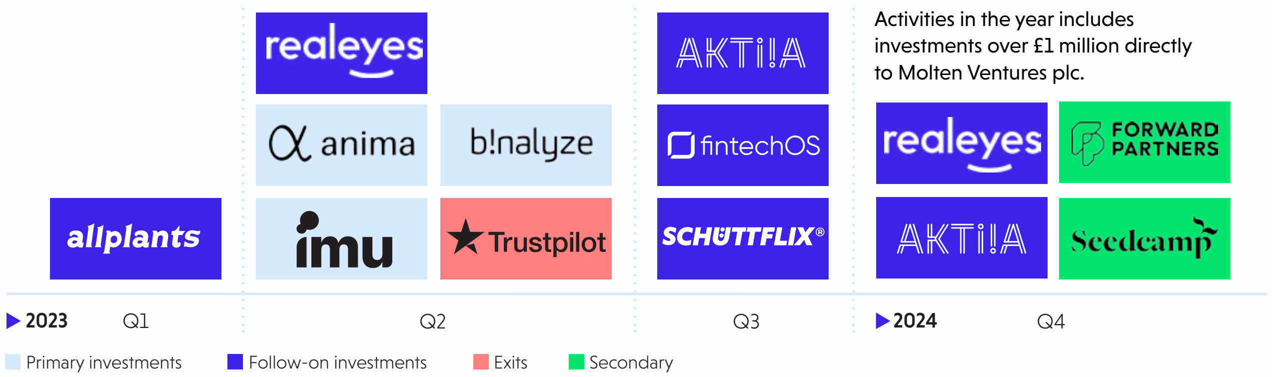
Portfolio valuations

The Gross Portfolio Value as at 31 March 2024 is £1,379 million, an increase of £8 million, net of investments, realisations and total fair value movement, from the 31 March 2023 value of £1,371 million. This represents a 1% increase in gross fair value, due to the increase in investments made in the year. £18 million is a net decrease, resulting from a £6 million increase in the gross fair value, offset by negative currency movements of £24 million. Valuations remain robust due to 97% of the portfolio value holding downside protection thanks to preference rights.

Our portfolio valuations process continues to follow the IPEV Guidelines and aligns to the market movements in the period; we have seen movements in some of our key assets to reflect public market comparatives. We continue to see overall revenue growth in our portfolio companies with forecast weighted average revenue growth in the core of over 63% in the year, reflecting the ongoing innovation and digital transition continuing across sectors.

The Core Portfolio is made up of 20 companies representing 62% of the Gross Portfolio Value. The core portfolio constituents has been updated to reflect the increase in valuation attributed to Freetrade, Perkbox, Riverlane and Smava, with PrimaryBid moving to the emerging portfolio category.

Our activities in the year



During the period, we invested £12 million directly into new and existing companies, including:

New Companies

Company	Stage	Who they are?
oliva	Early	Oliva is a B2B mental health platform offering online therapy to employees. By analysing thousands of data points on how employees use Oliva, created the Employee Wellbeing Index. Based on this, Oliva's advanced triaging matches employees with the ideal professional and wellbeing plan for them.
Morressier	Growth	The Morressier platform supports the entire pre-publishing journey, from hybrid and virtual conferences where research is shared in its earliest stages, to journal submissions, peer-review workflows, and AI-powered integrity checks.
b!nalyze	Growth	Binalyze is a cybersecurity company offering a digital forensics and incident response (DFIR) platform named AIR, designed to automate and streamline the collection, analysis, and management of digital evidence. It enables rapid evidence acquisition, compromise assessment, and triage at scale across network assets, significantly reducing incident response times and facilitating collaborative investigations.
anima	Growth	Anima provides a comprehensive healthcare platform that integrates various care management tools into one system, automating manual tasks and enhancing care team productivity. It supports online consultations, facilitates document processing, enables detailed analytics, and improves communication. Anima aims to streamline workflows, improve patient outcomes, and save clinical hours.
imu	Growth	IMU Biosciences is led by a team of world-class scientists in immunology. IMU has developed leading-edge biological and computational tools to interrogate the immune system. The company's technology platform generates a comprehensive analysis of immune system components in patient samples, so the company is generating novel data using existing hardware.

Follow-on

Company	Stage	Who they are?
allplants	Growth	allplants is an online platform and chef-to-customer delivery service aimed at providing delicious and healthy chef-made meals to make eating more plants less effort and more exciting. allplants dishes are flash-frozen, ensuring nutrition and taste are locked in and ready to eat in minutes.
Clue	Growth	Clue is a period tracking app, a trusted menstrual health resource, and a thought leader in femtech. By combining science and technology, Clue are actively changing the way people learn, access, and talk about menstrual and reproductive health around the world.
SCHÜTTFLIX	Growth	Schüttflix is a digital logistics platform for the construction industry, linking contractors, bulk material sellers, carriers, and disposers to enhance efficiency. Schüttflix digitizes traditional processes, providing timely deliveries, price transparency, and efficient route management to reduce emissions and waste. Schüttflix aims to streamline operations across Germany and expand into other European countries, driving sustainability and digital innovation in construction logistics.
AKTIIA	Growth	Aktiia is a health technology company specialising in continuous blood pressure monitoring without the use of a traditional cuff. The innovative wrist-worn device provides accurate and convenient monitoring, empowering individuals to manage their cardiovascular health pro-actively.
sweepr	Growth	Sweepr has developed a contextually adaptive technical support platform for connected homes. With Sweepr, consumer service providers and connected product manufacturers can transform how they offer technical support, enabling customers to resolve issues without calling customer care and improving time to resolve for any remaining issues that are escalated to traditional support channels.
realeyes	Growth	Realeyes utilises AI and computer vision to analyse how viewers react emotionally and attentively to digital media. By measuring real-time responses through device cameras, it enhances advertising effectiveness, supports identity verification, and improves applications in wellbeing and telehealth, providing insights across various industries.
fintechOS	Growth	FintechOS is a technology company that simplifies the creation and delivery of financial services. It provides a platform that accelerates the development of financial products, facilitating rapid deployment and service improvements. The platform supports sectors like retail banking, insurance, and embedded finance, helping businesses to efficiently launch and manage personalised financial services and enhance customer experiences. FintechOS aims to democratise access to advanced financial technology for companies of all sizes.

Fund of Funds

Our seed and early-stage Fund of Funds programme continues to expand, providing access to earlier stage companies, as well as deal flow opportunities for the highest quality companies from within these portfolios. During the financial year, we committed to another 6 funds, bringing our total commitments to 80 funds. Molten's commitments to new and existing seed funds at 31 March 2024 are £133 million, of which £84 million has been drawn to year-end £15 million during the year excluding external LPs). It is anticipated the remaining £49 million will be drawn over the next three to five years.

Earlybird

During this period, funds managed by Earlybird VI and Earlybird VII drew down £6 million. This allows us to continue to access earlier stage companies in Germany and Europe with the benefit of Earlybird's expertise.

Realisations

Total cash proceeds from realisation and distribution during the year are £39 million, comprised of £9 million during the period from the sale of Trustpilot shares in the public market, proceeds of £4 million from the acquisition of Friday Finance (formerly known as Airbank), and proceeds of £12 million from the sale of Earlybird VI shares.

Included within the £39 million of realisations in the year is realisations of £5 million from the Fund of Fund programme.

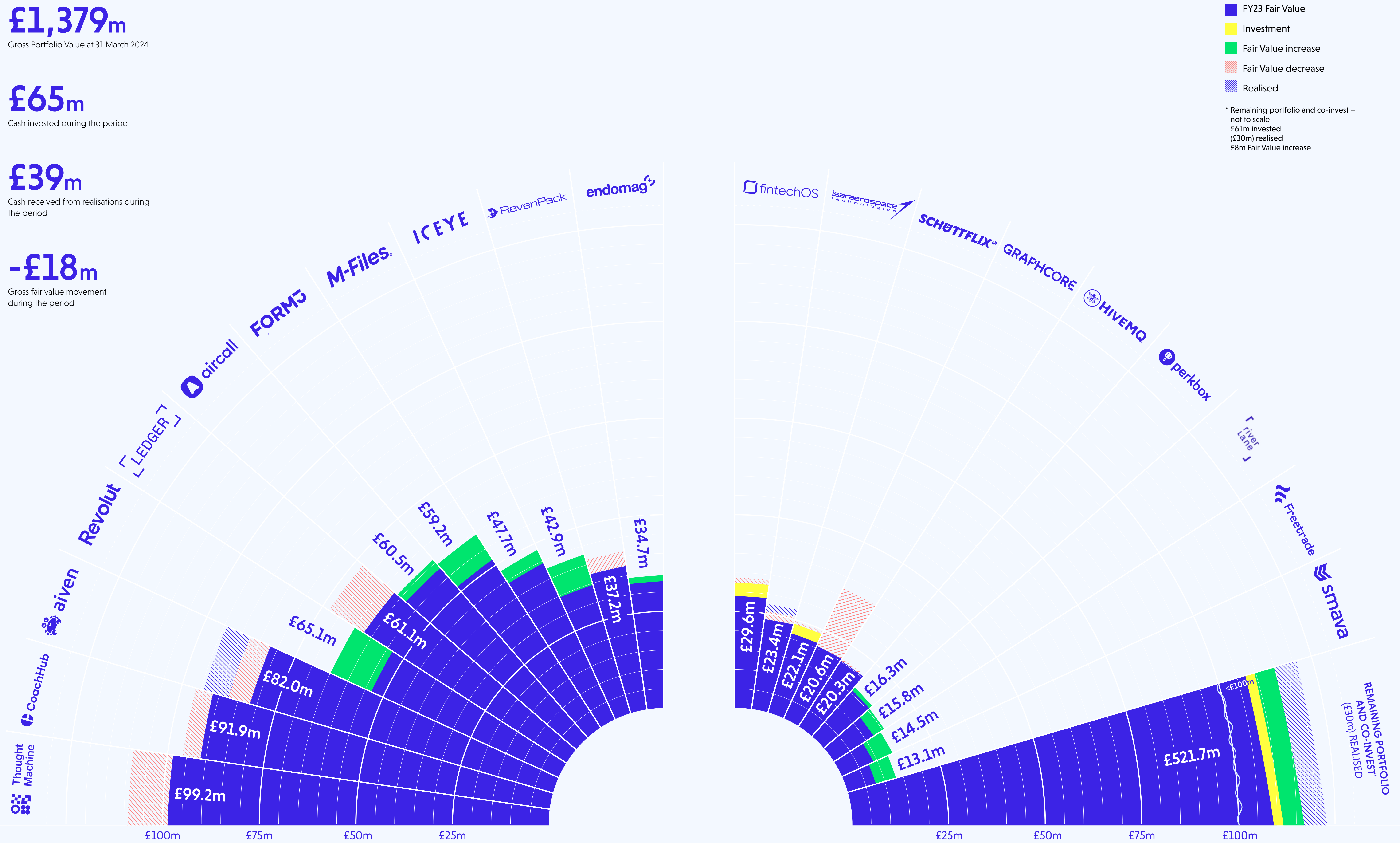
Our portfolio

£1,379m
Gross Portfolio Value at 31 March 2024

£65m
Cash invested during the period

£39m
Cash received from realisations during the period

-£18m
Gross fair value movement during the period



Portfolio review continued

The Molten Ventures Core Portfolio is made up of 20 companies representing 62% of the Gross Portfolio Value. New entrants to the core consist of Freetrade, Perkbox, Riverlane and Smava, with PrimaryBid moving to the emerging portfolio.

Note – narrative updates based on publicly available information from the Core Portfolio companies.

aircall

Aircall is a cloud-based customer phone and communication platform that is designed exclusively for sales and support teams. It is a fully cloud-based voice platform that integrates with existing CRM systems and helpdesk tools voice solution that eliminates any need for desk phones, and company teams can be set up across several locations in an instant with an internet connection.

Aircall won the "Business Phone System Innovation of the Year" award from RemoteTech Breakthrough for the second consecutive year in 2023. This recognises Aircall's innovations in their cloud-based business phone system. Further, Aircall participated in the "2023 Service Quality Benchmark Report Webinar" as part of World Certification Week hosted by HubSpot Academy.

Aircall launched their AI-powered call and voicemail transcription feature in May, which has expanded to new suite of AI features which will help business reduce time spent on busywork, admin, and training each week, saving on average 21 hours of time. Customers will be able to take a deep dive into AI-generated Call Summaries, Key Topics, and Talk-to-Listen Ratios.

The telephony market has evolved and with the introduction of VOIP (Voice Over Internet Protocol) Aircall drives value to its customers through actionable analytics, sentiment analysis and now AI applications. Aircall's integrations with CRMs and other lead generation-customer service applications has resulted substantial benefits for its clients. Aircall's early adoption into the call centre market positions it as a pioneer in the space having a deep longstanding customer relationships and expansion potential.

Location:
Paris, France

Sector:
Enterprise Technology

Invested:
£14m

Fair Value:
£61m

UN Sustainable Development Goals Mapping:

aiven

Aiven is a multi-cloud managed service provider which hosts and manages open-source databases and messaging-system solutions on all major cloud platforms. Aiven's products are built using public cloud infrastructure such as Apache Kafka, Cassandra, Elasticsearch, M3 and PostgreSQL, supporting developers around the world with building new applications, without having to manage backend infrastructure.

Aiven was named the 2023 Google Cloud Breakthrough Partner of the Year for the Europe, Middle East, and Africa (EMEA) region. This award recognizes Aiven's achievements in the Google Cloud ecosystem and helping joint customers unleash cloud innovation.

Aiven focused on lowering their CO_2 emissions from IT infrastructure, with key achievements including: developing an open source solution called "Cloud Carbon Footprint" to calculate CO_2 emissions and creating the ability for Aiven and its customers to calculate granular cloud emissions and energy consumption.

Aiven is a look-through investment held via Earlybird.

Location:
Helsinki, Finland

Sector:
Enterprise Technology

Invested:
£5m

Fair Value:
£82m

UN Sustainable Development Goals Mapping:

CoachHub

CoachHub is a global digital coaching and talent development platform that helps organisations to create personalised, measurable, and scalable coaching programmes on a one-to-one basis for entire workforces and teams. Coaching sessions are based on scientific research and market insights led by behavioural scientists and global research leaders to maximise business impact and drive innovation. These are delivered via an AI-enabled technology platform and seamless user experience. The coaching journey is delivered by c. 3,500 business coaches across six continents in more than 80 languages.

CoachHub launched the Innovation Lab, a transformative research initiative to facilitate innovation in digital coaching. The goal of CoachHub's Innovation Lab is to bridge the gap between research in people development and real-world organisational needs, ensuring that coaching practices are effective and aligned with the constantly evolving requirements of businesses.

CoachHub announced their new "Co-Development Hubs" offering in September 2023, offering a collective coaching appraoch. Co-development Hubs are 90-minute sessions with four to six peers facilitated by a trained coach who follows the co-development methodology.

Coachhub's platform and offering meets the needs of a rapidly transforming industry which is growing rapidly and where traditional formats are disrupted and new talent generations ask for more career development options. The business started in 2018 and is merging to be a global category leader with an impressive blue chip customer base. We currently observe that every major corporation is expected to coach their talent at scale by the end of the decade and that Covid-19 accelerated this transformation, which was already in motion.

Location:
Berlin, Germany

Sector:
Enterprise Technology

Invested:
£31m

Fair Value:
£92m

UN Sustainable Development Goals Mapping:

endomag

Endomag is a global developer of breast cancer technolgies, on a mission to improve breast cancer care by preventing unnecessary surgery, improving surgical outcomes, and making treatments more accessible, which can be made available at any hospital. Endomag produces surgical guidance products which allow surgeons to accurately remove cancerous tumours. Its products include the Magseed marker for magnetic tissue localization before surgery, the Magtrace lymphatic tracing injectable for breast cancer staging and the Sentimag platform, which supports both localisation and lymphatic tracings, without the use of radioactive materials.

Endomag was highly commended in the 2023 Medtech Company of the Year category by Cambridge Independent Science and Technology. In July 2023, Endomag raised over £2,000 for cancer charities. In September 2023 it named Royal Bolton Hospital as one of the UK's first 'Centres of Excellence', offering peer-to-peer education to physicians around the world to learn from experts in its technology.

Endomag pioneers the use of magnetic sensing technology to improve surgical guidance and accuracy for breast cancer treatment, through its range of innovative products: Sentimag, Magtrace and Magseed, now adopted in over 300 hospitals globally. It operates in a rapidly growing medical device space, particularly for technologies enhancing breast cancer care standards and patient experience. With significant funding rounds totalling more than $22 million, regulatory approvals, and a proposed strategic acquisition by Hologic (a global leader in women's health) in 2024 for c. $310 million, the deal is subject to working capital and other closing adjustments.

Location:
Cambridge, UK

Sector:
Digital Health & Wellness

Invested:
£9m

Fair Value:
£35m

UN Sustainable Development Goals Mapping:

Portfolio review continued

fintechOS

FintechOS is a global leader in high productivity fintech infrastructure (HPFI), and aims to simplify and accelerate the launch and service of innovative financial products. FintechOS achieves high speed product launches for major retail banks and insurance companies. These solutions give companies the ability to engage customers across new digital channels. With a low code/no code approach, their product facilitates interaction across technical and non-technical product teams at banks and insurers.

FintechOS announced 40% year-over-year revenue growth in 2023, with the company expecting to achieve profitability in 2024. Growth has been driven by winning new customers in strategic markets, including the US, UK, Continental Europe, and most recently Asia-Pacific.

In 2023, FintechOS announced strategic partnerships and collaborations, including with Mircrosoft,PwC, Weanalyze, and EY. FintechOS also received several accolades in 2023 - being named as a Representative Vendor in the 2023 Gartner Market Guide for Core Banking, Europe and Commercial Loan Origination Solutions, named as a Technology Standout Provider by Celent, and winning Insurtech Company of the Year at Fintech Awards London.

FintechOS's product is designed to be all about speed to market. The repeal and replace legacy technology method works for certain types of banks, typically larger Tier 1 banks, where it takes many years and at high cost. However, for the vast majority of the banks and insurance market, their technology stacks remain an amalgamation and accumulation of technology, they require technology that can seamlessly integrate with their existing stack and enable them to innovate to match and compete with FintechOS.

Location:
London, UK

Sector:
Enterprise Technology

Invested:
£30m

Fair Value:
£30m

UN Sustainable Development Goals Mapping:

FORM3

Form3 is a cloud native payments-as-a-service platform that designs, builds, and runs the technology that powers the future of payments. Removing reliance on outdated, complex and costly payments infrastructure through provision of a modern, real-time account-to-account payment platform, Form3's product is designed as a single-instance, multi-tenant architecture, meaning a single instance of the software supports multiple clients. When payment scheme rules change, banks face difficulties in adapting - Form3's technology once implemented is applied to all customers in real-time, seamlessly.

In September 2023, Visa announced its investment in Form3 embarking on a partnership to offer Form3's payment technology to its client base. Form3 continues to scale in the UK, Europe and the US, where it is has partnered with Thought Machine, another Molten portfolio company, to add FedNow, TCH RTP and SEPA Instant Credit Transfer connectivity to Thought Machine's payment platform, Vault Payments. This partnership brings together two next-generation payment solutions, offering banks and financial and financial institutions an end-to-end solution for seamless real-time payment processing.

In 2023, Form3 and its staff won multiple awards - including CEO of the Year (RemoteTech Breakthrough Awards), Payment Tech of the Year (UK Fintech Awards), Team of the Year - Engineering Team (Europe Fintech Awards), and Tech of the Future for Banks & Financial Institutions (Paytech Awards) - also being shortlisted for several others.

Payment schemes and systems are largely regional and defined by currency, they are governed by a combination of Governments, central and commercial banks. When payments scheme rules change, banks face difficulties in adapting, Form3's technology once implemented is applied to all customers in real-time, seamlessly. All major payments schemes around the world are shifting into and/or are looking at building real-time schemes which by design will require cloud-native software to support the implementation and continued maintenance.

Location:
London, UK

Sector:
Enterprise Technology

Invested:
£30m

Fair Value:
£59m

UN Sustainable Development Goals Mapping:

Freetrade

Freetrade is a commission-free investment platform that allows users to buy and sell shares in companies and exchange-traded funds (ETFs) without paying any trading fees or commissions. Freetrade aims to make investing more accessible and affordable by eliminating the traditional trading commissions charged by many brokers.

In 2023 Freetrade rolled out a beta version of its web interface, Freetrade Web, for Plus members to test. They now have over 1.5 million users with over 6,000 UK, EU and US stocks as well as ETFs.

Freetrade is the leading challenger broker in the UK and has an ambitious expansion plan across Europe. Freetrade positions itself as an investment platform designed to make investing more accessible and affordable for everyone, their mission is "to get everyone investing" by simplifying the process and offering commission-free trading, which to Molten, having decided to innovate the venture capital model and publicly list ourselves via our IPO to open up the VC model further to public investors.

Location:
London, UK

Sector:
Enterprise Technology

Invested:
£14m

Fair Value:
£15m

UN Sustainable Development Goals Mapping:

GRAPHCORE

Graphcore is a machine intelligence semiconductor company, which develops Intelligent Processing Units ("IPUs") that enable world-leading levels of AI computing. Graphcore has built a new type of processor for machine intelligence to accelerate machine learning and AI applications for a world of intelligent machines. The IPU architecture enables AI researchers to undertake entirely new types of work - such as building and deploying AI-native products and platforms using Graphcore's cloud services, pre-trained models, optimised inference engines, and APIs - thereby helping to drive advances in machine intelligence.

In 2023, Graphcore joined the PyTorch Foundation as a general member, and announced it was expanding its AI tools ecosystem, via IPU support from UbiOps. In December 2023, Graphcore also presented FP8 (8-bit floating point) research at the NeurIPS conference in New Orleans.

Graphcore is pioneering next-generation AI compute with its Intelligence Processing Unit (IPU), a massively parallel processor architecture optimized for machine learning workloads, delivering up to 100x better performance than legacy technologies. With over $300 million raised from strategic investors like Samsung, Microsoft, and leading VCs, Graphcore is well-positioned to become the global standard for accelerating AI applications across industries. Its IPU products are already shipping in production volumes, addressing the rapidly growing $50+ billion AI compute market. With proven technology execution, strategic partnerships, and a vast market opportunity, Graphcore represents a compelling investment in the AI hardware landscape.

Location:
Bristol, UK

Sector:
Hardware & Deeptech

Invested:
£24m

Fair Value:
£21m

UN Sustainable Development Goals Mapping:

Portfolio review continued

HIVEMQ

HiveMQ's messaging platform (MQTT) is designed for the fast, efficient and reliable bi-directional movement of data between device and the cloud. The HiveMQ MQTT platform is the proven enterprise standard designed to connect, communicate, and control IoT data under real-world stress. From its roots in the automotive industry in Germany, HiveMQ has grown into other sectors and internationally. Leading brands choose HiveMQ to build smarter IoT projects, modernise factories, and create better customer experiences in use cases in automotive, energy, logistics, smart manufacturing, transportation, and more.

In 2023, HiveMQ expanded community channels and platform offerings, released several new versions of the platform, and released new integrations. 2024 marks the 25th anniversary of MQTT, now the standard IoT protocol, and in early 2024 HiveMQ received a 2024 IoT Evolution Industrial IoT Product of the Year Award from IoT Evolution World.

HiveMQ, announced the opening an office in Boston in response to the company's rapid growth. HiveMQ's Boston office will serve as a hub for U.S. sales, support and executive leadership, as total revenues have doubled year over year and the U.S. market currently accounts for 60 percent of the German company's revenues.

HiveMQ provides an enterprise MQTT messaging platform that enables reliable, scalable and secure connectivity for IoT devices to the cloud. With an early mover advantage in MQTT, the de-facto IoT messaging standard, HiveMQ is well-positioned to capitalize on the rapidly growing $2.4 trillion IoT market. Already generating significant revenue with over 130 Fortune 500 customers, HiveMQ has raised over €49 million from investors.

Location:
Munich, Germany

Sector:
Hardware & Deeptech

Invested:
£20m

Fair Value:
£20m

UN Sustainable Development Goals Mapping:

ICEYE

ICEYE operates a synthetic-aperture radar satellite constellation designed to deliver monitoring capabilities for any location on earth. ICEYE US - a subsidiary of ICEYE, delivers reliable and innovative remote sensing capabilities to the United States Government, its allies and commercial partners using SAR technology. It is a commercial radar imaging satellite company and provides imaging services, designed to deliver frequent coverage, 24/7, to help clients resolve challenges in sectors such as maritime, disaster management, insurance, and finance. ICEYE's SAR (synthetic aperture radar) satellites enable the company to develop unparalleled insights without the need for line-of-sight.

In April 2023, ICEYE US was awarded a five-year blanket purchase agreement by NASA to provide radar satellite imagery for evaluation in support of Earth Science and Research. In November 2023, ICEYE announced its landmark partnership with the European Space Agency (ESA) that promises to redefine Earth Observation (EO) for enhanced disaster management and community resilience. As of 2024, ICEYE is also partnering with WWF Finland and the global Arctic Programme to protect whale migration routes in the Arctic region.

In April 2024, ICEYE, announced a definitive agreement signed for an oversubscribed $93M growth funding round. The financing will further accelerate investment in constellation of SAR satellites and expand the company's portfolio of innovative data and subscription products. The round builds on the success of the Series D round in February 2022, bringing the total amount raised to $438M.

Satellite imagery is fast becoming a standardised tool to gain valuable insights across a variety of industries. With the global climate and international defence in focus, governments have leaned heavily on public funded space programs which in more recent years has sparked strong participation from the private sector. ICEYE's SAR (synthetic aperture radar) satellites enable the company to develop insights without the need for line-of-sight, ICEYE can see through clouds and offer more reliable data for their clients around the world, including some of the largest global insurance companies and governments. ICEYE has signed deals with the likes of the Centers for Disease Control and Prevention (CDC) in the US and the Australian government to detect natural disasters like floods and bushfires.

Location:
Espoo, Finland

Sector:
Hardware & Deeptech

Invested:
£23m

Fair Value:
£43m

UN Sustainable Development Goals Mapping:

isaraerospace technologies

Isar Aerospace develops and builds launch vehicles to perform satellite launch operations. To disrupt the space industry by lowering the entry barriers to space and to make space access affordable and sustainable, Isar Aerospace is developing a fully in-house designed space launch vehicle. As a launch service provider, Isar Aerospace transports small and medium sized satellites, and satellite constellations, into Earth's orbit and beyond, contributing to humanity's progress and our planet's sustainable technological and economic development.

In November 2023, Isar Aerospace opened Andøya Spaceport, its future launch site, in an official ceremony with Crown Prince Haakon of Norway. The launch site supports the two-stage launch vehicle Spectrum. Isar Aerospace is on track towards the first test flight, and will soon offer the first fully privately funded European launch solution to meet the growing demand for transporting small and medium-sized satellites into space.

Isar Aerospace conducted a successful test of its fully in-house designed and built Aquila rocket engine at the Esrange test site in Sweden as in October 2023. Further, Isar was named "Startup of the Year" at the 2023 SpaceNews ICON Awards, recognizing the company's achievements and growth over the past year.

Isar Aerospace is a look-through investment held via Earlybird.

Location:
Munich, Germany

Sector:
Hardware & Deeptech

Invested:
£4m

Fair Value:
£23m

LEDGER

Ledger produces hardware wallets to store private keys in a secure, offline environment. Hot wallets are susceptible to online attacks and Ledger's hardware wallets provide enhanced security to prevent fraudulent access to crypto assets digitally, so customers can integrate their Ledger device with 50+ software wallets. In addition to their hardware wallet product offering, Ledger has also built a full stack software platform to help customers buy, sell, swap, stake, and lend their crypto assets securely - the Ledger Live app provides a secure gateway to access dApps and blockchain apps, allowing you to manage your cryptocurrencies, finances, NFTs and Crypto assets from one easy-to-use interface.

In June 2023, Ledger announced Ledger Enterprise TRADELINK - core tech and governance to help institutions manage crypto trading risk and regulation with custodial trading solutions. Throughout 2023, Ledger also consistently announced that it had partnered with various protocols, apps, and networks, integrating them into its Ledger Live ecosystem, which were featured to customers through the 'Discover' feature on the Ledger Live app.

Ledger Stax is Ledger's latest hardware wallet, it features a large, curved E Ink touch screen in a compact, credit card-sized form factor that is easy to carry and use on the go. Despite its innovative design, the Stax maintains Ledger's industry-leading security standards. It uses the same secure element chip and proprietary BOLOS operating system as other Ledger devices to keep your private keys and crypto assets safe offline.

Ledger is the leading provider of secure hardware wallets and software solutions for managing cryptocurrencies and other digital assets. The company's innovative products, like the Nano S and Nano X hardware wallets, enable individuals and institutions to safely store, trade and grow their crypto holdings.

Location:
Paris, France

Sector:
Hardware & Deeptech

Invested:
£29m

Fair Value:
£61m

UN Sustainable Development Goals Mapping:

Portfolio review continued

M-Files

M-Files is an intelligent file management platform allowing its customers to organise their content to improve search efficiency, categorisation, and document security. From document creation and management to workflow automation, external collaboration, enterprise search, security, compliance, and audit trail, knowledge workers can increase productivity and unlock efficiencies with M-Files' industry-tailored solutions. Its metadata-driven document management platform enables knowledge workers to instantly find the right information in any context, and the platform connects to existing folder networks and uses AI to help best categorise information.

In 2023, M-Files announced it had made enhancements to its platform, offering knowledge workers a truly end-to-end automation solution. Powered by emerging Generative AI (GenAI) technology, the M-Files Aino platform uses natural language to help organise information, understand the context of documents, and interact with an organisation's knowledge.

M-Files is operating at significant scale with high quality customers, the business has executed well and grown their share of the document and content management space. They have been able to architect their product offering using a location agnostic approach allowing their powerful AI and workflow automation features to create real value for customers. Their sticky product has resulted in low churn across their 5k+ customers currently generating over $100m in annual revenues (2023). At this scale, the company is an interesting asset for a variety of market participants.

Location:
Austin, USA

Sector:
Enterprise Technology

Invested:
£7m

Fair Value:
£48m

UN Sustainable Development Goals Mapping:

perkbox

Perkbox is an employee experience platform that provides a suite of employee benefits, rewards, recognition, and wellbeing tools to help companies engage and motivate their workforce. Being an all-in-one platform that helps companies attract, engage, and retain employees by offering a comprehensive suite of benefits, rewards, recognition, wellbeing support, and communication tools tailored to their needs.

Perkbox is striving to become a disruptor and innovator in the employee benefits and engagement space; through its cloud-based, comprehensive product offerings, and growth-focused approach. In March 2024, Perkbox announced that it is combining with Vivup, a leading provider of health and wellbeing benefits, through a strategic majority investment from private equity firm Great Hill Partners.

Location:
London, UK

Sector:
Enterprise Technology

Invested:
£14m

Fair Value:
£16m

UN Sustainable Development Goals Mapping:

RavenPack

RavenPack is a leading provider of insights and technology for data-driven companies. The company's AI tools and products allow financial institutions (including the most successful hedge funds, banks, and asset managers in the world) to extract value and insights from large amounts of information to enhance returns, reduce risk, and increase efficiency by systematically incorporating the effects of public information on their models and workflows. RavenPack delivers structured analytics on published content from high-quality sources (including gated content) and over 40,000 web and social media sources, including news and information in 13 languages for local-level precision and global perspectives.

In 2023, RavenPack was shortlisted at the 2023 Allstars Awards - a recognition platform for outstanding achievements in Europe's technology sector, organised by GP Bullhound. Throughout the year, RavenPack representatives also attended and presented at numerous national and international events to share recent research and insights, including details of the latest trends.

We have been invested in Ravenpack since 2017 where we were the first institutional backers of the business. The team has been together for over 20 years and offers a truly differentiated data product focused on the financial services and buy side sector. Their high-quality client base of well-known investment banks and hedge funds have been using Ravenpack data for many years to help optimise returns and understand market sentiment on companies around the world. With the rich nature of Ravenpack's underlying data, they are leading the AI charge with respect to financial services and will undoubtedly be bringing more interesting products to market.

Location:
Marbella, Spain

Sector:
Enterprise Technology

Invested:
£8m

Fair Value:
£37m

UN Sustainable Development Goals Mapping:

Revolut

Revolut is a global financial services company that specialises in mobile banking, card payments, money remittance, and foreign exchange. With 40+ million personal customers globally, Revolut's platform allows users to send money to 160+ countries, hold up-to 36 currencies in the app, and spend in 150+ currencies. Revolut also boasts 500k+ business customers to date. Revolut's goal is for everyone to do all things money - spending, saving, investing, borrowing, managing, and more - in just a few taps.

In 2023, Revolut expanded into new markets, including Brazil and New Zealand. In the same year, Revolut also significantly overhauled the design and layout of the app, launched Ultra (its exclusive top-tier plan for retail customers) in specific markets, and rolled out new features across specific territories and customer segments - including Automated Investing (US), local IBANS (Spain and Ireland), and enabling Tap to Pay on iPhone for Business and Freelance customers in specific markets. Revolut, has surpassed 40 million retail customers worldwide, growing at almost one million customers per month, and is now processing over 400 million transactions a month.

Revolut is transforming the banking industry by providing a comprehensive financial super app that offers retail and business customers a wide range of innovative digital financial services. From multi-currency accounts and cards to commission-free stock trading, cryptocurrency exchange, insurance, and business banking tools, Revolut aims to be a one-stop-shop for all financial needs.

Revolut generates revenue from a variety of sources including interchange fees, foreign exchange spreads, trading commissions, premium subscription fees, and business account fees. This diversification, along with a focus on cross-selling products to existing customers, has enabled Revolut to achieve strong revenue growth.

Location:
London, UK

Sector:
Consumer Technology

Invested:
£11m

Fair Value:
£65m

UN Sustainable Development Goals Mapping:

Portfolio review continued

Riverlane

Riverlane is a quantum computing company that is building the Quantum Error Correction Stack to comprehensively control all qubit types and correct the millions of data errors that prevent today's generation of quantum computers from achieving useful scale. Riverlane's customers are governments, quantum computer hardware companies and world-leading research labs.

Riverlane hosted the 4th edition of Quantum Computing Theory in Practice conference in Cambridge, UK with over 240 attendees from academia, industry, and government. The conference explored advances in practical quantum computing, including NISQ algorithms, error-corrected quantum computers, and frontiers in quantum computing theory.

Riverlane demonstrated the world's first scalable quantum error decoder, a critical component for the first generation of error-corrected quantum computers, at this UK government-backed event.

They are pioneering quantum computing company focused on developing the critical quantum error correction stack, including high-speed decoders, orchestration, and universal interfaces, to enable large-scale, fault-tolerant quantum computing in partnership with hardware makers.

Location:
Cambridge, UK

Sector:
Hardware & Deeptech

Invested:
£5m

Fair Value:
£16m

UN Sustainable Development Goals Mapping:

SCHÜTTFLIX®

Schuttflix is Europe's leading logistics platform and B2B marketplace for bulk construction materials and adjacent products in Europe. Bringing together partners from the whole industry - including materials sellers, waste disposers, transport carriers, and contractors - the app connects suppliers and carriers directly with customers, enabling the supply of materials and products on demand to professionals in relevant sectors, such as landscaping, gardening, civil engineering, and road construction. By providing a comprehensive overview of project details - such as materials ordered, prices, delivery dates, key carrier company contacts, and more - Schuttflix has laid the foundation for the digital evolution of construction industry logistics, and is on a mission to be the digital cornerstone of every construction project.

In 2023 year Schuttflix further expanded its circle of new strategic partners - including Goldbeck (leaders in commercial construction), IK Umwelt (waste management specialist), WaVe-X (Lower Austrian investment company). In August Schuttflix announced that it had received a total of 45 million euro in fresh capital. The new financing round is led by the founders and existing investors and supplemented by a working capital line.

The construction industry is under pressure to improve efficiency, reduce emissions, and adopt digital solutions. Schüttflix's platform provides key capabilities like paperless delivery documentation, live tracking, price comparison, and optimized route planning to help construction companies streamline operations and reduce waste. The company connects contractors, bulk materials suppliers, waste disposal companies, and freight forwarders to enable efficient procurement, disposal, and transportation of key materials like gravel, sand, and concrete.

With its innovative digital platform, strong investor backing, rapid growth, and ability to address key industry challenges, Schüttflix represents a leader in the digital marketspace in the construction technology sector.

Location:
Gütersloh, Germany

Sector:
Enterprise Technology

Invested:
£21m

Fair Value:
£22m

UN Sustainable Development Goals Mapping:

smava

Smava is an online credit marketplace in Germany, providing individuals access to personal loans and debt consolidation solutions. Founded in 2007 and based in Berlin, Smava connects borrowers with a diverse network of lenders, empowering them to compare and secure the best loan offers. Through its user-friendly platform and data-driven algorithms, Smava streamlines the loan application process, fostering transparency and competition among lenders. With a commitment to responsible lending practices and customer satisfaction, Smava has earned a reputation as a trusted partner in the German financial landscape, enabling consumers to make informed financial decisions and achieve their goals.

In 2023, Smava optimized their data platform by leveraging Amazon Redshift Serverless and data sharing capabilities. This optimization enabled them to achieve up to cost savings compared to their previous analytics setup, produce reports in a shorter lead time and reducing daily reporting time from 3 hours to less than 1 hour.

Smava is a look-through investment held via Earlybird.

Location:
Berlin, Germany

Sector:
Enterprise Technology

Invested:
£15m

Fair Value:
£13m

UN Sustainable Development Goals Mapping:

Thought Machine

Enabling service of customers in a real-time ecosystem, Thought Machine provides cloud-native core banking infrastructure to both incumbent and challenger banks. With an existing library of 200+ products, its cloud-native offering - including Vault Core (core banking platform) and Vault Payments (payments processing platform) - is designed to give banks total flexibility in designing products that are scalable. The company's technology provides an alternative, flexible, cloud-based solution that can be configured to provide product, user experience, operating model, or data analysis capability. Emerging as a global category leader in this space, Thought Machine's ability to build and deliver core banking transformations for Tier 1 banks and fintechs is world class.

In 2023, Thought Machine announced strategic partnerships with several national and international fintech businesses, including HMBradley, Cordada (Latin America), Form3 (US and EU) and Trafalgar (Mexico).

Thought Machine, has partnered with another Molten Core company, Form3, to add FedNow, TCH RTP and SEPA Instant Credit Transfer connectivity to Thought Machine's payment platform, Vault Payments. This partnership brings together two next-generation payment solutions, offering banks and financial institutions an end-to-end solution for seamless real-time payment processing.

Banks are struggling with siloed information sources in on-premise technology stacks with leading neobanks paving the way towards a real-time world class customer experience, banks have no choice but to adopt a cloud native core banking systems and build a single source of truth, that will help then build highly personalised products early in the journey of interacting with customers and be able to do so at lower costs.

Location:
London, UK

Sector:
Hardware & Deeptech

Invested:
£37m

Fair Value:
£99m

UN Sustainable Development Goals Mapping:

Stakeholder engagement and Section 172 statement

The Board is bound by its duties under the Companies Act 2006 to promote the success of the Company for the benefit of its shareholders as a whole, having regard to our other key stakeholders. The Board believes that in order to deliver its strategy and achieve long-term sustainable success, it must consider the interests of all stakeholders. We recognise that engagement with stakeholders in order to understand their needs and considering the impact of decisions on them is key to the continued success of the Company.

Our approach

The Board considers its key stakeholders to be its employees, its portfolio companies, its investment partners, the community in which it operates, the environment, its suppliers and advisers, and its Shareholders. Having regard to this range of interests and balancing the potential outcome for the different stakeholder groups, is a key part of the Board decision-making process. Not all engagement is directly between stakeholders and the Board. Where engagement is not with the Board, the output informs business level decisions made by Executive management, an overview of which is fed back to the Board through regular reporting and focus on strategic topics.

Effectiveness

The engagement mechanisms described below are kept under review by the Board and new engagement methods are expected to develop as the Company grows, as seen with the use of the Investor Meet Company platform in the last financial year, for example.

Key decisions during the year

In discharging its duties, the Board considers the views of its stakeholders, alongside other considerations such as risk, and legal and regulatory compliance. Board decision-making is supported by the provision of reports and papers circulated prior to the formal Board meetings, regular dialogue between Executive and Non-Executive Directors, and in-person presentations from management and advisers. Where appropriate, papers and presentations provide analysis of the impact of proposals on stakeholder groups and the long-term consequences for the business.

01 Employees

Why these stakeholders are important

Our most valuable asset is our people and engagement with employees by the Executive and Non-Executive teams promotes a strong business-wide corporate culture of governance, which facilitates the ability of decision-makers to appropriately discharge their duties and reduce or remove exposure to unacceptable levels of risk.

Engagement also reinforces the Board's commitment to our positive culture, diversity and inclusion, and aims to ensure that employees feel supported and engaged with the Group's strategy.

How we engage

- Due to the Group's relatively small employee base, the Executive Directors engage directly with employees on a day-to-day basis. The Non-Executive Directors have an open invitation to attend weekly Investment Committee meetings and speak with employees in person, both during the investment decision-making process and in informal social settings.
- Gervaise Slowey is the Designated Non-Executive Director with responsibility for workforce engagement. Gervaise maintains close contact with the staff through the ESG Working Group and additional meetings with various different teams or cross-sections of employees. Feedback on the engagement at those sessions is provided directly to the Board.
- HR undertakes regular anonymous employee surveys to provide people-centric insights to the Board, and the results of such surveys are presented to the Board.
- In its decision-making process, the Board regularly considers the impact of its decisions upon the Company's staff and affiliated personnel as well as the surrounding business culture. Employee engagement is a standing item in the CEO's Report to the Board at each meeting where it's effectiveness is appraised.

Key decisions and outcomes

- Third consecutive annual employee inflationary pay increases and one-off payments to address the cost-of-living crisis.
- The ESG Working Group is focussing on company culture in calendar year 2024, as it seeks to further embed the corporate purpose and company values.
- The Board and Remuneration Committee reviewed the Company's performance against the corporate targets set at the beginning of the financial year, which are also embedded in employees' individual targets and contributes to their annual performance assessment and any bonus entitlement.
- The Company introduced and extended several employee wellbeing initiatives including access to coaching and wellbeing support from portfolio companies CoachHub and Oliva and employee reward company Perkbox. The benefit of these services was identified in employee surveys and discussed at an all-staff meeting.

02 Portfolio companies

Why these stakeholders are important

Our open and inclusive approach is key to the hands-on way in which our team supports the growth of our portfolio companies. As an active manager, engagement with portfolio companies through all stages of growth allows us to better support those businesses and their management teams via access to our expertise, capital and wider network. Our approach to portfolio engagement also provides us with better visibility on portfolio company practices, progress and culture, which in turn informs the way in which we are able to provide support.

How we engage

- We have regular contact with our portfolio companies by taking a board directorship or attending meetings as an observer, as well as through informal channels by building strong relationships with entrepreneurs and their leadership teams. Many of our team offer specific domain expertise relevant to the business of our portfolio companies and also bring operational experience as technology entrepreneurs in their own right, which enables us to provide companies with tailored connections and advice.
- A key asset for Molten's brand is the ability to help our portfolio companies connect to potential enterprise customers. For the past two years Molten has hosted an annual event which brings together Molten portfolio companies with high value potential customers. The events typically comprise panels designed to allow both parties a greater insight into the needs of the other party.
- Our Portfolio Acceleration Function helps companies maximise execution within their runway, ensuring efficient use of resources and time. Best in class practices are adopted by capturing and sharing high-performance behaviours and processes tailored to each company's needs. This support is offered across the following pillars:
  - supporting the entire talent acquisition process and people operations;
  - providing go-to-market support to optimise and scale revenue operations for sustainable growth, defining commercial strategies and enhancing companies' public profiles;
  - helping assess companies' readiness for internationalisation and providing an operational network to support setup across various domains;
  - assisting with the exit and fundraising preparation by helping define the equity story throughout companies' growth journey;
  - community building by hosting curated events and facilitating functional executive peer groups; and
  - supporting our founders' mental health by partnering with Oliva to provide therapy, workshops and promote well-being, as well as providing support to adverse world events such as the conflict in Ukraine.

Key decisions and outcomes

- Investment decisions were made to acquire Forward Partners Group plc, acquiring over 40 new direct investments, and a secondary position in Seedcamp Fund III, increasing our LP positions in certain existing assets.
- As part of our Portfolio Acceleration Function, the Company conducts annual CEO Summits for portfolio CEOs and our senior investment team members. The theme of each Summit is crafted to best reflect the market environment. Our 2023 Summit hosted 30 CEOs at a conference retreat in Chamonix, comprising a series of workshops focused on mental resilience and sustaining high performance leadership in challenging environments.
- In FY24, together with the support of Accenture, we have focused on designing and executing our portfolio engagement strategy, as set out in our Climate Strategy (see full disclosure on pages 12 to 14 of our FY24 Sustainability Report). This engagement involved tailored climate workshops focusing on improving select portfolio companies' climate literacy and alignment to the Net Zero transition through the provision of tools, resources and best practice guidance.

03 Investment Partners

Why these stakeholders are important

Leveraging our co-investment model offers improved access to the best deals and, by extension, the opportunity to achieve the best returns for all of our stakeholders. Through active collaboration with like-minded investment partners, we achieve cultural alignments and can provide a broader range of collaborative investment optionality to our prospective and existing portfolio companies.

How we engage

- For UK qualifying investments, the Group operates a multi-faceted investment strategy across plc balance sheet investing; EIS investments managed by Encore Ventures LLP; and VCT investments via Molten Ventures VCT plc (an entity which sits outside of the Group but is managed by wholly-owned subsidiary AIFM, Elderstreet Investments Limited).
- We work closely with our investment partners to ensure an alignment of culture and long-term goals that allow for sustainable growth and positive returns and outcomes for all our key stakeholders. Board consideration is regularly given to the strategic positioning and relationship between the Group and its investment partners. The Executive team engage directly with our investment collaborators on a regular basis.

Key decisions and outcomes

- The Group participated and submitted a proposal to HM Treasury's Long-term Investment For Technology and Science (LIFTS) consultation.
- The Group became a signatory to the Investment Compact for Venture Capital & Growth Equity.
- In November 2023, the Company hosted the second annual Corporate Innovation event. The discussion, under Chatham House rules, offered a deep dive into the relationships between startups and corporates and provided a candid exploration of the challenges and strategies inherent in these collaborations.

Stakeholder engagement and Section 172 statement continued

04 The community

Why these stakeholders are important
We are committed to building engagement with the community, particularly in the context of our continued focus on sustainability, environment, social and corporate governance issues.

How we engage
- The Group regularly holds thematic events across the regions and sectors we focus upon, which are open to members of the entrepreneurial ecosystem and others within the broader community.
- In addition to enabling our portfolio companies and wider partners to meet and gain valuable insight, these events also give us regular opportunities to engage with these communities and strengthen our relationships and influence within them.
- As signatories to the UN Principles of Responsible Investment, we are committed to encouraging dialogue around ESG themes.

Key decisions and outcomes
- The Company is a signatory to the UK Government's Investing in Women Code and submitted data on pitch decks received during a six-week period in 2023.
- During the year the Esprit Foundation, made its first grants with the objective of advancing education for the public benefit and especially those under the age of 30, primarily in technology, business and entrepreneurship. Please see our inaugural separate Sustainability Report.

05 Shareholders

Why these stakeholders are important
The Board recognises the critical importance of understanding, and aligning to, the expectations of our Shareholders. Regular dialogue with Shareholders through a range of different channels helps us to understand their short and long-term views; engage with their ambitions; and address their concerns.

How we engage
- Regular communication with institutional Shareholders is maintained through individual meetings hosted by members of the Executive team, particularly following the publication of interim and full-year results.
- The Company hosted several sessions on the Investor Meet Company platform throughout the year whereby the Executive Directors presented the interim and annual results, a post-acquisition update on Forward Partners and members of the Investment Team gave thematic presentations on the portfolio, including fintech, AI and digital health.
- The CEO, CFO and members of the investment team have presented regularly via the Investor Meet Company platform in FY2024, covering topics including artificial intelligence, digital health, fintech and the acquisition of Forward Partners Group plc as well as the traditional events following the publication of interim and annual results. Attendees are able to submit questions in advance and during the presentation via the platform.
- The Company's largest Shareholders are invited to attend our annual Investor Day at which a selection of portfolio companies are invited to present, allowing for direct engagement between Molten, its Shareholders and our portfolio companies.
- The Board encourages Shareholders to attend and vote at the Company's Annual General Meetings, at which members of the Board are in attendance and available for Shareholder questions. The Board also received and responded to direct written correspondence from two major shareholders prior to the Annual General Meeting.
- Investor relations are a standing item on the Board's agenda and at the weekly meeting of the Executive Team.

Key decisions and outcomes
- The Board approved the wall-crossing of major shareholders to the extent permitted under the Market Abuse Regulation and Takeover Code to engage with them on the capital raise completed in December 2023. As evidenced by the voting results at the general meeting to approve the equity issuance, the majority of shareholders were supportive. The Company remains committed to a constructive and positive relationship with all its shareholders and the dialogue with shareholders during the general meeting notice period helped the Board to better understand their specific concerns and to ascertain the rationale behind their votes cast against the resolution. The Board believes it has a clear understanding of why certain shareholders chose to vote against the equity issuance and in a number of cases, this was in accordance with the internal policies of the respective shareholders.
- Laurence Hollingworth is meeting major shareholders over the course of his first year in post as Chairman and reports to the Board on this engagement.
- The Board engaged with shareholders in regard to meeting Board diversity targets and made progress on the achievement of these during the year as detailed further in the Nomination Committee Report.

06 Suppliers and advisers

Why these stakeholders are important
Our suppliers work with Molten and the broader Group to ensure that we can provide an appropriate level of service and to bolster the work carried out by the Molten team.

By being selective in our choice of suppliers and fostering robust relationships with those that we choose to work with, we ensure that the Group efficiently and sustainably engages the right services for our business in line with applicable laws, regulations and best practice.

How we engage
- The Group engages its material suppliers (locally and, where appropriate, globally) on the basis of proven track record with observance of minimum levels of performance, ethics and governance in order to create value and mitigate risk.
- The Group has a positive and open relationship with all of its advisers. Regular contact is maintained to ensure alignment of expectations and interests.

Key decisions and outcomes.
- Engaged several portfolio companies to provide services to the Company, including CoachHub, Oliva, Perkbox and Altruistiq. The Board approved the Group's Modern Slavery Statement, which contains details of the risk assessment and due diligence processes in place for our suppliers on the issue of modern slavery.
- Implemented a Group Sustainable Procurement Policy which focuses on waste reduction, carbon savings and engagement with suppliers, to assess sustainability integration into their own operations.

07 The environment

Why these stakeholders are important
Environmental, Social and Corporate Governance (ESG) opportunities have become increasingly important to the Company and to the wider business community, particularly in respect of climate change and greenhouse gas emissions.

Engagement with ESG-focused strategies is of ever-growing significance, both from a broad planetary/societal perspective, but also in the context of evolving investor expectations within the VC community.

How we engage
- The Chair of the ESG Committee receives regular updates from the ESG Working Group, which comprises members from several areas of the Group. A report from the ESG Committee Chair can be found on page 81.
- The Board receives regular updates on progress against the agreed ESG KPIs, which are set out on page 48 for the previous year and page 49 for the year ahead, which are indexed to 10% of the corporate remuneration-related targets of all staff (including the Executive Directors).
- Further details of the Group's ESG-related activities are provided in the Company's inaugural Sustainability Report.

Key decisions and outcomes
- Appointed Lara Naqushbandi as a member of the ESG Committee, bringing additional expertise and operational experience of climate solutions.
- The Committee recommended the Company publish a Sustainability Report separately to coincide with the publication of the Annual Report. This decision was made following engagement with service providers, contributors and the Company's auditor and considered emerging practice within the wider asset management and financial services sector.
- A dedicated Board ESG strategy day will be held in FY25 to fully review the ESG capability in the Group and mid to long-term KPIs.

Principal decisions taken during the year

Issuance of equity by placing, subscription, retail offer and offer for subscription (the "Fundraise")

How the Board considered section 172 matters in making its decision

The Board considered whether the proposal to shareholders to issue equity was aligned with the interests of shareholders and the Company's strategy. The Board consulted with its advisers and shareholders to the extent possible under wall-crossing rules and determined that the Fundraise would continue to support Molten Ventures' existing high-growth technology portfolio by enabling selective follow-on investment opportunities as Molten Ventures' portfolio companies continue to grow; allow primary investments in new portfolio companies to capture exceptional opportunities as the valuation environment stabilises; continue to appraise complementary (including secondary) acquisition opportunities; and fund the Company's operational capital costs.

All-share acquisition of Forward Partners Group plc (the "Acquisition")

How the Board considered section 172 matters in making its decision

The Board considered whether the proposal to acquire Forward Partners Group plc was aligned with the Company's purpose and strategy, as well as its shareholder-approved investment policy. The Directors were satisfied that the acquisition would support the Company's corporate purpose and also considered whether the proposal would create long-term financial and sustainable value for the Group's stakeholders. The Board concluded that the Acquisition would result in a larger, more diversified and better capitalised platform, well positioned to both support its existing investee companies and capitalise on the opportunities arising during this period of market dislocation and depressed valuations.

The Board further agreed that the Acquisition would provide additional resource and support for Forward Partners' portfolio companies as well as afford the Group the opportunity to explore follow-on opportunities in an earlier stage portfolio as those businesses grow. The Board believes that the addition of Forward Partners' portfolio into Molten's own portfolio, combined with the expertise of the Molten investment team and the support of an enlarged platform, will enhance the position of the Group to deliver long-term success.

Sustainability at Molten

Our sustainability principles.

Innovation & Ambition:
A model to do things differently and better. We help our entrepreneurs to change the world with our depth of experience, expertise and drive.

Collaboration & Community:
We're a team of teams working with our community and stakeholders to get the best results and inspire the next generation of entrepreneurs. It's always a group effort.

Honesty & Integrity:
Trust is built on doing the right thing for the right reasons. We act with integrity and give it straight, even when it isn't easy to hear.

Long-term & Accountability:
The long-term future requires action and accountability now. Our evergreen outlook allows us to see the bigger picture. Our governance structures keep us aligned and accountable to our long-term values and goals.

Inclusivity & Diversity:
We embrace our differences to build a better, fairer future for all. We seek the brightest and the best, regardless of race, nationality, ethnic origin, religion, gender, sexual orientation, age, or disability.

Our approach to Responsible investment.

As responsible investors, we are committed to developing best-in-class technology companies which are grounded in ESG principles and practices and believe that our greatest influence as an investor is to educate, upskill and engage with our portfolio companies to ensure they are able to realise ESG commercial opportunities and mitigate against ESG-related risks. Our ESG Policy (available on our website) sets out how we aim to achieve this by actively engaging with companies from deal sourcing through to ongoing monitoring and support during the lifetime of our holding period. As signatories to the Principles for Responsible Investment (PRI), we understand our role in the fostering of good governance, integrity and accountability to help ensure the development of an economically efficient and sustainable global financial system.

Our ESG responsibility as a VC.

We recognise the central role that venture capital plays in building the tools to facilitate a transition to a low carbon economy, create equal opportunities for all, and in the development of a fairer, more resilient society. We have the unique opportunity to invest in companies pioneering innovative technologies, services and products which not only have a positive impact on the world, but also deliver sustainable, long-term growth for investors. At Molten, we actively encourage the realisation of business-specific ESG opportunities throughout the life of the investments that we make and look to see year-on-year improvement of our sustainability performance at a corporate and portfolio level.

Forward Partners Acquisition

Please note that the Forward Partners portfolio which Molten acquired in March 2024 has been excluded from our analysis having regard to the proximity of this acquisition to FY24 year-end and our resulting inability to meaningfully engage with these companies during such a short period.

Looking ahead, in light of the meaningful expansion of our portfolio following this acquisition, as well as the broader need for bespoke tailoring of our approach, we have developed a materiality threshold for future ESG engagement with our portfolio. Our threshold includes materiality considerations relevant to the size, sector and relative value of the businesses in the context of our wider portfolio, as well as contemplation of our level of influence.

Highlights in the year

Our mission is to empower Europe to invent the future.

We want that future to be sustainable, fair and accessible to all. We aim to use our platform in VC to encourage and promote our values and environmental, social and governance (ESG) considerations in developing best-in-class technology companies.

ESG at Molten in numbers

This year...

95%
of portfolio companies have completed our ESG Framework for at least one iteration

75%
of portfolio companies have had at least one 1:1 ESG engagement with our ESG Lead

39%
female representation across the Molten team

18
languages are spoken among FTEs who reported data

48%
of portfolio companies measure their full carbon footprint

64
portfolio companies mapped to at least one UN SDG

94%
of our employees* completed Bullying and Harassment training

201 tCO_2e
offset which represents 100% of our Scope 1 and 2 and select Scope 3 emissions for calendar year 2023

*100% of full-time employees completed the training post period end (excluding those on parental leave).

> Over the past number of years, the Company has evolved to become a recognised industry leader in the field of ESG within the venture capital ecosystem.

Gervaise Slowey
Chair of the ESG Committee

Sustainability overview

Progressing our ESG journey

Throughout the year, we have maintained momentum in our ESG roadmap, evident both at a corporate level and across our portfolio. Our corporate purpose, to advance society through technological innovation, provides strategic direction for our long-term goals and empowers us to continually develop our ESG agenda towards tangible, positive change.

As a thought leader in this space, navigating the landscape of ESG metrics and success measurement is an ongoing learning process for Molten and we remain dedicated to refining our approach to ESG performance monitoring.

FY24 ESG KPIs

Our ESG KPIs make up 10% of bonus entitlement for all staff and Executive Directors (see further details on pages 91 and 92).

We have made significant progress at an operational level which is demonstrated by Molten's strong performance against our FY24 ESG KPIs, which were designed to be suitably ambitious, measurable and strategically impactful as an evolution of the ESG KPIs delivered in previous financial years. This year, five of the seven ESG KPIs have been achieved in full, demonstrating our commitment to positive growth in ESG, including in climate literacy across our portfolio and within Molten's investment processes.

		FY24 ESG KPIs	Completion update	Status
Portfolio level	**Demonstrate the value of strong ESG performance at both the fund and portfolio level to help ensure ESG is fully supported by key internal stakeholders.**	Demonstrate engagement with 75%+ directly held portfolio companies (held throughout the period) at Molten's internal February 2024 Portfolio Strategy Day through the identification of at least one component aspect of ESG with each portfolio company that is understood to present an actionable commercial opportunity to help build business and accrue value in support of wider corporate targets.	ESG-related commercial opportunities specific to individual portfolio companies have been identified and detailed by investment managers in the February 2024 Portfolio Strategy Day for 78% of directly held investments.	Fully achieved
		Inclusion of an ESG agenda item and evidence of a material discussion of ESG topics in at least one Board meeting during FY24 across 75%+ of directly held portfolio companies (held throughout the period) in which Molten has an appointed Director.	ESG has been included in at least one Board meeting during FY24 for 72% of directly held portfolio companies.	Partially achieved
		Deliver improved aggregated portfolio ESG performance across directly held portfolio companies for which an ESG Framework assessment was carried out in FY22 and use data outputs to establish key champion areas that will be communicated to portfolio management teams at an annual ESG engagement and training event.	This event took place in December 2023 for members of the Investment and Executive Teams and explored ESG performance across the portfolio.	Fully achieved
PLC level	**Effectively embed Molten's corporate purpose and Climate Strategy on a Company-wide level to ensure holistic understanding of their synergies and strategic direction.**	All new investment opportunities assessed for alignment with our corporate purpose and Climate Strategy as part of the new investment case brought to Investment Committee.	This assessment for alignment has been carried out by investment managers for 70% of new investments brought to IC during the FY24 period.	Partially achieved
		All core portfolio companies assessed on their alignment to our corporate purpose and Climate Strategy.	This assessment has been completed for all core portfolio companies (composition of core portfolio as at 31 March 2024).	Fully achieved
Climate strategy	**Implement our Climate Strategy and take action both internally and across the portfolio to drive carbon reduction through education and opportunity realisation.**	Introduce internal carbon reduction initiatives targeting the reduction in our Scopes 1, 2 and/or 3 (categories 1–14) carbon emissions.	Novel carbon reduction initiatives introduced throughout the period focus on sourcing and disposal of capital goods and business travel. These have been captured in a formal Sustainable Procurement Policy.	Fully achieved
		Identify any material "carbon intensity hotspots" within all of our directly held portfolio, and positively engage with 75%+ of the relevant management teams or appropriate dedicated personnel in those identified, to support them in their assessment/understanding of their carbon emissions and reduction pathway.	Engagements have taken place with 80% of identified portfolio companies through in-depth educational workshops with climate consultants Accenture.	Fully achieved

Key: **Fully achieved** **Partially achieved**

FY25 ESG KPIs

The FY25 ESG KPIs make up 10% of bonus entitlement for all staff and Executive Directors (see pages 91 and 92). These KPIs have been developed as part of the evolution of our Sustainability Strategy towards longer-term, strategic, quantitative and holistic target setting aligned to our wider approach to ESG; and our Climate Strategy.

1. Discussion of ESG opportunities and risks in at least one Board meeting during FY25 across 75%+ of In-Scope Portfolio Companies*.
2. All voting IC members to engage with one In-Scope Portfolio Company* to (i) conduct an ESG performance deep-dive, and (ii) perform a formal evaluation of Board effectiveness.
3. Engage with 75%+ of key recurring suppliers to assess climate maturity and alignment to the Net Zero transition.
4. Improve portfolio climate literacy and alignment to Net Zero through targeted engagement with five mature In-Scope Portfolio Companies*.

* "In-Scope Portfolio Companies" means directly held portfolio companies on which Molten Ventures plc holds a Board seat and which represents not less than £3 million of NAV to the Company as at 1 April 2024 (c.74% by value of the directly held portfolio as at 1 April 2024).

Our ESG policy in action

Our corporate purpose is to advance society through technological innovation, to invent a future which is sustainable, fair and accessible to all.

We aim to use our platform in VC to encourage and promote our ESG principles and ESG considerations in developing best-in-class technology companies as well as achieving strong returns for our investors.

External engagement and benchmarking

At Molten we recognise the importance of demonstrating our commitment to ESG and responsible investment by actively engaging with external standards and frameworks on a voluntary basis. Our aim is to continue to gather longitudinal data to establish a foundation for tracking and reporting progress over time.

UN Sustainable Development Goals ("UN SDGs")

We assess our entire portfolio against the UN SDGs and evaluate their alignment with specific targets and indicators as identified as part of our due diligence process. Read more on page 18 of our Sustainability Report.

UN Principles for Responsible Investment ("UN PRI")

As signatories to the UN PRI we report annually to demonstrate our recognition of the role we play and responsibilities we hold in building a more sustainable financial system.

Streamlined Energy and Carbon Reporting ("SECR")

We report against the SECR, indicating our dedication to reducing our carbon emissions year on year through the implementation of energy efficiency measures. Read our SECR Report on page 19 of our Sustainability Report.

Climate Disclosure Project ("CDP")

We report against the CDP Climate Change questionnaire to disclose our greenhouse gas emissions and other voluntary metrics in order to build transparency around our environmental impact.

Investing in Women Code

As signatories to the Investing in Women Code we highlight our commitment to female empowerment by working to improve female entrepreneurs' access to tools, resources and finance. Read more on page 21 of our Sustainability Report.

The Task Force for Climate-Related Financial Disclosures ("TCFD")

We are supporters of the TCFD and report annually to improve our understanding and management of the risks and opportunities presented by climate change, climate-related policy and emerging technologies. Read our TCFD Report on pages 6 to 11 of our Sustainability Report.

ESG_VC

Molten sits on the Steering Group of ESG_VC which is a community-led organisation of funds and industry bodies designed to support early-stage companies and their investors to understand, measure and improve their ESG performance.

VentureESG

We are a member of VentureESG, which is a community-based non-profit organisation from VCs for VCs to support the ecosystem with meaningful ESG integration.

Sustainability continued

Our SECR report

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we report annually on our GHG emissions and energy consumption, including the government's policy on Streamlined Energy and Carbon Reporting (SECR).

We qualify for SECR compliance on the basis of being a UK-based quoted company, and the following section presents our SECR disclosures for CY23.

SECR statement

Our fourth year of Streamlined Energy and Carbon Reporting (SECR) compliance has been carried out by Molten-backed Altruistiq, who have been engaged on an arm's length basis for the past two years to assist with the calculation of our energy consumption and GHG emissions. While emissions have previously been disclosed on a financial year (FY22) basis, this will be our second year of reporting based on calendar year (CY22) to better align our data gathering exercise and calculations with applicable reporting timelines. Given this like-for-like comparability we have been able to draw direct comparisons between our CY22 and CY23 GHG emissions footprint.

As per SECR requirements, energy and fuel use activities have been tracked in the UK and Ireland. The GHG emissions have been calculated using appropriate emissions factors from BEIS's 2022 Government Conversion Factors. This work has been completed in line with the GHG Protocol guidance and covers all material Scope 1 and 2 emissions produced by Molten under operational control. Molten does not have any GHG emitting vehicles under operational control and, due to our business model, Molten does not generate any process emissions. No fugitive emissions were recorded for the reporting year.

Table A below presents our CY23 global energy consumption and GHG emissions for SECR compliance. Our UK and Global (Ireland) emissions are reported as a combined figure for both CY22 and CY23. Our full carbon footprint is located in Table B.

Table A: GHG emissions and energy use data for SECR

	CY22	CY23
Total global energy consumption used to calculate carbon emissions (kWh)	**42,948**	**49,306**
Emissions from employees working from home (tCO_2e) (Scope 3)	**14.68**	**4.7**
Emissions from combustion of natural gas in buildings (tCO_2e) (Scope 1)	**1.69**	**2.0**
Emissions from purchased electricity in buildings (location-based) (tCO_2e) (Scope 2)	**6.52**	**8.14**
Total organisational emissions (location-based) (tCO_2e)	**8.21**	**10.14**
Total organisational emissions (market-based, from 100% renewable electricity) (tCO_2e)	**0.08**	**0.92**
Carbon intensity ratio – carbon emissions per net asset value (NAV) (location-based) ($kgCO_2e$/£100k NAV)	**0.61**	**0.86**
Carbon intensity ratio – carbon emissions per net asset value (NAV) (market-based) ($kgCO_2e$/£100k NAV)	**0.01**	**0.25**
Carbon intensity ratio – carbon emissions per full-time employee (location-based) ($kgCO_2e$/ full-time employee)	**103.5**	**178**
Carbon intensity ratio – carbon emissions per full-time employee (market-based) ($kgCO_2e$/ full-time employee)	**1.27**	**51**

Energy efficiency actions

We have implemented a range of measures and energy efficiency actions, which are outlined in the carbon reduction section on page 20 of our Sustainability Report.

Greenhouse gas emissions

In CY23, we calculated our Group-wide carbon footprint, including our Scope 1, Scope 2 and all material Scope 3 emissions.

A key focus over the past few years, and one of our FY23 ESG KPIs, has been to continually aim to improve the accuracy of Scope 3 measurements (upstream and downstream). This has in part been achieved through the provision of more granular, primary data, particularly for purchased goods and services, capital goods, investments and other Scope 3 categories, in place of the use of industry benchmarks and estimates.

Given Molten's business activities, it is within our value chain that the most significant GHG emissions arise, rather than via our direct operations, and we see meaningful opportunities in this regard, through our portfolio and the positive impact our investments are achieving. Not only can we leverage our position as investors to help portfolio companies to measure and reduce their GHG emissions, we also aim to explore the positive impact of the tech products and services these companies are developing, which can ultimately create carbon efficiencies resulting in net avoided emissions.

Table B: Full carbon footprint for CY23

	tCO_2e
Natural gas	2.0
Total Scope 1	**2.0**
Purchased electricity	8.1
Total Scope 2	**8.1**
Employee commuting & homeworking	22.7
Business travel	165.1
Investments*	490.7
Purchased goods & services	652.8
Capital goods	0.0
Waste generated	0.2
Other fuel & energy-related activities	3.0
Total Scope 3	**1,334.5**
Total Scope 1, 2 and 3	**1,344.6**

* Note reported emissions for Category 15: Investments cover Scope 1 and 2 emissions of the investments but exclude Scope 3, consistent with our FY23 disclosure.

Methodology

As with our SECR calculations, our carbon footprinting methodology is aligned with the GHG Protocol Corporate Standard and uses an operational control approach. A materiality assessment of our value chain determined which Scope 3 emissions to include within our carbon footprinting boundary that we report for calendar year 2023. These calculations have been measured via Altruistiq, which provides leading ISO14064 assured emissions measurement and reporting across Scopes 1,2 and 3 using a database of over 100,000 emissions factors.

Breakdown of CY23 Carbon Footprint

2.0 tCO_2e
Scope 1 total
(CY22: 1.7 tCO_2e)

8.1 tCO_2e
Scope 2 total
(CY22: 6.5 tCO_2e)

1,335 tCO_2e
Scope 3 total
(CY22: 2008.6 tCO_2e)

In order for us to generate the most accurate calculations, we prioritise collecting primary data across our business and portfolio and apply an emission factor to convert our business activity data directly into associated GHG emissions. Where primary data is unavailable, we apply industry benchmarks and bespoke extrapolation techniques in order to estimate data.

Within our Scope 3 inventory, we have accounted for our allocation of portfolio companies' Scope 1 and 2 emissions based on our equity position in each company, in line with the Partnership for Carbon Accounting Financial (PCAF) guidance.

We used reported emissions from 23 portfolio companies – an increase of 11% on last year which demonstrates increasing engagement in carbon accounting across the portfolio and greater data accuracy as a result. In order for us to generate individual estimates for the remaining directly held investments for whom emissions data is unavailable we undertook a screening exercise using Climate Neutral's Brand Emissions Estimator tool. This assessment was informed by data on portfolio companies' financial activity, facilities, geography, sector and sub-sector to provide greater insight into the emissions of portfolio companies who are not yet at an appropriate level of maturity to undertake their own carbon footprint measurement exercise. We note that actual figures may differ from these estimates.

Analysis

Our indirect (Scope 3) GHG emissions make the largest contribution to our total carbon footprint by a significant margin, with purchased goods and services and investments stanzding out within this as the main drivers (tCO_2e in aggregate). Business travel undertaken by our employees was also a meaningful contributor to our Scope 3 GHG emissions (165.1 tCO_2e).

As screening for Scope 3 category 15 was carried out at an individual portfolio company level, we have been able to identify higher emitting companies within the portfolio. Higher carbon intensities are reflective of certain portfolio industries, including AI, Deeptech and hardware, likely due to energy intensive computing power and manufacturing requirements.

When comparing CY23 GHG emissions to the prior year emissions one key difference is the reduction in our Scope 3 category 15 emissions. This is most likely due to an increase in the number of portfolio companies reporting their emissions as well as updates to emissions factors used for screening. As more companies begin to measure their carbon footprint we expect to see changes in this figure annually as more accurate data becomes available.

Summary

This carbon footprint provides transparency around our most significant emissions drivers and utilises data and methods that advance our goal of ensuring that this exercise is as accurate and robust as possible, noting the challenges in data collection and use of emissions factors and estimates where necessary. As part of this goal, we have for the second year undertaken a verification exercise with Accenture to help ensure the robustness of our GHG emissions calculations and methodology. This process provides us with limited assurance from an independent third party that our Scope 1, 2 and 3 (category 15: Investments) emissions calculations are accurate, complete, consistent, transparent and free of material error or omissions.

We will continue to encourage portfolio companies to measure their own carbon footprint, both through educational guidance and financial support, in order to continue to improve the quality of our Scope 3 category 15 emissions. As set out in our Climate Strategy on page 14, this year we also aim to gather emissions data from our key suppliers to be reflected in our Scope 3 (category 1: Purchased Goods and Services).

Carbon reduction

Although our Scope 1 and 2 emissions are minor contributors to our carbon footprint, we continue to ensure that our internal practices are aligned with resource efficiency and carbon reduction efforts. Our cycle to work scheme encourages staff to use greener commuting methods and this year, and in line with our FY24 ESG KPIs, we introduced a number of internal carbon reduction initiatives targeting a reduction in our Scope 1, 2 and 3 (categories 1–14) carbon emissions, which include updates to our Travel & Expenses Policy to encourage carbon reduction across our business travel emissions, where possible.

We have also introduced a number of sustainability practices under our new Group Sustainable Procurement Policy in the following areas:

- Sourcing of capital goods
- Disposal of capital goods and IT equipment
- Prospective Supplier Sustainability Credentials & Contractual Provisions
- Ongoing supplier engagement

These initiatives focus on waste reduction, carbon savings and engagement with suppliers to assess sustainability integration into their own operations.

Our London office continues to run on 100% renewable electricity and our waste to landfill is zero, with 52% recycled (up from 44% last year) via our environmentally guided recycling and waste management provider, First Mile.

Carbon offsetting

This year, Molten has continued our carbon offsetting programme, which will be our fifth year of offsetting commitments. While we recognise that carbon reduction is the overarching goal in order to reach Net Zero, we see merit in investing in carbon credits to balance the carbon that we have already emitted across Scope 1, 2 and select Scope 3 emissions that are in our direct control.

Based on these commitments, 201 tCO_2e have been offset for calendar year 2023 through investment in two carbon projects. We are supporting these projects for the third year, given our understanding of their quality and associated risks based on guidance from the BeZero Carbon Rating system. The first is a collection of woodland restoration projects in the UK, which we have supported through the purchase of Pending Issuance Units (PIUs) equating to the removal of 101 tCO_2e over future decades. The second project is a UK tree planting scheme coupled with an avoided deforestation project based in Brazil. This is certified by the Verified Carbon Standard (VCS) and has received approval from the Quality Assurance Standard (QAS) for carbon offsetting. Through this project, we have offset 100 tCO_2e.

Sustainability continued

TCFD summary

Our approach to identifying and managing climate-related risks and realising climate-related opportunities is guided by the recommendations of the TCFD, which allows us to assess and mitigate the growing impact of climate change on Molten Ventures and our portfolio.

Last year, the focus of our TCFD implementation was on the enhancement of our risk impact assessment and categorisation through the identification of five impact channels that could materially influence the fair value of the portfolio. We also expanded our climate scenario analysis to include an additional scenario and improved the granularity of our portfolio-focused analysis of climate risks and opportunities.

This year, our focus has been on engaging with our portfolio companies with the aim of assessing and enhancing their understanding and capacity for climate risk and opportunity management. This engagement adopted the following approach:

01 Portfolio company selection

We selected portfolio companies for engagement using our NZIF:PE and SBTi:PE aligned methodology (outlined in our Climate Strategy on pages 12 to 14 of our Sustainability Report) to ensure collaboration with suitably mature companies that are appropriate for climate-related engagement based on their materiality to Molten's financed emissions.

02 Climate action exploration

Initial assessments and workshops explored the identified portfolio companies' ambitions, capabilities and confidence in integrating climate considerations into their business activities, as well as topics that they had indicated would be valuable for consultation support on.

03 Climate capacity enhancement

For each identified portfolio company, we provided bespoke training, resources and tools to support their ability to realise opportunities for meaningful integration of climate considerations into their decision making framework and to demonstrate climate action.

Our full TCFD Report is located on pages 6 to 11 of our FY24 Sustainability Report.

Summarising our full FY24 TCFD Report

Governance

At Molten, we take a top-down approach to the governance and management of climate change, with the Board of Directors holding ultimate oversight. Our ESG Committee of the Board and ESG Working Group are accountable for the assessment and management of climate-related risks and opportunities. In addition to this top-down approach, members of our Investment Team are appointed as directors on the boards of the majority of directly-held investments, and are able to use their position in targeted engagement, and active participation in our portfolio companies' climate action. For more detail with respect to our climate governance please find our full TCFD Report on pages 6 to 11 of our FY24 Sustainability Report.

Strategy

Last year, we categorised identified risks and opportunities into five impact channels which could materially influence the fair value of the portfolio. Materiality has been informed by the existing risk management framework used within the Corporate Risk Register, and assessment of material business risks more widely. These risks and opportunities have been assessed through Climate Scenario Analysis carried out in FY23 using three climate scenarios, in line with the requirements from the FCA. For more detail on our impact channels please see pages 9 to 11 of our FY24 Sustainability Report for our full TCFD Report.

Risk management

Building on the risk identification process which was carried out in FY23, we used those findings to help inform our engagement with sufficiently mature portfolio companies to support in upskilling, and building literacy around climate risk and opportunity analysis while demonstrating meaningful climate action. We did this through targeted climate action as set out in our Climate Strategy which is explored in more detail on pages 12 to 14 of our FY24 Sustainability Report.

Metrics and targets

The metrics and targets Molten uses to assess and manage relevant climate-related risks and opportunities include; our Scope 1, 2 and 3 emissions, our upstream and downstream engagement targets (as set out in our Climate Strategy) and the data on climate metrics, which we gather from our portfolio companies (through the annual completion of our ESG Framework). For more detail on these methods of assessment please see pages 9 to 11 of our FY24 Sustainability Report for our full TCFD Report.

Climate risks and opportunities identified

Impact channel	Type	Description	
Changes in demand	Risk 1	Demand destruction	Portfolio companies may face reduced revenue due to damage to brand value and loss of customer base as customers increasingly factor climate change considerations into their decision-making process
	Opp 1	Demand creation	Increased low carbon investment opportunities due to shift in consumer demand for low carbon products and the growing potential of the "climate-conscious customer base"
	Opp 2		Enhanced government innovation funding for low carbon projects and technologies will lower the cost of innovation and improve portfolio companies' success
Changes in price of energy	Risk 2	Cost of energy and carbon pricing	Government intervention in carbon pricing resulting in higher power prices may increase operating costs
	Risk 3		Market conditions may cause increased energy and operating costs
	Opp 3	Energy efficiency	Improved energy, water and waste efficiency could result in reduced operating costs and improved reputation among customers, staff, prospective staff and investors of Molten and our portfolio companies
	Opp 4		Development of our Climate Tech thesis by continuing to pursue investment opportunities that are energy and carbon focused or efficient as part of our wider investment strategy, thereby enhancing return on investment
Changes in physical weather events/patterns	Risk 4	Increasing costs due to extreme weather	Event-driven impacts arising from increasing frequency and severity of extreme weather events. The specific risks will be contingent on the business operations of portfolio companies but may include increased capital costs due to damage to infrastructure, increased insurance premiums, supply chain disruptions and impacted access to resources such as clean water
	Risk 5		Overall shifts in climatic behaviour resulting in long-term changes in temperature and precipitation patterns. The specific risks will be contingent on business operations but may include scarcity of natural resource supplies causing increased operational costs and global political tensions
Changes in stakeholder expectation	Risk 6	Reputational damage limiting access to capital	Changing stakeholder expectations with consumers, portfolio companies and investors increasingly making decisions based on carbon performance and climate resilience
	Opp 5	Access to green linked capital	Engagement in commitments to improve our climate resilience and reduce our carbon emissions may lead to increased access to private sector funding.
Changes in technology	Risk 7	Cost to transition to new tech	Additional cost to transition to lower emissions technologies
	Opp 6	Technological climate solutions	Portfolio companies focused on developing technology-based climate solutions critical to the Net Zero Transition and detection and management of extreme weather events will be likely to benefit from a rapidly expanding market

Risk management

In order to achieve our strategic objectives and manage our business responsibly and sustainably, we operate an effective risk-management framework that aims to balance risk and reward, while protecting the business, our Shareholders, employees, and other stakeholders. The Board has ultimate responsibility for setting and managing the risk framework, as well as defining appetite for risk. Ongoing oversight of the Company's risk profile and risk framework is delegated to the Audit, Risk and Valuations Committee supported by the Compliance Team.

Risk appetite

The nature of our business fundamentally involves an assumption of a level of risk if we are to achieve our strategic aim of creating and maintaining a pipeline of investment opportunities and supporting our diversified portfolio of high growth early stage businesses over the long-term to attain meaningful returns. However, we will accept risk only where we have assessed that it can be appropriately managed and offers sufficient reward. The Board has determined its risk appetite for each of the principal risks described on pages 58 to 65 and considered appropriate ways to monitor performance and mitigate against each risk to ensure that the level of exposure remains acceptable.

Risk governance

We adopt a top-down approach to risk governance, with a culture of compliance that flows from the Board and its Committees through to the Executive Team and Compliance Team who have delegated authority to oversee the application of the risk framework across the business, and thereafter to all staff, encouraging a thoughtful and transparent attitude towards risk that is grounded in principles of responsible stewardship for our stakeholders. For the Group, the first line of defence comprises management controls and internal control measures administered by all managers and staff. The second line of risk management is administered and overseen by the Compliance Team. The Compliance Team reports directly into the Executive Team and Audit, Risk and Valuations Committee on all compliance matters and have direct access as needed to the Chair of the Board and the Chair of the Audit, Risk and Valuations Committee.

Both the Audit, Risk and Valuations Committee and the Executive Team regularly consider and review the existing and emerging risks faced by the business to ensure that any exposure and associated mitigations align with the business's strategic objectives. Risks associated with the Group and its activities that are considered material are entered into the Company's Corporate Risk Register which applies a scoring system to assist the Audit, Risk and Valuations Committee in its decision-making by capturing inherent risks; mitigations; and the resultant residual risks, as well as any proposed or ongoing actions. Risks are translated to a heat map for ongoing monitoring purposes, while controls are in place and regularly reviewed in order to mitigate the Group's exposure.

The Audit, Risk and Valuations Committee meets formally at least four times a year, with other informal meetings convened as necessary. The Group operates clear reporting lines throughout the business and engages external compliance specialists, IQ-EQ, to assist the Compliance Team in monitoring and advising on all regulatory compliance matters at a fund manager level within the Group structure.

We identify and monitor risks closely throughout the business, which ultimately involves all employees in overseeing and mitigating risk on a day-to-day level in accordance with the Group Compliance Manual and Group Code of Conduct. Periodic internal checks are administered by the Compliance Team; enhanced IT security measures are employed by the IT Manager supported by external IT specialists, Rock IT and Softwerx; weekly meetings are conducted at an Executive level where risk is a standing item; and dedicated risk-review sessions are undertaken periodically by the Executive Team structured around the Corporate Risk Register.

A summary of the Company's full suite of Policies, Procedures, Systems and Controls can be found on our website at https://investors.moltenventures.com/investor-relations/plc/documents.

Third-party review

There is a formal compliance report issued to the Board annually in addition to the output of monitoring reports issued quarterly by IQ-EQ, which during the year ended 31 March 2024 included a consistent focus on the newly introduced Consumer Duty, which the Company (working alongside IQ-EQ) has taken relevant steps to be compliant with.

Depositary services in the financial year were provided to the Company and the Fund of Funds programme by Langham Hall UK Depositary LLP including safekeeping of Company assets, oversight, and reporting any breaches, anomalies and discrepancies. Representatives of the Depositary attended a meeting of the Audit, Risk and Valuations Committee prior to the year-end in order to report on activity completed during the year and any associated recommendations, with no items identified as being high risk or in need of remedial action.

Training

Externally-led mandatory compliance-focused training is provided to all staff at least annually to ensure a suitable level of awareness and understanding of both the theory and the practical application of the Group's culture towards risk awareness, risk mitigation and applicable professional and ethical standards to which all employees are required to perform in the fulfilment of their roles (including where relevant under the Senior Managers and Certification Regime ("SM&CR")).

During the year, IQ-EQ delivered targeted training on the subjects of SM&CR; market abuse; bribery and corruption; whistleblowing; and fraud. A separate refresher session was also delivered by IQ-EQ, in conjunction with the Compliance Team, on the the Group's Client Assets Sourcebook (CASS) obligations to relevant members of the compliance, legal, finance and administrative teams involved in the safekeeping and reconciliation of client assets.

Mandatory online training is conducted not less than annually (including associated testing) on a variety of core topics including anti-money laundering, anti-bribery and corruption, SM&CR, anti-bullying and harassment, anti-modern slavery, cyber security and data protection.

Targeted internal-led compliance training sessions are delivered during the onboarding process for new joiners and to different teams within the business as required. The Investment Team also explore market themes, opportunities and risks as part of the wider approach towards investments in the weekly Investment Committee meetings and the bi-annual Strategy Days to review the Group's existing portfolio and assess risks and opportunities on both an asset-by-asset level and at a wider aggregated portfolio performance.

Whistleblowing

The Group operates established procedures whereby employees may, in confidence, raise concerns relating to possible improprieties in matters of financial reporting, financial control, adequate management of risks or any other matter. The Whistleblowing Policy applies to all employees of the Group and is the subject of annual training.

Principal and emerging risks

A principal risk is a risk, or a combination of risks, from our corporate risk register that can seriously affect the performance or reputation of the Group. We regularly consider and assess the principal and emerging risks and opportunities, both internal and external, which may affect the Group in the near, medium, and long term. The Executive Team and Audit, Risk and Valuations Committee consider risk at meetings periodically as required and during the year. The Audit, Risk and Valuations Committee additionally perform a dedicated annual review of the Group's principal risks, assessing the severity and mitigation strategies in place for previously identified risks, and identifying whether any new risks had materialised in the period.

The heat map (below) highlights what we consider to be our principal risks and uncertainties by potential impact and likelihood of occurrence. Detailed descriptions of those principal risks are set out on pages 58 to 65.

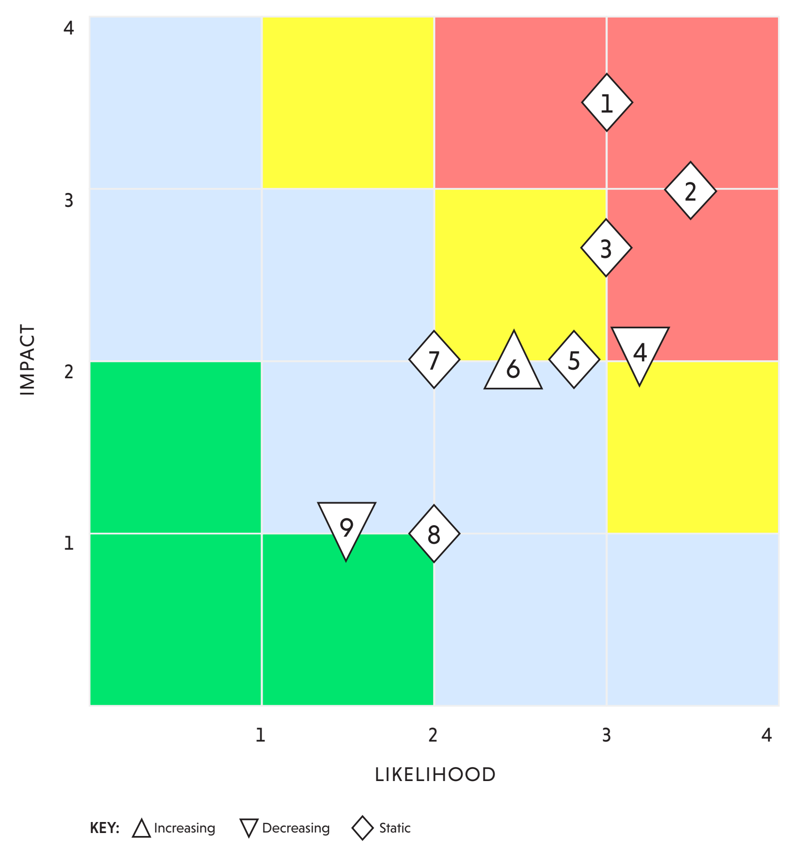
Emerging risks are those risks not yet considered to be "principal" by the Audit, Risk and Valuations Committee on recommendation by the Executive Directors, but which have been identified through horizon scanning, scenario analysis and third party professional advice. These are risks that are either new and therefore may, in time, pose a threat to the Company and/or its business model; or they can be a pre-existing risk that has emerged in a new or unfamiliar context. The following are some of the emerging risks that have been identified and are currently being monitored:

- Global elections, including in the UK and US, the outcome of which could lead to as-yet-unknown shifts in policy, regulation or international relations, as well as polarising sentiment that could have a material impact on the Company or the wider venture capital industry
- Increased regional and international tension in Israel and the Middle-East
- Potential escalation of China/Taiwan tensions and conflict with the US
- Global supply chain pressure due to concentration risk of various key component materials that are embedded into many applications relevant to the portfolio, or the underlying technologies on which they are built
- Increased adoption and regulation of artificial intelligence, the application of which remain unclear
- Cost of borrowing to finance investment / deployment with lack of certainty about interest rates from central banks
- Continued cost of living pressures effect on B2C/B2B sales

Risk framework updates

Updates to our risk framework for the year include:

- Appointment of a new IT Manager supported by new external IT and cyber security support function - Rock IT to ensure that the business remains cyber resilient and secure.
- Embedded Consumer Duty across the Group.



Principal risks

1. Macroeconomic environment
2. Geopolitical protectionism
3. Liquidity and access to capital
4. Public market risk
5. Climate change
6. Key personnel
7. Cyber security
8. Risk profile of venture investing and venture investments
9. Industry competition

Our principal risks

Key
▲ Increasing risk ◆ Static risk ▼ Decreasing risk

1. Macroeconomic environment

Volatility of global public and private markets

Link to KPIs
(page 19)
1, 2, 3, 4, 5

Potential impact
- Challenges in the macroeconomic environment events such as banking volatility, change in UK, US and other major governments, high inflationary environment, unpredictable government policy, or recessions could lead to:
- Increased cost of living and commensurate reduction consumer or B2B spending, diminishing the revenues of portfolio companies, lowering their valuations and extending the period to realisations
- Enhanced portfolio company requirement for liquidity
- Reduced confidence in growth stocks in a higher interest rate environment
- Risk of the Company breaching its debt facility covenants

Risk management and mitigation
- Executive management engage in strong and consistent investor relations with well-established and diversified Shareholder base
- Diverse portfolio across different stages of development, geographies and markets, and syndicated strategy of minority equity ownership alongside strong syndicate partners
- Strong Board-level and investment team experience of previous challenging macro-economic conditions
- Cash reserves maintained and debt facility available for liquidity purposes
- Strength of the Molten Ventures brand and reputation to retain and continue to attract Shareholders and operate in the VC/tech environment

Changes/activities during the year
- High, but stabilising, UK and international inflationary and interest rates environment
- Geopolitical developments, including in Ukraine, Israel and the Middle East and China/Taiwan relations
- Signals of IPO market in recovering in the UK and US
- UK government commitment to unlocking UK pension money into venture capital

Focus for FY25
- Continued emphasis on appropriate levels of liquidity through access to debt facility, cash realisations, additional fee income from third-party co-investors with funds under Group management and ability to raise from the market
- Expansion of syndicated fund strategies with third-party investors to share risk and provide enhanced income streams
- Maintain focus on investor relations to communicate the strategy and resilience of the Group

2. Geopolitical protectionism

Direct and indirect impact of geopolitical events

Link to KPIs
(page 19)
1, 2, 4

Potential impact
- International protectionism fuelling the escalation of geopolitical tensions and impacting upon supply chains, which may be further accelerated by a change of government at the next UK and US elections
- Inter-governmental policies presenting additional hurdles to cross-border M&A opportunities, particularly impacting upon later stage large-scale tech businesses, limiting route to a meaningful exit
- Raised tariffs making it harder for portfolio supply chains and deeptech hardware companies to obtain required materials or make sales of their own products

Risk management and mitigation
- Supporting portfolio with international structural optionality
- Participation in lobbying efforts on UK government (e.g. through BVCA membership)
- Continued monitoring of Group exposure to sanctioned persons or corporates, through our portfolio, Shareholders, suppliers, or other investors into our portfolio companies

Changes/activities during the year
- Escalation of conflict in Israel and the Middle East and ongoing war in Ukraine disrupting stability of region and associated supply chains
- Increased tensions between China and US in respect of Taiwan and broader economic and political relations
- Period of greater stability in UK politics and government.

Focus for FY25
- Continued participation with BVCA to lobby UK government on benefits of access to wider pools of capital including both in and outside the exit process of the UK and Europe, including in the context of cross-border portfolio exit opportunities
- Providing access, network opportunities and strategic advice to portfolio company founders and managing teams to explore US and wider global markets
- Ongoing monitoring and management of Group exposure to sanctioned persons or entities throughout the Group and its investments

3. Liquidity and access to capital

Reduced availability of capital precluding the Company from executing on its investment strategy and/or meeting deployment targets

Link to KPIs
(page 19)
1, 2, 3, 5

Potential impact
- The reduce availability of capital and resulting reduction in liquidity may impair the ability of the Company to make investments (new or follow-on) or limit the frequency or quantum of deals in which the Company is able to participate
- The reduced availability of capital across the public and private markets is likely to impact upon funding models and the ability to execute on strategic business plans, both at a Company and a portfolio level, which could include:
- reduced access to revolving credit facility and/or capital raising mechanisms
- slower or halted progress on strategic initiatives or longer-term planning
- reduced cost base and decisions over prioritisation of capital, which could result in reductions in headcount
- depressed valuations where portfolio companies are unable to demonstrate a path to liquidity or profitability without further funding, or their likely exit paths are blocked
- reduced likelihood of realisations due to slowed IPO market and tighter controls over capital in PE and M&A spaces

Risk management and mitigation
- Liquidity is available to the Company through its revolving credit facility maintained with JP Morgan and HSBC Innovation Banking
- Cash flow forecasts and borrowing structures are considered at each meeting of the Executive Directors and every Company Board meeting to monitor and ensure that a minimum quantum of cash is available to maintain sufficient headroom to satisfy the Company's debt covenants and regulatory capital requirements
- Frequent investor engagement with all key Shareholders and stakeholders by the Company's CEO and CFO as well as wider marketing activity
- Continued emphasis on appropriate levels of liquidity through access to debt facility, cash realisation and additional fee income from third-party co-investors with funds under Group management

Changes/activities during the year
- £60m of available revolving credit facility from £150m debt facility with JP Morgan and HSBC Innovation Banking Company
- Engagement with Shareholders through annual Investor Day, and Investor Meet Company meetings held through the course of the period to engage with the Company's retail base, as well as individual meetings with key shareholders

Focus for FY25
- Focus upon realisations from the portfolio to generate cash returns to the balance sheet for redeployment
- Development of the acquired Forward Partners earlier stage portfolio to consider whether there are opportunities for realisations by way of an exit or secondary sale
- Continued emphasis on appropriate levels of liquidity through access to debt facility, cash realisations and additional fee income from third-party just retain funds with funds under Group management
- Expansion of additional syndicated fund strategies with third-party investors to share risk and provide enhanced income streams
- Maintain focus on investor relations to communicate the strategy and resilience of the Group

Our principal risks continued

Key
Increasing risk · Static risk · Decreasing risk

4. Public market risk

As a publicly listed entity, the Company is exposed to the risks associated with that status and being traded on public markets

Link to KPIs
(page 19)
1, 2, 5,

Potential impact

- A share price persistently trading at a significant discount to NAV could lead to:
  - reduced value in management and employee LTIPs which may affect hiring and retention of key personnel
  - potential concentration of share register
  - the Company becoming an acquisition target or leading to Shareholder activism
- Information concerning the Company is significantly more public relative to Molten Ventures' peer group which are overwhelmingly structured as private GP/LP structures with far reduced public reporting requirements
- Immediate exposure to fluctuations in the public markets and broader market trends which can be volatile and disconnected from the performance or activities of the Company
- Ongoing administrative, regulatory and compliance burden relative to non-listed peer group

Risk management and mitigation

- Work alongside the Company's brokers and PR agencies to engage with institutional and retail Shareholders and build upon the Company's well-diversified Shareholder base with frequent investor engagement and marketing activity
- Close active monitoring of the Company's share register to track Shareholder movement and ensure the Company's Shareholder base is well-diversified
- Expansion of syndicated fund strategies with third-party investors to share risk and diversify income streams away from reliance on the capital markets

Changes/activities during the year

- Addition of new strategic shareholder in Blackrock as part of the Forward Partners transaction to help consolidate the share register
- Public markets showing signs of stabilising, particularly in the US and UK
- Engagement with Shareholders through annual Investor Day, and Investor Meet Company meetings held during the course of the period for engagement with the Company's retail base, in addition to individual meetings with key shareholders

Focus for FY25

- Continued work alongside the Company's brokers to engage with institutional and retail Shareholders and build upon the Company's well-diversified Shareholder base
- Engage directly with Shareholders to try to build share price relative to NAV and in so doing, deliver value and returns for Shareholders
- Continued focus on ESG to meet, and where possible surpass, the public market expectation for sustainable investing
- Expand the syndication of investment strategies and launch new fee-paying funds with third-party capital under management to reduce reliance on capital markets

5. Climate change

Increasing need to navigate the energy transition, including regulatory, market, technology, and reputational aspects as well as the potential physical impacts of climate change

Link to KPIs
(page 19)
1, 3, 4, 6

Potential impact

Transitioning to a lower-carbon economy will entail policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change, including:

- physical risk of climate change-related events directly impacting upon the Company or its people, or the companies and personnel within the Molten Ventures portfolio
- changing stakeholder expectations on licence to do business for the Group and/or the portfolio
- increase in GHG emissions-related regulation, including mandatory reporting requirements

Risk management and mitigation

- Adherence to the Company's ESG Policy and Climate Strategy to integrate consideration of climate-related risks and opportunities throughout the Group's activities
- Continued climate-related engagement with portfolio companies as a component part of the Molten Climate Strategy
- Continued climate-related reporting supported by external domain experts as set out on pages 50 to 51 and our inaugural Sustainability Report
- A proportion of variable pay for Executive Directors and all employees linked to completion of ESG KPIs

Changes/activities during the year

- Continued engagement with Accenture to further develop and articulate or Climate Strategy
- Continued engagement with Altruistiq to support our data collection and carbon footprinting
- Enhancement of climate-related engagement with portfolio companies, including in the course of four towards the FY24 ESG KPIs, a summary of which can be found on page 13
- Ran bespoke climate-focussed workshops with four portfolio companies with a material emissions profile to Molten Ventures, more details of which can be found in our inaugural Sustainability Report

Focus for FY25

- Delivery of the Company's FY25 ESG KPIs details of which can be found on page 49
- Continued development and delivery against the Company's Climate Strategy
- Continued engagement with our portfolio on climate-related topics including carbon footprint measurement and GHG reduction plans
- Evolve and develop the application of climate within the valuations process

Our principal risks continued

Key
▲ Increasing risk ◆ Static risk ▼ Decreasing risk

6. Key personnel ▲

The Group may not be able to retain or attract staff with the right skills and experience

Link to KPIs
(page 19)
3, 4

Potential impact
- The work of the Group requires specialist practitioners and, as a relatively small team, if the Group does not succeed in recruiting or retaining the skilled personnel necessary for the development and operation of its business, it may not be able to grow as anticipated or meet its strategic objectives.

Risk management and mitigation
- Competitive packages and enhanced employee benefits offered to personnel, with periodic externally-led market comparisons for both staff and Executive packages
- Long-term incentives aligned to Group strategy through the issue of performance-related share options. Short-term incentives linked to a blend of personal and corporate targets that are also aligned to the Company's corporate purpose, values and stakeholder interests
- Access to externally-led coaching and mentoring through the CoachHub platform; mental health support via Oliva; and ongoing focus on staff development including with ringfenced budget towards learning and development across the business
- Continued focus on diversity and inclusion across the Group, including through training and the continued usage of the firm's DEI Recruitment Policy with recruiters used by the business.

Changes/activities during the year
- The team has been bolstered by the addition of a number of highly skilled personnel with highly relevant experience as part of the Forward Partners acquisition
- Further recruitment into the investment team and operational roles within the business
- Continued to conduct employee surveys to solicit feedback on the working environment and business culture
- Assumption of the Designated Non-Executive Director function by Gervaise Slowey during the period and a programme of employee engagement reported back to the Board on a regular basis

Focus for FY25
- Continued integration of the Forward Partners team functions into the Molten group following the Forward Partners acquisition
- Continued hiring in line with the Company's Diversity, Equality and Inclusion (DEI) Recruitment Policy to source, interview and make hires from a diverse, highly skilled talent pool to improve representation across the Group
- Continued focus on improved mental and physical wellbeing of all staff through outsourced providers
- New LTIP issue on revised targets for the next three-year period

7. Cyber security ◆

Cyber security incidents may affect the operation and reputation of the Group

Potential impact
- A significant cyber/information security breach could result in financial liabilities, reputational damage, severe business disruption or the loss of business critical or commercially sensitive information

Risk management and mitigation
- Utilisation of reliable hardware, software and cybersecurity measures including robust firewalls, anti-virus protection systems, email risk management software and backup procedures
- Appropriate IT security structures, policies and procedures in place including the Group's Business Continuity Plan
- Maintained risk register covering cyber security
- Maintain cyber insurance including coverage for breach response costs, cyber extortion loss and data protection

Changes/activities during the year
- Hire of a new specialist IT Manager with a background in funds IT
- Appointment of Rock IT to support the Group's cyber and wider IT environment along with Softwerx's ongoing provision of Security Operation Centre services to the business
- Continued external penetration testing programme
- Continued updates to hardware and software environment to enhance robust cybersecurity environment

Focus for FY25
- Continued review and development and adaptation of cyber security and information security systems, policies and procedures with the support and guidance of outsourced IT providers
- Ongoing monitoring and development of internal policy relating to the usage and regulatory parameters surrounding AI

Our principal risks continued

Key
▲ Increasing risk ◆ Static risk ▼ Decreasing risk

8. Risk profile of venture investing and venture investments

The profile of venture investing and the companies into which investments are made are rapidly scaling businesses with potential for outsized returns, but are by their nature inherently riskier than other more stable lower yield investment opportunities or companies

Link to KPIs (page 19)
1, 2, 5

Potential impact
- Individual portfolio companies may not perform as anticipated and either fail or have increased funding requirements
- Significant commitment of time and resource to the active management of early-stage high-growth companies
- Due to the illiquid nature of the asset class in which the Company invests, valuation of tech companies across global markets may impair the Group's NAV and impact on the timing and/or quantum of realisations at exit
- The timing of portfolio company realisations is uncertain and cash returns to the Group are therefore difficult to predict and could be subject to a lockup period in the event of an IPO

Risk management and mitigation
- Rigorous due diligence undertaken by highly qualified Investment Team and surrounding operational platform
- Active management of portfolio with consent rights and Board seats or observer roles typically required as a pre-requisite to investment
- Diversified portfolio across different geographies, sectors and stages to mitigate impact of single investment failures
- Calibration of risk and reward for outsized returns on investment due to equity ownership at an early stage in the life of the company
- Multi-faceted investment strategy focusing upon opportunities at different points of the growth cycle from seed (through Fund of Funds), early (acquired Forward Partners portfolio/managed EIS/VCT) to later stage (Molten Ventures plc balance sheet)

Changes/activities during the year
- Continued work to syndicate investment strategies and launch new fee-paying funds with third-party capital under management to reduce dependency on capital markets and provide visibility on a greater range of investment opportunities
- Expansion of the Molten investing platform through the acquisition of the Forward Partners portfolio providing additional visibility alongside the managed EIS and VCT investment vehicles on a pipeline of earlier stage investment opportunities
- Engagement with UK government through participation on various BVCA committees and working groups, in connection with the LIFTs Programme and Mansion House Compact to facilitate greater in-flows of investment from DC Pension Schemes to expand and diversify the profile of the UK venture industry
- Rich pipeline of deal opportunities through the Fund of Funds strategy
- Continued participation in follow-on rounds where the asset is known and we can continue to back the winners within the portfolio

Focus for FY25
- Continuing to work closely alongside portfolio management teams to extend cash runway and preserve/enhance value and prepare for recovery of wider market conditions
- Continued emphasis on appropriate levels of liquidity through access to debt facility, cash realisations, and additional fee income from third-party co-investors with funds under Group management
- Continued focus on identifying strong best-in-class scalable technology companies with very large addressable markets and a path to becoming a category leader
- Additional working alongside the BVCA and other industry bodies to advocate the venture ecosystem and early-stage tech businesses

9. Industry competition

The Group and its portfolio companies are subject to competition risk

Link to KPIs (page 19)
2, 3, 4

Potential impact
- Presence of sophisticated capital in the European VC market leading to greater competition for tier 1 deals
- Rise in pre-empted funding rounds can limit access to strong deals where opportunities are outside of the Group's network
- Reputational risk to the Molten brand if tier 1 deals are not won by the Group due to presence of competitors

Risk management and mitigation
- Proven thesis-driven investment strategy with strong reputation in the market within sector/geo-specialism
- Addition of the Forward Partners early-stage portfolio provides greater market coverage and visibility on pipeline for Series A and B deals
- Differentiated model with strong pipeline sourcing and disciplined investment process
- Strong and visible brand with established presence in VC and tech ecosystem
- Well networked team with proven syndication opportunities across the industry

Changes/activities during the year
- We announced a share-for-share acquisition of Forward Partners and successfully completed an oversubscribed fund raise of £55 million (net of fees) by way of issuance of new shares on the London Stock Exchange and the Euronext Dublin
- Retrenching by some global VCs from the European market who had less experience or depth of networks in the region, reducing the competitive set for UK and European deals
- Continue to demonstrate the flexibility of our model and structure to maximise the ability for the Company to participate along EIS and VCT pools of capital in qualifying deals

Focus for FY25
- Continue the strategic deployment of capital into existing portfolio companies by way of follow-on funding and working with portfolio management teams to manage cash runway and preserve/enhance value or raise money in challenging economic conditions
- Expand the syndication of investment strategies and launch new fee-paying funds with third-party capital under management to reduce dependency on capital markets
- Continued focus on ESG as a competitive advantage and thought leader in the VC space
- Further development of brand to entrench Molten Ventures position within the VC and tech communities

Principal risks

Board approval

The Strategic Report as set out on pages 6 to 66 was approved by the Board of Directors on 11 June 2024 and signed on its behalf by:

Ben Wilkinson
Chief Financial Officer

Viability statement

The Directors have assessed the viability of the Group over a three-year period to March 2027, considering its strategy, its current financial position, and its principal risks.

The three-year period reflects the time horizon over which the Group places a higher degree of reliance over the forecasting assumptions used.

The three-year plan is built using a bottom-up model and makes assumptions about the level of capital deployed into, and realisations from, its portfolio companies, the financial performance (and valuation) of the underlying portfolio companies, the Group's utilisation of its debt finance facility and the ability to raise further capital, the level of the Group's net overheads and the level of dividends.

To assess the impact of the Group's principal risks on the prospects of the Group, the plan is stress-tested by modelling severe but plausible downside scenarios as part of the Board's review of the principal risks of the business.

While all the risks identified, including cyber security, key personnel, industry competition, FX exposure and loss of regulated status could potentially have an impact on the Group's financial position, the Directors believe that the risks most likely to impact the Group's viability include changes to the global macroeconomic environment, portfolio valuations, geopolitical protectionism, profile of venture investments and unpredictability of exit timing.

The severe downside scenarios model situations were:

1. Concentration risk
Scenario: considers the impact of a material event causing the single largest asset in the portfolio to be written off.

Links to Principal Risks: 1, 8, 9

2. Valuations risk
Scenario: considers the impact of public and private market recalibration causing severe disruption to the operating cycle, significantly reducing valuations and realisations, and stalling routes to exit.

Links to Principal Risks: 1, 2, 3, 4, 5, 8

3. Realisations risk
Scenario: considers no additional exits other than those which have been agreed and the sale of listed assets, either due to severe disruption to the market or due to exits in the form of IPO with shares held being subject to a lock up period.

Links to Principal Risks: 1, 2, 3, 7, 8

4. A combination of scenarios 1-3 above
The Directors have considered an "all risks" stress test scenario, combining all of the scenarios tested in a "worst case" analysis. This is a highly unlikely, albeit plausible scenario, however, in the event of such a scenario the Group would be able to continue operating until September 2025 before a liquidity shortfall. However, mitigations have been modelled in this scenario which would ensure sufficient liquidity well beyond March 2027.

In such scenarios there would be additional options available for the Group to mitigate the impact on liquidity, including:

a. reducing investment levels to mitigate the impact on liquidity
b. exits outside the usual course of business
c. equity financing
d. syndicated fund strategies
e. debt financing

Given the current volatility of public markets an equity raise has not been modelled in any of the scenarios.

The Directors also considered viability over the longer term period. Risks considered were:

1. The resilience of the underlying business model
The "patient capital" nature of the Group's business model, which affords the Group flexibility in terms of exit timings, coupled with its relatively low level of committed capital, provides a high degree of financial resilience to macroeconomic risks.

Links to Principal Risks: 1, 2, 3, 4, 5, 6, 8, 9

2. Resilience to technological risks
While no major issues were identified the Company has continued to invest in improvements to IT infrastructure, software and cyber security and has also appointed a new IT manager and outsourced service provider.

Links to Principal Risks: 7

3. Resilience to social and environmental risks
The Group works with external providers and voluntarily reports against external standards and frameworks. A Climate Strategy has been developed and a dedicated ESG Committee oversees the activity of the ESG Working Group. ESG KPIs are measured and performance against ESG targets is indexed to staff bonuses.

Links to Principal Risks: 1, 3, 4, 8, 9

Based on this assessment, the Directors have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, up to at least March 2027.

Please see our Principal Risks section, starting on page 58 for further details on our Principal Risks

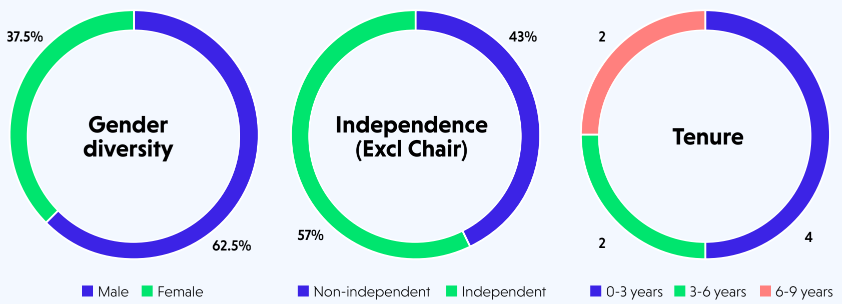
Governance Report

Contents

Governance Report

Governance ‘at a glance’

Board composition



Board independence table

Chair (independent on appointment)	Laurence Hollingworth
Independent (Non-Executive Directors)	Grahame Cook Sarah Gentleman Lara Naqushbandi Gervaise Slowey
Non-Independent (Executive Directors)	Martin Davis Stuart Chapman Ben Wilkinson

Board attendance table

Director	Board	Audit, Risk and Valuations Committee	Remuneration Committee	Nomination Committee	ESG Committee
Laurence Hollingworth[1]	■■		■		
Grahame Cook	■■■■■■■■■	■■■■■■	■■■	■■	
Sarah Gentleman	■■■■■■■■■	■■■■■■	■■■	■■	
Richard Pelly[2]	■■	■	■	■	
Gervaise Slowey	■■■■■■■■■	■■■■■■	■■■	■■	■■■■■
Lara Naqushbandi[3]	■■■■■■■	■■■■□	■■	■	■■■
Martin Davis	■■■■■■■■■				
Stuart Chapman	■■■■■■■■■				
Ben Wilkinson	■■■■■■■■■				■■■■■

[1] Appointed on 2 January 2024
[2] Retired from the Board on 26 July 2023
[3] Appointed on 11 September 2023

Key activities in applying the principles of the UK Corporate Governance Code

Code principles	Activity in the year
Board leadership and Company purpose (A-E)	• Completed an extensive strategic review and reset the Company’s three-year plan • Consulted shareholders with regard to the Fundraise completed in December 2023 • Continued DNED programme of engagement with updates on workforce engagement responses. How the Board assesses and monitors the culture of the business is set out on page 72 • Received summary of detailed half-yearly portfolio reviews carried out by management
Division of responsibilities (F-I)	Information on the activity of the Committees is set out in their individual reports starting on pages 78 (Nomination Committee), 81 (ESG Committee), 83 (Audit, Risk and Valuations Committee) and 86 (Remuneration Committee).
Composition, succession and evaluation (J-L)	• Appointed Russell Reynolds to assist with candidate search, resulting in the appointment of Lara Naqushbandi, followed by Laurence Hollingworth • Appointed Lintstock to undertake the Company’s first externally facilitated board performance review • Considered the recommendations of the Parker Review 2023
Audit, Risk and Internal control (M-O)	The Audit, Risk and Valuations Committee’s activity during the year has focused on its key responsibilities around the integrity of financial reporting (including valuations), and ensuring that risk management and internal control systems operate effectively. Other activities included: • Reviewed annual compliance reports, corporate policies and procedures • Provided oversight of the audit partner transition and reviewed additional non-audit fees relating to corporate actions Further information is included in the Audit, Risk and Valuations Committee Report starting on page 83.
Remuneration (P-R)	• Approved salary increases and cost-of-living payments for employees • Reduced the level of pay-out of the annual bonus to 20% of maximum opportunity for threshold and 50% of maximum opportunity for target performance • Reduced the level of pay-out for threshold performance for the Assets under Management metric under the long-term incentive from 50% to 25% of maximum A summary of the Remuneration Policy, and further information on the Remuneration Committee’s activity, is set out in the Directors’ Remuneration Report starting on page 86.

Corporate governance statement

Dear Shareholder,
I am pleased to present the Governance Report for the year ended 31 March 2024. This section describes the Group’s governance framework and responsibilities, the key activities of the Board during the year, and our compliance with the principles and provisions of the UK Corporate Governance Code. Further information on the Code can be found on the Financial Reporting Council’s website at: www.frc.org.uk.

The Board confirms that, for the year ended 31 March 2024, it has consistently applied the principles of the UK Corporate Governance Code (the “Code”) and complied with all relevant provisions of the Code with the exception of Provision 24, which states that the chair of the board should not be a member of the audit committee.

Following the unexpected resignation of Karen Slatford for health reasons, Grahame Cook was appointed Interim Chair of the Board whilst also continuing to serve as Chair of the Audit, Risk and Valuations Committee from 17 January 2023 until my own appointment on 2 January 2024.

Board composition

During the year both Lara Naqushbandi and I were appointed to the Board, succeeding Richard Pelly and Karen Slatford respectively. Our appointments have assisted us with moving closer to achieving our diversity targets with women representing 37.5% of our Board and having met the Parker Review recommendation of appointing one Director from a black, Asian or other ethnic minority background.

We do not yet have female representation in a senior board role (defined as CEO, CFO, Chair or SID) and this will remain a key consideration as our succession planning for both Executive and Non-Executive Directors continues in FY2025. More information on the recruitment process, and the independence and diversity of the Board, is set out in the Nomination Committee Report on pages 78 to 80.

Board performance review

The effectiveness of the Board is vital to the success of the Company. The Board undertakes a rigorous evaluation process each year to assess how it, its Committees and individual directors are performing. In line with the Code, the Board instructed Lintstock to conduct an externally facilitated evaluation in April and May 2024. Lintstock provides external board evaluation services and has no other connection with Molten or its Directors.

The process and outcomes of the review can be found on pages 76 and 77. We will continue to consider conducting such reviews on a triennial basis.

Engaging with the workforce

The Board recognises the importance of ensuring high quality engagement with the workforce, and ensuring transparency around how employee interests are considered in our decision-making process. Gervaise Slowey succeeded Richard Pelly as the Designated Non-Executive Director for engagement with the workforce (“DNED”) following his retirement at the 2023 AGM. A summary of the workforce engagement activity undertaken by the Board and led by Gervaise during the year can be found on page 72.

Investors/AGM

Information on the Company and the Board’s engagement with Shareholders (and other stakeholders) is set out on pages 42 to 45. I am always happy to engage directly with Shareholders on corporate governance (or other matters), and can be contacted by writing to our Company Secretary at the Company’s registered office or by emailing cosec@molten.vc.

Retail investors may also register for presentations and updates on the Company via the Investor Meet Company platform, which was used several times throughout the year to provide updates on financial results and give thematic presentations on portfolio companies.

I would like to end by thanking all of our stakeholders for their continued support this year and I look forward to welcoming Shareholders to our 2024 Annual General Meeting which will be held at the Company’s registered office at 20 Garrick Street, London WC2E 3BT, at 10am on 24 July 2024.

Laurence Hollingworth
Chairman

Board of directors

Laurence Hollingworth

Chairman

Age: 66

Appointed: January 2024

Membership: C C

Laurence has extensive experience in the capital markets and a strong understanding of the investment environment, following a 37-year career with Cazenove and latterly JP Morgan. He has held several senior leadership roles during his career including Head of UK Investment Banking, Head of EMEA Industry Coverage, and finally as Vice Chairman for Equity Capital Markets EMEA. He is currently chair of Clarkson plc, the world's largest shipbroker, and a non-executive director of Atom Bank plc, an online retail challenger bank. Laurence serves as Chair of the Nomination Committee and as a member of the Remuneration Committee.

Grahame Cook

Senior Independent Director

Age: 66

Appointed: June 2016

Membership: C

Grahame is an experienced public company non-executive director, with over 20 years' experience as an audit and risk committee chair. Grahame's background is in investment banking, with 20 years' experience of M&A, equity capital markets and corporate advisory. Grahame started his career at Arthur Andersen, where he qualified as a chartered accountant. He became a Director of Corporate Finance at Barclays de Zoete Wedd in 1993, and then joined UBS as a Managing Director, a member of its global investment banking management committee and global head of equity advisory. At UBS he was responsible for creating its industry sector teams, including technology and healthcare. In 2003 he became joint chief executive officer at WestLB Panmure where he built a pan-European business focused on growth companies and ran a €100 million technology fund. He advised the London Stock Exchange in 2003 on the creation of its TechMark growth segment. Grahame sits on a number of technology and technology-rich healthcare company boards, both listed and unlisted. Grahame holds a Double First Class Honours degree from the University of Oxford. Grahame is Molten's Senior Independent Director and serves as chair of the Audit, Risk and Valuations Committee and as a member of the Remuneration Committee and the Nomination Committee. Grahame served as Interim Chair from 17 January 2023 until Laurence's appointment as Chair on 2 January 2024.

Sarah Gentleman

Independent Non-Executive Director

Age: 54

Appointed: September 2021

Membership: C

In addition to her role as a non-executive director at Molten, Sarah is the senior independent director of Rathbones Group plc, as well as being a member of its audit, risk, nomination and remuneration committees. Sarah has over 30 years' experience working in a combination of strategic and financial roles, having started her career as an analyst at McKinsey & Company; these include Business Development Director at Egg UK and Chief Financial Officer at LCR Telecom. Until 2012, Sarah was a sell-side banking analyst at Sanford Bernstein where she covered French, Spanish and Italian banks. Most recently, Sarah has been working as an adviser to early-stage technology companies with a focus on fintech. At Molten, Sarah chairs the Remuneration Committee and sits as a member of the Audit, Risk and Valuations Committee and Nomination Committee.

Gervaise Slowey

Independent Non-Executive Director

Age: 56

Appointed: July 2021

Membership: C

Gervaise has a background in senior management, international business, marketing and media. Gervaise serves as a non-executive director on the boards of Dalata Hotel Group PLC, Wells Fargo Bank International (WFBI) and Eason PLC (Ireland's largest book retailer). She also chairs the remuneration and nomination committee for WFBI and the ESG committee for Dalata Hotel Group PLC. Gervaise was CEO of Communicorp Group (now Bauer), Ireland's largest independent radio group for four years to the end of 2016, and also served as a non-executive director on the board of Ulster Bank Ireland for three and a half years to October 2021. Prior to that she held senior roles in Ogilvy Worldwide for 16 years, most recently Global Client Director. Gervaise has also served on the boards of the International Rice Research Institute and the Institute for International and European Affairs (IIEA). She is a Chartered Company Director (Institute of Directors), a Dublin City University Business Studies graduate (BBS) and has completed the Sustainability Leadership Program at Cambridge University. At Molten, Gervaise is the Designated Non-Executive Director for Employee Engagement, chairs the ESG Committee and is also a member of the Audit, Risk and Valuations Committee, Remuneration Committee and Nomination Committee.

Lara Naqushbandi

Independent Non-Executive Director

Age: 43

Appointed: September 2023

Membership:

Lara is currently the CEO of ETFuels Limited, a green fuels company focused on the decarbonisation of hard to abate industry. She has a wealth of global commercial and strategic experience, having previously held roles in finance and sustainability at Google, Rio Tinto and Goldman Sachs. She also has investment experience at Klesch Group, Climate Change Capital and Bridgewater Associates. Lara currently serves as a board fellow at the real estate investment trust Assura Plc. She has lived and worked in every continent other than Antarctica and has a BA and MBA from Harvard. At Molten, Lara is a member of the Audit, Risk and Valuations Committee, Remuneration Committee, Nomination Committee and ESG Committee.

Martin Davis

Chief Executive Officer

Age: 61

Appointed: November 2019

Membership:

Martin was appointed as CEO of Molten in November 2019. He has more than 20 years' experience in financial services and joined Molten from Aegon Asset Management where he was the Head of Europe, Aegon Asset Management & CEO, Kames Capital. Prior to Aegon Asset Management, Martin served as CEO at Cofunds, spent eight years at Zurich Insurance Group, and was also CEO of Zurich's joint venture, Openwork, the largest network of financial advice firms in the UK. Prior to this, Martin held senior management roles at Misys, Corillian, and Reuters. Martin also served for 11 years in the British Army. Martin has an MBA from London City Business School (CASS) and Diplomas from the Institute of Marketing and the Market Research Society.

Ben Wilkinson

Chief Financial Officer

Age: 43

Appointed: June 2019

Membership:

Ben was appointed to the Molten Board in June 2019, having joined the Molten Group as CFO in 2016. At Molten, Ben has been responsible for building out the balance sheet, through equity and debt financing and broadening the shareholder register. He has developed the finance function and led on Molten's move to the Main Market. Prior to Molten, Ben served for five years as CFO of AIM-listed President Energy PLC. Ben is a Chartered Accountant, FCA, with a background in M&A investment banking from ABN Amro/RBS where he was involved with multiple crossborder transactions and corporate financings. Ben is a graduate of Royal Holloway, University of London with a BSc in Economics. Ben sits as a member of the ESG Committee.

Stuart Chapman

Executive Director

Age: 54

Appointed: June 2016

Membership:

Prior to co-founding Molten in 2006, Stuart was a director of 3i Ventures in London. He has over 30 years' venture capital experience in Europe and the US – including being part of the founding team of 3i US in Menlo Park, CA. Stuart serves as a director with Netronome, Freetrade, Realeyes, Riverlane and Crate; and as observer with Graphcore, Indykite and Aircall. Before 3i, Stuart was involved in software and systems implementations for Midland Bank. He is a graduate of Loughborough University and currently serves on the Strategic Advisory Board for the Loughborough School of Business.

The age of each Director is displayed as at 12 June 2024.

Key Board Audit, Risk & Valuations Committee Remuneration Committee Nomination Committee ESG Committee C Chair

Board leadership

The Board's primary role is to ensure the long-term success of the business by establishing the Group's strategy and business model, and ensuring that these align with the values and culture of the Group. The Board receives regular updates from the Executive Directors on the implementation of strategy, with particular focus on how the business is performing against our strategic key performance indicators.

The Board and culture

The Board recognises its responsibility to demonstrate the Company's culture and values in the way that it operates, interacts and engages with the Company's employees and other stakeholders. As such, meetings (Board and Committees) are conducted in an open and inclusive manner, encouraging all attendees to participate fully and to share their views and experiences. Similarly, employees of the business are given opportunities to interact directly with Directors to support open dialogue.

Workforce engagement

Non-Executive Directors attend the bi-annual portfolio day where they engage with the broader workforce, meeting with investment managers and support teams. The Non-Executive directors also attend the annual Investor Day where they have the opportunity to directly engage with the portfolio company founders and their teams, employees, and the broader investment community.

The Board approved the appointment of Gervaise Slowey as the Designated Non-Executive Director for engagement with the workforce ("DNED") with responsibility for workforce engagement, following Richard Pelly's retirement at the 2023 AGM.

Gervaise's role as DNED has been communicated to the business, and she has made herself available for individual meetings and to use other informal channels for engagement, including attendance at informal staff events, and regularly visits the Company's offices.

Gervaise has had four meetings with different cross sections of the workforce at various levels throughout the financial year and has brought valuable insights gained from these sessions back to the Board where they are discussed and considered in decision-making. This engagement assists the Board in monitoring culture and overseeing the effective implementation of the Company's values and embedding of the Company's Corporate Purpose.

The Company invests in its workforce in a number of ways, including through training and development, through an external coaching programme, and healthcare and well-being initiatives. Key to our business is the ability to recruit and retain a high calibre of staff at all levels. As such we offer a competitive package of salary and benefits, which includes (depending on eligibility) participation in bonus and long-term incentive schemes.

Workforce remuneration is reviewed periodically by the Remuneration Committee, and provides the context in which decisions on Executive Director remuneration are taken (see the Directors' Remuneration Report).

Molten team at our London Office

Engagement with Shareholders

The Executive Directors are responsible for managing day-to-day relationships with other stakeholders, and lead the Company's engagement with its Shareholders (and potential investors) through a calendar of investor relations activities.

The Board monitors Shareholder views through reports on investor and analyst communications which are included in the papers for Board meetings on a regular basis during the year (typically following financial results presentation, or other specific investor engagement activity (e.g. linked to equity raising or other corporate events)).

The typical programme of investor relations activity involves the CEO and CFO meeting with analysts, current Shareholders and potential investors to present full and half-year results, as well as their attendance at various investor conferences during the year. Presentations to retail investors are also provided periodically via the Investor Meet Company platform, covering financial results and updates on portfolio companies.

In February 2024, the Company held its annual Investor Day which was attended by a number of the Company's largest Shareholders, as well as various analysts and service providers. The event is an opportunity for the Company to showcase a selection of portfolio companies and engage in person with the Company's stakeholders.

Other members of the Board are available to engage with Shareholders on request, and Shareholders are encouraged to attend and vote at the Company's General Meetings. Shareholders are given the opportunity to submit questions by email ahead of the AGM. No questions were submitted in 2023.

Conflicts of interest

The Group requires that Directors disclose details of all situations where each Director's interest may conflict with those of the Company (situational conflicts). Each Director has resubmitted their register of interests as at 31 March 2024 for the Board to consider and authorise any new situational conflicts identified in the resubmitted lists. At the beginning of each Board meeting, the Company Secretary reminds the Directors of their duties under the Companies Act 2006 which relate to the disclosure of any conflicts of interest prior to any matter that may be discussed by the Board.

Board independence

The overall independence of the Board has been in line with the recommended criteria under the UK Corporate Governance Code. The split of independent and non-independent Directors is summarised in the table below:

Chair (independent on appointment)	Independent (Non-Executive Directors)	Non-Independent (Executive Directors)
Laurence Hollingworth	Grahame Cook	Martin Davis
	Sarah Gentleman	Stuart Chapman
	Lara Naqushbandi	Ben Wilkinson
	Gervaise Slowey	

The Board, through the Nomination Committee, has assessed the independence of each of the Non-Executive Directors by reference to the criteria set out in provision 10 of the Code, and the Board remains satisfied that none of those criteria apply and that each Non-Executive Director is independent in character and judgement.

Time commitment and external appointments

All Directors are required to seek authorisation to accept any proposed external appointments with the Board before accepting. The Non-Executive Directors' letters of appointment set out the time commitment required, which is a minimum of two days per month but anticipate that additional time may be required (particularly where the Director has additional responsibilities, for example as Senior Independent Director, Committee Chair or DNED). This time commitment is reviewed annually by the Nomination Committee to ensure that all Directors continue to be able to devote sufficient time and attention to the Company's business. The Board also regularly has working dinners, usually on the nights before Board meetings, to allow the Directors greater time to consider and discuss different topics.

Company Secretary

All Directors, the Board and Committees have access to the advice and support of the Company Secretary, whose appointment is a matter reserved for the Board. Through the Company Secretary, Directors can arrange to receive additional briefings on the business, external developments and professional advice independent of the Company, at the Company's expense. The Company Secretary reports directly to the CEO and to the Chair of the Board on all governance matters, ensuring that board procedures and policies are complied with and designing the induction program for new directors. The Company Secretary's remuneration is determined by the Remuneration Committee. Shareholders can also correspond with the Company by writing to the Company Secretary at the Company's registered address or by email to **cosec@molten.vc**

Division of responsibilities

Governance framework

Board and Committee key responsibilities, delegated authorities to management and reporting lines, is illustrated below:

Board

Responsible for setting the Company's investment policy and strategy for delivering long-term value to Shareholders and other stakeholders, providing effective challenge to management on the execution of strategy, and ensuring the Group maintains an effective system of risk management and internal controls.

Please see page 18 for our strategy

Please see pages 59-65 for principal risks and uncertainties

Please see page 28 for our activity in the year

Please see page 42 for our s172 statement

Audit, Risk & Valuations Committee

- Oversees the Company's financial reporting
- Monitors the integrity of internal financial controls
- Reviews the valuation of investments
- Reviews and assesses risk management systems

Please see page 83 for Audit, Risk & Valuations Committee report

Remuneration Committee

- Develops Remuneration Policy for Directors (subject to Shareholder approval)
- Determines Executive Director Remuneration
- Approves annual bonus and LTIP performance measures
- Monitors pay and conditions across the Company

Please see page 86 for Directors' Remuneration Report

Nomination Committee

- Executive and Non-Executive Director succession planning
- Identifies and nominates candidates to the Board
- Reviews composition of Board and Committees
- Monitors compliance with Board Diversity Policy
- Leads Board evaluation process

Please see page 78 for Nomination Committee report

ESG Committee

- Maintains and oversees the Group's ESG Policy
- Reviews the effectiveness of ESG functions across the Group
- Supervises and supports the activities of the ESG Working Group
- Approves and monitors ESG KPIs

Please see the Sustainability Report for a summary of the Group's ESG activities during the period.

Policies & Procedures Committee

- Operationally focused Committee which reviews all Group policies and procedures with delegated authority to approve and implement or recommend to the Board or relevant Board Committee
- Oversees staff training and adherence to Group policies and procedures
- Chaired by Group General Counsel with the Group's CFO, MLRO and Finance Director the other voting members

Esprit Capital Partners LLP (ECP) Management Board

ECP is the appointed Alternative Investment Fund Manager (AIFM) of Molten Ventures plc under the Alternative Investment Fund Manager Directive (AIFMD). The ECP Management Board is responsible for managing the day-to-day operational investment activities of the Company, and along with the Investment Committee, implementing the strategy approved by the Board. It monitors performance against financial and operational KPIs and manages risk.

ECP Investment Committee

- Implements the Company's investment policy
- Approves all Molten Ventures plc investments where these are below the threshold requiring Board approval and may impose conditionality on any approvals granted
- Recommends investments to the Board for approval when above a set threshold

Please see page 18 for our investment strategy

Please see page 17 for our investment criteria

Please see pages 27 to 29 for our portfolio

Role, composition and evaluation

Role of the Board

The Board is responsible to Shareholders for the overall management and oversight of the Group to ensure its long-term success. In particular, the Board is responsible for approving the Group's strategy (and for ensuring that the Group has the necessary people, resources and infrastructure to deliver the strategy), setting the Group's risk appetite, monitoring performance, and maintaining an effective system of risk management and internal controls. The operation of the Board is documented in a formal schedule of matters reserved for its approval, which is reviewed annually. The matters reserved to the Board include:

- Group investment and business strategy
- Material changes to the Group's investment policy (subject to FCA and Shareholder approval)
- Approval of individual investments in excess of a threshold set by the Board or where an investment may pose additional risk
- Approval of specific risk management policies (including insurance, hedging, borrowing limits and corporate security)
- The launch of new third party funds
- New substantial commitments and contracts not in the ordinary course of business
- Financial reporting
- Approval of annual business plans and budgets
- Assessing significant risks and effectiveness of controls

Responsibility for the day-to-day management of the Group is delegated to the Executive Directors, and other responsibilities are delegated to the Board's Committees in line with established governance practice.

In order to ensure a clear division of responsibilities between the Board, its Committees, and the Executive Directors, there is an established framework documenting the responsibilities of each entity or individual. This includes the schedule of matters reserved for the Board and the formal terms of reference of each of the Committees, all of which are reviewed at least annually. The schedule of matters reserved to the Board, and the terms of reference of each Committee, are available on the Company's website.

Scheduled Board meetings follow an agreed format with the final agenda being set by the Chairman / Committee Chair, Chief Executive and Company Secretary by reference to the annual agenda and having considered key developments since the previous meeting. This approach ensures that coverage of the Board and Committees' key responsibilities is balanced against the need to focus on strategic priorities and address topical matters. Focused strategy meetings are held each year to enable the Board and management to reflect on, debate, refine and agree the Group's strategy.

Board induction

Our Non-Executive Directors receive a comprehensive and tailored induction to the business. Induction programmes are structured around one-to-one briefings with the Executive Directors, members of senior management, other Board Directors, the Company Secretary, and internal and external legal counsel, along with the provision of relevant briefing materials and other documentation Both Lara Naqushbandi and Laurence Hollingworth received inductions during the year and positive feedback on the induction programme was provided in the Board performance review.

Roles and responsibilities

There is a clear division of Executive and Non-Executive responsibilities, and the roles of the Chairman and CEO are separately held; the separation of their duties has been documented and approved by the Board. Key roles of individual Board members are summarised in the table below:

Chairman Laurence Hollingworth	The Chairman's primary role is to lead the Board and ensure its effective operation, promoting an open forum for debate between Executive and Non-Executive Directors. The Chairman also has a key role in ensuring effective engagement with Shareholders and other stakeholders, and setting the Board's agenda.
CEO Martin Davis	The CEO is responsible for developing the Group's strategy for approval by the Board, for leading the execution of the Group's strategy and investment policy, and for implementing the decisions of the Board and its Committees. The CEO maintains strong relationships with the Chairman, the Board, key stakeholders, and ensures that the culture promoted by the Board is operated throughout the Group.
CFO Ben Wilkinson	The CFO provides financial leadership to the Group, and aligns the Group's business and financial strategy (including managing the capital structure of the Group). The CFO is responsible for financial planning and analysis, portfolio valuations, presenting and reporting accurate and timely historic financial information and leading investor relations activities.
Executive Director Stuart Chapman	Stuart Chapman has primary responsibility for the Investment Team and is involved in setting the strategy for the Company and its investments, working in conjunction with the Chief Portfolio Officer.
Senior Independent Director Grahame Cook	The Senior Independent Director (SID) provides advice and additional support and experience to the Chairman, and where necessary performs an intermediary role for other Directors. The SID leads the annual appraisal and review of the Chair's performance, and is available to respond to Shareholder concerns when contact through the normal channels may be inappropriate.
Non-Executive Directors Sarah Gentleman Lara Naqushbandi Gervaise Slowey	The Non-Executive Directors provide constructive challenge to the Executive Directors and help with the development of proposals on strategy and in monitoring performance against KPIs. They promote high standards of integrity and corporate governance, and, through their roles as Chairs and members of Board Committees, provide independent oversight.

Role, composition and evaluation continued

Board development

The Board receives updates on key areas of the business and upcoming legislative or regulatory changes, through the following:

- briefings within Board papers
- presentations from senior managers on specific topics
- governance and regulatory updates provided by the Company Secretary, General Counsel, external Auditors and remuneration consultants
- legal and compliance updates and advice from internal and external counsel

Non-Executive Directors are also encouraged to attend seminars and workshops on business and regulatory issues offered by professional services firms and law firms.

Board performance review

In line with recognised best practice, Molten undertakes Board reviews on an annual basis to increase Board effectiveness and to identify areas for improvement. Molten engaged Lintstock in 2024 to conduct an external review of the performance of the Board and its Committees. Lintstock is an advisory firm that specialises in Board reviews and has no other connection with the Company or individual directors.

Methodology

Scoping and Tailoring

February – March 2024
The scope and objectives of the review were agreed following a briefing meeting between Molten and Lintstock.

Lintstock collaborated with Molten to design a bespoke line of enquiry tailored to the business needs of the Company, and to follow up on themes identified in Molten's previous internal reviews. Board members were given the opportunity to input into the focus of the exercise.

As well as covering core aspects of governance such as management information, composition and dynamics; the review considered people, strategy and risk areas relevant to the performance of Molten. The review had a particular focus on the following areas:

- Priorities for the new Chairman;
- Board oversight of strategic delivery and the investment process; and
- Board visibility of management succession planning.

Completion of Surveys

April 2024
Board members completed bespoke surveys assessing the performance of the Board and each of its Committees. Each Director also completed a self-assessment questionnaire addressing their own performance.

Analysis and Delivery of Reports

April – May 2024
Lintstock analysed the findings from the surveys and delivered focused reports documenting the findings, including a number of recommendations to increase effectiveness.

Board Discussion

Lintstock's findings were presented to the Board by the Chairman at a subsequent Board meeting. Actions were agreed for implementation and monitoring.

Key Findings

Lintstock found that the Board engaged well with the Board Review process, with the Directors taking the opportunity to reflect on the Board's internal functioning, as well as its oversight of the business and investment process. The composition and management of the Board received particularly positive feedback, and the Board was seen to be well supported by both the business and external advisors.

The Review identified a number of priorities for the Board in 2024, including:

- continuing to develop the Group's long-term strategic direction and growth plans;
- monitoring the broader market environment, competitive landscape and access to capital; and
- maintaining a strong focus on succession planning and talent management.

The following actions were agreed for implementation in FY25 and progress will be disclosed in the next Annual Report:

- Review Investment Committee materials to increase knowledge and understanding of portfolio companies;
- Periodically review past decisions, assessing outcomes and considering future improvements; and
- Conduct a further review of the meeting calendar and annual agenda to re-allocate meeting time to strategic discussions and increase the time dedicated to Board matters.

As part of the review, Lintstock provided an analysis of the Molten Board relative to the Lintstock Governance Index, which comprises around 60 core board performance metrics from over 200 board performance reviews which Lintstock has recently facilitated. This helped Directors to understand how the Board compares with other organisations, while putting the findings into context.

Progress against some of the key findings from the evaluation conducted in FY23 (and reported on in our FY23 Annual Report) is summarised below:

Action	Progress
Corporate calendar and communications • Revise corporate calendar to remove long stretches between meetings • Consider additional informal meetings at agreed intervals	• Complete. Meeting cadence has been revised and additional shorter Board and Committee meetings have been held where necessitated.
Appraisals of strategy • Consider the addition of a further Board strategy day during the financial year • Continue programme of portfolio deep dives covering different investment strategies and sectors	• Given the significant transactions completed during the year as well as the strategic review completed with Rothschild & Co, an additional strategy day was not deemed necessary. A dedicated Board ESG strategy session will be held in FY2025. • A detailed review of the VCT strategy was conducted during the year and presented by the head of VCT.
Board evaluation • Complete externally facilitated Board evaluation once new Directors have been appointed and fully inducted • Expand evaluation scope to include ESG and Nomination Committees	• Completed immediately after year end as reported above.

Nomination committee report

Chair:
Laurence Hollingworth

Other members:
Grahame Cook
Sarah Gentleman
Lara Naqushbandi
Gervaise Slowey

FY24 Key activities:
- Worked with an external recruitment agency to identify two candidates for appointment to the Board and the succession of the previous Chair
- Executive Director succession planning
- Reviewed Board Diversity Policy

FY25 Key priorities:
- Continue to develop Executive Director and senior management succession planning process
- Monitor progress against recommendations from the FY23 Board and Committee evaluation process
- Apply the recommendations of the Parker Review 2023
- Prepare for the retirement of Grahame Cook following nine years service at the AGM in 2025

I am pleased to present the report of the Nomination Committee (the "Committee") for the year ended 31 March 2024.

Key responsibilities

Full Terms of Reference of the Committee can be found on the Company's website .The key responsibilities of the Committee are:

- Monitoring the structure, size and composition of the Board and its Committees
- Developing and overseeing succession plans for Executive and Non-Executive Directors and senior management
- Leading the process to identify and nominate candidates to fill Board vacancies, including identifying the skills and experience required, and having regard to the Board's Diversity Policy
- Reviewing the time commitment required from Non-Executive Directors
- Reviewing the results of the annual Board evaluation. For details of the Board evaluation, see pages 76 and 77.

Board composition and diversity

The independence, tenure, and gender diversity of the current Board is summarised in the charts on page 68 and ethnicity data is included on page 80. Diversity and inclusion statistics for the Board and total workforce can be found in the separate Sustainability Report.

Succession planning

The Committee had previously recognised the potential disruption of the terms of office of Karen Slatford, Grahame Cook and Richard Pelly expiring at the same time (all having been appointed on the Company's IPO on AIM in 2016) and developed plans to ensure a phased approach to their retirement prior to reaching a tenure of nine years. It had been agreed that Mr Pelly would retire from the Board and not seek re-election following the AGM scheduled for 26 July 2023 and the Committee was therefore in the process of identifying candidates to succeed Richard on the Board. Following the unexpected resignation due to ill health of Karen Slatford in January 2023, the Committee extended its candidate search to also facilitate the appointment of a new Chair as well as a new independent Non-Executive Director as originally planned.

Now that the immediate vacancies at Board level have been filled with the appointments of Lara and I, the Committee intends to continue to develop and formalise its approach to Executive succession planning (including building in considerations around developing a diverse and inclusive pipeline for senior management positions) during FY2025. Consideration will also be given to succession planning for the Chair of the Audit, Risk and Valuations committee and senior independent director with Grahame Cook's expected retirement following the AGM in 2025.

Time commitment

Although the letter of appointment of each Non-Executive Director includes an anticipated time commitment, the letter also states that Directors are expected to commit sufficient time to their directorship to discharge their obligations to the Company. The Nomination Committee reviewed the time that each Non-Executive Director commits to the Company and was satisfied that this was sufficient to discharge their duties fully and effectively in each case.

Independence

The Nomination Committee assesses the independence of the Non-Executive Directors against the criteria set out in the Code. This highlights that to be classed as independent, non-executive directors should be independent in character and judgement and free from any relationships or circumstances which may affect that judgement. The Nomination Committee assesses independence annually prior to recommending the election/re-election of the Directors. However, the Nomination Committee also revisits its assessment as and when there are any changes in circumstances and prior to recommending any reappointments for a further term to the Board. During its annual assessment, the Nomination Committee satisfied itself that there had not been any changes in circumstances which would impact on the previous assessment that all Non-Executive Directors were independent.

Director appointment process

The search and appointment process followed for the Directors appointed during the year is summarised in the chart below:

Stage 1

Identify role and candidate profiles

The Committee develops and agrees role and candidate profiles with the help of skills matrices to identify including key skills, experience, and characteristics.

Stage 2

Identify and instruct an executive search agency

Russell Reynolds Associates engaged to assist with the process (no other connection with the Company or individual Directors).

Stage 3

Review shortlist

Russell Reynolds Associates produce a shortlist of potential candidates.

Stage 4

Interviews

First round interviews conducted by the Chair / Interim Chair and CEO and preferred candidates subsequently interviewed by other Directors.

Stage 5

Nomination Committee interviews

Individuals identified as the preferred candidates meet separately with the other members of the Nomination Committee and the Board.

Recommendation

The Nomination Committee considers and if thought fit recommends to the Board that the preferred candidates be appointed. Directors will stand for election by shareholders at the first Annual General Meeting following their appointment.

Nomination committee report continued

Board Diversity & Inclusion Policy

The Board Diversity & Inclusion Policy confirms the Company's commitment to providing an inclusive and diverse environment throughout the business and sets out the Company's approach to diversity and inclusion on the Board and senior management team. The policy also reflects the Company's wider Diversity & Inclusion Policy and aims to ensure the development of a diverse and inclusive talent pool for the purposes of Board succession planning. The objectives and targets set out in the policy, and progress/performance against them during the year, are set out in the table below:

Objective/target	Progress/activity in FY2024
Appointments to the Board to be made on merit, and assessed objectively, fairly and impartially on the basis of relevant skills, experience and competence with due regard to the benefits of diversity and any diversity gaps across the Board.	The appointments of Lara Naqushbandi and Laurence Hollingworth were made during the year, consistent with this objective and described in more detail on page 79.
Conduct annual reviews of Board composition and effectiveness, both to include consideration of all aspects of diversity and inclusion, as well as broader consideration of skills, experience, independence, and knowledge to ensure continued effectiveness.	Board and Committee composition reviewed in November 2023, with no changes recommended given recent Board appointments. The Board performance review is described in more detail on pages 76 and 77.
Work with external search firms to develop a diverse internal talent pipeline, including an inclusive senior management team.	A DEI Recruitment Policy is provided to external recruiters used by the Company to promote the increase of a diverse base of talent within the Group.
When identifying and engaging executive search firms to identify candidates for appointment to the Board, ensure that they agree to comply with the Board Diversity Policy at all times.	Any search firms engaged are asked to agree to comply with the Board Diversity Policy and Company DEI Recruitment Policy.
Achieve female representation on the Board of not less than 25% by 2022, and not less than 40% by 2025.	Female representation on the Board is 37.5%.
At least one Director from a black, Asian, or other minority ethnic background by 2023.	Target met with the appointment of Lara Naqushbandi on 11 September 2023.

The following tables set out the information a listed company must include in its annual financial report under LR 9.8.6R(10). The data was collected through the completion of a questionnaire.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive management	Percentage of Executive management
Men	5	62.5%	4	3	100%
Women	3	37.5%	0	0	0

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive management	Percentage of Executive management
White British or other White (including minority-white groups)	7	87.5%	4	3	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	12.5%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

Laurence Hollingworth
Chairman of the Nomination Committee

11 June 2024

ESG committee report

Gervaise Slowey
Chair of the ESG Committee

Chair:
Gervaise Slowey

Other members:
Lara Naqushbandi
Ben Wilkinson

FY24 Key activities:

- Robust quarterly assessment of progress against the FY24 ESG KPIs
- Appointment of Lara Naqushbandi to the Committee
- Continued review, oversight, and guidance of the activities of the ESG Working Group, including Gervaise attendance at an ESG Working Group meeting to evaluate culture at Molten
- Oversight and review of portfolio engagement programme in line with our Climate Strategy commitments
- Assessment of external ESG disclosure frameworks and continued improvement and engagement against industry best-practice
- Second year of ESG reporting against the PRI, CDP, and Investing in Women Code

FY25 Key priorities:

- Review the remit of the Committee and terms of reference considering emerging industry thought leadership, and continued evolution of ESG and sustainability best practices
- Convene a Board ESG Strategy Day to consider mid and long-term sustainability goals
- Ongoing portfolio engagement on climate action and novel engagement with key suppliers to educate and positively influence Net Zero-alignment across our value chain
- Industry engagement on ESG themes through participation in industry bodies and community groups
- Continued evaluation of Company performance on the new streamlined KPIs for FY25

On behalf of the Board, I am pleased to present the report of the ESG Committee (the "Committee") for the year ended 31 March 2024.

I have been encouraged and impressed by the ongoing commitment of management and staff to the continued integration of ESG considerations across the business. This has been particularly evident at an investment committee level in the decision-making process and also in meaningful engagements with portfolio companies where we believe that besides investing in Climate Tech companies, our most effective role as an investor is one of upskilling and building literacy around ESG matters through the provision of tools, resources and climate risk and opportunity analysis.

Over the past number of years, the Company has evolved to become a recognised industry leader in the field of ESG within the venture capital ecosystem. An example of this is our tied first place as a Top VC Performer in ITPEnergised and Orbis Advisory ESG Transparency Index in 2022. It is my pleasure to introduce our inaugural Molten Ventures' Sustainability Report, which has been published online today alongside our annual results, a copy of which can be found at investors.moltenventures.com/sustainability.

Our Sustainability Report sets out the Group and Portfolio's sustainability achievements, together with our third voluntary TCFD Report, and an update on the Company's performance against our published Climate Strategy. The Board's decision to issue a standalone Sustainability Report – outside of the Company's Annual Report – at the recommendation of the Committee, represents a "threshold moment" in the execution of our ESG roadmap, and is reflective of the expanded scope of both the Company's activities in this area, and its related reporting obligations. We believe that this is the most appropriate way to communicate our ESG activities in line with many other UK listed companies, who are also adopting this approach. All sustainability-oriented mandatory disclosures have been retained, and can be found on pages 46 to 55.

Progress at an operational level is best illustrated by the strong performance of the Company against the FY24 ESG KPIs – which were designed to be suitably ambitious, measurable and strategically impactful,

ESG committee report continued

and an evolution of the ESG KPIs delivered in previous financial years. I am pleased to report that five of the seven FY24 ESG KPIs have been achieved in full, demonstrating our commitment to delivering on our ESG priorities, which includes climate literacy across our portfolio, and within Molten's investment processes. The achievement of these objectives has seen material ESG discussions at the boards of our investee companies, further improvement in aggregated portfolio ESG performance and additional assessments of companies against our corporate purpose and Climate Strategy. Our Climate Strategy KPIs were met through the introduction of new carbon-reduction initiatives across the Company, including a Sustainable Procurement Policy, and engaging with portfolio companies that were identified as suitably mature for the incorporation of climate action.

While we did not reach the 100% completion required on two of the KPIs, considerable progress has been made and these will continue to be ongoing objectives for the Company. The Sustainability section of the Strategic Report provides a more detailed explanation of the main activities, which contributed to KPI performance and effected bonus outcomes, and which is included in the Remuneration Report.

Looking ahead to FY25, the Committee has decided to streamline the ESG KPIs to four ambitious objectives, driving a multi-disciplinary focus that demonstrates the value of strong ESG performance at a portfolio level, while implementing our Climate Strategy through engagement and education as we support the transition to Net Zero. The Committee also recommended the inclusion of an overarching culture-related KPI in the strategic projects category of the Company's FY25 KPIs. This KPI could have been retained as an ESG KPI under its social remit, and the role that the ESG Working Group will play in its implementation and success. However, given the strategic nature of Culture, as distinct and separate from ESG (as recognised by the UK Corporate Governance Code) and the all-employee effort required – the Remuneration Committee considered it more appropriate as a strategy-linked KPI. In my additional role as the designated Non-Executive Director for employee engagement, I look forward to seeing the progress made in the financial year ahead, as Molten further embeds its corporate purpose and values across all levels of the Company.

This year has seen further development of the ESG expertise and capabilities of the Board at Molten, through the addition of fellow independent Non-Executive Director Lara Naqushbandi to the Committee's membership, and in the evolving sustainability-oriented activities and processes at an operational level within the business. Lara's career to date has included finance and sustainability roles at several blue-chip companies, and she is currently the CEO of ETFuels Limited, a green fuels company focused on decarbonisation of hard-to-abate industries. Since joining the Committee in November 2023, Lara has brought impressive insight and industry experience to the activities and strategic direction of the Committee, and she has my gratitude for the considerable positive impact already made since her arrival.

It has been encouraging to see the thought leadership emerging from the Corporate Governance Institute in developing template terms of reference for ESG and Sustainability Committees (at the request of the Financial Reporting Council), which the Company participated in. As well as this, FY24 saw the inaugural publication of the Sustainability Committee's: Structure and Practices Report, which focuses on the key developments and likely trajectory of this increasingly common component of governance in UK Plcs. The report was helpful in providing ideas on how to continue improving the discourse at Committee meetings, as well as helping to further define an appropriate remit at Molten; the interdependence with other Committees; the ESG Working Group and the Board. We will report on any changes implemented in my report next year.

I welcome any input or feedback on the work of the ESG Committee from our Shareholders and can be contacted by email: **esg@molten.vc**.

Gervaise Slowey
Chair of the ESG Committee

11 June 2024

Audit, risk and valuations committee report

Chair:
Grahame Cook

Other members:
Sarah Gentleman
Lara Naqushbandi
Gervaise Slowey

FY24 Key activities:
- Review and approval of interim and year-end financial statements
- Detailed review of investment valuations
- Monitoring risk register and risk management systems
- External audit effectiveness review

FY25 Key priorities:
- Implement audit committee and corporate governance reforms
- Succession planning for Chair of Committee

I am pleased to present the report of the Audit, Risk and Valuations Committee (the "Committee") for the year ended 31 March 2024.

The Committee's activity in the year has been focused on its key responsibilities including ensuring the accuracy and integrity of the Company's financial reporting, monitoring the effectiveness of risk management and internal control systems, reviewing and providing constructive challenge to the detailed investment valuation process, and overseeing the relationship with the external Auditors.

Our annual review of the effectiveness of the external audit process is described in more detail on page 85. We have reviewed our external Auditors PwC's independence, and the Committee is satisfied that PwC continues to be independent and provides an effective audit service. We are pleased to recommend that PwC be reappointed as the Company's Auditors at the AGM in 2024.

The Committee's performance was evaluated post year-end in the externally facilitated exercise led by Lintstock. The evaluation indicated that the Committee continues to function effectively.

In accordance with provision 24 of the Code, the Board has confirmed that it is satisfied that I have recent and relevant financial experience by virtue of my qualification as a chartered accountant, my executive career in investment banking and finance roles, and my experience as a member and Chair of audit committees in other Non-Executive positions. All other members of the Committee have experience as directors in the investment and finance sectors, and the Board is therefore also satisfied that the Audit, Risk and Valuations Committee as a whole has competence relevant to the sector in which we operate.

As well as considering the standing items of business, the Committee will also focus on the following areas during FY2025:

- review the recommendations from BEIS on changes to audit and corporate governance; and
- manage the transition of Chair of the Committee as I reach nine years of service in 2025.

Audit, risk and valuations committee report continued

Duties, meetings and attendance

The duties of the Audit, Risk and Valuations Committee are set out in its Terms of Reference, which are available on the Company's website. The main items of business considered by the Committee during the year included:

- review of the risk management and internal control systems
- review and approval of the interim financial statements and the external Auditors' report thereon
- detailed review and challenge of investment valuations and supporting information
- review of the year-end audit plan, and consideration of the scope of the audit and the external Auditors' fees
- review of the Annual Report and financial statements, including consideration of the significant accounting issues relating to the financial statements and the going concern review
- consideration of the external audit report and management representation letter
- meeting with the external Auditors without management present
- assessment of the need for an internal audit function

During the year the Committee met at appropriate times in the reporting, valuations and audit cycle and otherwise as required to fulfil its audit and risk responsibilities as listed in its terms of reference. In addition to the Committee members, the CFO attends all meetings of the Committee, and the other Executive Directors as well as the Finance Director, General Counsel & Group Compliance Officer are invited to attend where appropriate. Representatives of the external Auditors are also invited to attend meetings on a regular basis, and the Committee meets with the external Auditors without management present at least once per year. Committee members' attendance at meetings during the year is set out in the table on page 68.

Significant issues considered in relation to the financial statements

Significant issues and accounting judgements are identified by the external auditors and Finance Team during planning and then reviewed by the Audit, Risk and Valuations Committee. The significant issues considered by the Audit, Risk and Valuations Committee in respect of the year ended 31 March 2024 are set out below:

Significant issue/ accounting judgement identified	How it was addressed
Fair value of investments in unlisted securities	The Audit, Risk & Valuations Committee reviewed the fair value of unlisted securities established with reference to the IPEV Guidelines by management. Management's methodologies and assumptions were reviewed and challenged over a number of meetings. The Committee agreed that management's approach was appropriate and was satisfied with the fair value recognised as at 31 March 2024 in respect of these unlisted securities.
Going concern	The Committee conducted an in-depth review of the Group's financial projections, appropriate stress scenarios taking into account the impact of risks and prevailing macroeconomic factors, and the Annual Report and Financial Statements and, following challenge and review, it has been deemed appropriate to prepare the financial statements on a going concern basis.

Correspondence with Irish Auditing and Accounting Supervisory Authority ('IAASA')

Due to the Company's secondary listing on Euronext Dublin, it is within scope of EU accounting regulations and its financial statements may therefore be subject to review by IAASA, as well as the FRC's corporate reporting team (by virtue of its Main Market listing on the London Stock Exchange). IAASA examined the Company's Annual Report and Financial Statements for the year ended 31 March 2023 and wrote to the Company requesting further information on some different areas. The Company responded in September 2023, providing all information requested and positively engaging with IAASA on disclosure changes for consideration in future reporting periods. The Committee reviewed draft responses prepared by management before responding to IAASA.

Risk management and internal controls

The Group has an established system of risk management and internal controls, and while the Board has overall responsibility for setting the Group's risk appetite and ensuring that there is an effective risk management framework, responsibility for review of that framework and the effectiveness of the controls has been delegated to the Committee.

At a high level, the system of internal controls comprises the formally documented delegation of authority (including in the Terms of Reference of the Board's Committees and investment committees, and a delegated authority matrix covering specific financial and operational approvals), and investment, legal and compliance, financial and operational controls which are supported by detailed policies and procedures communicated across the Group. A consolidated corporate risk register is also maintained on an ongoing basis, and is regularly updated by the Group General Counsel & Compliance Officer with input from senior management to score risks based on likelihood and impact and to assess the effectiveness of controls in place to mitigate risks.

The Committee's review of the risk register includes specific focus on the principal risks and uncertainties (including emerging risks) facing the Company. Having completed a robust assessment of the Company's principal risks and uncertainties, the Committee is satisfied that these risks are appropriately identified, and that the approach to addressing and mitigating those risks is within the defined risk appetite levels agreed by the Board.

Controls over the financial reporting process include clear delegated authorities (and appropriate time allocated for review of the financial reporting by the Committee and the Board prior to publication), a detailed budgeting process and clear accounting policies and procedures.

The Committee's process in monitoring and reviewing the effectiveness of the system of internal controls and risk management is supported by its annual activity schedule which ensures that appropriate time is allocated during the year to focus on these matters. A detailed document setting out the internal governance and control systems is maintained by the Group General Counsel & Compliance Officer and is reviewed by the Committee on a regular basis, with any changes to structures, controls or risk ratings clearly highlighted.

The Group's internal control systems have been in place for the year under review and up to the date of approval of this Annual Report.

Internal audit

The Committee has regularly discussed the requirement for an internal audit function, and whether such a function would be appropriate to provide additional assurance over the efficacy of internal controls and risk management procedures. Given the relatively small operational resource in the business, and the assurance already provided through external compliance consultants, the Group Compliance Team and the Committee's own activity, the Committee is satisfied that there is no present need for an internal audit function. The Committee has also reviewed the Group's Financial Position and Prospects Procedures ("FPPP") memorandum which is updated at least annually and details the policies and procedures that are followed to achieve a satisfactory level of internal assurance. This does not have any effect on the work of external audit.

External auditors

The Committee is responsible for monitoring the relationship with the external Auditors, PwC, in order to ensure that the Auditors' independence and objectivity are maintained. During the year, the Committee has discharged this responsibility by:

- agreeing the scope of the external audit and the fees payable to the external Auditors
- receiving regular reports from the external Auditors, including with regard to audit strategy and year-end audits
- regularly meeting the external Auditors without management present
- assessing the external Auditors' independence, including with reference to the level and extent of non-audit services provided by the external Auditors
- evaluating the effectiveness of the external audit process.

Tenure

PwC was first appointed as the Group's external Auditors in 2018 following a formal tender process, with Richard McGuire as lead audit partner from appointment. In line with PwC's policy on lead partner rotation, Richard McGuire rotated off the Group's audit and the audit for the year ended 31 March 2024 was led by Jeremy Jensen.

The Committee is satisfied with the scope of the external Auditors' work, the effectiveness of the external audit process (see below) and that PwC continues to be independent and objective. The Committee is therefore pleased to recommend that PwC be re-appointed as the Group's Auditors at the 2024 AGM.

The external audit contract will be put out to tender at least every ten years, and the Committee therefore considers that it would be appropriate to conduct an external audit tender by no later than FY29. The Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 and the UK Corporate Governance Code. There are no contractual obligations that restrict the Committee's choice of external Auditors.

Effectiveness

The Committee reviewed the effectiveness of the FY23 external audit process during the year. A report was prepared by management summarising its view of PwC's effectiveness based on interactions during the audit, and based on responses to an effectiveness evaluation questionnaire completed by all members of the Finance Team involved in the audit. The report was reviewed by the Committee and Committee members expressed their views on the effectiveness of the process.

Overall, feedback from management and members of the finance team on the audit was positive and it was agreed that PwC had demonstrated robust challenge and professional scepticism and technical expertise around technical accounting matters and the presentation of disclosures.

Non-audit fees

The Committee is satisfied that the Company was compliant during the year with both the UK Corporate Governance Code and the FRC's Ethical and Auditing Standards in respect of the scope and maximum permitted level of fees incurred for non-audit services provided by PwC. The Committee has established a policy for engaging the external Auditors to provide non-audit services, with any such services requiring approval by the Committee.

When reviewing requests for non-audit services the Audit Committee will assess:

- whether the provision of such services impairs the Auditors' independence or objectivity and any safeguards in place to eliminate or reduce such threats
- the nature of the non-audit services
- whether the skills and experience make the Auditors the most suitable supplier of the non-audit service
- the fee to be incurred for non-audit services, both for individual non-audit services and in aggregate, relative to the Group audit fee, and
- the criteria which govern the compensation of the individuals performing the audit.

During the year ended 31 March 2024 PwC completed permitted non-audit services principally comprising the interim review and publication of a prospectus, which are disclosed in Note 10 to the financial statements. Given the natural overlap between this work and the financial audit of the Group's results, the Committee applied the criteria above and judged PwC the most effective party to perform this work.

Fair, balanced and understandable review

At the request of the Board, the Committee has considered whether, in its opinion, the FY24 Annual Report and Financial Statements are fair, balanced and understandable and whether they provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy. Following its review, the Committee was unanimous in its opinion that it was appropriate to recommend to the Board that the FY24 Annual Report and Financial Statements are fair, balanced, and understandable.

Grahame Cook
Chair of the Audit, Risk and Valuations Committee

11 June 2024

Directors' remuneration report

Sarah Gentleman
Chair of the Remuneration Committee

Chair:
Sarah Gentleman

Other members:
Laurence Hollingworth
Grahame Cook
Lara Naqushbandi
Gervaise Slowey

FY24 Key activities:
- Oversaw the implementation of the remuneration policy and ensured its alignment with the Company's strategy and corporate governance developments
- Reviewed the annual bonus performance measures to ensure the measures reflected the key priorities for the year ahead
- Reviewed remuneration across the Company in consideration of the external environment and continued cost of living challenges

FY25 Key priorities:
- Conduct a detailed review of the remuneration policy to ensure it continues to be the right strategic fit for the Company
- Ensure pay is aligned with Company performance, to attract and retain the key talent it requires to deliver on its goals

On behalf of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2024.

Business performance in FY24

As set out earlier in the Annual Report, it has been a busy and productive year for Molten Ventures, notwithstanding an economic backdrop that has been challenging for most technology companies and those who invest in them. We continued to develop our platform, operating model, and acquisitions strategy while simultaneously navigating 'higher-for-longer' interest rates, and inflationary pressures. This year we have also continued to develop and invest in disruptive, high-growth technology companies and our adaptable model has allowed us to act quickly to identify opportunities at attractive valuations, with a focus on providing value for our Shareholders.

In March 2024, we announced the completion of the acquisition of Forward Partners, bringing over 40 new early-stage, disruptive technology companies into our portfolio and expanding the resources, expertise and networks available to us in support of some of UK and Europe's most innovative firms. We also announced the acquisition of a secondary position in Seedcamp Fund III earlier in the year, acting quickly to identify and invest in this portfolio of high quality later-stage assets. Whilst Molten continues to be impacted by market pressures driven by ongoing global macroeconomic instability, high levels of inflation and high interest rates, we have demonstrated resilience this year and continue to deliver through our scalable and adaptable business model.

In terms of financial performance, in the context of a constrained environment, we reported a stable gross portfolio fair value, which increased to £1,379 million (FY23: £1,371 million), we generated £39 million of cash proceeds from realisations and cash invested was £65 million for the full financial year. During the year we also continued to develop our ESG agenda and ESG continues to be embedded throughout the business and is an integral part of our values and purpose. Key achievements for FY24 are set out in the ESG Committee Report.

FY24 Bonus outturn

Despite prevailing macroeconomic challenges, we have demonstrated relative resilience this year and we have also been able to capture strong investment opportunities at attractive valuations. As a result of the performance in the year, based on the performance scorecard, which includes six different performance categories (35% Fair Value Growth, 25% Capital Resources, 10% Expense Management, 10% ESG, 10% Strategic Projects and 10% Number of Deals), the Committee approved a bonus of 78.68% of maximum opportunity. Full details of achievement against targets is set out on page 91.

The Committee reviewed the overall bonus outcome at the end of the year, taking into account multiple factors, including the Company's performance in the year, the execution of our strategic objectives by our executive team, the acquisitions made in the year and the strong investment opportunities captured. Overall, the Committee felt that the bonus outcome was in keeping with the Group's performance and no adjustment was required to the scorecard outcome.

FY22 LTIP outturn

The three-year relative TSR performance of the Group versus the FTSE 250 was below the median and the three-year performance of the Group delivered AUM of £1,944.2 million. Whilst this meant that the TSR element of the award lapsed in full, AUM performance resulted in above threshold vesting under that element. Overall, this has resulted in a modest pay-out of 20.38% under the FY2022 long-term incentive and reflects the Group's resilient performance against a backdrop of the challenging market conditions for technology companies over the previous three years.

Full details of achievement against targets is set out on page 93.

When determining FY24 incentive outcomes, the Committee considered both the formulaic outcomes as well as a more holistic assessment of performance, including overall Company and ESG performance, the acquisitions made in the year and the wider stakeholder experience. The Committee also reflected on the significant achievements of the Executive Directors in relation to the execution of the strategic priorities for the year, with the acquisition of Forward Partners (adding a well-positioned and well-capitalised portfolio of assets to the Group); the acquisition of a stake in Seedcamp's Fund III (which contains a portfolio of high-growth, disruptive technology companies, with significant value in six mature and proven assets); and the continued progress of the third-party assets strategy, through the launch of the Irish fund in July 2023. As a result, the Committee determined that the incentive outcomes were appropriate, and no discretion was applied.

FY25 decisions

Salaries

All our employees (excluding Executive Directors) received a minimum inflationary base pay increase of 5% for FY25 and we made one-off payments of £3,000 to all employees on salaries less than £100,000 to support them through these challenging times. Following an organisation-wide pay review, a number of employees also received one-off pay adjustments to ensure we can continue to attract and retain the highest calibre of talent. Salary increases across the group, therefore ranged between 5% to 29%, with the largest increases allocated to the highest performers that were behind the benchmark. Overall, reflecting the decisions noted above, the average salary increase across the organisation, excluding Executive Directors was 7%.

The Remuneration Committee approved a pay increase of 5% of base salary for Martin Davis, CEO and Stuart Chapman, Executive Director, below the average increase for employees across the organisation. The Remuneration Committee also reviewed the salary level of Ben Wilkinson, noting that it had fallen behind market levels. Reflecting on his strong performance since appointment (including, but not limited to, the role he has played on capital raises and the development of the investor relations function since his appointment, now fit for purpose in raising third-party funds for discrete fund launches), his calibre as an accomplished finance professional and the growth of his role's scope as a result of the level of corporate activity at Molten, both in terms of breadth and support on the operational side of the business, the Committee felt it was an appropriate time to implement an increase. The CFO's salary will therefore increase by 8% for FY25, which whilst above the increases awarded to employees and other Executive Directors, remains below the median base salary compared to peers of a similar size and will therefore be kept under review.

Annual bonus

In accordance with the Policy, the maximum bonus opportunity will remain at 200% of salary for the Executive Directors. In line with the changes made in 2023, the FY25 annual bonus will continue to pay-out at 20% of maximum opportunity for threshold performance and at 50% of maximum opportunity for target performance.

There has been no change to the performance measures from FY24 which continue to reflect our key priorities for the year ahead.

Long-term incentive plan

LTIP awards will be made to the Executive Directors in FY25 with no changes to the award sizes or performance measures. The award levels continue to reflect the exceptional level of performance required for full vesting, including upper decile relative TSR performance against the FTSE 250. The pay-out level for threshold performance under the Assets under Management measure will continue to be 25% of the maximum opportunity, in line with the FY24 award. LTIP awards to Executive Directors will vest three years from grant and be subject to a two-year holding period.

Looking forward

In line with the normal three-year renewal cycle, our Directors' Remuneration Policy will be presented to shareholders for approval at the 2025 AGM. During the remainder of the year we will therefore be undertaking a detailed review of the current remuneration arrangements to ensure that they continue to align with our strategic priorities. This will include appropriately balancing the expectations on remuneration arrangements within the listed market within which Molten operates, with the fact that the vast majority of Molten's peers are private companies that operate very different remuneration arrangements to those typically seen in the UK-listed environment. We welcome our shareholders' feedback on all aspects of our approach to executive pay, and I look forward to engaging with you further in the year ahead as we consider our 2025 Directors' Remuneration Policy.

The Committee appreciated the strong endorsement of last year's Directors' Remuneration Report and we look forward to receiving shareholder support again at the 2024 AGM.

Sarah Gentleman
Chair of the Remuneration Committee

11 June 2024

Directors' remuneration report continued

Remuneration policy summary

Implementation of Remuneration Policy in FY25

The table below sets out a summary of our Remuneration Policy for Executive and Non-Executive Directors, as approved by shareholders at the AGM held on 3 August 2022, as well as its proposed implementation for FY25. The full Policy can be found in the 2022 Annual Report, accessible on the Company's website.

	Summary and operation of policy	Implementation for FY 25
Fixed pay		
Base salary	The base salaries for Executive Directors and senior management will depend on their experience and the scope of their role as well as having regard to practices at peer companies of equivalent size and complexity. In considering base salary due regard will be taken of the pay and conditions of the workforce generally.	• Martin Davis – £543,260 • Stuart Chapman – £373,420 • Ben Wilkinson – £375,991 The 5% increases for Martin Davis and Stuart Chapman are below the 7% average salary increase across the organisation. The rationale for the 8% increase for Ben Wilkinson is disclosed on page 87.
Benefits and pension	Pension contribution rates for Executive Directors are the same as the rate provided to the wider workforce (currently 15% of base salary). The Executive Directors will be able to participate in the same benefits as available to other UK employees, including but not limited to life insurance, private health insurance and income protection insurance.	No changes in benefits or pension for FY25.
Variable pay		
Annual Bonus	Maximum opportunity: 200% of salary. Awards normally based 60%-100% on financial measures which may include, but are not limited to, measures of fair value growth and capital; and 0%-40% on strategic or ESG measures or other objectives aligned to Company strategy. Any bonus awarded to an Executive Director in excess of 100% of basic salary earned will be deferred in shares for two years. Malus and clawback provisions apply.	No changes to maximum opportunity for FY25. Performance measures that will apply are as follows: • Financial (70%) – Fair Value Growth – Capital resources – Expense management • Non-financial (30%) – ESG – Strategic projects – Deals The Committee considers that the detailed performance targets for the FY25 bonus (excluding those related to ESG) are commercially sensitive and that disclosing precise targets in advance would not be in shareholder interests. Actual targets, performance achieved, and outturns will be disclosed in the FY25 Annual Report. Performance targets related to ESG can be found on page 92.
Long-term incentive plan	Maximum opportunity: 250% of salary. LTIP awards are normally based on financial measures which may include, but are not limited to, relative total Shareholder return (TSR) compared to the FTSE 250 - with a normal weighting between 50%-100%; and Assets under Management (AUM) with a normal weighting between 0%-50%. A two-year holding period will apply to Executive Directors at the end of a three-year performance period. Malus and clawback provisions apply.	No change to award size or performance measures for FY25. Performance targets for FY25: (see table below)

Measure	Threshold	Target	Maximum
Relative TSR v FTSE 250 (52%)	Median	Upper Quartile	Upper Decile
Vesting (% of salary)	20%	80%	130%
Total AUM (FY27) (48%)	£2,044m	£2,152m	£2,260m
Vesting (% of salary)	30%	75%	120%

	Summary and operation of policy	Implementation for FY 25
Share ownership guidelines	Each Executive Director is expected to achieve a shareholding with a value of equivalent to at least 250% of annual basic salary. Share ownership requirements will remain in place until the second anniversary of termination of employment of any Executive Director and will apply to the lower of 250% of such Executive Director's basic salary or the number of Shares held by the Executive Director at the date of termination of employment.	No change. Executive Director share ownership is disclosed on page 95. Martin Davis and Ben Wilkinson continue to build their shareholding and will retain at least 50% of any share awards vesting under the Long-Term Incentive Plan or deferred bonus until the guideline is met.
Non-Executive Director fees	Fees are typically reviewed annually, taking into account the time commitment requirements and responsibility of the individual roles, and after reviewing practice in other comparable companies.	The Chair of the Board's fee was set at £160,000 on appointment to more closely reflect the time commitment expected of the Chair and the appropriate level for a company of our size and complexity. The fees for Non-Executive Directors were increased for the first time since moving to the Main Market in 2021, to reflect the growth in responsibilities and time commitment required. The new fees (effective 1 April 2024) are set out below: • Non-Executive Director base fee: £64,000 • Senior Independent Director: £12,000 • Audit, Risk & Valuations Committee Chair: £12,000 • Remuneration Committee Chair: £12,000 • ESG Committee Chair: £12,000 • Designated NED for employee engagement: £5,000

Directors' remuneration report continued

Annual report on remuneration

The Annual Remuneration Report sets out how the Directors' Remuneration Policy was put into practice during the year. It is divided into the following sections:

- Section 1: Single Figure Tables
- Section 2: Further information on remuneration for the year ended 31 March 2024

The Auditors have reported on certain sections of this report and stated whether, in their opinion, those sections have been properly prepared. Those sections which have been subject to audit are clearly indicated within the heading as audited.

The Remuneration Policy which was applied in the year ended 31 March 2024 was as described in the FY22 Annual Report and approved by Shareholders at the AGM held on 3 August 2022.

Section 1 – Single Figure Tables

This section covers the reporting period from 1 April 2023 to 31 March 2024 and provides details of the implementation of the Remuneration Policy during the period.

Directors' remuneration Single Figure Table (audited)

The following table summarises the gross aggregate remuneration of the Directors who served during the year to 31 March 2024:

£'000s	Year	Basic salary/ fees[1]	All taxable benefits[2]	Annual bonus[3]		Long-term incentive[4]	Pension-related benefits	Total fixed remuneration	Total variable remuneration	Total remuneration	Carried interest (legacy awards)[5]	Total
				Cash	Deferred							
Executive Directors												
Martin Davis	FY24	517	9	517	297	68	78	604	883	1,486	–	1,486
	FY23	497	8	379	–	148	75	580	527	1,107	–	1,107
Stuart Chapman	FY24	356	6	356	204	47	53	415	607	1,022	502	1,524
	FY23	342	6	261	–	102	51	399	363	762	1,119	1,880
Ben Wilkinson	FY24	348	5	348	200	46	52	405	594	999	49	1,048
	FY23	335	5	255	–	96	50	390	352	742	110	852
Non-Executive Chair												
Laurence Hollingworth[6]	FY24	40	–	–	–	–	–	40	–	40	–	40
	FY23	–	–	–	–	–	–	–	–	–	–	–
Non-Executive Directors												
Grahame Cook[7]	FY24	126	–	–	–	–	–	126	–	126	–	126
	FY23	95	–	–	–	–	–	95	–	95	–	95
Richard Pelly[8]	FY24	14	–	–	–	–	–	14	–	14	–	14
	FY23	60	–	–	–	–	–	60	–	60	–	60
Gervaise Slowey	FY24	70	–	–	–	–	–	70	–	70	–	70
	FY23	60	–	–	–	–	–	60	–	60	–	60
Sarah Gentleman	FY24	70	–	–	–	–	–	70	–	70	–	70
	FY23	70	–	–	–	–	–	70	–	70	–	70
Lara Naqushbandi[9]	FY24	33	–	–	–	–	–	33	–	33	–	33
	FY23	–	–	–	–	–	–	–	–	–	–	–

1 The salaries of Executives were set to £517,390 for Martin Davis, £355,638 for Stuart Chapman and £348,140 for Ben Wilkinson with effect from 1 April 2023.

2 Benefits include private medical and critical illness cover.

3 Details of the bonus targets, their levels of achievement and the resulting level of award and deferrals of this bonus are detailed on pages 91 to 93.

4 Values for the year ended 31 March 2024 relate to the vesting of options granted under the FY2022 Long Term Incentive Plan which were subject to the performance conditions listed on page 93. Values for the vesting of the FY2022 award are calculated by reference to the number of shares expected to vest multiplied by the average market value of the shares in the last quarter of the financial year, which was £2.47. No value of the FY2022 award is attributable to share price appreciation. Values for the year ended 31 March 2023 relate to the vesting of options granted under the FY2021 Long Term Incentive Plan. The values have been updated for the Molten Ventures share price at the date of vesting, which was £2.63.

5 The carried interest amounts are legacy award payments during the year in respect of awards no longer available to Executive Directors. These carried interest plan awards were made in prior years and a further description of the plans can be found on page 93.

6 Laurence Hollingworth was appointed Chairman with effect from 2 January 2024.

7 Grahame Cook assumed responsibility as Interim Chair following the resignation of Karen Slatford from 17 January 2023 until Laurence Hollingworth was appointed Chairman on 2 January 2024.

8 Richard Pelly retired from the Board following the AGM on 26 July 2023.

9 Lara Naqushbandi was appointed to the Board on 11 September 2023.

Commentary on Single Figure Table (audited)

Incentive outcomes for FY24

Annual bonus

The FY24 annual bonus for Executive Directors was assessed against performance conditions approved by the Committee. Bonuses are split across six metrics, of which 70% are for corporate and financial measures, and 30% are for performance against ESG objectives, strategic objectives and the number of deals. The Committee considers the overall bonus outcome as determined by performance against the agreed measures to ensure that the bonus level is appropriate given the Company's performance and the overall stakeholder experience in the year, and has the ability to exercise discretion to override the indicative formulaic outturn if it considers that it is not appropriate in the circumstances.

The Committee reviewed the overall bonus outcome at the end of the year, taking into account multiple factors, including the Company's performance in the year, the execution of our strategic objectives by our executive team, the acquisitions made in the year and the strong investment opportunities captured. Overall, the Committee felt that the bonus outcome was in keeping with the Group's performance and no discretion was applied.

The maximum bonus opportunity for FY24 was 200% of salary for each of the Executive Directors.

Annual bonus targets

Performance against the annual bonus measures is set out below:

Metric	Weighting	Performance targets[1]			Actual	% payout	% of max bonus opportunity
		Threshold (20% vesting)	On target (50% vesting)	Maximum (100% vesting)			
Fair Value Growth[2]	35%	£1,302.5m	£1,371m	£1,439.6m	£1,379m	55.8%	19.54%
Capital resources[3]	25%	£60m	£120m	£150m	£155.28m	100%	25%
Expense management	10%	£21.7m	£20.7m	£19.6m	£18.8m	100%	10%
ESG	10%		See page 92		5/7 actions	71.4%	7.14%
Strategic measures	10%		See page 93		See page 93	70%	7%
Number of deals[4]	10%	6	10	12	15	100%	10%
Total						**100%**	**78.68%**

Notes:

1 Each of the Corporate performance conditions is subject to a straight-line payment scale between threshold, on-target and full vesting points.

2 Fair Value Growth: Target range set at the beginning of the year to reflect the challenging macro-economic environment, impacted by ongoing global macroeconomic instability, high levels of inflation and high interest rates, which placed considerable pressure on the underlying asset classes that Molten Ventures invest in. Fair value growth represents the opening gross value of the portfolio (GPV), plus investments, less any cash from realisations, plus fair value growth which gives the year-end Gross Portfolio Value. The percentage changes from the opening GPV to the closing GPV is the fair value growth figure for the performance measure. In line with the approach adopted by the Group in prior years, where Group resources are used to acquire assets, fair value growth captures the value of assets acquired in the year (including the value of the underlying asset and the change in movements in values between the date of acquisition and the end of the year).

3 Capital resources includes capital raised and committed via third-party funds, capital raised via EIS and VCT entities for the tax year April 2023 to April 2024, capital raised via realisations and additional capital raised from shareholders via equity raises.

4 Number of deals is the number of investment transactions signed/completed by the Company between 1 April 2023 and 31 March 2024. Deals must be at least £5.0 million in size, can be primary, secondary or follow-on investment (excluding Fund of Fund investments). Deals below £5.0m have only been included where the Committee agreed that they consumed exceptional resources / were of a strategic nature and therefore were significant deals in the year.

Directors' remuneration report continued

ESG measures:

The ESG measures agreed by the Committee for FY24 and the Committee's assessment of the Company's performance against them, is summarised in the table below. 5 out of the 7 actions have been completed, leading to 71.4% of that element vesting (7.14% of max bonus opportunity).

More detail on our performance is included in the Sustainability section on page 48.

FY24	ESG KPI	Completion update	Status
Portfolio level	Demonstrate engagement with 75%+ directly held portfolio companies (held throughout the period) at Molten's internal February 2024 Portfolio Strategy Day through the identification of at least one component aspect of ESG with each portfolio company that is understood to present an actionable commercial opportunity to help build business and accrue value in support of wider corporate targets.	• ESG-related commercial opportunities specific to individual portfolio companies have been identified and detailed by investment managers in the February 2024 Portfolio Strategy Day for 78% of directly held investments.	Complete
	Inclusion of an ESG agenda item and evidence of a material discussion of ESG topics in at least one board meeting during FY24 across 75%+ of directly held portfolio companies (held throughout the period) in which Molten has an appointed director.	• ESG has been included in at least one board meeting during FY24 for 72% of directly held portfolio companies.	Partially complete
	Deliver improved aggregated portfolio ESG performance across directly held portfolio companies for which an ESG Framework assessment was carried out in FY22 and use data outputs to establish key champion areas that will be communicated to portfolio management teams at an annual ESG engagement and training event.	• This event took place in December 2023 for members of the Investment Team and the Exec and explored ESG performance across the portfolio.	Complete
PLC level	All new investment opportunities assessed for alignment with our Corporate Purpose and Climate Strategy as part of the new investment case brought to Investment Committee.	• The assessment for alignment has been carried out by investment managers for 70% of new investments brought to the Molten Investment Committee during FY24.	Partially complete
	All core portfolio companies assessed on their alignment to our Corporate Purpose and Climate Strategy.	• This assessment has been completed for all core portfolio companies (composition of core portfolio as at 31 March 2024).	Complete
Climate strategy	Introduce internal carbon reduction initiatives targeting the reduction in our Scopes 1, 2 and/or 3 (categories 1-14) carbon emissions.	• Novel carbon reduction initiatives have been introduced throughout the period focusing on sourcing and disposal of capital goods and business travel. These have been captured in a formal Sustainable Procurement Policy.	Complete
	Identify any material "carbon intensity hotspots" within all of our directly held portfolio, and positively engage with 75%+ of the relevant management teams or appropriate dedicated personnel in those that have identified, to support them in their assessment/understanding of their carbon emissions and reduction pathway.	• Identify any material "carbon intensity hotspots" within all of our directly held portfolio, and positively engage with 75%+ of the relevant management teams or appropriate dedicated personnel in those that have identified, to support them in their assessment/understanding of their carbon emissions and reduction pathway.	Complete

Strategic measures:

The strategic measures agreed by the Committee for FY24 and the Committee's assessment of the Executive Directors' performance against them, is summarised in the tables below.

FY24	KPI	Completion update	Status %	% of max bonus opportunity
Strategic review (5%)	Progress against key strategic review milestones: (i) identify, select and engage a strategic advisor; (ii) work up actions and present options to the Board; and (iii) agree new three-year plan as appropriate.	• All three actions have been completed. Looking ahead, the Group is in a strong position to maximise returns to our investors in a stabilising but still challenging environment for high-growth companies.	100%	5%
Third party fund structures (5%)	Qualitative assessment by the Committee based on projects including: (i) ISIF Vehicle; (ii) CEE Fund; (iii) Climate Fund; (iv) agreement to create structure to deploy capital; and (v) EIS Knowledge Intensive Fund.	• At the start of the performance period the Committee agreed key actions to be completed for each of the projects. At the end of the performance period, actions for 2 out of the 5 projects had been completed, including first close of the ISIF Fund and successful launch of the EIS Knowledge Intensive Fund.	40%	2%

Bonus deferral

The FY24 bonus amounts will be paid in cash for an amount up to 100% of each Director's salary, with the balance being paid in the form of a deferred share award. The deferral period under the bonus scheme is two years from the date of the award. Vesting is not subject to any further conditions.

Long-term incentive plan vesting

Vesting of FY22 award

The FY22 LTIP award included in the single total figure of remuneration table for FY24 had a performance period from 1 April 2021 to 31 March 2024. The modest outcome reflects the Group's relatively resilient performance against a backdrop of challenging market conditions for technology companies over the previous three years. Details of performance against the performance targets are shown in the table below.

Measure[1]	Weighting	Threshold	Target	Maximum	Actual	Outcome
Relative Total Shareholder Return ("TSR") v FTSE 250	68%	Median	Upper quartile	Upper decile	Below median	0%
Vesting (% of salary)		30%	120%	170%		0%
Total Assets under management ("AUM")	32%	£1,884m	£1,994m	£2,015m	£1,944.2m	63.68%
Vesting (% of salary)		40%	60%	80%		50.95%
Total						20.38%

[1] Awards vest on a straight-line basis for performance between threshold, target and maximum levels of performance, as set out in this table.

Carried Interest (legacy awards)

The carried interest values included in the single total figure of remuneration table for FY24 and FY23 relate to amounts paid in respect of legacy awards of carried interest to Executive Directors during those years. The Company established carried interest plans for the Executive Directors, other members of the Investment Team and certain employees ("Plan Participants") in respect of any investments and follow-on investments made since listing on AIM. From April 2020 onwards, the Executive Directors were not eligible to participate in new carried interest plans but were permitted to retain their entitlement and participation in carried interest schemes that they held prior to that date.

Subject to certain exceptions, Plan Participants will receive, in aggregate, 15% of the net realised cash profits from the investments and follow-on investments made over the relevant investment period once the Company has received an aggregate annualised 10% realised return on investments and follow-on investments made during the relevant period save that the hurdle for the carried interest plan established on 1 April 2020 and subsequent carried interest plans have an aggregate annualised 8% realised return on investment and follow-on investments made during the relevant period. Plan Participants' carried interest vests over five years for each carried interest plan and are subject to good and bad leaver provisions as well as a "catch-up". Further details are disclosed in Note 4(u) to the financial statements.

Directors' remuneration report continued

Section 2 – Further information on remuneration for the year ended 31 March 2024

Scheme interests awarded during the financial year (audited)

Long-Term Incentive Plan

Awards were made to all Executive Directors under the Company's Long-Term Incentive Plan on 23 June 2023 as set out below. The awards were made in the form of options with a nominal value exercise price of £0.01 per share as set out below:

Director	Position	Basis of award	Face value	Number of Options awarded[1]
Martin Davis	CEO	250% of salary	£1,293,475	471,383
Stuart Chapman	Executive Director	250% of salary	£889,095	324,014
Ben Wilkinson	CFO	250% of salary	£870,350	317,182

1 A share price of £2.744, based on the average closing price of shares for the five dealing days prior to grant, was used to calculate the number of option shares granted.

The vesting of these awards is subject to the performance targets set out below, with performance measured over the three-year period from 1 April 2023 to 31 March 2026. The awards will vest on 23 June 2026 to the extent that performance conditions are met and are subject to a two-year post-vesting holding period.

Relative Total Shareholder Return (TSR) v FTSE 250 (weighting – 52% of maximum opportunity)

	Threshold	On target	Maximum
TSR ranking vs FTSE 250	Median	Upper quartile	Upper decile
Vesting (% of salary)	20%	80%	130%

Assets Under Management (Balance Sheet NAV) (weighting – 48% of maximum opportunity)

	Threshold	On target	Maximum
Total AUM (FY26)	£1,665m	£1,742m	£1,829m
Vesting (% of salary)	30%	75%	120%

No amounts vest below threshold. Vesting is on a straight-line basis between threshold, on-target and maximum performance points.

Statement of Directors' interests (audited)

The interests of the Directors who served in the year and who held an interest in the ordinary shares of the Company are as follows:

	Outstanding scheme interests 31 March 2024				Beneficially owned shares[4]		
	Unvested scheme interests subject to performance conditions[1]	Unvested scheme interests not subject to performance conditions[2]	Vested but unexercised scheme interests[3]	Total shares subject to outstanding scheme interests	As at 31 March 2023	As at 31 March 2024	Total of all scheme interests and shareholdings as at 31 March 2024
Martin Davis	885,749	108,111	56,125	1,049,985	50,080	91,836	1,141,821
Stuart Chapman	608,837	74,312	857,895	1,541,044	1,054,756	1,054,756	2,595,800
Ben Wilkinson	595,999	72,745	393,149	1,061,893	29,126	48,022	1,109,915
Laurence Hollingworth	–	–	–	–	–	43,000	43,000
Grahame Cook	–	–	–	–	34,258	55,548	55,548
Sarah Gentleman	–	–	–	–	–	4,444	4,444
Richard Pelly	–	–	–	–	380	380	380
Gervaise Slowey	–	–	–	–	10,000	10,000	10,000
Lara Naqushbandi	–	–	–	–	–	–	–

1 LTIPs awarded to Martin Davis, Stuart Chapman and Ben Wilkinson from 2021 onwards.
2 Deferred bonus plan options from 2022.
3 CSOP options awarded to Stuart Chapman and Ben Wilkinson in 2016, 2017, 2018, 2019 and 2021. LTIP options awarded to Martin Davis, Stuart Chapman and Ben Wilkinson in 2020.
4 Includes shares held by persons closely associated.

There were no changes to the Directors' beneficial interests as set out above and the date of this report.

Executive Directors' share ownership guidelines (audited)

Shareholding requirements in operation at the Company are currently 250% of base salary for the Executive Directors. Executive Directors are required to build their shareholdings by retaining at least 50% of any share awards vesting under the Long-Term Incentive Plan or deferred bonus until the guideline is met. The Committee keeps the progress of the Executive Directors in meeting the shareholding requirement under review and notes the progress that has been made during the financial year. Non-Executive Directors are not subject to a shareholding requirement.

The table below shows, for the Executive Directors, their actual share ownership compared with the share ownership guidelines. Martin Davis and Ben Wilkinson continue to build their shareholding and will retain at least 50% of any share awards vesting under the Long-Term Incentive Plan or deferred bonus until the guideline is met.

Director	Number of shares counting to guidelines 31 March 2024	Shareholding requirement (% of salary)	Current shareholding (% of salary)[1]	Shareholding requirement met?
Martin Davis	178,881	250	95	No
Stuart Chapman	1,548,825	250	1,192	Yes
Ben Wilkinson	294,946	250	232	No

1 The share price of £2.3660 as at 28 March 2024 has been used for the purpose of calculating the current shareholding as a percentage of salary. Shares counting to the guidelines include beneficially owned shares, and a net-of tax estimated number of vested but unexercised scheme interests. Unvested LTIP and CSOP awards do not count towards satisfaction of the shareholding guidelines.

Executive Directors' share plan interest movements during FY24 (audited)

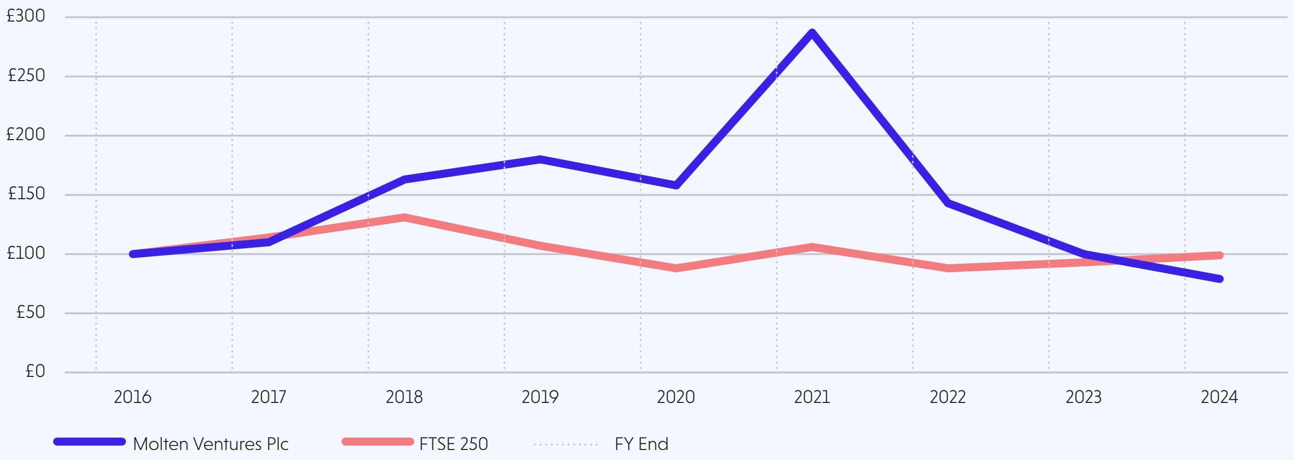
	Date of grant	Vesting, exercise of release date	Number of options/ awards held as at 1 April 2023	Awarded	Exercised	Lapsed	Number of options/ awards held as at 31 March 2024	Share price at date of grant/award (exercise price for CSOP)	Face value of awarded options (at exercise price for CSOP)
Martin Davis									
CSOP (Unapproved)	30/06/20	30/06/23	200,000[1]	–	–	200,000[1]	–	£4.49	–
LTIP	29/06/20	29/06/23	93,541	–	–	37,416	56,125	£4.49	£420,000
LTIP	16/07/21	16/07/24	135,979	–	–	–	135,979	£8.88	£1,207,500
LTIP	17/06/22	17/06/25	278,387	–	–	–	278,387	£4.47	£1,243,725
DBP	17/06/22	17/06/24	108,111	–	–	–	108,111	£4.47	£483,000
LTIP	23/06/23	23/06/26	–	471,383	–	–	471,383	£2.74	£1,293,475
Stuart Chapman									
CSOP (Unapproved)	28/11/16	28/11/19	226,385	–	–	–	226,385	£3.55	–
CSOP (Unapproved)	28/11/17	28/11/20	234,835	–	–	–	234,835	£3.87	–
CSOP (Unapproved)	30/07/18	30/07/21	178,100	–	–	–	178,100	£4.92	–
CSOP (Unapproved)	12/02/19	12/02/22	178,434	–	–	–	178,434	£5.30	–
CSOP (Unapproved)	26/07/21	26/07/22	1,522	–	–	–	1,522	£9.85	£15,000
LTIP	29/06/20	29/06/23	64,365	–	–	25,746	38,619	£4.49	£289,000
LTIP	16/07/21	16/07/24	93,468	–	–	–	93,468	£8.88	£823,000
LTIP	17/06/22	17/06/25	191,355	–	–	–	191,355	£4.47	£854,900
DBP	17/06/22	17/06/24	74,312	–	–	–	74,312	£4.47	£332,175
LTIP	23/06/23	23/06/26	–	324,014	–	–	324,014	£2.74	£889,095
Ben Wilkinson									
CSOP (Unapproved)	30/07/18	30/07/21	178,100	–	–	–	178,100	£4.92	–
CSOP (Unapproved)	12/02/19	12/02/22	178,434	–	–	–	178,434	£5.30	–
LTIP	29/06/20	29/06/23	61,024	–	–	24,409	36,615	£4.49	£274,000
LTIP	16/07/21	16/07/24	91,497	–	–	–	91,497	£8.88	£812,500
LTIP	17/06/22	17/06/25	187,320	–	–	–	187,320	£4.47	£836,875
DBP	17/06/22	17/06/24	72,745	–	–	–	72,745	£4.47	£325,000
LTIP	23/06/23	23/06/26	–	317,182	–	–	317,182	£2.74	£870,350

1 Options subject to a performance condition of an 8% per annum share price hurdle.

Directors' remuneration report continued

Performance graph

The graph below shows the total Shareholder return (TSR) performance of an investment of £100 in Molten Ventures plc shares from its initial listing on AIM in June 2016 to the end of the period, compared with £100 invested in the FTSE 250 Index over the same period. The FTSE 250 Index was chosen as a comparator because it represents a broad equity market index of which the Company is a constituent as of the date of this report.



Historical remuneration of the Chief Executive Officer

The table below sets out the total remuneration delivered to the CEO over the last eight years valued using the methodology applied to the single total figure of remuneration. The Remuneration Committee does not believe that the remuneration paid in earlier years as a private company bears any comparative value to that paid in its time as a public company and, therefore, the Remuneration Committee has chosen to disclose remuneration only for the eight most recent financial years:

Year	Total single figure (£'000)	Annual bonus payment level achieved (% of max opportunity)	LTIP vesting (% of max opportunity)
FY24	**1,486**	**79%**	**20%**
FY23	1,162	38%	60%
FY22[1]	1,530	100%	N/A
FY21	885	93%	N/A
FY20 (Martin Davis)[2]	505	100%	N/A
FY20 (Simon Cook)[3]	317	53%	N/A
FY19	503	75%	N/A
FY18	466	89%	N/A
FY17	373	94%	N/A

1 From 1 April 2020, the Executive Directors have not been eligible to participate in new carried interest plans, and instead participate in the Long-Term Incentive Plan.
2 Martin Davis was appointed as CEO in November 2019. The total single figure above includes a contractual bonus which was paid in full.
3 Simon Cook served as CEO until Martin Davis' appointment in November 2019, and CIO from that date until 1 July 2020.

Change in remuneration of Directors compared to employees

The table below sets out the percentage change in salary, taxable benefits and annual bonus set out in the single figure of remuneration tables (on page 90) paid to each Director from FY21 to FY24. The relevant statutory regulations also require a comparison of the change in the remuneration of the employees of Molten Ventures plc. A comparator for all employees excluding Directors is included below.

	% change in element between FY21 and FY22			% change in element between FY22 and FY23			% change in element between FY23 and FY24		
	Salary and fees	Taxable benefits[1]	Annual bonus	Salary and fees	Taxable benefits	Annual bonus	Salary and fees	Taxable benefits	Annual bonus
Executive Directors									
Martin Davis	15.0	125.0	142.7	2.9	(11.1)	(60.8)	4.1	11.6	114.8
Stuart Chapman	14.9	25.0	142.3	3.0	20.0	(60.7)	4.0	7.0	114.6
Ben Wilkinson	18.6	33.3	150.0	3.1	25.0	(60.7)	3.9	(6.9)	114.4
Non-Executive Directors									
Karen Slatford[2]	21.2	N/A	N/A	(16.7)	N/A	N/A	N/A	N/A	N/A
Laurence Hollingworth[2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Grahame Cook[2]	33.3	N/A	N/A	5.6	N/A	N/A	32.7	N/A	N/A
Sarah Gentleman[3]	N/A	N/A	N/A	79.5	N/A	N/A	0	N/A	N/A
Richard Pelly[4]	17.6	N/A	N/A	N/A	N/A	N/A	(76.4)	N/A	N/A
Gervaise Slowey[3]	N/A	N/A	N/A	46.3	N/A	N/A	16.6	N/A	N/A
Lara Naqushbandi[5]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All employees	**23.2**	**(44.2)**	**12.9**	**14.6%**	**33.9%**	**(4.2)**	**10.0**	**4.6**	**32.5**

1 Taxable benefits in FY22 included critical illness cover which was introduced in October 2021 so is not included in FY21 comparatives.
2 Karen Slatford resigned on 17 January 2023 and Grahame Cook was appointed Interim Chair. Laurence Hollingworth was appointed as Chairman with effect from 2 January 2024.
3 Appointed mid financial year in FY22.
4 Richard Pelly retired from the Board following the AGM on 26 July 2023.
5 Appointed mid financial year in FY24.

CEO pay ratio

As the Company has fewer than 250 employees it is not required to include a CEO pay ratio disclosure.

Relative importance of spend on pay

The table below sets out the relative importance of the spend on pay in FY23 and FY24 compared with other disbursements. All figures provided are taken from the relevant Company accounts.

	FY23 £'m	FY24 £'m	Percentage change
Distributions to Shareholders	0	**0**	0%
Overall spend on pay including Executive Directors	12.3	**14.8**	17%

Payments to past directors/payments for loss of office (audited)

During the year there were no payments made to directors for loss of office (2023: nil) or any payments made to past directors (2023: nil).

Service Agreements and Letters of Appointment

Each of the Executive Directors' service agreements is for a rolling term and may be terminated by the Company or the Executive Director by giving six months' notice.

The Remuneration Committee's policy for setting notice periods is that a six-month period will apply for Executive Directors. The Remuneration Committee may in exceptional circumstances arising on recruitment allow a longer period, which would in any event reduce to six months following the first year of employment.

Name	Position	Date of current service agreement	Notice period by Company (months)	Notice period by Director (months)
Martin Davis	CEO	19 July 2021	6	6
Stuart Chapman	Director	19 July 2021	6	6
Ben Wilkinson	CFO	19 July 2021	6	6

Directors' remuneration report continued

The Non-Executive Directors of the Company do not have service contracts and are appointed by letters of appointment. Their terms are subject to their re-election by the Company's Shareholders at any AGM at which the Non-Executive Directors stand for re-election (in accordance with the Company's Articles of Association). The details of each Non-Executive Director's current terms are set out below:

Name	Date of appointment	Commencement date of current term	Unexpired term as at 7 June 2024
Laurence Hollingworth	2 January 2024	2 January 2024	Continuation of appointment is subject to re-election by Shareholders at each AGM.
Grahame Cook	15 June 2016	19 July 2021	
Sarah Gentleman	8 September 2021	8 September 2021	
Lara Naqushbandi	11 September 2023	11 September 2023	
Gervaise Slowey	19 July 2021	19 July 2021	

Statement of voting at general meetings

The following votes were cast in respect of the Directors' Remuneration Policy at the 2022 AGM and Directors' Remuneration Report at the Company's 2023 AGM:

	Approval of the Directors' Remuneration Policy	
	No. of votes	% of votes cast
For (including discretionary)	82,692,926	79.9
Against	20,802,605	20.1
Withheld	12,189,373	–

	Approval of the Directors' Remuneration Report	
	No. of votes	% of votes cast
For (including discretionary)	95,742,793	97.83%
Against	2,125,369	2.17%
Withheld	2,850,272	–

Remuneration Committee composition and responsibilities

Composition

The UK Corporate Governance Code recommends that all members of the Remuneration Committee be Non-Executive Directors, independent in character and judgement and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgement. The composition of the Committee has comprised only the independent Non-Executive Directors for the year under review. In accordance with provision 32 of the UK Corporate Governance Code, Sarah Gentleman had served as a member of the Remuneration Committee of Rathbones Group plc for more than 12 months prior to her appointment as Chair of the Committee.

Role and responsibilities

The Committee operates under Terms of Reference, which are reviewed annually and approved by the Board. A copy of the Terms of Reference are available on the Company's website - investors.moltenventures.com. The Remuneration Committee receives assistance from the Chair of the Board, CEO, CFO, Company Secretary (each of whom attend meetings by invitation except when decisions relating to their own remuneration are being discussed) and independent advisers. The Remuneration Committee will normally meet at least three times per year. Executive Director remuneration is communicated to employees after financial year end, with performance against bonus and LTIP targets explained as well as the targets for the year financial year ahead being presented. The Committee receives insights from the broader employee population from management and the DNED can update the Committee on feedback received at any of the five employee engagement sessions held during the year.

Advisers

The Committee appointed Deloitte LLP following a competitive tender process, to provide independent advice on Executive remuneration matters with effect from 10 October 2022. Deloitte is a founding member of the Remuneration Consultants Group and voluntarily operates under the code of conduct in relation to Executive remuneration consulting in the UK. The fees paid to Deloitte in relation to advice provided to the Committee for FY24 were £138,000 on a time and materials basis.

The Committee assesses the performance of its advisers, the associated fees and the quality of advice provided annually, to ensure that the advice is independent of any support provided to management and monitors adviser independence, noting advice received is predominantly based on objective data trends/facts. The Committee is comfortable that the remuneration advisers do not have any connections with the Group or any Director that may impair their independence.

On behalf of the Board

Sarah Gentleman
Chair of the Remuneration Committee

11 June 2024

Directors' report

The Directors present their report and audited consolidated financial statements for the year ended 31 March 2024. The Strategic Report on pages 8 to 67, the Corporate Governance Statement on pages 68 to 103 and this Directors' Report have been drawn up and presented in accordance with, and in reliance upon, applicable English company law and any liability of the Directors in connection with these reports shall be subject to the limitations and restrictions provided by such law.

Additional information which is incorporated by reference into this Directors' Report, including information required in accordance with the Companies Act 2006 and the Listing Rule 9.8.4R of the UK Financial Conduct Authority's Listing Rules, can be located as follows:

Disclosure	Location
Future business developments	Strategic Report – pages 8 to 66
Research and development activities	We do not perform any research and development activities
Greenhouse gas emissions	Sustainability – pages 52 to 53
Allotment of equity shares	Pages 100 to 101
Financial risk management objectives and policies (including hedging policy and use of financial instruments)	Note 31 to the Financial Statements – pages 146 to 148
Exposure to price risk, credit risk, liquidity risk and cash flow risk	Details can be found on pages 58 to 65 of the Strategic Report and Note 31 to the Financial Statements
Details of long-term incentive schemes	Directors' Remuneration Report – pages 93 to 95
Statement of Directors' responsibilities	Can be found on page 102
Directors' interests	Details can be found on page 94 of the Directors' Remuneration Report
s172 Statement	Can be found on pages 42 to 45 of the Strategic Report
Stakeholder engagement in key decisions	Details can be found on pages 42 to 45
Corporate Governance Statement	Details can be found starting on page 68

Directors

The Directors of the Company who held office during the year are:

- Laurence Hollingworth (Chair, appointed 2 January 2024)
- Grahame Cook (Senior Independent Director)
- Sarah Gentleman (Independent Non-Executive Director)
- Lara Naqushbandi (Independent Non-Executive Director, appointed 11 September 2023)
- Richard Pelly (Independent Non-Executive Director, retired on 26 July 2023)
- Gervaise Slowey (Independent Non-Executive Director)
- Martin Davis (Chief Executive Officer)
- Stuart Chapman (Executive Director)
- Ben Wilkinson (Chief Financial Officer)

The roles and biographies of the Directors in office as at the date of this report are set out on pages 70 and 71. The appointment and replacement of Directors is governed by the Company's Articles of Association, the UK Corporate Governance Code and the Companies Act 2006.

Regulation

The Company has four wholly owned subsidiaries which are authorised and regulated by the UK Financial Conduct Authority: (1) Esprit Capital Partners LLP (FRN: 451191) a full-scope AIFM and investment manager of Molten Ventures plc; (2) Encore Ventures LLP (FRN: 510101) a small authorised AIFM and investment manager of the EIS Funds; (3) Elderstreet Investments Limited (FRN: 148527) a small authorised AIFM and, via Elderstreet Holdings Limited, manager to Molten Ventures VCT plc; and (4) Forward Partners Management Company Limited (FRN: 737783), a small authorised UK AIFM. Esprit Capital Partners LLP does not employ any staff. Molten Ventures plc employees provide services to the regulated entities named above via services agreements.

Investment objective and investment policy

The investment objective of the Molten Group is to generate capital growth for Molten Shareholders by the creation, funding, incubation and development of high-growth technology businesses.

The Molten Group intends to meet its investment objective by: (i) providing early stage businesses with initial smaller rounds of seed and Series A primary investments, co-investments and commitments to third party seed funds; (ii) making larger Series B+ and later Series C+ primary investments and co-investments for scaling technology companies; and (iii) undertaking secondary transactions (including through the acquisition of investment funds (private and/or public)).

The Molten Group will seek exposure to early stage companies which combine technology and service provision, are able to generate strong margins through significant intellectual property or strong barriers to entry, are scalable and require relatively modest investment. The Molten Group will primarily seek exposure to developing companies in, but not limited to, the following sectors of the digital economy: consumer technology, enterprise technology, hardware & deeptech, and digital health & wellness.

The Molten Group's main focus is on making investments in the UK and Europe.

No investment will be made if its costs exceed 15 per cent. of the Gross Portfolio Value at the time of investment. A further investment may be made in an existing portfolio business provided the aggregate cost of that investment and of all other unrealised investments in that portfolio business does not exceed 15 per cent of the Gross Portfolio Value.

Dividends

The Group's loss for the year was £41 million (year ended 31 March 2023: loss of £243 million). The Directors' current intention is to reinvest any income received from investee companies as well as the net proceeds of any realisations in the Group's portfolio. Accordingly, the Directors do not recommend the payment of a dividend in respect of the financial year ended 31 March 2024.

Directors' report continued

Articles of Association

The rules governing the appointment and replacement of Directors can be found in the Company's Articles of Association (the "Articles"), which may be amended by a special resolution of the Company's Shareholders. A copy of the Articles can be found on the Company's website: investors.moltenventures.com/investor-relations/plc/documents.

Directors' indemnity provisions

As permitted by the Articles, the Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial period and at the date of approval of the financial statements.

The Company has purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Compensation for loss of office

The Company does not have any agreements with any Executive Director or employee that would provide compensation for loss of office or employment resulting from a takeover except that provisions of the Company share schemes may cause options and awards outstanding under such schemes to vest on a takeover.

Political donations

The Company made no political donations during the year ended 31 March 2024.

Branches

The Company has a branch in the Republic of Ireland.

Share capital

At 31 March 2024, the Company's issued share capital consisted of 189,046,450 (2023: 152,999,853) ordinary shares of £0.01 each. Details of the movements in issued share capital in the year are set out in Note 26 to the financial statements.

Ordinary Shareholders are entitled to receive notice of, and to attend and speak at, any general meeting of the Company. On a show of hands, every Shareholder present in person or by proxy (or being a corporation represented by a duly authorised representative) shall have one vote, and on a poll every Shareholder who is present in person or by proxy shall have one vote for every share of which he or she is the holder. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies.

The holders of ordinary shares are entitled to one vote per share at meetings of the Company. There are no restrictions on the transfer of shares. No Shareholder holds securities carrying any special rights or control over the Company's share capital.

The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or of voting rights. Shares held by the Company's Employee Benefit Trust rank pari passu with the shares in issue and have no special rights, but voting rights and rights of acceptance of any offer relating to the shares rest with the plan's Trustees and are not exercisable by employees.

Authority for the Company to issue and make market purchases of ordinary shares

At the Company's AGM held on 26 July 2023, the Company was generally and unconditionally authorised by its Shareholders to make market purchases of up to a maximum of 15,299,985 of its ordinary shares. The Company has not repurchased any of its ordinary shares under this authority, which is due to expire at the next AGM, and accordingly has an unexpired authority to purchase up to 15,299,985 ordinary shares with a nominal value of £152,999.85. Any shares bought back may be held as treasury shares or cancelled immediately upon completion of the purchase. The Company was also granted authority to allot equity securities up to a nominal value of £509,999.51 and to issue those shares for cash without offering those shares to Shareholders in accordance with their statutory pre-emption rights. These powers will expire at the AGM to be held on 24 July 2024 and renewal of the authorities will be sought at that AGM.

Pre-Emption Group Reporting

The Company received separate authorisation from shareholders at the general meeting held on 14 December 2023 to issue up to 22,941,270 new ordinary shares of £0.01 each for cash at a price of 270 pence per Ordinary share., pursuant to a placing, subscription, retail offer and offer for subscription. 21,261,548 new ordinary shares were issued and admitted to trading on 15 December 2023.

In accordance with LR 9.8.4R(7) and the most recently published Pre-Emption Group Statement of Principles (2022), the details of the allotment have been restated in full below.

Transaction details

In aggregate, the Issue of 21,261,548 New Ordinary Shares (comprising 16,666,667 Placing Shares, 3,703,703 Subscription Shares, 888,888 Retail Offer Shares and 2,290 Offer for Subscription Shares) represents approximately 13.9 per cent of the Company's issued ordinary share capital prior to Admission (to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange and to a secondary listing on the Euronext Dublin Daily Official List and to trading on the Euronext Dublin Market).

Use of proceeds

The proceeds of the Issue will further capitalise the Company's platform and allow the Company to:

- Continue to support Molten Ventures' existing high-growth technology portfolio of investments, investing in selective follow on investment opportunities as Molten Ventures' portfolio companies continue to grow.
- Make primary investments in new portfolio companies to capture exceptional opportunities as the valuation environment stabilises.
- Access exceptional secondary investments at attractive valuations. As dealmaking globally has slowed, liquidity has become increasingly important and harder to realise, leading to Molten Ventures seeing more opportunities to acquire strong assets at significant discounts.
- Where appropriate and value enhancing, continue to appraise complementary acquisition opportunities. Investment opportunities to roll-up well priced assets at a discount are available and may be further explored by the Molten Ventures team.
- Fund the Company's operational capital costs.

Quantum of proceeds

In aggregate, the Issue raised gross proceeds of approximately £57.4 million.

Discount

The Issue Price of 270.0 pence represents a discount of approximately 3.4 per cent. to the closing share price of 279.6 pence on 24 November 2023 (being the last business day prior to the announcement of the Issue), and a discount of c.63.3 per cent. to the last reported NAV per Ordinary Share (unaudited) as at 30 September 2023 of 735 pence.

Allocations

Soft pre-emption has been adhered to in the allocations process for the Placing, Retail Offer and Subscription (together, the "Fundraise"). Management was involved in the allocations process, which has been carried out in compliance with the MiFID II Allocation requirements. Allocations made outside of soft pre-emption were preferentially directed towards existing shareholders in excess of their pro rata interests and wall-crossed accounts.

Consultation

The Joint Bookrunners undertook a pre-launch wall-crossing process in accordance with the market-sounding regime under the Market Abuse Regulation, including consultation with major shareholders, to the extent reasonably practicable and permitted by law.

Retail Investors

The Company values its retail investor base and provided its existing shareholders, in addition to new retail investors, who could not participate in the Placing and Subscription, with the opportunity to participate on the same commercial terms as the Placing and Subscription, via the PrimaryBid platform, for up to 1,465,637 Retail Offer Shares. Allocations in the Retail Offer were preferentially directed towards existing shareholders in keeping with the principle of soft pre-emption.

Change of control – significant agreements

There are no significant agreements to which the Group is a party that take effect, alter or terminate upon a change of control of the Group.

Substantial shareholdings

Information provided to the Company by substantial shareholders pursuant to the FCA's Disclosure Guidance and Transparency Rules (DTR) is published via a Regulatory Information Service and are available on the Company's website. The table below shows the interests in shares (whether directly or indirectly held) disclosed to the Company in accordance with DTR 5, actual shareholdings may therefore be different and disclosures made prior to the issuance of equity by the Company are identified below.

	At 31 March 2024		At 7 June 2024	
Name of Shareholder	Number of ordinary shares of 1 pence each held	Percentage of total voting rights held	Number of ordinary shares of 1 pence each held	Percentage of total voting rights held
BlackRock, Inc.	25,052,670	12.52%	21,533,451	11.39%
Baillie Gifford[1]	17,504,490	11.44%	-	-
National Treasury Management Agency, as controller and manager of the Ireland Strategic Investment Fund ("ISIF")	14,004,502	7.41%	-	-
Schroders plc[1]	8,927,199	5.83%	-	-
Liontrust Investment Partners LLP[2]	9,017,298	5.18%	-	-
Border to Coast Pensions Partnership Ltd[2]	8,707,378	4.99%	-	-
T. Rowe Price International Ltd[1]	7,648,567	4.99%	-	-
Canaccord Genuity Group Inc[1]	7,615,956	4.98%	-	-
Ticketridge Limited[1]	5,578,000	3.65%	-	-
FIL Limited	-	-	5,814,423	3.08%
AVI Global Trust plc[2]	4,915,094	2.82%	-	-

1 Prior to issuance of equity on 15 December 2023 and 15 March 2024. Based on total voting rights of 152,999,853.
2 Prior to issuance of equity on 15 March 2024. Based on total voting rights of 174,261,401.

Going concern

The Directors confirm that they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for at least the next 12 months from the date of the approval of the financial statements and accordingly they continue to adopt the going concern basis in preparing the financial statements. A statement in compliance with provision 31 of the Code can be found on page 66.

External Auditors

As far as the Directors are aware, there is no relevant audit information of which the Group's Auditors are unaware, and each Director has taken all reasonable steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information to establish that the Group's Auditors are aware of that information.

PwC has indicated its willingness to continue in office as Auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Post balance sheet events

Details of post balance sheet events can be found in the Financial Review on page 26 and in Note 37 of the financial statements on page 152.

Annual General Meeting

The next AGM of the Company will be held on 24 July 2024 at 10:00am. The notice convening the meeting, together with details of the business to be considered and explanatory notes for each resolution, will be published separately and will be available on the Company's website and distributed to Shareholders who have elected to receive hard copies of Shareholder information.

By order of the Directors

Gareth Faith
Company Secretary

11 June 2024

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

The group has also prepared financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in Board of Directors section on pages 70 and 71 confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with UK-adopted international accounting standards and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the group;
- the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, financial position and loss of the company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the group and company, together with a description of the principal risks and uncertainties that it faces.

By order of the Board

Ben Wilkinson
Chief Financial Officer

11 June 2024

Financials

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Report on the audit of the financial statements

Opinion

In our opinion:

- Molten Ventures plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company statements of financial position as at 31 March 2024; the Consolidated statement of comprehensive income, the Consolidated statement of cash flows, and the Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit, Risk and Valuations Committee.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 4 to the financial statements, the group, in addition to applying UK-adopted international accounting standards, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("ISAs") and applicable law. Our responsibilities under ISAs (UK) and ISAs are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by either the FRC's Ethical Standard or Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Other than those disclosed in Note 10, we have provided no non-audit services to the parent company or its controlled undertakings in the period under audit.

Our audit approach

Overview

<u>Audit scope</u>

- As part of the audit design process, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

<u>Key audit matters</u>

- Valuation of unquoted financial assets held at fair value through profit or loss (group and parent)

<u>Materiality</u>

- Overall group materiality: £25,013,000 (2023: £23,883,000) based on 2% of net assets.
- Overall parent company materiality: £24,712,000 (2023: £23,674,000) based on 2% of net assets.
- Performance materiality: £18,760,000 (2023: £17,912,000) (group) and £18,534,000 (2023: £17,756,000) (parent company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matter below is consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of unquoted financial assets held at fair value through profit or loss (group and parent) Refer to Audit, Risk and Valuations Committee Report, Note 4 (Material accounting policy information), Note 5 (Critical accounting estimates and judgements), Note 17 (Financial assets held at fair value through profit and loss), Note 30 (Fair value measurements). The fair value of unquoted investments is an area of focus due to the fact that unquoted investments ('portfolio company' or 'investment') do not have readily determinable prices and involve a number of estimates and unobservable inputs. As detailed in Note 31 (Financial instruments risk) to the financial statements the risk in estimation uncertainty can produce a valuation range. The fair value of investments is established in accordance with IFRS and with reference to the International Private Equity and Venture Capital Valuation Guidelines issued by the International Private Equity and Venture Capital Valuation Board dated December 2022 ('IPEV Guidelines'). The valuation methodologies primarily used by the Group are the 'calibrated price of recent investment', 'revenue- multiple' and 'NAV of underlying fund' approaches as detailed in Note 5 and 30 to the financial statements. Whilst the underlying investments are held within Molten funds or other investment entities such as Molten Ventures (Ireland) Limited, management looks through these vehicles to fair value the underlying investments.	We understood and evaluated the valuation methodologies applied, by reference to industry practice, guidelines and applicable accounting standards, and tested the techniques used by management in determining the fair value of the investments. We utilised our valuation experts in understanding and evaluating the valuation methodology applied. For a selection of investments valued on 'calibrated price of recent investment' and 'revenue-multiple' valuation methodologies, we performed the following, where applicable: • Held discussions with management to understand the performance of the portfolio company, and the key drivers of the valuation. • Discussed with management and challenged the methodology, key judgements and assumptions adopted in the valuations, understanding whether alternatives had been considered and evaluated before determining the final valuation; • Agreed recent transaction prices to supporting documentation such as purchase agreements, funding drawdown requests or bank statements; • Reviewed management's calibration analysis to evaluate post transaction performance against relevant milestones and comparable public companies; • Obtained management information, board reports and external market data to validate management's calibration analysis and adjustments made, if any, to the recent transaction price and challenged assumptions made, where appropriate; • Reviewed the comparable companies, and evaluated the range of comparable companies used in the valuation and understood the rationale and consistency of discounts or premiums applied; • Verified revenue multiples to independent sources; • Performed back testing over portfolio company management accounts, comparing prior reported results to audited accounts and/or forecasts to actual results to assess portfolio company ability to appropriately report and forecast results; • Agreed inputs into the valuation model to financial information and board papers from the portfolio companies and publicly available information and understood the basis for forecast revenue figures used; and • Confirmed the capital structure with the portfolio company and reviewed the allocation of value between the capital structure to ensure the amount attributable to the Group entities was appropriate. For a selection of investments where the Group invested capital into a separately managed fund (a 'Fund'), and valuation is based on 'NAV of underlying fund' we: • Performed backtesting by comparing the most recent audited financial statements to that period's corresponding quarterly report to assess fund managers' ability to accurately report the net asset value of the Fund; • Confirmed the commitments and capital drawn down with the Fund; • Reviewed the latest investor reports of the Fund and agreed the net assets of the fund and reperformed the valuation calculation for accuracy; and • Assessed the appropriateness of any adjustments necessary from the latest reported net asset value to fair value. For investments held by Forward Partners, which are valued on 'calibrated price of recent investment' and 'revenue-multiple' valuation methodologies, our work was undertaken with the involvement of a non-PwC component auditor. We instructed the component auditor to perform a full scope audit which includes procedures performed over investment valuations in line with those as set out above. We supervised the work performed by the component auditor in accordance with the requirements of ISA (UK) 600, agreeing on the planned approach and audit procedures to be performed. We have held discussions with the component auditors on their findings and conclusions, reviewed their workpapers and received formal reporting. We considered the appropriateness and adequacy of the disclosures around the estimation uncertainty and sensitivities on the accounting estimates. Overall, based on our procedures, we found that management's valuation of investments and the assumptions used were supported by the audit evidence obtained and appropriately disclosed in the financial statements.

Independent Auditors' report to the members of Molten Ventures plc continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

We have performed a top-down scoping approach to assess Group scoping, taking into consideration the Molten standalone entity, its consolidated subsidiaries, and the consolidation adjustments. This approach encompasses all investment entities through the Molten standalone entity's Net Assets. As a result, Molten Ventures plc is the sole significant component within the Group. We have extended our scope to include eight additional components, namely, the consolidation adjustments, Esprit Capital Partners LLP, Encore Ventures LLP, Elderstreet Investments Limited, Forward Partners Group Limited, Forward Partners 1 L.P., Forward Partners II L.P. and Forward Partners III L.P. based on our risk assessment. We were supported in our work on Forward Partners by a non-PwC component audit firm.

The impact of climate risk on our audit

In planning our audit, we made enquiries with management to understand the extent of the potential impact of climate change risk on the Group's and Company's financial statements. Management concluded that there was no material impact on the financial statements. Our evaluation of this conclusion included challenging key judgements and estimates in areas where we considered that there was greatest potential for climate change impact such as the valuation of unquoted investments. We found management's assessment to be consistent with our understanding of the investment portfolio. We also considered the consistency of the climate change disclosures included in the Strategic Report with the financial statements and our knowledge from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - parent company
Overall materiality	£25,013,000 (2023: £23,883,000).	£24,712,000 (2023: £23,674,000).
How we determined it	2% of net assets	2% of net assets
Rationale for benchmark applied	Net assets is the primary measure used by the shareholders in assessing the performance of the Group,and is a generally accepted auditing benchmark for a business such as the Group, which invests in other businesses for capital appreciation.	Net assets is the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted auditing benchmark for a business such as the Company, which invests in other businesses for capital appreciation.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £131,000 and £23,765,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £18,760,000 (2023: £17,912,000) for the group financial statements and £18,534,000 (2023: £17,756,000) for the parent company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit, Risk and Valuations Committee that we would report to them misstatements identified during our audit above £1,251,000 (group audit) (2023: £1,194,000) and £1,235,600 (parent company audit) (2023: £1,184,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtained the Directors' going concern assessment, attended the Audit, Risk and Valuations Committee meeting where the assessment was discussed and corroborated key assumptions to underlying documentation and ensured this was consistent with our audit work in these areas;
- Assessed the appropriateness of the key assumptions used both in the base case and in the downside scenario, including assessing whether we considered the downside sensitivities to be appropriately severe;
- Tested the cash flows and the integrity of the underlying formulae and calculations within the going concern base case and downside case cash flow models;
- Considered the appropriateness of the mitigating actions available to management in the event of the downside scenario materialising. Specifically, we focused on whether these actions are within the Directors' control and are achievable;
- Evaluated access to credit facilities through review of the facility agreements; and
- Reviewed the disclosures provided relating to the going concern basis of preparation and found that these provided an explanation of the Directors' assessment that was consistent with the evidence we obtained.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Independent Auditors' report to the members of Molten Ventures plc continued

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Strategic Report and Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and parent company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and parent company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the parent company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and parent company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and parent company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and parent company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit, Risk and Valuations Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the parent company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and taxation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the potential for manipulation of financial data or management bias in accounting estimates in the financial statements such as the valuation of unquoted financial assets held at fair value through profit or loss. Audit procedures performed by the engagement team included:

- Challenging assumptions and judgements made by management in their significant areas of estimation such as procedures relating to the valuation of unquoted investments described in the related key audit matter;
- Reviewing correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Enquiring with management as to any actual or suspected instances of fraud or non compliance with laws and regulations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Identifying and testing journal entries with unusual characteristics such as unexpected account combinations; and
- Reviewing relevant meeting minutes, including those of the Board of Directors, for additional matters relevant to the audit

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements in accordance with ISAs (UK) is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and parent company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group and parent company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinion, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' report to the members of Molten Ventures plc continued

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the directors on 25 September 2018 to audit the financial statements for the year ended 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement is six years, covering the years ended 31 March 2019 to 31 March 2024.

Jeremy Jensen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

11 June 2024

Consolidated statement of comprehensive income

For the year ended 31 March 2024

	Notes	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Movements on investments held at fair value through profit or loss	6	**(67.6)**	(240.1)
Gain on bargain purchase	14	**38.6**	–
Total movement in fair value through the profit and loss		**(29.0)**	(240.1)
Fee income	7	**19.8**	22.7
Total investment loss		**(9.2)**	(217.4)
Operating expenses			
General administrative expenses	8	**(21.2)**	(18.8)
Depreciation and amortisation	16, 19	**(0.4)**	(0.7)
Share-based payments – resulting from Company share option scheme	15	**(4.8)**	(4.4)
Exceptional items	36	**(3.6)**	–
Total operating expenses		**(30.0)**	(23.9)
Loss from operations		**(39.2)**	(241.3)
Finance income	11	**0.6**	1.7
Finance expense	11	**(11.2)**	(7.1)
Loss before tax		**(49.8)**	(246.7)
Tax benefit	12	**9.2**	3.3
Loss for the year		**(40.6)**	(243.4)
Other comprehensive income		**–**	–
Total comprehensive loss for the year		**(40.6)**	(243.4)
Loss per share attributable to owners of the parent:			
Basic loss per weighted average share	13	**(21p)**	(159p)
Diluted loss per weighted average share	13	**(21p)**	(158p)

The consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 March 2024

	Notes	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Non-current assets			
Intangible assets	16	**10.4**	10.5
Financial assets held at fair value through profit or loss	17	**1,292.1**	1,277.0
Property, plant and equipment	19	**0.1**	0.4
Total non-current assets		**1,302.6**	1,287.9
Current assets			
Trade and other receivables	22	**1.6**	5.0
Cash and cash equivalents	21	**57.0**	22.9
Total current assets		**58.6**	27.9
Current liabilities			
Trade and other payables	23	**(9.1)**	(9.6)
Financial liabilities	24	**–**	(0.3)
Total current liabilities		**(9.1)**	(9.9)
Non-current liabilities			
Deferred tax	25	**(11.7)**	(22.5)
Provisions		**(0.3)**	(0.3)
Financial liabilities	24	**(89.4)**	(89.0)
Total non-current liabilities		**(101.4)**	(111.8)
Net assets		**1,250.7**	1,194.1
Equity			
Share capital	26	**1.9**	1.5
Share premium account	26	**671.2**	615.9
Own shares reserve	27(i)	**(8.8)**	(8.9)
Other reserves	27(ii)	**74.7**	33.3
Retained earnings		**511.7**	552.3
Total equity		**1,250.7**	1,194.1
Net assets per share (pence)	13	**662**	780

The consolidated financial statements should be read in conjunction with the accompanying notes. The consolidated financial statements were authorised for issue by the Board of Directors on 11 June 2024 and were signed on its behalf by:

Ben Wilkinson
Chief Financial Officer

Molten Ventures plc registered number 09799594

Consolidated statement of cash flows

For the year ended 31 March 2024

	Notes	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Cash flows from operating activities			
Loss after tax		**(40.6)**	(243.4)
Adjustments to reconcile loss to net cash outflow in operating activities	28	**36.7**	241.7
Purchase of investments	17	**(39.5)**	(138.2)
Proceeds from disposals in underlying investment vehicles	17	**38.9**	48.1
Net loans made to underlying investment vehicles and Group companies	17	**(17.8)**	(16.2)
Share options exercised and paid to employees		**(0.3)**	–
Interest received	11	**0.6**	–
Net cash outflow from operating activities		**(22.0)**	(108.0)
Cash flows from investing activities			
Cash acquired on purchase of subsidiary	14	**12.0**	–
Net cash inflow from investing activities		**12.0**	–
Cash flows from financing activities			
Loan repayments	24	**(38.0)**	(65.0)
Loan proceeds	24	**38.0**	125.0
Fees paid on issuance of loan	24(i)	**–**	(1.0)
Interest paid	11	**(11.0)**	(6.9)
Disposal/(acquisition) of own shares	27(i)	**0.1**	(0.6)
Repayments of leasing liabilities	24	**(0.3)**	(0.4)
Gross proceeds from issue of share capital	26	**57.3**	–
Equity issuance costs	26	**(1.8)**	–
Net cash inflow from financing activities		**44.3**	51.1
Net increase/(decrease) in cash and cash equivalents		**34.3**	(56.9)
Cash and cash equivalents at beginning of year		**22.9**	78.1
Exchange differences on cash and cash equivalents	11	**(0.2)**	1.7
Cash and cash equivalents at end of year		**57.0**	22.9
Total cash and cash equivalents and restricted cash at year end	21	**57.0**	22.9

The consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 31 March 2024

Year ended 31 March 2024

£m	Note	Share capital	Share premium	Own shares reserve	Other reserves	Retained earnings	Total equity
Brought forward as at 1 April 2023		**1.5**	**615.9**	**(8.9)**	**33.3**	**552.3**	**1,194.1**
Comprehensive expense for the year							
Loss for the year		–	–	–	–	(40.6)	(40.6)
Total comprehensive expense for the year		–	–	–	–	(40.6)	(40.6)
Contributions by and distributions to the owners:							
Contributions of equity, net of transaction costs and tax	26, 27	0.4	55.3	–	36.9	–	92.6
Options granted and awards exercised	15, 27	–	–	–	4.5	–	4.5
Disposal of treasury shares	27	–	–	0.1	–	–	0.1
Total contributions by and distributions to the owners		0.4	55.3	0.1	41.4	–	97.2
Balance as at 31 March 2024		**1.9**	**671.2**	**(8.8)**	**74.7**	**511.7**	**1,250.7**

Year ended 31 March 2023

£m	Note	Share capital	Share premium	Own shares reserve	Other reserves	Retained earnings	Total equity
Brought forward as at 1 April 2022		1.5	615.9	(8.2)	28.9	795.7	1,433.8
Comprehensive expense for the year							
Loss for the year		–	–	–	–	(243.4)	(243.4)
Total comprehensive expense for the year		–	–	–	–	(243.4)	(243.4)
Contributions by and distributions to the owners:							
Contributions of equity, net of transaction costs and tax	26	–	–	–	–	–	–
Options granted and awards exercised	15, 27	–	–	(0.1)	4.4	–	4.3
Acquisition of treasury shares	27	–	–	(0.6)	–	–	(0.6)
Total contributions by and distributions to the owners		–	–	(0.7)	4.4	–	3.7
Balance as at 31 March 2023		**1.5**	**615.9**	**(8.9)**	**33.3**	**552.3**	**1,194.1**

The consolidated financial statements should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. General information

Name of the Company	Molten Ventures plc
LEI code of the Company	213800IPCR3SAYJWSW10
Domicile of Company	United Kingdom
Legal form of the Company	Public limited company
Country of incorporation	United Kingdom
Address of Company's registered office	20 Garrick Street, London, WC2E 9BT
Principal place of business	20 Garrick Street, London, WC2E 9BT
Description of nature of entity's operations and principal activities	Venture capital firm
Name of parent entity	Molten Ventures plc
Name of ultimate parent of Group	Molten Ventures plc
Period covered by financial statements	1 April 2023 – 31 March 2024

Molten Ventures plc (the "Company") is a public limited company incorporated and domiciled in England and Wales.

The Company is the ultimate parent company in which the results of all subsidiaries are consolidated in line with IFRS 10 (see Note 4(b) for further details). The consolidated financial statements for the year ended 31 March 2024 and for the comparative year ended 31 March 2023 comprise the consolidated financial statements of the Company and its subsidiaries (together, the "Group").

The consolidated financial statements are presented in Pounds Sterling (GBP/£), which is the currency of the primary economic environment in which the Group operates. All amounts are presented in millions, unless otherwise stated.

2. Going concern assessment and principal risks

Going concern

The Group's primary sources of liquidity are the cash flows it generates from its operations, realisations of its investments and borrowings. The primary use of this liquidity is to fund the Group's operations (including the purchase of investments). Responsibility for liquidity risk management rests with the Board, which has established a framework for the management of the Group's funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves and with ongoing monitoring of forecast and actual cash flows. The Group has undertaken a going concern assessment and the latest assessment showed sufficient headroom for liquidity for at least the next 12 months from the date of signing of these financial statements.

The assessment of going concern considered both the Group's current performance and future outlook, including:

- An assessment of the Group's liquidity and solvency position using a number of severe but plausible downside case to assess the potential impact on the Group's operations and portfolio companies. This downside scenario include (i) unpredictability of exit timing, being only contractually committed realisations throughout the Going Concern period; (ii) portfolio company valuations subject to change, being a 25% decrease in GPV to assess the impact on covenant compliance; and (iii) the impact of an additional 2% increase in interest rates to take SONIA to 7.2%. The Group manages and monitors liquidity regularly and continually assesses investments, commitments, realisations, operating expenses, and receipt of portfolio cash income including under stress scenarios ensuring liquidity is adequate and sufficient. As at the date of signing, the Directors believe the Group has sufficient cash resources and liquidity, and is well placed to manage the business risks in the current economic environment with the ability to utilise the Debt Facility as required.
- The Group must comply with financial and non-financial covenants as part of its Debt Facility agreement (see Note 24(i) for further details). In order to assess forecast covenant compliance, management have performed an assessment to identify the level at which covenants would be breached. This is based on the current portfolio and assuming no intervention to manage a breach. For a breach to occur under these circumstances, a 31% decrease in gross asset value would need to occur which would trigger debt repayment. The Directors do not consider this to be plausible based on the performance in the year and the current outlook. Management action would be taken in advance of such a significant decrease to the gross asset value such as the sale of investments in the secondaries market to repay the Debt Facility.

After making enquiries and following challenge and review, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for 12 months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

For further information, please refer to the Audit, Risk and Valuations Committee Report on pages 83 to 85 and the Directors' Report on pages 99 to 101.

Principal risks

The Group has reviewed its exposure to its principal risks and concluded that these did not have a significant impact on the financial performance and/or position of the Group for the year and as at 31 March 2024, respectively. For further details on the Group's principal risks, as well as its risk management processes, please see the Risk Management and Principal Risks section in the Strategic Report to these financial statements.

Notes to the consolidated financial statements
continued

3. Adoption of new and revised standards

i. Adoption of new and revised standards

No changes to IFRS have impacted this year's financial statements.

ii. Impact of standards issued not yet applied

No upcoming changes under IFRS are likely to have a material effect on the reported results or financial position. Management will continue to monitor upcoming changes.

4. Material accounting policy information

a) Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IAS") and the requirements of the Companies Act 2006 as applicable to companies reporting under those standards and International Financial Reporting Standards ("IFRS") adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("EU").

UK-adopted International Accounting Standards differ in certain respects from International Financial Reporting Standards as adopted by the EU. The differences have no material impact on the financial statements for the periods presented, which, therefore, also comply with International Financial Reporting Standards as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention as modified for the revaluation of certain financial assets and financial liabilities held at fair value. A summary of the Group's principal accounting policies, which have been applied consistently across the Group, is set out below. The consolidated financial statements have been approved for issue by the Board of Directors on 11 June 2024.

The financial reporting framework that has been applied in the preparation of the Company's financial statements (beginning on page 153) is Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. The Company has taken advantage of disclosure exemptions available under FRS 101 as explained further in Note 1 of the Company's financial statements. The financial statements are prepared on a going concern basis as disclosed in the Audit, Risk and Valuations Committee Report (pages 83 to 85), in the Directors' Report (pages 99 to 101) and in Note 2.

In preparing the financial statements we have considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report this year. There has not been a material impact on the financial reporting judgements and estimates arising from our considerations. Specifically, we note the following:

- For the fifth year running, we have offset 100% of our Scope 1 and Scope 2 and select Scope 3 emissions for the financial year (see more details on page 53 of the Annual Report).
- We continue to engage ESG Consulting Partners to support us with respect to our ESG roadmap. During the year, we worked Altruistiq and Accenture to support us with our Climate Strategy, GHG Verification and TCFD Report.
- As stated in Note 30, based on work performed so far, management have considered climate-related risks and consider these to be currently immaterial to the value of our portfolio for FY24 (FY23: immaterial).

A summary of the Group's principal accounting policies, which have been applied consistently across the Group, is set out below.

b) Basis of consolidation

The consolidated financial statements comprise the Company (Molten Ventures plc, 20 Garrick Street, London, England WC2E 9BT) and the results, cash flows and changes in equity of the following subsidiary undertakings as well as the Molten Ventures Employee Benefit Trust:

Name of undertaking	Nature of business	Country of incorporation	% ownership
Esprit Capital Partners LLP^	AIFM to the Company, Molten Ventures FoF I LP, Esprit Funds and Irish Co-Invest	England and Wales	100%
Elderstreet Holdings Limited^	Intermediate holding company	England and Wales	100%
Elderstreet Investments Limited^	AIFM to Molten Ventures VCT plc and Molten SP I LLP	England and Wales	100%
Grow Trustees Limited^	Trustee of the Group's employment benefit trust	England and Wales	100%
Molten Ventures Advisors Limited^	Investment Adviser	England and Wales	100%
Molten Ventures (Nominee) Limited^	Dormant	England and Wales	100%
Encore Ventures LLP^	AIFM to the Encore Funds	England and Wales	100%
Esprit Capital I (GP) Limited^	General Partner and co-invest vehicle	England and Wales	100%
Esprit Capital I General Partner^	General Partner	England and Wales	100%
Esprit Capital II GP Limited†	General Partner	Cayman Islands	100%
Esprit Capital III Founder GP Limited*	General Partner	Scotland	100%
Esprit Capital III GP LP*	General Partner	Scotland	100%
Encore I Founder GP Limited†	General Partner	Cayman Islands	100%
Encore I GP Limited†	Intermediate holding company	Cayman Islands	100%
Esprit Capital Holdings Limited^	Dormant	England and Wales	100%
Esprit Nominees Limited^	Nominee company	England and Wales	100%
Esprit Capital I (CIP) Limited^	Dormant	England and Wales	100%
Esprit Capital III MLP LLP^	Intermediate holding company	England and Wales	100%
Esprit Capital III GP Limited^	General Partner (dormant)	England and Wales	100%
Molten Ventures Growth Fund I GP S.a.r.l.‡	General Partner (dormant)	Luxembourg	100%
Molten Ventures Growth SP GP LLP^	General Partner (dormant)	England and Wales	100%
Molten Ventures FoF I GP LLP^	General Partner	England and Wales	100%
Molten Ventures Investments GP LLP^	General Partner	England and Wales	100%
Molten Ventures Investment (Ireland) GP LLP^	General Partner	England and Wales	100%
Forward Partners Group Limited^	Limited Partner to the Forward Funds	England and Wales	100%
Forward Partners Management Company Limited^	Investment Manager to the Forward Funds	England and Wales	100%
Forward Partners Venture Advance Ltd^	Revenue-based financing	England and Wales	100%
Forward Partners General Partner Limited^	General Partner	England and Wales	100%
Forward Partners Carried Interest General Partner Limited*	General Partner	Scotland	100%
FPGP Nominees Limited^	Dormant	England and Wales	100%

Registered addresses

^ 20 Garrick Street, London, England, WC2E 9BT
* 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ
† c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
‡ 412F, Route d'Esch, Grand Duchy of Luxembourg, 1471, Luxembourg

Subsidiaries

Subsidiaries are entities controlled by the Group. Control, as defined by IFRS 10, is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which the Group effectively obtains control. They are deconsolidated from the date that control ceases. Control is reassessed whenever circumstances indicate that there may be a change in any of these elements of control.

All transactions and balances between Group subsidiaries are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with consolidated accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Employee Benefit Trust

On 27 November 2020, Molten Ventures Employee Benefit Trust (the "Trust") was set up to operate as part of the Molten Ventures employee share option schemes. The substance of the relationship is considered to be one of control by the Group and, therefore, the Trust is consolidated, and all assets and liabilities are consolidated into the Group. Grow Trustees Limited was appointed trustee of the Trust and the substance of this relationship is also considered to be one of control by the Group and, as such, Grow Trustees Limited is consolidated.

Notes to the consolidated financial statements
continued

4. Material accounting policy information continued

Investment entity
In accordance with the provisions of IFRS 10, Molten Ventures plc considers itself to be an investment entity. As a result of its listed status, it obtains funds from its Shareholders to acquire equity interests in multiple high-growth technology businesses (indirectly) with the purpose of capital appreciation over the life of the investments. These investments are made on behalf of investors in Molten Ventures plc across a number of deployment strategies – see page 16. Exit strategies for the portfolio vary depending on each investment, with realisations occurring typically five to ten years after the investment is made. Exit strategies for each of the portfolio companies are documented and discussed as part of regular portfolio reviews. The Group reviews exit opportunities regularly and each member of the Deal Team is responsible for an exit thesis for the investee companies they are responsible for prior to any investment being made. An exit thesis is set out in the original investment papers and it is reiterated or amended thereafter, as appropriate, in the Group's regular quarterly reports. Exit strategies for successful investments include the sale of the investment via private placement or in a public market, IPO, trade sale of a company, and distributions to investors from funds invested into. All exits are approved by a sub-committee of the Investment Committee, following a similar approval process to any approval of a new investment, requiring a majority vote. Although Molten Ventures plc holds these investments indirectly, it has been deemed appropriate to directly consider the investment strategies for the portfolio as the intermediary investment vehicles discussed below were formed to hold investments on behalf of Molten Ventures plc. Molten Ventures plc evaluates its investments on a fair value basis and reports this financial information to its Shareholders.

The Directors have also satisfied themselves that Molten Ventures plc's wholly owned subsidiaries, as well as certain partnerships listed below, meet the characteristics of an investment entity. Although they have one or two investors, in substance these partnerships and companies are investing funds on behalf of the Shareholders of Molten Ventures plc. They have obtained funds for the purpose of acquiring equity interests in high-growth technology businesses with the purpose of capital appreciation over the life of the investments for the benefit of Shareholders of Molten Ventures plc and this has been communicated directly to the Shareholders. Exit strategies for investments (directly or indirectly) are previously discussed. The Group evaluates its portfolio on a fair value basis and this financial information is communicated directly to the Molten Ventures plc Shareholders. In line with the IFRS 10 consolidation exemption, entities meeting the definition of investment entity do not consolidate certain subsidiaries and instead measure those investments that are controlling interests in another entity (i.e., their subsidiaries) as investments held at fair value through profit or loss on the consolidated balance sheet. Loans to investment vehicles are treated as net investments at fair value through profit or loss.

The below is a list of entities that are controlled and not consolidated but held as investments at fair value through profit or loss on the consolidated balance sheet.

Name of undertaking	Principal activity	Country of incorporation	% ownership
Molten Ventures (Ireland) Limited[1]	Investment entity	Republic of Ireland	100%
Esprit Capital III, L.P.[2]	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
Esprit Capital III (B), L.P.[2]	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
Esprit Capital IV LP[2]	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
DFJ Europe X LP[3]	Limited partnership pursuant to which the Group makes certain investments	Cayman Islands	100%
Esprit Investments (1) L.P.[2]	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
Esprit Investments (2) LP[2]	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
Esprit Investments (1) (B) LP[2]	Limited partnership pursuant to which the Group and Molten Ventures FoF I LP hold Fund of Fund investments	England and Wales	89%[7]
Seedcamp Holdings LLP[2]	Limited liability partnership which holds investments acquired from Seedcamp	England and Wales	100%
Seedcamp Investments LLP[4]	Limited liability partnership which holds investments acquired from Seedcamp	England and Wales	100%
Seedcamp Investments II LLP[4]	Limited liability partnership which holds investments acquired from Seedcamp	England and Wales	100%
Esprit Investments (2) (B) LP[2]	Limited partnership pursuant to which the Group and Molten Ventures FoF I LP hold Fund of Fund investments	England and Wales	89%[7]
SC_4_OF1 LP[5]	Limited partnership pursuant to which the Group holds certain investments	England and Wales	100%
Molten Ventures Investments LP[2]	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
Molten Ventures Growth Fund I SCSp[6]	Limited partnership pursuant to which the Group makes certain investments (dormant)	Luxembourg	100%
Molten Ventures Holdings Ltd[2]	Intermediate Company and Qualifying Asset Holding Company ("QAHC")	England and Wales	100%
Esprit Investments (2) (B) (I) LP[2]	Limited partnership pursuant to which the Group makes certain investments (dormant)	England and Wales	100%
Esprit Investments 2(B) (II) LP[2]	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
Molten Ventures FoF I LP[2]	Limited partnership under the Group's management which makes Fund of Fund investments	England and Wales	50%
Molten Venture Investments (Ireland) I LP	Limited Partnership under the Group's management which makes Irish domiciled investments	England and Wales	50%
Forward Partners 1 L.P.[2]	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
Forward Partners II L.P.[2]	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
Forward Partners III L.P.[2]	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%

1 32 Molesworth Street, Dublin 2, Ireland D02 Y512.
2 20 Garrick Street, London, England WC2E 9BT.
3 c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1–1104, Cayman Islands.
4 16 Great Queen Street, London, England WC2B 5AH.
5 35 New Bridge Street, London, England EC4V 6BW.
6 412F, Route d'Esch, Grand Duchy of Luxembourg, 1471, Luxembourg.
7 circa 22% is held by Molten Ventures FoF I LP of which Molten and a third party are both 50% LPs

Notes to the consolidated financial statements
continued

4. Material accounting policy information continued

Limited partnerships (carried interest and co-invest)
Carried interest vehicles and co-investment limited partnerships ("CIPs") – the Group's general partners are members of these limited partnerships. These vehicles are set up with two purposes: 1) to facilitate payments of carried interest from the fund to carried interest participants; and 2) in certain circumstances to facilitate co-investment into the funds. Carried interest and co-investment partnerships are investment entities and are measured at FVTPL with reference to the performance conditions described in Note 4(u) and held at FVTPL, which equates to the net asset value attributable to the Group, in the statement of financial position in line with our application of IFRS 10 for investment entities. The vehicles in question are as follows:

Name of undertaking	Principal activity	Country of incorporation
Encore I GP LP^	General partner	Cayman Islands
Encore I Founder LP^	Co-investment limited partnership	Cayman Islands
Encore I Founder 2014 LP^	Co-investment limited partnership	Cayman Islands
Encore I Founder 2014-A LP^	Co-investment limited partnership	Cayman Islands
Esprit Capital III Founder LP*	Co-investment limited partnership/carry partner	Scotland
Esprit Investments (2) (Carried Interest) LP*	Carry vehicle	Scotland
Esprit Capital III (Carried Interest) LP*	Carry vehicle	Scotland
Esprit Investments (1) (Carried Interest) LP*	Carry vehicle	Scotland
Molten Ventures Growth I Special Partner LP*	Carry vehicle	Scotland
Molten Ventures Investments (Carried Interest) LP*	Carry vehicle	Scotland
Molten Ventures FoF I (Special Partner) LP*	Carry vehicle	Scotland
Molten SP I LLP‡	Third Party Capital Investment vehicle structured as a limited liability partnership	England and Wales
Forward Partners Carried Interest L.P.*	Carry vehicle	Scotland

^ c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1–1104, Cayman Islands.
* 50 Lothian Road, Festival Square, Edinburgh, Scotland EH3 9WJ.
‡ 20 Garrick Street, London WC2E 9BT.

Each carry vehicle indirectly holds interests in a vintage of investments within our portfolio with the purpose of producing profits for distribution among the carried interest partners. The Group evaluates its interest in carried interest at fair value as part of the valuations cycle. Indirectly, the carry partnerships have exit strategies for each investment within which they have an interest as the manager of both the carry partner and the investment vehicles regularly considers exit strategies as discussed above.

Limited partnerships (managed by Group entities)
A number of limited partnerships are managed by entities within the Group but are not considered to be controlled and, therefore, they are not consolidated in these financial statements.

Legacy funds
The Group continues to manage three legacy funds, Esprit Fund 1, Esprit Fund 2 and Esprit Fund 3(i), and their general partners are consolidated within the Group. These funds are in run-off. Historically, the Group has not had any direct beneficial interests in the assets owned by these funds and the Group was not exposed to variable returns from these funds.

Other than Esprit Capital II LP, which is held at fair value through profit and loss, as an investment, management considers the legacy funds are held under an agency relationship with the funds where the Group acts as an agent which is primarily engaged to act on behalf, and for the benefit, of the fund investors rather than for its own benefit. Although the manager (Esprit Capital Partners LLP, subsidiary to Molten Ventures plc) has the power to influence the returns generated by the fund, the Group does not have an interest in their returns. As a result, the Group is not deemed to control these managed funds and they are not consolidated.

The legacy funds have the following details:

Esprit Fund 1: Esprit Capital I Fund No.1 Limited Partnership and Esprit Capital I Fund No.2 Limited Partnership – c/o Molten Ventures plc, 20 Garrick Street, London WC2E 9BT.

Esprit Fund 2 : Esprit Capital II L.P. – c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1–1104, Cayman Islands

Esprit Capital 3(i): Esprit Capital Fund III(i) LP and Esprit Capital Fund III(i) A LP – c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1–1104, Cayman Islands.

EIS/VCT funds
Enterprise Investment Scheme funds and Molten Ventures VCT plc are managed by the Group. The Group has no direct beneficial interest in the assets being managed and its sole exposure to variable returns are to performance fees payable on exits above a specified hurdle and management fees based on subscriptions (and Promoter's fees in certain cases), which is a small proportion of the total capital within each fund. The Board believes that this results in an agency relationship with the funds where the Group acts as an agent, which is primarily engaged to act on behalf, and for the benefit, of the fund investors rather than for its own benefit. Although the managers (Encore Ventures LLP – EIS funds, Elderstreet Investments Limited – VCT fund and Molten SP I LLP) have the power to influence the returns generated by the fund, the Group only has an insignificant interest in their returns. As a result, the Group is not deemed to control these managed funds and they are not consolidated.

The EIS/VCT funds have the following details:

EIS funds: DFJ Esprit Angels' EIS Co-Investment Fund, DFJ Esprit Angels' EIS Co-Investment II, DFJ Esprit EIS III, DFJ Esprit EIS IV, Draper Esprit EIS 5, Molten Ventures EIS and Molten Ventures Approved KI EIS 23/24.

VCT funds: Molten Ventures VCT plc – The Office Suite, Den House, Den Promenade, Teignmouth, United Kingdom, TQ14 8SY.

Audit exemption for members of the Group
The following entities are included in the parent's consolidated accounts. As a result of section 479A of the Companies Act 2006, these subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 475 of the Companies Act 2006.

Esprit Capital Holdings Limited, Esprit Capital I (CIP) Limited, Molten Ventures (Nominee) Limited, Esprit Nominees Limited, Grow Trustees Limited, Esprit Capital III MLP LLP, Esprit Capital III GP Limited, Esprit Capital I (GP) Limited, Esprit Capital III Founder GP Limited, Elderstreet Holdings Limited, Encore I GP Limited, Encore I Founder GP Limited, Esprit Capital I General Partner, Esprit Capital III GP LP, Molten Ventures Growth Fund I GP S.a.r.l, Molten Ventures Growth SP GP LLP, Molten Ventures FoF I GP LLP and Molten Ventures Investments GP LLP.

Esprit Foundation
Molten Ventures plc is the sole member of the Foundation. However, this is not controlled by Molten Ventures plc or the Group, as the Esprit Foundation has a separate board of trustees with a separate governance and decision-making process. A donation was received during the year ended 31 March 2023. A total of £0.1m in grants were made for the year ended 31 March 2024 (31 March 2023: £Nil). Charitable Incorporated Organisation status was entered onto the Register of Charities with the Registered Charity Number 1198436 on 30 March 2022. Stuart Chapman is one of, and a donor to, the three Trustees of the Esprit Foundation and is also an Executive Director on the Board of Molten Ventures plc.

c) Operating segment
IFRS 8, 'Operating Segments', defines operating segments as those activities of an entity about which separate financial information is available and which are evaluated by the Chief Operating Decision Maker to assess performance and determine the allocation of resources.

The Board of Directors have identified Molten's Chief Operating Decision Maker to be the Chief Executive Officer ("CEO"). The Group's investment portfolio engages in business activities from which it earns revenues and incurs expenses, has operating results, which are regularly reviewed by the CEO to make decisions about resources and assess performance, and the portfolio has discrete financial information available. The Group's investment portfolio has similar economic characteristics, and investments are similar in nature. Dealflow for the investment portfolio is now consistent across all funds (except for the Legacy funds – see below) and the Group's Investment Committee reviews and approves (where appropriate) investments for all of the investment portfolio in line with the strategy set by the Molten Ventures plc Board of Directors (approvals from the Molten Ventures plc Board of Directors is required for higher value investments where the proposed value of the investment to be made by plc is above £3.0 million). Although the managers of our EIS funds, VCT funds and plc funds have a separate management committee, the majority of those sitting on the committees are consistent across all. Taking into account the above points, and in line with IFRS 8, the investment portfolio (across all funds) has been aggregated into one single operating segment.

Legacy funds – the legacy funds (Esprit Capital I Fund No 1 LP, Esprit Capital Fund No 2 LP, Esprit Capital Fund III (i) LP, Esprit Capital Fund III (i) A LP and Esprit Capital II LP) continue to be managed by the Group (Esprit Capital Partners LLP). These funds are in run-off. Although the investments held within these funds are not consistent with the rest of the investment portfolio (although there has been some cross-over in the past), they are similar in nature and the Group does not earn material revenue (neither is material expenditure incurred) from the management of these funds that would meet the quantitative thresholds set out in IFRS 8. Management does not believe that separate disclosure of information relating to the legacy funds would be useful to users of the financial statements.

The majority of the Group's revenues are not from interest, and Management does not primarily rely on net interest revenue to assess the performance of the Group and make decisions about resource allocation. Therefore, the Group reports interest revenue separately from interest expense.

The Group's management considers the Group's investment portfolio represents a coherent and diversified portfolio with similar economic characteristics and as a result these individual investments have been aggregated into a single operating segment. In the view of the Directors, there is accordingly one reportable segment under the provisions of IFRS 8.

Notes to the consolidated financial statements
continued

4. Material accounting policy information continued

d) Revenue recognition

Revenue is comprised of management fees from EIS/VCT funds and Molten SP I LLP, as well as performance fees and promoter fees. Priority Profit Share is incorporated within management fees, presented as management fees charged on the underlying investment vehicles.

Revenue is also generated from Directors' fees from a small number of portfolio companies where members of the Investment Team act as Directors for portfolio companies.

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring services to a customer.

For each contract with a customer, the Group: identifies the contract with a customer, identifies the performance obligations in the contract; determines the transaction price which takes into account the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative standalone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

All revenue from services is generated within the UK and is stated exclusive of value added tax.

Revenue presented as fee income are services comprised of:

i. Management fees (Priority Profit Share)

Management fees are earned by General Partners of Limited Partnerships, through a Priority Profit Share arrangement. The basis of calculation of fund management fees differs depending on the fund and its stage. Fund management fees are either earned at a fixed annual rate or are set at a fixed percentage of funds under management, measured by commitments or invested cost, depending on the stage of the fund being managed. Revenues are recognised as the related services are provided.

ii. Management fees earned by Encore Ventures LLP.

Fund Close April 2019 and prior.

Management fees are charged on the Net Subscription per annum for the first four years of the life of the portfolio. Management fees are charged annually in advance. Cash received from the investor's Net Subscription is received and will be recognised as revenue in the period they become due, across the first four years in line with the investment and follow-on period for investing activities.

In this case, the transaction price is fixed for the life of the contract and, if management fees are recognised in the period for which they are receivable.

Fund Close July 2019 onwards.

Management fees are charged on Net Subscription per annum for the first five years of the life of the portfolio, payable annually in advance. Cash received from the investor's Net Subscription is received and will be recognised as revenue in the period they become due, across the first five years in line with the investment and follow-on period for investing activities.

Management fees are charged annually in advance. Cash received from the investor's Net Subscription to cover the payment of management fees relating to the first 2.75 years of the life of the portfolio. Thereafter, fees will be accrued and deducted from cash proceeds from exits at the time of becoming highly probable. If no proceeds are received, these fees will not be charged to investors.

iii. Performance fees

Performance fees are earned on a percentage of returns over a hurdle rate. These are recognised in the statement of comprehensive income on realisation of underlying investment. Amounts are recognised as revenue when it can be reliably measured and is highly probable funds will flow to the Group, which is generally at the point of invoicing or shortly before due to the unpredictability associated with realisations but is assessed on a case-by-case basis.

iv. Promoter's fees

Promoter's fees are earned by Elderstreet Investments Limited, as manager of the VCT funds, based on amounts subscribed during each offer.

Fees are agreed on an offer-by-offer basis and are receivable when the shares are allotted. Elderstreet Investments Limited may also be entitled to promoter's fees when it promotes offers for new subscriptions into the funds it manages. Promoter's fees are earned at a percentage of subscriptions received. Revenue is recognised in full at the time valid subscriptions are received.

v. Directors' fees

Portfolio Directors' fees are annual fees charged to an investee company. Directors' fees are only charged on a limited number of the investee companies. Revenues are recognised as services are provided.

e) Deferred income

The Group's management fees are typically billed quarterly or half-yearly in advance. Where fees have been billed for an advance period, the amounts are credited to deferred income, and then subsequently released through the statement of comprehensive income during the period to which the fees relate. Certain performance fees and portfolio Directors' fees are also billed in advance and these amounts are credited to deferred income, and then subsequently released through the statement of comprehensive income accounting during the period to which the fees relate.

f) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination, regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: a) fair value of consideration transferred; b) the recognised amount of any non-controlling interest in the acquiree; and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the statement of comprehensive income immediately.

g) Goodwill and other intangible assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceed the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Other intangible assets

Certain previously unrecognised assets acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values, e.g. brand names, customer contracts and lists. All finite-lived intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described below. Customer contracts are amortised on a straight-line basis over their useful economic lives, typically the duration of the underlying contracts. The following useful economic lives for customer contracts were applied on the date of acquisition:

i. Encore Ventures LLP: eight years; and
ii. Elderstreet Investments Limited: three years.

h) Impairment

For the purposes of assessing impairment, assets are grouped at the lowest level for which there are largely independent cash inflows ("cash generating units" or "CGU"). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in the consolidated statement of total comprehensive income for the amount by which the assets or cash-generating units carrying amount exceeds its recoverable amount that is the higher of fair value less costs to sell and value-in-use.

To determine value-in-use, management estimates expected future cash flows over five years from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profile as assessed by management. Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit with the exception of goodwill, and all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount where there has been a change in estimates used for the calculation of the recoverable amount.

i) Foreign currency

Transactions entered into by Group entities in a currency other than the functional currency in which they operate are recorded at the rates prevailing when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the statement of comprehensive income.

The individual financial statements of the Group's subsidiary undertakings are presented in their functional currency. For the purpose of these consolidated financial statements, the results and financial position of each subsidiary undertaking are expressed in Pounds Sterling, which is the presentation currency for these consolidated financial statements.

The assets and liabilities of the Group's undertakings, whose functional currency is not Pounds Sterling, are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period.

Notes to the consolidated financial statements
continued

4. Material accounting policy information continued

j) Financial assets

All financial assets are recognised when economic benefit is expected to be transferred to the Group.

On recognition, a financial asset is initially measured at fair value, plus transaction costs, except for those financial assets classified at "fair value through profit or loss" ("FVTPL"), which are initially measured at fair value.

Financial assets are classified by the Group into the following specified categories:

- Financial assets "FVTPL"; and
- Amortised cost.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets through profit or loss
A financial asset may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
b. the financial asset forms part of a group of financial assets or financial liabilities, or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Molten Venture Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
c. it forms part of a contract containing one or more embedded derivatives, and IFRS 9 'Financial Instruments' permits the entire combined contract (asset or liability) to be designated as at FVTPL.

The Group considers its investment interests referred to in Note 4(b) are appropriately designated as at FVTPL as they meet criteria (b) above. Further details of the accounting policy can be found in Note 30, Fair value measurements. Financial assets through profit or loss are accounted for at settlement date.

Amortised cost
A financial asset is held at amortised cost under IFRS 9 where it is held for the collection of cash flows representing solely payments of principal and interest. These assets are measured at amortised cost using the effective interest method, less any expected losses.

The Group's financial assets held at amortised cost comprise trade and other receivables, and cash and cash equivalents in the consolidated statement of financial position. Financial assets held at amortised cost are accounted for at trade date.

k) Financial liabilities

The Group's financial liabilities include trade and other payables, and borrowings.

Trade and other payables
Trade and other payables are recognised when the Group enters into contractual arrangements with an expectation that economic benefits will flow from the Group.

The carrying amounts of trade and other payables are considered to be the same as their amortised cost, due to their short-term nature.

Loans and borrowings
Borrowings are initially recognised at fair value that is deemed to be the carrying value at inception. Fees related to the debt facility are amortised over the term of the loan, see Note 24(i) for further detail regarding the debt facility.

The carrying amount of borrowings is deemed to be presented at amortised cost as the fair value of future cash flows have not been incorporated.

All interest-related charges are reported in profit or loss and are included within finance costs.

l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the outflow of resources embodying the economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

m) Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's shares are classified as equity instruments. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Shares held by Molten Ventures Employee Benefit Trust are held at cost and disclosed as own shares and deducted from other equity.

n) Defined contribution scheme

Contributions to the defined contribution pension scheme are charged to the consolidated statement of comprehensive income in the years to which they relate.

o) Share-based payments

When equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period on a straight-line basis. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period. Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

The employee share option plans are administered by the Molten Ventures Employee Benefit Trust, which is consolidated in accordance with the principles in Note 4(b).

p) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

q) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits, against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

r) Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following basis:

- Leasehold improvements – over the term of the lease
- Fixtures and equipment – 33% per annum straight line
- Computer equipment – 33% per annum straight line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short-term highly liquid money market funds and deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Notes to the consolidated financial statements
continued

4. Material accounting policy information continued

t) Interest income

Interest income earned on cash and deposits and short-term liquidity investments is recognised when it is probable that the economic benefits will flow to the Group and the amount of income recognised can be measured reliably. Interest income is accrued on a time basis, with reference to the principal outstanding and at the effective interest rate applicable.

u) Carried interest

The Company has established carried interest plans for the Executive Directors (see the following associated note), other members of the Investment Team and certain other employees (together the "Plan Participants") in respect of any investments and follow-on investments made from IPO. To 31 March 2020 each carried interest plan operated in respect of investments made during the 24-month period from inception of the fund, being the investment period, and related follow-on investments made for a further 36-month period. From 1 April 2020, a new carried interest plan was implemented, which operates for a five-year period in respect of any investment. From April 2020 onwards, the Executive Directors were not eligible to participate in new carried interest plans, and instead now participate in the Long-Term Incentive Plan. Continued participation in existing carried interest schemes that pre-dated the start of the 2021 financial year were not affected.

Subject to certain exceptions, Plan Participants will receive, in aggregate, 15% of the net realised cash profits from the investments and follow-on investments made over the relevant period once the Company has received an aggregate annualised 10% realised return on investments and follow-on investments made during the relevant period. The carried interest plan from 1 April 2020 has an aggregate annualised 8% realised return on investments and follow-on investments made during the relevant period, to bring the plans more in line with market. The Plan Participants' return is subject to a "catch-up" in their favour. Plan Participants' carried interests vest over five years for each carried interest plan and are subject to good and bad leaver provisions. Any unvested carried interest resulting from a Plan Participant becoming a leaver can be reallocated by an adjudication committee formed by Esprit Capital Partners LLP as manager of the carried interest plan at their discretion, including to the Group, and, therefore, an assumption is made in the financial statements that any unvested carried interest as at the reporting date would be reallocated to the Group. See Note 30 for further information on amounts that have been attributed to the Group.

Carried interest is measured at FVTPL with reference to the performance conditions described above. This is deducted from the gross value of our portfolio as an input to determine the fair value of our investment vehicles, which are held at FVTPL in the statement of financial position in line with our application of IFRS 10 for investment entities. The external carry is deducted as it will be paid to members external to the Group from proceeds of investments on realisation. Where the Group has a holding in the carried interest, this is recognised at FVTPL.

v) Fair value movement

Management uses valuation techniques to determine the fair value of financial assets. This involves developing estimates and assumptions consistent with how market participants would price the assets. Management bases its assumptions on observable data as far as possible, but this is not always available, in that case, management uses the best information available. Estimated fair values may vary from the amount which may be received as consideration for investments in normal market conditions, between two willing parties, at the reporting date (See Note 5(a)).

w) Exceptional Items

The Group classifies items of income and expenditure as exceptional when the nature of the item or its size is likely to be material, to assist the reader of the financial statements to better understand the results of the operations of the Group. Such items by their nature are not expected to recur and are shown separately on the face of the consolidated statement of comprehensive income.

5. Critical accounting estimates and judgements

The Directors have made the following judgements and estimates that have had the most significant effect on the carrying amounts of the assets and liabilities in the consolidated financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Actual results may differ from estimates. The key estimate, (5)(a), and judgement, (5)(b), are discussed below. There have been no new critical accounting estimates and judgements in the financial year ended 31 March 2024.

Estimates:
a. Valuation of unquoted equity investments at fair value through profit or loss

The Group invests into Limited Companies and Limited Partnerships, which are considered to be investment companies that invest for the benefit of the Group. These investment companies are measured at fair value through profit or loss based on their net asset value ("NAV") at the year-end. The Group controls these entities and is responsible for preparing their NAV, which is mostly based on the valuation of their unquoted investments. The Group's valuation of investments measured at fair value through profit or loss is, therefore, dependent upon estimations of the valuation of the underlying portfolio companies.

The Group, through its controlled investment companies also invests in investment funds, which primarily focus on seed investments. These investments are considered to be "Fund of Fund investments" for the Group and are recognised at their NAV at the year-end date. These Fund of Fund investments are not controlled by the Group and some do not have coterminous year-ends with the Group. To value these investments, management obtains the latest audited financial statements or partner reports of the investments and discusses further movements with the management of the funds following consideration of whether the funds follow the IPEV Guidelines.

Where the Fund of Funds hold investments that are individually material to the Group, management perform further procedures to determine that the valuation of these investments has been prepared in accordance with the Group's valuation policies for portfolio companies, as outlined below, and these valuations will be adjusted by the Group where necessary based on the Group valuation policy for portfolio companies.

The estimates required to determine the appropriate valuation methodology of investments means there is a risk of material adjustment to the carrying amounts of assets and liabilities. These estimates include whether to increase or decrease investment valuations and require the use of assumptions about the carrying amounts of assets and liabilities that are not readily available or observable.

The fair value of investments is established with reference to the IPEV Guidelines. An assessment will be made at each measurement date as to the most appropriate valuation methodology.

The Group invests in early-stage and growth technology companies, through predominantly unlisted securities. Given the nature of these investments, there are often no current or short-term future earnings or positive cash flows. Consequently, although not considered to be the default valuation technique, the appropriate approach to determine fair value may be based on a methodology with reference to observable market data, being the price of the most recent transaction. Fair value estimates that are based on observable market data will be of greater reliability than those based on estimates and assumptions and, accordingly, where there have been recent investments by third parties, the price of that investment will generally provide a basis of the valuation.

If this methodology is used, its initial use and the length of period for which it remains appropriate to use the calibration of last round price depends on the specific circumstances of the investment, and the Group will consider whether this basis remains appropriate each time valuations are reviewed. In addition, the inputs to the valuation model (e.g. revenue, comparable peer group, product roadmap, and other milestones) will be recalibrated to assess the appropriateness of the methodology used in relation to the market performance and technical/product milestones since the round and the company's trading performance relative to the expectations of the round.

The Group considers alternative methodologies in the IPEV Guidelines, being principally price-revenue or price-earnings multiples, depending upon the stage of the asset, requiring management to make assumptions over the timing and nature of future revenues and earnings when calculating fair value. When using multiples, we consider public traded multiples as at measurement date (31 March 2024 for this report) in similar lines of business, which are adjusted based on the relative growth potential and risk profile of the subject company versus the market and to reflect the degree of control and lack of marketability as well as considering company performance against milestones (e.g. financial/technical/product milestones).

The equity values of our portfolio companies are generally assessed via the methodologies described above. For direct investments, the equity values are run through their relevant waterfalls to assess the fair value of the investment to Molten Ventures under the current value methodology. Other methodologies would be considered if appropriate.

In all cases, valuations are based on the judgement of the Directors after consideration of the above and upon available information believed to be reliable, which may be affected by conditions in the financial markets. Due to the inherent uncertainty of the investment valuations, the estimated values may differ significantly from the values that would have been used, had a ready market for the investments existed, and the differences could be material. Due to this uncertainty, the Group may not be able to sell its investments at the carrying value in these financial statements when it desires to do so or to realise what it perceives to be fair value in the event of a sale. See Note 30(iv) for information on unobservable inputs used and sensitivity analysis on investments held at fair value through profit or loss.

Judgement:
b. The Company and certain subsidiaries as an investment entity

The Group has a number of entities within its corporate structure and a judgement has been made regarding which should be consolidated in accordance with IFRS 10, and which should not. The Group consolidates all entities where it has control, as defined by IFRS 10, over the following:

- power over the investee to significantly direct the activities;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

The Company does not consolidate qualifying investment entities it controls in accordance with IFRS 10 and instead recognises them as investments held at fair value through profit or loss. An investment entity, as defined by IFRS 10, is an entity that:

- obtains funds from one or more investors for the purpose of providing those investor(s) with the investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

When judging whether an entity within the Group is an investment entity, the Group structure as a whole is considered. As a Group, the investment entities listed in Note 4(b) have the characteristics of an investment entity. This is because the Group has:

- more than one investment;
- more than one investor;
- unrelated investors; and
- equity ownership interests.

See Note 4(b) for further details on the consolidation status of entities.

Notes to the consolidated financial statements
continued

6. Movements on investments held at fair value through profit or loss.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Movement in unrealised (losses) on investments held at fair value through profit or loss	(40.9)	(305.3)
Movement in realised (losses)/gains on investments held at fair value through profit or loss	(2.8)	22.8
Net foreign exchange (losses)/gains on investments held at fair value through profit or loss	(23.9)	42.4
Total movements on investments held at fair value through profit or loss	**(67.6)**	(240.1)

The changes in (losses) on investment held at fair value through profit or loss is exclusive of the gain on bargain purchase relating to the acquisition of Forward Partners. For more information, see Note 14 for the gain on bargain purchase.

7. Fee income

Revenue is derived solely within the UK, from continuing operations for all years. An analysis of the Group's revenue is as follows:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Management fees	19.1	21.6
Performance fees	0.1	–
Promoter's fees	0.3	0.9
Directors' and other fees	0.3	0.2
Total fee income	**19.8**	22.7

8. General administrative expenses

Administrative expenses comprise:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Employee and employee related expenses (Note 9)	14.8	12.3
Legal and professional	3.6	3.7
Performance fees payable	0.1	–
Marketing expenses	0.6	0.6
Building costs and rates	0.5	0.5
Travel expenses	0.5	0.5
IT expenses	0.5	0.5
Listing fees	–	0.1
Other administrative costs	0.6	0.6
Total administrative expenses	**21.2**	18.8

9. Employee and employee-related expenses

Employee benefit expenses (including Directors) comprise:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Wages and salaries	11.6	9.6
Defined contribution pension costs	1.0	0.9
Benefits (healthcare and life assurance)	0.3	0.3
Recruitment costs	0.2	0.2
Social security contributions and similar taxes	1.6	1.3
General employee and employee-related expenses	**14.8**	12.3
Share-based payment expense arising from Company share option scheme	4.8	4.4
Total employee benefit expenses	**19.6**	16.7

The monthly average number of persons (including Executive and Non-Executive Directors) employed by the Group during the year was:

	Year ended 31 March 2024 Number	Year ended 31 March 2023 Number
Executive Directors	3	3
Non-Executive Directors	4	5
Investment	21	22
Infrastructure	27	28
Total	**55**	58

At 31 March 2024, there were five Non-Executive Directors (31 March 2023: four). See Nomination Committee report for further details of changes in the year.

Infrastructure comprises finance, marketing, human resources, legal, IT, Environmental, Social and Governance ("ESG"), investor relations and administration.

10. Auditor's remuneration

The loss for the year has been arrived at after charging:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Fees paid to the Company's auditor for the audit of the Company and Group consolidated financial statements	0.5	0.4
Fees payable to the Company's auditors and associates for other services:		
Audit of the financial statements of the subsidiaries and related undertakings	0.2	0.2
Audit-related assurance services	0.1	0.1
Non-audit services	0.4	–
Total fees payable to the Company's auditors	**1.2**	0.7

Audit-related assurance services paid to the Company's Auditors in the year were £39k related to CASS reporting to the FCA in respect of certain subsidiaries (for the year ended 31 March 2023: £25k), £65k in respect of the review of the Group's interim financial statements (for the year ended 31 March 2023: £61k).

Non-audit services paid to the Company's Auditors in the year were £430k in respect of reporting accountant services (for the year ended 31 March 2023: £Nil).

For the year ended 31 March 2024, the Group paid Grant Thornton £300k for the audit of Forward Partners Group Limited and its subsidiaries.

Notes to the consolidated financial statements
continued

11. Net finance expense

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Interest and expenses on loans and borrowings	**(11.0)**	(7.1)
Net foreign exchange loss	**(0.2)**	–
Finance expense	**(11.2)**	(7.1)
Interest income on cash and cash equivalents	**0.6**	–
Net foreign exchange gain	**–**	1.7
Finance income	**0.6**	1.7
Net finance expense	**(10.6)**	(5.4)

12. Tax expense

The charge to tax, which arises in the Group and the corporate subsidiaries included within these financial statements, is:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Current tax expense		
Current tax on profits for the year	**–**	–
Total current tax expense	**–**	–
Deferred tax (expense)/benefit		
Adjustment for deferred tax of prior periods	**(1.6)**	–
Movement on deferred tax (note 25)	**10.8**	3.3
Total deferred tax benefit	**9.2**	3.3
Income tax benefit	**9.2**	3.3

The UK standard rate of corporation tax is 25% as at year-end (for the year ended 31 March 2023: 19%). The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to loss for the year before tax are as follows:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Loss for the year before tax	**(49.8)**	(246.7)
Tax at the UK tax rate of 25% (31 March 2023: 19%)	**(12.5)**	(46.8)
Adjustment for deferred tax of prior periods	**(1.6)**	–
Losses on investments	**16.9**	45.6
Movement on deferred tax (note 25)	**10.8**	3.3
Other	**(4.4)**	1.2
Income tax benefit	**9.2**	3.3

The standard rate of corporation tax will remain at 25% for the 2024/2025 tax year.

13. Loss per share and net asset value

The calculation of basic earnings per weighted average shares is based on the profit attributable to Shareholders and the weighted average number of shares. When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effect of all dilutive share options and awards.

Basic loss per ordinary share

	Loss after tax £m	No. of shares m	Pence per share
For the year ended 31 March 2024	**(40.6)**	**189.0**	**(21)**
For the year ended 31 March 2023	(243.4)	153.0	(159)

Diluted loss per ordinary share

	(Loss)/profit after tax £m	No. of shares[1] m	Pence per share
For the year ended 31 March 2024	**(40.6)**	**189.4**	**(21)**
For the year ended 31 March 2023	(243.4)	153.7	(158)

[1] The basic number of shares is 189.0 million (FY23: 153.0 million). This has been adjusted to calculate the diluted number of shares by accounting for options of 0.4 million in the year (FY23: 0.7 million) to get to the diluted number of shares of 189.4 million (FY23: 153.7 million).

Net asset value per share is based on the net asset attributable to Shareholders and the number of shares at the relevant reporting date. When calculating the diluted earnings per share, the number of shares in issue at balance sheet date is adjusted for the effect of all dilutive share options and awards.

Net asset value per ordinary share

	Net assets £m	No. of shares m	Pence per share
As at 31 March 2024	**1,250.7**	**189.0**	**662**
At at 31 March 2023	1,194.1	153.0	780

Diluted net asset value per ordinary share

	Net assets £m	No. of shares[1] m	Pence per share
As at 31 March 2024	**1,250.7**	**189.4**	**660**
As at 31 March 2023	1,194.1	153.7	777

[1] The basic number of shares is 189.0 million (FY23: 153.0 million). This has been adjusted to calculate the diluted weighted average number of shares by accounting for options of 0.4 million in the year (FY23: 0.7 million) to get to the diluted weighted average number of shares of 189.4 million (FY23: 153.7 million).

Notes to the consolidated financial statements
continued

14. Business Combinations

On 14 March 2024, Molten Ventures plc acquired 100% of the issued shared capital of Forward Partners Group plc, an AIM listed venture capital investing in early-stage technology businesses, in an all share acquisition completed via scheme of arrangement, in a ratio of one new Molten Ventures plc ordinary share for every nine Forward Partners plc ordinary shares. The Group acquired Forward Partners Group plc to gain access to a range of promising startups in high-growth sectors across AI, alternative asset and digital marketplaces.

The Group owned a 0.76% equity interest in Forward Partners Group plc through the Fund of Funds Programme before the business combination, held at a fair value of £0.5m. The Group therefore recognised a loss of £0.04m on completion of the acquisition as a result of remeasuring this equity interest at fair value on 14 March 2024. The resulting fair value loss of £0.04m is included in Movements on investments held at fair value through profit and loss for the year ended 31 March 2024. The Group opted to use a 'convenience' date of 31 March 2024 for acquisition accounts, as per IFRS 3. This standard allows an entity to designate an acquisition date at the end (or the beginning) of a month - the date in which it closes its book, rather than the actual acquisition date.

The total consideration for the acquisition of Forward Partners Group Limited (formerly, Forward Partners Group plc) was therefore £37.5m. Acquisition-related costs for this transaction amounted to £2.8m which has been included in the Statement of Comprehensive Income under exceptional costs. Forward Partners Group Limited has generated revenues of £0.3m and net loss of £7.5m of which £29k and net profit of £0.2m, respectively, were generated from the date of acquisition to the year end date.

Under the scheme of arrangement Molten Ventures plc issued 14.8m new shares in exchange for the issued share capital of Forward Partners Group Limited. This equates to consideration of £37.0m based on the closing Molten Ventures plc share price on 14 March 2024 of £2.504 pence per share.

The total consideration for the acquisition of Forward Partners was therefore £37.5m.

As Forward Partners Group Limited was trading at a discount to its Net Asset Value on acquisition, the acquisition resulted in a Gain on bargain purchase of £38.6m, which is recognised in the Consolidated statement of comprehensive income.

Net assets of business acquired	Fair Value £m
Financial assets held at fair value through profit and loss	65.0
Trade and other receivables	0.1
Cash and cash equivalents	12.0
Trade and other payables	(1.0)
Total identifiable net assets	**76.1**
Non-controlling interest	–
Gain on bargain purchase	(38.6)
Total consideration	**37.5**

The consideration was satisfied by:

Issue of shares	37.0
Repurchase of holding held in the group	0.5
Total consideration	**37.5**

Net cash inflow arising on acquisition	
Cash and cash equivalents	**12.0**

15. Share-based payments

	Date of Grant	b/f 1 April 2023 (No.)	Granted in the year (No.)	Lapsed in the year (No.)	Exercised in the year (No.)	c/f 31 Mar 2024 (No.)	Vesting period	Exercise price (pence)	Fair value per granted instrument (pence)
3 Molten Ventures plc 2016 Company Share Option Scheme ("CSOP")	28–Nov–16	499,320	–	–	–	499,320	3 years	355	64.1
	11–Nov–17	120,000	–	–	–	120,000	3 years	530	89.3
	28–Nov–17	306,384	–	–	–	306,384	3 years	387	70.90
	30–Jul–18	650,750	–	–	–	650,750	3 years	492	152.9
	12–Feb–19	546,868	–	–	–	546,868	3 years	530	67.8
	29–Jun–20	200,000	–	–	–	200,000	3 years	449	81.2
	26–Jul–21	36,364	–	–	–	36,364	1 year	1	986.0
Molten Ventures plc Long-Term Incentive Plan ("LTIP")	29–Jun–20	547,240	–	(220,388)	(57,521)	269,331	3 years	1	449.0
	16–Jul–21	551,253	–	(6,248)	–	545,005	1 year	1	940.0
	17-Jun-22	476,250	–	(16,457)	(2,622)	457,171	3 years	1	540.0
	17-Jun-22	543,609	–	–	–	543,609	5 years	1	540.0
	22–Jun–23	–	96,262	(846)	–	95,416	2 years	1	241.0
	22–Jun–23	–	113,453	–	–	113,453	2 years	1	447.0
	23–Jun–23	–	2,380,128	(35,349)	–	2,344,779	3 years	1	274.0
Molten Ventures plc Deferred Benefit Plan ("DBP")	17–Jun–22	211,110	–	–	–	211,110	2 years	1	540.0
	22–Jun–23	–	44,058	–	–	44,058	2 years	1	241.0
Total		**4,689,148**	**2,633,901**	**(279,288)**	**(60,143)**	**6,983,618**			

* This is a vesting period of three years and a further two-year holding period.

Set out below are summaries of options granted under the plan

	Year ended 31 March 2024	Year ended 31 March 2023
As at 1 April	**4,689,148**	3,745,855
Granted during the year	**2,633,901**	1,234,306
Lapsed in the year	**(279,288)**	(274,107)
Exercised during the year	**(60,143)**	(16,906)
As at 31 March	**6,983,618**	4,689,148

Both the CSOP and LTIP are, as of 31 March 2024, partly administered by the Molten Ventures Employee Benefit Trust ("Trust"). The Trust is consolidated in these consolidated financial statements. The Trust may purchase shares from the market and, from time to time, when the options are exercised, the Trust transfers the appropriate number of shares to the employee or sells these as agent for the employee. The proceeds received, net of any directly attributable transaction costs, are credited directly to equity. Shares held by the Trust at the end of the reporting period are shown as own shares in the consolidated financial statements (see Note 27(i)). Of the 60,143 options exercised during the year, none were satisfied with new ordinary shares issued by Molten Ventures plc (FY23: 16,906 options exercised with no new ordinary shares issued). All outstanding options have been assessed to be reportable as equity-settled.

Share options granted during the period under the LTIP vest over the prescribed performance period to the extent that performance conditions are met. The performance conditions relate to realisations, assets under management (calculated in line with the relevant deed of grant), and Total Shareholder Return. These options are granted under the plan for no consideration and are granted at a nominal value of one pence per share option.

The fair value of the LTIP shares is valued using the Black–Scholes model, which includes a Monte Carlo simulation model. A six-monthly review takes place of non-market performance conditions and, as at 31 March 2024, the best estimate for expected vesting of unvested share options is 52%.

In the year ended 31 March 2024, it was agreed that 0% (31 March 2023: 0%) of the Executive Team's bonus for that financial year would be deferred in shares of Molten Ventures plc. FY24 bonus amounts were paid in cash for an amount up to 100% (FY23: 100%) of each Director's salary, with the balance being paid in the form of a deferred share award over a number of shares calculated based on the Volume Weighted Average Price per share for the five trading days immediately prior to the date of grant. The deferral period under the bonus scheme is two years from the date of the award.

Vesting is not subject to any further performance conditions (other than continued employment at the date of vesting). The Black–Scholes Option Pricing Model has been used for valuation purposes.

The share-based payment charge for the year is £4.8 million (year ended 31 March 2023: £4.4 million).

Notes to the consolidated financial statements
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16. Intangible assets

As at 31 March 2024	Goodwill £m	Customer contracts £m	Total £m
Cost			
Cost carried forward as at 1 April 2023	10.4	1.1	11.5
Additions during the period	–	–	–
Cost as at 31 March 2024	**10.4**	**1.1**	**11.5**
Accumulated amortisation			
Amortisation carried forward as at 1 April 2023	–	(1.0)	(1.0)
Charge for the period	–	(0.1)	(0.1)
Accumulated amortisation as at 31 March 2024	**–**	**(1.1)**	**(1.1)**
Net book value:			
As at 31 March 2024	**10.4**	**–**	**10.4**

As at 31 March 2023	Goodwill £m	Customer contracts £m	Total £m
Cost			
Cost carried forward as at 1 April 2022	10.4	1.1	11.5
Additions during the period	–	–	–
Cost as at 31 March 2022	**10.4**	**1.1**	**11.5**
Accumulated amortisation			
Amortisation carried forward as at 1 April 2022	–	(0.8)	(0.8)
Charge for the period	–	(0.2)	(0.2)
Accumulated amortisation as at 31 March 2023	**–**	**(1.0)**	**(1.0)**
Net book value:			
As at 31 March 2023	**10.4**	**0.1**	**10.5**

The amortisation charge for the year is shown in the "depreciation and amortisation" line of the consolidated statement of comprehensive income.

17. Financial assets held at fair value through profit or loss

The Group holds investments through investment vehicles it manages. The investments are carried at fair value through profit or loss. The Group's valuation policies are set out in Note 5(a) and Note 30. The table below sets out the movement in the balance sheet value of investments from the start to the end of the year, showing investments made, cash receipts and fair value movements.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
As at 1 April	**1,277.0**	1,410.8
Investments made in the period[1]	**65.3**	138.2
Loans repaid from underlying investment vehicles	**(38.9)**	(48.1)
Carry external	**1.9**	2.1
Non-investment cash movements	**15.8**	14.1
Unrealised losses on the revaluation of investments[2]	**(29.0)**	(240.1)
As at 31 March	**1,292.1**	1,277.0

1 Investments made in the period include the cost attributed for the share-for-share acquisition of Forward Partners amounting to £25.8m
2 Unrealised losses on the revaluation of investments are inclusive of the gain on bargain purchase attributable to the acquisition of Forward Partners. For more information, see Note 14 for the gain on bargain purchase.

18. Significant holdings in undertakings other than subsidary undertakings

For further details of other related undertakings within the Group, see Note 4(b).

Please see below details of investments held by the Group's investment companies, where the ownership percentage or partnership interest exceeds 20%. These are held at fair value through the profit or loss in the statement of financial position.

Name	Address	Principal activity	Type of shareholding	Interest FD category* at reporting date/ partnership interest
RavenPack Holding AG	Churerstrasse 135, CH-8808 Pfäffikon, Switzerland	Trading company	Ordinary shares Preference shares	D
Earlybird GmbH & Co. Beteiligungs-KG IV	c/o Earlybird Venture Capital, Maximilianstr. 14, 80539, München	Limited partnership pursuant to which the Group holds certain investments	Partnership interest	26%
Earlybird Special Opportunities LP	c/o Earlybird Venture Capital, Maximilianstr. 14, 80539, München	Limited partnership pursuant to which the Group holds certain investments	Partnership interest	34%
Earlybird DWES Fund VI GmbH & Co. KG	c/o Earlybird Venture Capital, Maximilianstr. 14, 80539, München	Limited partnership pursuant to which the Group holds certain investments	Partnership interest	50%
FintechOS Holding B.V	Amstelplein 1, 1096 HA Amsterdam, Netherlands	Trading company	Ordinary shares Preference shares	D
Realeyes (Holdings) Limited	5 New Street Square, London, EX4A 3TW, GB	Trading company	Ordinary shares Preference shares	E

* Fully diluted interest categorised as follows: Cat A: 0–5%, Cat B: 6–10%, Cat C: 11–15%, Cat D: 16–25%, Cat E: >25%.

Details of the fair value of the Core companies are detailed as part of the Gross Portfolio Value table on page 26.

19. Property, plant and equipment

Year ended 31 March 2024	Right-of-use assets £m	Leasehold improvements £m	Computer equipment £m	Total £m
Cost				
Cost carried forward as at 1 April 2023	1.6	0.8	0.2	2.6
Additions during the period	–	–	–	–
Disposals during the year	–	–	–	–
Cost as at 31 March 2024	**1.6**	**0.8**	**0.2**	**2.6**
Accumulated depreciation				
Depreciation carried forward as at 1 April 2023	(1.3)	(0.7)	(0.2)	(2.2)
Charge for the period	(0.3)	–	–	(0.3)
Disposals during the year	–	–	–	–
Accumulated depreciation as at 31 March 2024	**(1.6)**	**(0.7)**	**(0.2)**	**(2.5)**
Net book value:				
As at 31 March 2024	**–**	**0.1**	**–**	**0.1**

As at 31 March 2023	Right-of-use assets £m	Leasehold improvements £m	Computer equipment £m	Total £m
Cost				
Cost carried forward as at 1 April 2022	1.6	0.8	0.2	2.6
Additions during the period	–	–	–	–
Disposals during the year	–	–	–	–
Cost as at 31 March 2023	**1.6**	**0.8**	**0.2**	**2.6**
Accumulated depreciation				
Depreciation carried forward as at 1 April 2022	(1.0)	(0.6)	(0.1)	(1.7)
Charge for the period	(0.3)	(0.1)	(0.1)	(0.5)
Disposals during the year	–	–	–	–
Accumulated depreciation as at 31 March 2023	**(1.3)**	**(0.7)**	**(0.2)**	**(2.2)**
Net book value:				
As at 31 March 2023	**0.3**	**0.1**	**–**	**0.4**

The depreciation charge for the year is shown in the "depreciation and amortisation" line of the consolidated statement of comprehensive income.

Notes to the consolidated financial statements
continued

20. Operating segments

The Group follows the accounting policy on operating segments laid out in Note 4(c).

21. Cash and cash equivalents

	31 March 2024 £m	31 March 2023 £m
Cash at bank and on hand	**36.8**	22.9
Cash equivalents	**20.2**	-
Total	**57.0**	22.9

Cash on hand earns interest at floating rates based on daily bank deposit rates. Cash equivalents represent monies held in a Sterling Government Liquid Reserves Money Market Fund which can be redeemed daily.

22. Trade and other receivables

	31 March 2024 £m	31 March 2023 £m
Trade receivables	**0.9**	3.1
Other receivables and prepayments	**0.7**	1.9
Total	**1.6**	5.0

Expected credit losses for these receivables are expected to be immaterial.

The ageing of trade receivables at reporting date is as follows:

	31 March 2024 £m	31 March 2023 £m
Not past due	**0.8**	2.9
Past due 1–30 days	**–**	0.1
Past due 31–60 days	**–**	–
More than 60 days	**0.1**	0.1
Total	**0.9**	3.1

Trade receivables are held at amortised cost. The maximum exposure to credit risk of the receivables at the reporting date is the fair value of each class of receivable mentioned above, which is as shown above due to the short-term nature of the trade receivables. The Group does not hold any collateral as security.

23. Trade and other payables

	31 March 2024 £m	31 March 2023 £m
Trade payables	**(0.3)**	(0.8)
Other taxation and social security	**(0.7)**	(0.2)
Other payables	**–**	(2.4)
Accruals and deferred income	**(8.1)**	(6.2)
Total	**(9.1)**	(9.6)

All trade and other payables are short term.

24. Financial liabilities

	31 March 2024 £m	31 March 2023 £m
Current liabilities		
Leases	**–**	(0.3)
Loans and borrowings	**–**	–
Total current financial liabilities	**–**	(0.3)
Non-current liabilities		
Leases	**–**	–
Loans and borrowings	**(89.4)**	(89.0)
Total non-current financial liabilities	**(89.4)**	(89.0)
Total	**(89.4)**	(89.3)

The below table shows the changes in liabilities from financing activities.

	Borrowings £m	Leases £m
At 1 April 2022	(29.7)	(0.7)
Capitalisation of costs	1.0	–
Amortisation of costs	(0.3)	–
Drawdowns	(125.0)	–
Repayment of debt	65.0	–
Other changes – Interest payments (presented as operating cash flows)	–	–
Payment of lease liabilities	–	0.4
At 31 March 2023	(89.0)	(0.3)
Capitalisation of costs	–	–
Amortisation of costs	(0.4)	–
Drawdowns	(38.0)	–
Repayment of debt	38.0	–
Other changes – Interest payments (presented as operating cash flows)	–	–
Payment of lease liabilities	–	0.3
At 31 March 2024	**(89.4)**	**–**

Notes to the consolidated financial statements
continued

24. Financial liabilities continued

24(i). Loans and borrowings

On 6 September 2022, the Company entered into a facility agreement relating to a new debt facility (the "Debt Facility") with J.P. Morgan Chase Bank N.A., London Branch ("JPM") and HSBC Bank Plc ("HSBC"), with a JPM affiliate acting as the appointed agent.

The Debt Facility comprises a £90.0 million term loan ("Term Loan") and a revolving credit facility ("RCF") of up to £60.0 million on three and two-year availability periods respectively. Repayment dates for both may be extended by two 12-month periods subject to the lenders' willingness to extend and satisfaction of various conditions. The headline interest rate applied on both the Term Loan and RCF includes a "margin" of 5.50% per annum plus SONIA. The Debt Facility is secured against various Group assets, including bank accounts and LP interests, with a number of entities within the Group acceding as guarantors.

The Company's ability to borrow under the Debt Facility and satisfy its financial and non-financial covenants is dependent on the value of the investment portfolio (excluding third-party funds under management), with draw downs being subject to a maximum loan to value ratio of 12.5% on each utilisation. The lenders may commission quarterly independent valuations of the investment portfolio.

On execution of the Debt Facility Agreement, the Group drew down £90.0 million of the Term Loan, with the RCF (£60.0 million, currently undrawn) being available for two years to September 2024 subject to any extension. After expiry of the availability period, a cash sweep on realisations will apply.

Both the RCF and Term Loan must be fully repaid by the third anniversary of the date of the Debt Facility Agreement, subject to any extension.

The Debt Facility contains financial and non-financial covenants, which the Company and certain members of the Group must comply with throughout the term of the Debt Facility:

- Maintain a value to cost ratio of investments of at least 10% (1.10:1.00).
- Total financial indebtedness not to exceed 20% (12.5% on each utilisation) of the value of investments in the portfolio with adjustments for concentration limits (see below) together with the value of all amounts held in specified bank accounts subject to the security package.
- Total aggregate financial indebtedness of the Company and certain members of the Group is not to exceed 35% (25% on each utilisation) of the value of secured investments in the portfolio with adjustments for concentration limits calculated by reference to specified assets and bank accounts subject to the security package.
- The Company, and certain members of its Group, must maintain a minimum number of investments subject to concentration limits connected to sector, geography, joint or collective value, and/or listed status.

Failure to satisfy financial covenants may limit the Company's ability to borrow and/or also trigger events of default, which in some instances could trigger a cash sweep on realisations and/or require the Company to cure those breaches by repaying the Debt Facility (either partially or in full).

The Company seeks to maintain a conservative level of gearing and will limit its borrowings to a maximum of 25 percent of Net Asset Value.

	31 Mar 2024 £m	31 Mar 2023 £m
Bank loan senior facility amount	**150.0**	150.0
Interest rate	**SONIA + 5.5%**	SONIA + 5.5%
Drawn at balance sheet date	**(90.0)**	(90.0)
Arrangement fees	**0.6**	1.0
Loan liability balance	**(89.4)**	(89.0)
Undrawn facilities at balance sheet date	**60.0**	60.0

25. Deferred tax

Deferred tax is calculated in full on temporary differences under the balance sheet liability method using the tax rate expected to apply when the temporary differences reverse. See breakdown below:

	31 March 2024 £m	31 March 2023 £m
Arising on share-based payments	**(1.6)**	(1.0)
Arising on co-invest and carried interest	**(0.2)**	(0.3)
Arising on the investment portfolio	**(9.8)**	(20.9)
Other timing differences	**(0.1)**	(0.3)
Deferred tax liability	**(11.7)**	(22.5)

As at 31 March 2024, the Group had tax losses carried forward of £2.9m (2023: £12.6m).

26. Share capital and share premium

Ordinary share capital

Year ended 31 March 2024 – Allotted and fully paid	Number	Pence	£m
As at 1 April	**152,999,853**	**1**	**1.5**
Issue of share capital during the year for cash[1]	**21,261,548**	**1**	**0.2**
Share-for-share exchange[2]	**14,785,049**	**1**	**0.2**
As at 31 March	**189,046,450**	**1**	**1.9**

[1] In December 2023, the Company raised equity by issuing 21,261,548 new ordinary shares at 1 pence.
[2] In March 2024, the Company exchanged 14,785,049 new ordinary shares as part of the Forward Partners Group Limited acquisition.

Year ended 31 March 2023 – Allotted and fully paid	Number	Pence	£m
As at 1 April	152,999,853	1	1.5
Issue of share capital during the year for cash[1]	–	–	–
As at 31 March	152,999,853	1	1.5

Share premium

Allotted and fully paid	31 March 2024 £m	31 March 2023 £m
As at 1 April	**615.9**	615.9
Premium arising on the issue of ordinary shares	**57.1**	–
Equity issuance costs	**(1.8)**	–
As at 31 March	**671.2**	615.9

Notes to the consolidated financial statements
continued

27. Own shares and other reserves

i. Own shares reserve

Own shares are shares held in Molten Ventures plc that are held by Molten Ventures Employee Benefit Trust ("Trust") for the purpose of awarding shares under the Molten Ventures plc 2016 Company Share Options Plan, Long-Term Incentive Plan and Deferred Bonus Plan. Shares issued to employees are recognised on a weighted average cost basis. The Trust holds 0.58% of the issued share capital at 31 March 2024 (31 March 2023: 0.72%).

	31 Mar 2024		31 Mar 2023	
	No. of shares m	£m	No. of shares m	£m
As at 1 April	(1.1)	(8.9)	(0.9)	(8.2)
Acquisition of shares by the Trust	–	–	(0.2)	(0.6)
Disposal or transfer of shares by the Trust*	–	0.1	–	(0.1)
As at 31 March	(1.1)	(8.8)	(1.1)	(8.9)

* Disposals or transfers of shares by the Trust also include shares transferred to employees net of exercise price with no resulting cash movements. Cash receipts in respect of sale of shares in the year ended 31 March 2024 were £Nil (year ended 31 March 2023: £Nil).

ii. Other reserves

The following table shows a breakdown of the "other reserves" line in the consolidated statement of financial position and the movements in those reserves during the period. A description of the nature and purpose of each reserve is provided below the table.

Year ending 31 March 2024	Merger relief reserve £m	Share-based payments reserve resulting from Company share option scheme £m	Share-based payments reserve resulting from acquisition of subsidiary £m	Total other reserves £m
As at 1 April	13.1	9.4	10.8	33.3
Share-based payments	–	4.5	–	4.5
Share-for-share exchange	36.9	–	–	36.9
As at 31 March	50.0	13.9	10.8	74.7

Year ending 31 March 2023	Merger relief reserve £m	Share-based payments reserve resulting from Company share option scheme £m	Share-based payments reserve resulting from acquisition of subsidiary £m	Total other reserves £m
As at 1 April	13.1	5.0	10.8	28.9
Share-based payments	–	4.4	–	4.4
Share-based payments – exercised during the year	–	–	–	–
As at 31 March	13.1	9.4	10.8	33.3

Merger relief reserve

In accordance with the Companies Act 2006, a Merger Relief Reserve of £13.1 million (net of the cost of share capital issued of £80k) was created on the issue of 4,392,332 ordinary shares for 300 pence each in Molten Ventures plc as consideration for the acquisition of 100% of the capital interests in Esprit Capital Partners LLP on 15 June 2016.

A Merger Relief Reserve of £36.9 million was created on the issue of 14,785,049 ordinary Shares of 250 pence each in Molten Venture plc as consideration for the acquisition of 100% of the capital interest in Forward Partners Group plc on 14 March 2024.

Share-based payment reserve

Where the Group engages in equity-settled share-based payment transactions, the fair value at the date of grant is recognised as an expense over the vesting period of the options. The corresponding credit is recognised in the share-based payment reserve. Please see Note 15 for further details on how the fair value at the date of grant is recognised.

28. Adjustments to reconcile operating (loss) to net cash outflow in operating activities

	Notes	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Adjustments to reconcile operating (loss) to net cash outflow in operating activities:			
Revaluation of investments held at fair value through profit and loss	6	67.6	240.1
Gain on Bargain purchase Goodwill	14	(38.6)	–
Depreciation and amortisation	16, 19	0.4	0.7
Share-based payments – resulting from Company share option scheme	15	4.8	4.4
Finance income	11	(0.6)	(1.7)
Finance expense	11	11.0	7.1
Decrease in deferred tax	25	(10.8)	(5.2)
Decrease/(increase) in trade and other receivables and other working capital movements	22	3.4	(1.0)
Decrease in trade and other payables	23	(0.5)	(2.7)
Adjustments to reconcile operating (loss) to net cash outflow in operating activities		36.7	241.7

Please see Note 24 for the changes in liabilities from financing activities.

29. Retirement benefits

The Molten Ventures Group makes contributions to personal pension schemes set up to benefit its employees. The Group has no interest in the assets of these schemes and there are no liabilities arising from them beyond the agreed monthly contribution for each employee or member that is included in employment costs in the profit and loss account as appropriate.

30. Fair value measurements

i. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. This section should be read with reference to Note 5(a) and Note 17. As explained in Note 5(a), valuation of unquoted equity investments at fair value through profit or loss is a critical accounting estimate and actuals may differ from estimates. The Group has considered the impact of ESG and climate-related risks on its portfolio, and consider these to be currently immaterial to the value of our portfolio for FY24, owing to the nature of the underlying investments (FY23: immaterial) and taking into consideration the climate risk impact channels and their financial impact across the portfolio companies, however this will be monitored each year to assess any changes. The Group recognised a number of climate-related opportunities within the portfolio via our Climate Tech thesis. The inputs to our valuations are described in the sensitivities analysis table below, and because these are more short-term in nature (e.g. forecast revenue for the current year applied to current market multiples, and recent transactions), we do not currently see any material impacts on these inputs from the longer term risks described in our TCFD report and, therefore, values as at 31 March 2024. We also recognise that, although the risks are not currently material, they could become material in the medium to long-term without mitigating actions, which are described within the TCFD section of the Strategic Report. For further discussion of our climate-related risks and opportunities, please see our TCFD and Principal Risks section of the Strategic Report.

The Group classifies financial instruments measured at fair value through profit or loss ("FVTPL") according to the following fair value hierarchy prescribed under the accounting standards:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (31 March 2024; and 31 March 2023 for comparatives);
- Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs are unobservable inputs for the asset or liability.

All financial instruments measured at FVTPL in FY23 and FY24 are financial assets relating to holdings in investment entities that hold high-growth technology companies either directly or through Fund of Funds. The Group invests in special purpose vehicles and limited partnerships, which are considered to be investment companies that invest mostly in equities for the benefit of the Group. As set out in Note 4(b), these are held at their respective net asset values and, as such, are noted to be all Level 3 for FY23 and FY24. For details of the reconciliation of those amounts please refer to Note 17. The additional disclosures below are made on a look-through basis and are based on the Gross Portfolio Value ("GPV"). In order to arrive at the Net Portfolio Value ("NPV"), which is the value recognised as investments held at FVTPL in the statement of financial position, the GPV is subject to deductions for the fair value of carry liabilities and adjustments for Irish deferred tax. UK deferred tax is recognised in the consolidated statement of financial position as a liability to align the recognition of deferred tax to the location in which it will likely become payable on realisation of the assets.

Notes to the consolidated financial statements
continued

30. Fair value measurements continued

For details of the GPV and its reconciliation to the investment balance in the financial statements, please refer to the extract of the Gross Portfolio Value table below:

Investments	Fair Value of Investments 31-Mar-23 £m	Investments £m	Realisations £m	Non-investment cash movement £m	Movement in Foreign Exchange £m	Movement in Fair Value £m	Fair Value movement 31-Mar-24 £m	Fair Value of Investments 31-Mar-24 £m
Gross Portfolio Value	**1,370.8**	**65.3**	**(38.9)**	**–**	**(23.9)**	**5.6**	**(18.3)**	**1,378.9**
Carry External	(94.0)	–	1.9	–	–	5.0	5.0	(87.1)
Portfolio Deferred tax	–	–	–	–	–	–	–	–
Trading carry & co-invest	0.3	–	–	–	–	–	–	0.3
Non-investment cash movement	–	–	–	15.8	–	(15.8)	(15.8)	–
Net Portfolio Value	**1,277.1**	**65.3**	**(37.0)**	**15.8**	**(23.9)**	**(5.2)**	**(29.1)**	**1,292.1**

Investments	Fair Value of Investments 31-Mar-22 £m	Investments £m	Realisations £m	Non-investment cash movement £m	Movement in Foreign Exchange £m	Movement in Fair Value £m	Fair Value movement 31-Mar-23 £m	Fair Value of Investments 31-Mar-23 £m
Gross Portfolio Value	1,531.5	138.2	(48.1)	–	42.4	(293.3)	(250.9)	1,370.7
Carry external	(121.5)	–	2.1	–	–	25.4	25.4	(94.0)
Portfolio deferred tax	0.5	–	–	–	–	(0.5)	(0.5)	–
Trading carry and co-invest	0.3	–	–	–	–	–	–	0.3
Non-investment cash movement	–	–	–	14.1	–	(14.1)	(14.1)	–
Net Portfolio Value	1,410.8	138.2	(46.0)	14.1	42.4	(282.5)	(240.1)	1,277.0

Carry external – this relates to accrued carry that is due to former and current employees or managers external to the Group. These values are calculated based on the reported fair value, applying the provisions of the limited partnership agreements to determine the value that would be payable by the Group's investment entities to external managers and the carried interest partnerships.

Portfolio deferred tax – this relates to tax accrued against gains in the portfolio to reflect those portfolio companies where tax is expected to be payable on exits. This relates to Irish deferred tax only. UK deferred tax is recognised in the consolidated statement of financial position as a liability to align the recognition of deferred tax to the location in which it will likely become payable on realisation of the assets. These values are calculated based on unrealised fair value of investments at reporting date at the applicable tax rate.

Trading carry and co-invest – this relates to accrued carry that is due to the Group.

Non-investment cash movements – this relates to cash movements relating to management fees and other non-investment cash movements to the subsidiaries held at FVTPL.

During the year ending 31 March 2024, Level 1 investments were realised. In the year ending 31 March 2023, there were transfers out of Level 3 and into Level 1 following the listing of two investments, one was held directly and one of which is held via our partnership with Earlybird – see below for the breakdown of investments by fair value hierarchy and Note 30 (iii) on the following page for movements. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Fair value measurements At 31 March 2024	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at fair value through profit or loss				
Quoted investments	–	–	–	–
Unquoted investments being made up of:	–	–	**1,378.9**	**1,378.9**
Unquoted investments – enterprise technology	–	–	**567.4**	**567.4**
Unquoted investments – consumer technology	–	–	**147.5**	**147.5**
Unquoted investments – hardware and deeptech	–	–	**317.3**	**317.3**
Unquoted investments – digital health and wellness	–	–	**71.8**	**71.8**
Unquoted investments – other*	–	–	**274.9**	**274.9**
Total financial assets	**–**	**–**	**1,378.9**	**1,378.9**

Fair value measurements At 31 March 2023	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at fair value through profit or loss				
Quoted investments	11.9	–	–	11.9
Unquoted investments being made up of:	–	–	1,357.7	1,357.7
Unquoted investments – enterprise technology	–	–	587.9	587.9
Unquoted investments – consumer technology	–	–	144.7	144.7
Unquoted investments – hardware and deeptech	–	–	357.3	357.3
Unquoted investments – digital health and wellness	–	–	75.7	75.7
Unquoted investments – other*	–	–	192.1	192.1
Total financial assets	11.9	–	1,357.7	1,369.6

* "other" includes Fund of Funds investments and Earlybird investments where we do not perform a look-through valuation. This differs from the analysis in the Strategic Report in order to align to valuation methodologies. Within the Strategic Report, additional Earlybird companies are included within the sector analysis.

ii. Valuation techniques used to determine fair values

The fair value of unlisted securities is established with reference to the IPEV Guidelines. In line with the IPEV Guidelines, the Group may base valuations on earnings or revenues where applicable, market comparables, calibrated price of recent investment in the investee companies, or on net asset values of underlying funds ("NAV of underlying funds"). An assessment will be made at each measurement date as to the most appropriate valuation methodology, including that for investee companies owned by third-party funds that Molten Ventures plc invests in and which are valued on a look-through basis.

Financial instruments, measured at fair value, categorised as Level 3 can be split into three main valuation techniques:

- Calibrated price of recent investment;
- Revenue-multiple; and
- NAV of underlying fund.

Each portfolio company will be subject to individual assessment.

For a valuation based on calibrated price of recent investment, the recent round enterprise value is calibrated against the equivalent value at year-end using a revenue-multiple valuation methodology as well as in relation to technical/product milestones since the round and the company's trading performance relative to the expectations of the round.

For a valuation based on a revenue-multiple, the main assumption is the multiple. The multiple is derived from comparable listed companies or relevant market transaction multiples. Companies in the same industry, geography, and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance.

Where the Group invests in Fund of Fund investments, the value of the portfolio will be reported by the fund to the Group. The Group will ensure that the valuations comply with the Group policy and that they are adjusted with any cash and known valuation movements where reporting periods do not align.

See also Note 5(a) where valuation policies are discussed in more detail.

Notes to the consolidated financial statements
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30. Fair value measurements continued

iii. Fair value measurements using significant unobservable inputs (Level 3)

The table below presents the changes in Level 3 items for the years ending 31 March 2023 and 31 March 2024.

Level 3 valuations	£m
Opening balance at 1 April 2022	1,467.6
Investments	138.2
Losses	(225.4)
Realisations	(21.6)
Unadjusted closing balance at 31 March 2023	1,358.8
Transfer to Level 1	–
Closing balance at 31 March 2023	**1,358.8**
Investments	**65.4**
Losses	**(16.6)**
Realisations	**(28.7)**
Unadjusted closing balance at 31 March 2024	**1,378.9**
Transfer to Level 1	**–**
Closing balance at 31 March 2024	**1,378.9**

iv. Valuation inputs and relationships for fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

Valuation technique	Sector	Significant input*	Fair value at 31 Mar 2024	Sensitivity on significant input	Fair value impact of sensitivities (£m) +10%	Fair value impact of sensitivities (£m) -10%
Calibrated price of recent investment	All	Calibrated round enterprise value – Pre and post year-end round enterprise values have been calibrated with appropriate premiums and discounts taken to reflect movements in publicly listed peer multiples, future revenue projections and timing risk. Premiums and discounts were applied to 75% (2023: 65%) of the fair value of investments measured at calibrated price of recent investment. The range of premiums applied is 24% to 137% (2023: nil%). The range of discounts taken is between 2%-79% (2023: 6%-79%). The weighted average discount taken is 21% (2023: 35%). Less discounts have been applied in the current year, reflecting calibration to the market.	**328.2** (FY23: 668.0)	10% sensitivity applied to the premium and discount to last round price.	**289.8** (FY23: 573.8)	**363.4** (FY23: 731.5)
	Enterprise tech		**121.3** (FY23: 279.2)		**112.2** (FY23: 242.7)	**131.8** (FY23: 293.6)
	Consumer tech		**5.7** (FY23: 34.1)		**5.1** (FY23: 25.9)	**6.0** (FY23: 38.5)
	Hardware & Deeptech		**146.6** (FY23: 313.0)		**121.9** (FY23: 265.9)	**168.2** (FY23: 355.9)
	Digital health & wellness		**54.6** (FY23: 41.7)		**50.6** (FY23: 39.3)	**57.4** (FY23: 43.5)
Market comparables	All	Revenue-multiples are applied to the revenue of our portfolio companies to determine their enterprise value. Implied revenue-multiple – the portfolio we have is diversified across sectors and geographies and the companies which have valuations based on revenue-multiples have a range of multiples of between 1.2x-14.7x (2023: 1.0x-13.4x) and a weighted average multiple of 6.6x (2023: 8.4x). Revenue – we select forward revenues from our portfolio companies mostly with reference to financial updates in their board packs, adjusted where required in the event we do not have forward-looking information. Our core portfolio makes up 62% (2023: 62%) of the GPV and revenue growth in the core portfolio for 2024 is 52% (2023: 68%). The multiple range has remained consistent with the prior financial year March 2023 but there has been an increase to the weighted average multiple reflecting the more significant weighting of larger assets.	**737.1** (FY23: 462.2)	10% sensitivity applied to the revenue–multiple	**807.6** (FY23: 505.1)	**667.9** (FY23: 417.5)
				10% sensitivity applied to the revenue of the portfolio company	**807.6** (FY23: 505.1)	**667.9** (FY23: 417.5
	Enterprise tech		**415.8** (FY23: 281.9)	10% sensitivity applied to the revenue–multiple	**450.4** (FY23: 308.6)	**376.6** (FY23: 253.2)
				10% sensitivity applied to the revenue of the portfolio company	**450.4** (FY23: 308.6)	**376.6** (FY23: 253.2)
	Consumer tech		**141.9** (FY23: 110.6)	10% sensitivity applied to the revenue–multiple	**157.0** (FY23: 121.4	**128.8** (FY23: 100.0)
				10% sensitivity applied to the revenue of the portfolio company	**157.0** (FY23: 121.4)	**128.8** (FY23: 100.0)
	Hardware & Deeptech		**162.2** (FY23: 35.7)	10% sensitivity applied to the revenue–multiple	**179.4** (FY23: 38.1)	**148.6** (FY23: 33.2)
				10% sensitivity applied to the revenue of the portfolio company	**179.4** (FY23: 38.1)	**148.6** (FY23: 33.2)
	Digital health & wellness		**17.2** (FY23: 34.0)	10% sensitivity applied to the revenue–multiple	**20.8** (FY23: 37.0)	**13.9** (FY23: 31.1)
				10% sensitivity applied to the revenue of the portfolio company	**20.8** (FY23: 37.0)	**13.9** (FY23: 31.1)
NAV of underlying fund	All	NAV of funds, adjusted where required – net asset values of underlying funds reported by the manager. These are reviewed for compliance with our policies and are calibrated for any cash and known valuation movements where reporting periods do not align.	**313.5** (FY23: 227.5)	10% sensitivity applied to the adjusted NAV of funds	**344.9** (FY23: 250.3)	**282.2** (FY23: 204.8)
	Enterprise tech		**30.3** (FY23: 26.8)		**33.4** (FY23: 29.5)	**27.3** (FY23: 24.1)
	Consumer tech		**–** (FY23: –)		**–** (FY23: –)	**–** (FY23: –)
	Hardware & Deeptech		**8.5** (FY23: 8.6)		**9.3** (FY23: 9.5)	**7.6** (FY23: 7.8)
	Digital health & wellness		**–** (FY23: –)		**–** (FY23: –)	**–** (FY23: –)
	Other		**274.7** (FY23: 192.1)		**302.2** (FY23: 211.3)	**247.3** (FY23: 172.9)

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Notes to the consolidated financial statements
continued

30. Fair value measurements continued

v. Valuations processes

The Audit, Risk and Valuations Committee is responsible for ensuring that the financial performance of the Group is properly reported on and monitored. In addition to continuous portfolio monitoring through the Board positions held in portfolio companies and the Investment Committee, a bi-annual strategy day is held every six months to discuss the investment performance and valuations of the portfolio companies. The Investment Team leads discussions focused on business performances and key developments, exit strategy and time lines, revenue and EBITDA progression, funding rounds and latest capitalisation table, and valuation metrics of listed peers. Valuations are prepared every six months by the Finance Team during each reporting period, with direct involvement and oversight from the CFO. Challenge and approvals of valuations are led by the Audit, Risk and Valuations Committee every six months, in line with the Group's half-yearly reporting periods.

31. Financial instruments risk

Financial risk management

Financial risks are usually grouped by risk type: market, liquidity and credit risk. These risks are discussed in turn below.

Market risk – Foreign currency

A significant portion of the Group's investments and cash deposits are denominated in a currency other than Sterling. The principal currency exposure risk is to changes in the exchange rate between GBP and USD/EUR. Presented below is an analysis of the theoretical impact of 10% volatility in the exchange rate on Shareholder equity.

Theoretical impact of a change in the exchange rate of +/-10% between GBP and USD/EUR would be as follows:

Foreign currency exposures – Investments	31 March 2024 £m	31 March 2023 £m
Investments – exposures in EUR	**650.8**	672.3
10% decrease in GBP	**723.1**	747.0
10% increase in GBP	**591.6**	611.2
Investments – exposures in USD	**275.7**	303.1
10% decrease in GBP	**306.3**	336.7
10% increase in GBP	**250.6**	275.5

Certain cash deposits held by the Group are denominated in Euros and US Dollars. The theoretical impact of a change in the exchange rate of +/-10% between GBP and USD/EUR would be as follows:

Foreign currency exposures – Cash	31 March 2024 £m	31 March 2023 £m
Cash denominated in EUR	**4.5**	0.5
10% decrease in EUR: GBP	**4.1**	0.5
10% increase in EUR: GBP	**5.0**	0.6
Cash denominated in USD	**6.3**	0.9
10% decrease in USD: GBP	**5.7**	0.8
10% increase in USD: GBP	**7.0**	1.0

The combined theoretical impact on Shareholders' equity of the changes to revenues, investments and cash and cash equivalents of a change in the exchange rate of +/- 10% between GBP and USD/EUR would be as follows:

Foreign currency exposures – Equity	31 March 2024 £m	31 March 2023 £m
Shareholders' Equity	**1,247.5**	1,194.1
10% decrease in EUR: GBP/USD: GBP	**1,134.1**	1,085.6
10% increase in EUR: GBP/USD: GBP	**1,386.1**	1,326.8

Market risk – Price risk

Market price risk arises from the uncertainty about the future prices of financial instruments held in accordance with the Group's investment objectives.

It represents the potential loss that the Group might suffer through holding market positions in the face of market movements. As stated in Note 5(a) and Note 30, valuation of unquoted equity investments at fair value through profit or loss is a critical accounting estimate and actuals may differ from estimates.

The Group is exposed to equity price risk in respect of equity rights and investments held by the Group and classified on the balance sheet as financial assets at fair value through profit or loss (Note 30). These equity rights are held mostly in unquoted high-growth technology companies and are valued by reference to revenue or earnings multiples of quoted comparable companies (taken as at the year-end date), last round price (calibrated against market comparables), or NAV of underlying fund, and also in certain quoted high-growth technology companies – as discussed more fully in Note 5(a). These valuations are subject to market movements.

The Group seeks to manage this risk by routinely monitoring the performance of these investments, employing stringent investment appraisal processes.

Theoretical impact of a fluctuation in equity prices of +/-10% would be as follows:

	Valuation methodology							
	Quoted equity £m		Revenue-multiple £m		NAV of underlying fund £m		Calibrated price of recent investment £m	
	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%
As at 31 March 2024	**–**	**–**	**(68.2)**	**71.9**	**(31.4)**	**31.4**	**(27.2)**	**29.3**
As at 31 March 2023	(1.2)	1.2	(43.6)	41.7	(22.8)	22.8	(54.4)	53.6

Given the impact on both private and public markets from current market volatility, which could impact the valuation of our unquoted and quoted equity investments, we further flexed by 20% in order to analyse the impact on our portfolio of larger market movements. Theoretical impact of a fluctuation of +/- 20% would have the following impact:

	Valuation methodology							
	Quoted equity £m		Revenue-multiple £m		NAV of underlying fund £m		Calibrated price of recent investment £m	
	-20%	+20%	-20%	+20%	-20%	+20%	-20%	+20%
As at 31 March 2024	**–**	**–**	**(138.5)**	**139.2**	**(62.7)**	**62.7**	**(54.7)**	**57.1**
As at 31 March 2023	(2.4)	2.4	(86.9)	82.5	(45.5)	45.5	(109.2)	106.8

Liquidity risk

Cash and cash equivalents comprise of cash and short-term bank deposits with an original maturity of three months or less held in readily accessible bank accounts. There is no restricted cash as at 31 March 2024 (restricted cash as at 31 March 2023 included £2.3 million of collateral for interest payments on the revolving credit facility (see Note 24 (i)). The carrying amount of these assets is approximately equal to their fair value. Responsibility for liquidity risk management rests with the Board of Molten Ventures plc, which has established a framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows. The utilisation of the debt facility and requirement for utilisation requests is monitored as part of this process, the debt facility is not linked to the liquidity of the Group and further drawdowns on the debt facility have been considered within the Going Concern assessment. For the contractual maturities of the Group's liabilities see tables below.

Contractual maturities of liabilities at 31 March 2024 (£m)	Less than 6 months	6–12 months	Between 1–2 years	Between 2–5 years	Total contractual cash flows	Carrying amount
Trade and other payables	**(9.0)**	**(0.1)**	**–**	**–**	**(9.1)**	**(9.1)**
Fees on facility	**–**	**–**	**–**	**–**	**0.6**	**0.6**
Facility	**(5.0)**	**(5.0)**	**(95.0)**	**–**	**(105.0)**	**(90.0)**
Provisions	**–**	**(0.3)**	**–**	**–**	**(0.3)**	**(0.3)**
Current lease liabilities	**–**	**–**	**–**	**–**	**–**	**–**
Non-current lease liabilities	**–**	**–**	**–**	**–**	**–**	**–**
Total shown in the statement of financial position	**(14.0)**	**(5.4)**	**(95.0)**	**–**	**(113.8)**	**(98.8)**

Contractual maturities of liabilities at 31 March 2023 (£m)	Less than 6 months	6–12 months	Between 1–2 years	Between 2–5 years	Total contractual cash flows	Carrying amount
Trade and other payables	(9.1)	(0.5)	–	–	(9.6)	(9.6)
Fees on facility	–	–	–	–	1.0	1.0
Facility	(4.4)	(4.4)	(8.8)	(116.5)	(134.1)	(90.0)
Provisions	–	(0.3)	–	–	(0.3)	(0.3)
Current lease liabilities	(0.3)	–	–	–	(0.3)	(0.3)
Non-current lease liabilities	–	–	–	–	–	–
Total shown in the statement of financial position	(13.8)	(5.2)	(8.8)	(116.5)	(143.3)	(99.2)

Lease liabilities fall due over the term of the lease. The debt facility has a term of three years – for further details, see Note 24(i). All other Group payable balances at balance sheet date and prior periods fall due for payment within one year.

As part of our Fund of Funds, Earlybird, Irish Co-Invest and Molten SP I LP strategy, we make commitments to funds to be drawn down over the life of the fund. Projected drawdowns due by the Company are monitored as part of the monitoring process above.

Notes to the consolidated financial statements
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31. Financial instruments risk continued

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits. As part of the Group's investments, the Group invests in debt instruments such as bridging loans and convertible loan notes (included within the investments held at FVTPL). This is not included below as the risk is considered as part of the fair value measurement. The Group's trade receivables are amounts due from the investment funds under management, or underlying portfolio companies. The Group's maximum exposure to credit risk is limited to the carrying amount of trade receivables, cash and cash equivalents, and restricted cash at each period-end is summarised below:

Classes of financial assets impacted by credit risk, carrying amounts	31 March 2024 £m	31 March 2023 £m
Trade and other receivables	**1.6**	5.0
Cash and cash equivalents	**57.0**	22.9
Total	**58.6**	27.9

The Directors consider that expected credit losses relating to the above financial assets are immaterial for each of the reporting dates under review as they are of good credit quality. In respect of trade and other receivables, the Group is not exposed to significant risk as the principal customers are the investment funds managed by the Group, and in these the Group has control of the banking as part of its management responsibilities. Investments in unlisted securities are held within limited partnerships for which Esprit Capital Partners LLP acts as manager, and, consequently, the Group has responsibility itself for collecting and distributing cash associated with these investments. The credit risk of amounts held on deposit is limited by the use of reputable banks with high-quality external credit ratings and, as such, is considered negligible. The Group has an agreed list of authorised counterparties. Authorised counterparties and counterparty credit limits are established within the parameters of the Group Treasury Policy to ensure that the Group deals with creditworthy counterparties and that counterparty concentration risk is addressed. Any changes to the list of authorised counterparties are proposed by the CFO after carrying out appropriate credit worthiness checks and any other appropriate information, and the changes require approval from the Board. Cash at 31 March 2024 is held with the following institutions (and their respective Moody's credit rating): (1) Barclays Bank plc (Baa2); (2) HSBC UK Limited (Aa3); and at 31 March 2023, also (3) Investec Bank plc (Baa1). Cash equivalents at 31 March 2024 comprise of a holding in Goldman Sachs Sterling Government Liquid Reserves Fund (Moody's credit rating AAA-mf).

Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for Shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure.

The Group is funded through equity and debt at the balance sheet date. During the period, the Group had £90 million term loan which has been fully drawn and an undrawn £60m revolving credit facility, please refer to Note 24(i) for further details regarding the loan.

In order to maintain or adjust the capital structure, the Group may make distributions to Shareholders, return capital to Shareholders, issue new shares or sell assets between related parties or otherwise to manage cash.

Interest rate risk

The Group's interest rate risk arises from borrowings on the £150.0 million Debt Facility with JPM and HSBC, which was entered into in September 2022, at which point £90.0 million term loan was drawn down (31 March 2023: £90.0 million drawn). The Group's borrowings are denominated in GBP and are carried at amortised cost.

£38 million was drawn from the revolving credit facility 30 November 2023 and fully repaid on 21 December 2023. Interest was charged at a rate of SONIA plus 5.50%

The term loan balance remains outstanding at the period-end. The interest charged on future drawdowns will fluctuate with the movements on SONIA.

32. Related party transactions

The Group has various related parties stemming from relationships with Limited Partnerships managed by the Group, its investment portfolio, its advisory arrangements/Directors' fees (Board seats) and its key management personnel.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, and are considered to be the Directors of the Company listed on pages 70 and 71 of the annual report.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Wages and salaries	**2.4**	2.1
Defined contribution pension costs	**0.2**	0.2
Social security contributions and similar taxes	**0.3**	0.3
Carried interest paid	**0.6**	1.2
Total	**3.5**	3.8

The details of individual Directors' remuneration and pension benefits, as set out in the tables contained in the Directors' Remuneration Report on page 90, form part of these consolidated financial statements.

During the year, employees of Molten Ventures plc, including key management personnel were granted and exercised share options – see Note 15 for further details.

Transactions with other related parties

In addition to key management personnel, the Company has related parties in respect of its subsidiaries and other related entities.

On 30 March 2022, Molten Ventures plc entered into an agreement with Softcat plc to provide Molten Ventures plc with fractional CIO services. Karen Slatford was both the Chair of Softcat plc's Board and was Chair of Molten Ventures plc's Board at the time of entering the agreement until 17 January 2023. During the year fees of £Nil have been recognised in relation to the services (31 March 2023: £0.1k), and £Nil remains outstanding at 31 March 2024 (31 March 2023: £Nil).

Management fees

Fees are received by the Group in respect of the EIS and VCT funds as well as unconsolidated structured entities managed by Esprit Capital Partners LLP, which is consolidated into the Group. The EIS funds are managed by Encore Ventures LLP under an Investment Management Agreement; Encore Ventures LLP is a consolidated subsidiary of the Group. Molten Ventures VCT plc is managed under an Investment Management Agreement by Elderstreet Investments Limited, which is a consolidated subsidiary of the Group. Management fees are received by the Group in respect of these contracts. See Note 4(b) for further information on consolidation.

Management fees recognised in the statement of comprehensive income resulting from related party transactions	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Management fees from unconsolidated structured entities	**14.3**	16.8
Management fees from EIS and VCT funds	**5.6**	5.9

Directors' fees

Administration fees for the provision of Director services are received where this has been agreed with the portfolio companies. These amounts are immaterial. At times, expenses incurred relating to Director services can be recharged to portfolio companies – these are also immaterial. Molten Ventures does not exercise control or management through any of these Non-Executive positions.

Carry payments

Carry was paid to 15 beneficiaries in the year, of which the below was to related parties. Carry payments have been made in respect of Esprit Capital III LP and Esprit Capital IV LP to key management personnel in FY23 and FY24. Please see the Directors' Remuneration Report for further details.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Carry payments	**0.6**	1.2

Notes to the consolidated financial statements
continued

32. Related party transactions continued

Performance fees

Performance fees have not been paid during the year by the EIS and VCT funds to Encore Ventures LLP. At 31 March 2024, £0.1 was unpaid (31 March 2023: £Nil).

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Performance fees	**0.1**	–

Unconsolidated structured entities

The Group has exposure to a number of unconsolidated structured entities as a result of its venture capital investment activities.

The Group ultimately invests all funds via a number of limited partnerships and some via Molten Ventures plc's wholly owned subsidiaries, Molten Ventures (Ireland) Limited and Molten Venture Holdings Limited. These are controlled by the Group and not consolidated, but they are held as investments at fair value through profit or loss on the consolidated statement of financial position in line with IFRS 10 (see Note 4(b) for further details and for the list of these investment companies and limited partnerships). The material assets and liabilities within these investment companies are the investments, which are held at FVTPL in the consolidated accounts. Please see further details in the table below.

The Group has a beneficial interest to these assets since the acquisition and as such holds them as investments at fair value through profit and loss.

Name of undertaking	Registered office	Activity	Holding	Country	31 March 2024 £m	31 March 2023 £m
Esprit Investments (1)(B) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group and Molten Ventures FoF I LP hold Fund of Fund investments	89%	England	**10.6**	14.2
Esprit Investments (2) (B) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group and Molten Ventures FoF I LP hold Fund of Fund investments	89%	England	**51.3**	47.5
Esprit Investments (2) (B) (i) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments (dormant)	100%	England	**–**	–
Molten Ventures (Ireland) Limited	32 Molesworth Street, Dublin 2, Ireland	Investment entity	100%	Ireland	**951.4**	1,041.7
Esprit Capital III LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**32.8**	33.6
Esprit Capital IV LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**8.9**	15.5
DFJ Europe X LP	c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Limited Partnership pursuant to which the Group makes certain investments	100%	Cayman Islands	**3.2**	5.8
Esprit Investments (1) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**147.3**	169.9
Esprit Investments (2) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**761.8**	822.2
Molten Ventures Holdings Limited	20 Garrick Street, London, WC2E 9BT	Intermediate Company and Qualifying Asset Holding Company ("QAHC")	100%	England	**85**	51.9
Molten Ventures Investments LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**29.8**	2.5
Molten Ventures FoF I LP	20 Garrick Street, London, WC2E 9BT	Limited partnership under the Group's management which makes Fund of Fund investments	50%	England	**14.5**	12.4
Molten Ventures Investments (Ireland) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership under the Group's management which makes Irish domiciled investments	56%	England	**3.5**	-
Esprit Investments (2) (B) (ii) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**160.5**	153.2
Forward Partners 1 L.P.	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**11.4**	-
Forward Partners III L.P.	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**46.8**	-
Forward Partners II L.P.	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**6.8**	-

Molten Ventures (Ireland) Limited invests via the following limited partnerships: Esprit Investments (1) LP, Esprit Investments (2) LP, Esprit Capital IV LP (which also holds investments via DFJ Europe X LP) and Esprit Capital III LP.

Molten Ventures Holdings Limited invests in or via the following limited partnerships: Molten Ventures Investments LP, Molten Ventures FoF I LP, Esprit Investments (2)(B)(ii) LP, and Molten Ventures Investments (Ireland) I LP.

The investments balance in the consolidated statement of financial position also includes investments held by consolidated entities.

The Group also co-invests or historically co-invested with a number of limited partnerships (see Note 4(b) for further details). The exposure to these entities is immaterial.

Vested but unrealised carried interest of £0.6 million is recognised by the Group via Encore I Founder LP (14.5% aggregate carry LP interest) and Esprit Capital III Carried Interest LP (2.2% aggregate carry LP interest).

33. Capital commitments

The Group makes commitments to Fund of Funds (including funds invested in as part of our partnership with Earlybird) as part of its investment activity, which will be drawn down as required by the funds over their investment period. Contractual commitments for the following amounts have been made as at 31 March 2024 but are not recognised as a liability on the consolidated statement of financial position:

	31 March 2024 £m	31 March 2023 £m
Undrawn capital commitments	**84.1**	87.9
Total capital commitments	**316.5**	316.0

Total fair value to the Group of these seed funds (including Earlybird) is £312.3 million of total investments (31 March 2023: £349.8 million).

34. Ultimate controlling party

The Directors of Molten Ventures plc do not consider there to be a single ultimate controlling party of the Group.

35. Alternative Performance Measures ("APM")

The Group has included the APMs listed below in this report as they highlight key value drivers for the Group and, as such, have been deemed by the Group's management to provide useful additional information to readers of this report. These measures are not defined by IFRS and should be considered in addition to IFRS measures.

Gross Portfolio Value ("GPV")

The GPV is the gross fair value of the Group's investment holdings before deductions for the fair value of carry liabilities and any deferred tax.

The GPV is subject to deductions for the fair value of carry liabilities and deferred tax to generate the net investment value, which is reflected on the consolidated statement of financial position as financial assets held at FVTPL. Please see Note 30(i) for a reconciliation to the net investment balance.

This table also shows the Gross to Net movement, which is 94% in the current year calculated as the net investment value (£1,292.1 million) divided by the GPV (£1,378.9 million). The table reflects a Gross fair value movement of (£18.3 million), on an opening balance of £1,370.8 million, which is a (1)% percentage change on the 31 March 2022 GPV. This is described in the report as the Gross fair value decrease/increase.

Net Portfolio Value ("NPV")

The NPV is the net fair value of the Group's investment holdings after deductions for the fair value of carry liabilities and any deferred tax from the GPV.

The NPV is the value of the Group's financial assets classified at "fair value through profit or loss" on the statement of financial position.

NAV per share

The NAV per share is the Group's net assets attributable to Shareholders divided by the number of shares at the relevant reporting date. See the calculation in Note 13. Please see further details relating to the calculation of the Net Portfolio Value in Note 30 (i).

Net fair value movement

This is the fair value movement as calculated by dividing the fair value movement, excluding foreign exchange movements, by the opening Gross Portfolio Value at the relevant period.

Gross fair value movement

This is the fair value movement as calculated by dividing the fair value movement, including foreign exchange movements, by the opening Gross Portfolio Value at the relevant period.

Notes to the consolidated financial statements
continued

35. Alternative Performance Measures ("APM") continued

Platform AuM

The latest available fair value of investments held at FVTPL and cash managed by the Group, including funds managed by Elderstreet Investments Limited, Encore Ventures LLP, and Esprit Capital Partners LLP. This includes a deduction for Molten Ventures plc operating costs budget for the year. We also refer to the EIS and VCT fund AUM separately within the report.

Operating costs as a % of year end NAV

This is the operating costs, net of fee income and exceptional items divided by year-end NAV.

36. Exceptional items

Exceptional costs primarily consists of costs relating to the acquisition of Forward Partners Group Limited and equity raise which amounted to £3.6m for the year ended 31 March 2024 (year ended 31 March 2023: £Nil).

The majority of these costs include fees relating to brokers, legal advisory, listing and reporting accountant.

37. Subsequent events

On 30 April 2024, Hologic, Inc, a NASDAQ listed entity, signed definitive agreement to acquire Endomag. The acquisition, which is subject to completion conditions and regulatory approval as well as working capital and other customary closing adjustments, values Endomag at approximately $310 million, which is at a slight uplift to NAV.

There are no further post balance sheet events requiring comment.

Company statement of financial position

As at 31 March 2024

	Notes	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Non-current assets			
Financial assets held at fair value through profit or loss	6	**1,288.5**	1,271.5
Investments in subsidiary undertakings	7	**13.4**	13.6
Property, plant and equipment	4	**0.1**	0.4
Total non-current assets		**1,302.0**	1,285.5
Current assets			
Trade and other receivables	9	**10.7**	13.1
Cash and cash equivalents	8	**41.5**	20.5
Total current assets		**52.2**	33.6
Current liabilities			
Trade and other payables	11	**(17.1)**	(19.1)
Lease liabilities		**–**	(0.3)
Total current liabilities		**(17.1)**	(19.4)
Non-current liabilities			
Deferred tax	16	**(11.5)**	(22.2)
Provisions		**(0.3)**	(0.3)
Loans and borrowings	10	**(89.4)**	(89.0)
Total non-current liabilities		**(101.2)**	(111.5)
Net assets		**1,235.9**	1,188.2
Equity			
Share capital	12	**1.9**	1.5
Share premium account	12	**708.1**	615.9
Other reserves	13	**37.8**	33.3
Retained earnings		**488.1**	537.5
Equity attributable to owners of Molten Ventures plc		**1,235.9**	1,188.2

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and have not presented a statement of comprehensive income for the Company. The Company's loss for the year ended 31 March 2024 was £49.4m (31 March 2023: loss of £224.0 million).

The Company financial statements should be read in conjunction with the accompanying notes. The Company financial statements on pages 153 to 160 were authorised for issue by the Board of Directors on 11 June 2024 and were signed on its behalf.

Ben Wilkinson
Chief Financial Officer

Molten Ventures plc registered number 09799594

Company statement of changes in equity

For the year ended 31 March 2024

Year ended 31 March 2024 £m	Note	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Brought forward as at 1 April 2023		**1.5**	**615.9**	**33.3**	**537.5**	**1,188.2**
Comprehensive income/(expense) for the year						
Loss for the year		–	–	–	**(49.4)**	**(49.4)**
Total comprehensive income/(expense) for the year		–	–	–	**(49.4)**	**(49.4)**
Contributions by and distributions to the owners:						
Contribution of equity, net of transaction costs and tax	12	0.4	-	36.9	–	37.3
Share premium	12	–	55.3	–	–	55.3
Options granted and awards exercised	14	–	–	4.5	–	4.5
Total contributions by and distributions to the owners		**0.4**	**55.3**	**41.4**	**–**	**97.1**
Balance as at 31 March 2024		**1.9**	**671.2**	**74.7**	**488.1**	**1,235.9**

Year ended 31 March 2023 £m	Note	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Brought forward as at 1 April 2022		1.5	615.9	28.9	761.5	1,407.8
Comprehensive income/(expense) for the year						
Loss for the year		–	–	–	(224.0)	(224.0)
Total comprehensive income/(expense) for the year		–	–	–	(224.0)	(224.0)
Contributions by and distributions to the owners:						
Issue of share capital	12	–	–	–	–	–
Share premium	12	–	–	–	–	–
Options granted and awards exercised	14	–	–	4.4	–	4.4
Total contributions by and distributions to the owners		–	–	4.4	–	4.4
Balance as at 31 March 2023		**1.5**	**615.9**	**33.3**	**537.5**	**1,188.2**

The consolidated financial statements should be read in conjunction with the accompanying notes.

Notes to the company financial statements

1. Basis of preparation

The financial reporting framework that has been applied in the preparation of the Company's financial statements is Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. The Company has taken advantage of disclosure exemptions available under FRS 101 as explained below. The financial statements are prepared on a going concern basis.

A summary of the more important Company accounting policies, which have been consistently applied except where noted, is set out in the relevant notes below.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined);
- IAS 7 Statement of Cash Flows;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into and between two or more members of a group;
- IAS 1 Presentation of Financial Statements and the following paragraphs of IAS 1: 10(d) (statement of cash flows), 16 (statement of compliance with all IFRS), 111 (cash flow statement information), and 134-136 (capital management disclosures).

No new Standards have been adopted in the current financial year ending 31 March 2024 or in the prior financial year ending 31 March 2023.

2. Critical accounting estimates and judgements

The Directors have made judgements and estimates with respect to those items that have made the most significant effect on the carrying amounts of the assets and liabilities in the financial statements. The Directors have concluded that the critical judgements and estimates in the Company financial statements are consistent with those applied in the consolidated financial statements, further details of which can be found in Note 5 of the consolidated financial statements.

3. Investments in subsidiary undertakings

Investments in subsidiaries are held at cost less any provision for impairment with the exception of unconsolidated investment entity subsidiaries that are held at fair value.

4. Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following basis:

Leasehold improvements – over the term of the lease
Fixtures and equipment – 33% p.a. straight line
Computer equipment – 33% p.a. straight line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis

31 March 2024	Right-of-use assets £m	Leasehold improvements £m	Computer equipment £m	Total £m
Cost				
Cost carried forward as at 1 April 2023	1.6	0.8	0.2	2.6
Additions during the year	–	–	–	–
Disposals during the year	–	–	–	–
Cost as at 31 March 2024	1.6	0.8	0.2	2.6
Accumulated depreciation				
Depreciation carried forward as at 1 April 2023	(1.4)	(0.7)	(0.1)	(2.2)
Charge for the year	(0.2)	–	(0.1)	(0.3)
Disposals during the year	–	–	–	–
Accumulated depreciation as at 31 March 2024	(1.6)	(0.7)	(0.2)	(2.5)
Net book value				
As at 31 March 2024	**–**	**0.1**	**–**	**0.1**
As at 31 March 2023	0.2	0.1	0.1	0.4

Notes to the company financial statements continued

4. Property, plant and equipment continued

As at 31 March 2023	Right-of-use assets £m	Leasehold improvements £m	Computer equipment £m	Total £m
Cost				
Cost carried forward as at 1 April 2022	1.6	0.8	0.2	2.6
Additions during the year	–	–	–	–
Disposals during the year	–	–	–	–
Cost as at 31 March 2023	1.6	0.8	0.2	2.6
Accumulated depreciation				
Depreciation carried forward as at 1 April 2022	(1.0)	(0.6)	(0.1)	(1.7)
Charge for the year	(0.4)	(0.1)	–	(0.5)
Disposals during the year	–	–	–	–
Accumulated depreciation as at 31 March 2023	(1.4)	(0.7)	(0.1)	(2.2)
Net book value				
As at 31 March 2023	**0.2**	**0.1**	**0.1**	**0.4**
As at 31 March 2022	0.6	0.2	0.1	0.9

No "fixtures and equipment" are held by the Company.

5. Results for the parent company

The Auditors' remuneration for audit services and other services is disclosed in Note 10 to the consolidated financial statements.

6. Financial assets held at fair value through profit or loss

Name of undertaking	Registered office	Activity	Holding	Country	31 March 2024 £m	31 March 2023 £m
Esprit Investments (1) (B) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group and Molten Ventures FoF I LP hold Fund of Fund investments	100%	England	**10.6**	14.2
Esprit Investments (2) (B) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group and Molten Ventures FoF I LP hold Fund of Fund investments	100%	England	**53.1**	47.5
Molten Ventures (Ireland) Limited	32 Molesworth Street, Dublin 2, Ireland	Investment entity	100%	Ireland	**951.5**	1,041.70
Molten Ventures Holdings Limited	20 Garrick Street, London WC2E 9BT	Intermediate Company and Qualifying Asset Holding Company ("QAHC")	100%	England	**85**	51.9
Esprit Investments 2(B)(i) LP	20 Garrick Street, London WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**–**	–
Esprit Investments 2(B)(ii)	20 Garrick Street, London WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**123.3**	116.2
Forward Partners 1 L.P.	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**11.4**	–
Forward Partners III L.P.	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**46.8**	–
Forward Partners II L.P.	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	**6.8**	–
Totals					**1,288.5**	1,271.5

	31 March 2024 £m	31 March 2023 £m
As at 1 April	**1,271.5**	1,379.7
Investments made in the year[1]	**65.3**	138.2
Loans made/repaid from underlying investment vehicles[1]	**(38.9)**	(48.1)
Changes on gains on investments held at fair value through profit or loss	**(9.4)**	(198.3)
Totals	**1,288.5**	1,271.5

[1] Investments and loans made in the year are amounts the Company has invested in underlying investment vehicles. This is not the equivalent to the total amount invested in portfolio companies, as existing cash balances from the investment vehicles are reinvested.

See Note 4(b) in the consolidated financial statements for the accounting policies in respect of investments held at fair value through profit or loss.

7. Investments in consolidated subsidiary undertakings, associates and Employee Benefit Trust

On 15 June 2016, the Company acquired the entire capital interests of Esprit Capital Partners LLP for £13.2 million, which was satisfied in shares and is held at cost on the Company's balance sheet within investments in subsidiary undertakings as at 31 March 2024 (2023: £13.2 million).

On 26 November 2016, the Company acquired 30.77% of the capital interests in Elderstreet Holdings Limited, the holding company of Elderstreet Investments Limited (manager of Molten Ventures VCT plc) for £0.26 million which was held at cost on the Company's balance sheet at 31 March 2020 within investments in associates. On 9 February 2021, Molten Ventures plc acquired the remaining 69.23% of the issued share capital in Elderstreet Holdings Limited. Elderstreet Holdings Limited was held as an Investment in Associate on the consolidated statement of financial position as at 31 March 2020. Total consideration for the remaining issued share capital not previously held was cash consideration of £0.79 million (with an amount withheld for tax on share options). This transaction is accounted for under IFRS 3 as a business combination achieved in stages (or "step acquisition") as this transaction resulted in Molten Ventures plc obtaining control over Elderstreet Holdings Limited and Elderstreet Investments Limited (as its 100% owned subsidiary). At 31 March 2024, the total investment in subsidiary undertaking is £1.05 million made up of initial ownership and the cash consideration (31 March 2023: £1.05 million).

On 27 November 2020, Molten Ventures Employee Benefit Trust (the "Trust") was set up to operate as part of the employee share option schemes. The Trust is funded via a loan from Molten Ventures plc, which is included in trade and other receivables on the company statement of financial position.

On 14 March 2024, Molten Ventures plc acquired 100% of the issued capital of Forward Partners plc in an all share acquisition scheme of arrangement, in a ratio of one new Molten Ventures plc ordinary share for every nine Forward Partners plc ordinary shares. In accordance with IFRS 3, step acquisition accounting was applied as the Company held a 0.76% equity interest in Forward Partners plc before acquisition, at a fair value of £0.5m. The Company therefore recognised a loss of £0.04m on completion of the acquisition as a result of remeasuring this equity interest at fair value on 14 March 2024. Molten Ventures plc issued 14.8m new shares in exchange for the issued share capital of Forward Partners plc. This equates to consideration of £37.0m based on the closing Molten Ventures plc share price on 14 March 2024 of £2.504 pence per share.

8. Cash and cash equivalents

	31 March 2024 £m	31 March 2023 £m
Cash at bank and on hand	**21.3**	20.5
Cash equivalents	**20.2**	–
Total	**41.5**	20.5

Cash on hand earns interest at floating rates based on daily bank deposit rates. Cash equivalents represent monies held in a Sterling Government Liquid Reserves Money Market Fund which can be redeemed daily.

9. Trade and other receivables

	31 March 2024 £m	31 March 2023 £m
Trade receivables	**0.3**	0.8
Other receivables and prepayments	**0.9**	1.9
Loans made to Group companies	**9.5**	9.5
Intercompany debtors	**–**	0.9
Total	**10.7**	13.1

10. Loans and borrowings

Molten Ventures have an agree £150.0 million net asset value facility with J.P. Morgan Chase Bank N.A. ("JPM") and HSBC (the "Debt Facility"). The Debt Facility comprises a £90.0 million term loan and a revolving credit facility ("RCF") of up to £60.0 million on three- and two- year tenors respectively, both with one-year extensions up to five years and is secured against various assets and LP interests in the Group. The Debt Facility interest rate is SONIA plus a margin of 5.5% per annum.

11. Trade and other payables

	31 March 2024 £m	31 March 2023 £m
Trade payables	**(0.2)**	(0.4)
Other taxation and social security	**(0.2)**	(0.2)
Intragroup creditors	**(9.2)**	(11.2)
Other payables	**(0.2)**	(2.4)
Accruals and deferred income	**(7.3)**	(4.9)
Total	**(17.1)**	(19.1)

All trade and other payables amounts are short term. The net carrying value of all financial liabilities is considered a reasonable approximation of fair value.

Notes to the company financial statements continued

12. Share capital and share premium

31 March 2024 – Allotted and fully paid	Number	Pence	£m
At the beginning of the year	152,999,853	1	1.5
Issue of share capital during the year for cash[1]	21,261,548	1	0.2
Share-for-share exchange[2]	14,785,049	1	0.2
At the end of the year	189,046,450	1	1.9

1 In December 2023, the Company raised equity by issuing 21,261,548 new ordinary shares at 1 pence.
2 In February 2024, the Company exchanged 14,785,049 ordinary shares as part of the Forward Partners Group Limited acquisition.

31 March 2023 - Allotted and fully paid	Number	Pence	£'m
At the beginning of the year	152,999,853	1	1.5
Issue of share capital during the year[1]	–	–	–
At the end of the year	152,999,853	1	1.5

Movements in share premium in the statement of changes in equity are shown net of directly attributable costs relating to the share issuance. Movements in share capital and share premium are explained in Note 26 of the consolidated financial statements.

13. Other reserves

Movements in other reserves are explained in Note 27 of the consolidated financial statements.

14. Share-based payments

The Company operates a share option scheme that is explained in Note 15 of the consolidated financial statements. The Company operates the share option scheme within the Group, therefore, the details provided in Note 15 are also applicable to the Company.

15. Employee information

Employee benefit expenses (including Directors) comprise

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Wages and salaries	10.8	8.3
Defined contribution pension costs	1.0	0.8
Benefits (healthcare and life assurance)	0.3	0.3
Recruitment costs	0.2	0.2
Social security contributions and similar taxes	1.4	1.2
General employee and employee related expenses	13.7	10.8
Share-based payment expense arising from Company share option scheme	4.8	4.4
Total employee benefit expenses	18.5	15.2

The monthly average number of persons (including Executive and Non-Executive Directors) employed by the Company during the year was:

	Year ended 31 March 2024 Number	Year ended 31 March 2023 Number
Executive Directors	3	3
Non-Executive Directors	4	5
Investment	22	22
Infrastructure	24	26
Total	53	56

Infrastructure comprises finance, marketing, human resources, legal, IT, ESG, investor relations and administration.

At 31 March 2024, there were five Non-Executive Directors (31 March 2023: five). See Nomination Committee report for further details of changes in the year.

16. Deferred tax

Deferred tax is calculated in full on temporary differences under the balance sheet liability method using the tax rate expected to apply when the temporary differences reverse. See breakdown below:

	31 March 2024 £m	31 March 2023 £m
Arising on the investment portfolio	(9.8)	(20.9)
Arising on share-based payments	(1.6)	(1.0)
Other timing differences	(0.1)	(0.3)
Deferred tax liability	(11.5)	(22.2)
At the end of the period	(11.5)	(22.2)

17. Subsidiary undertakings

The Company has a number of subsidiary undertakings. For a breakdown of the subsidiaries and related undertakings of the Group, of which Molten Ventures plc is the ultimate parent entity, see Note 4(b) and Note 18 of the consolidated financial statements. See below the list of direct subsidiaries of Molten Ventures plc.

Name of subsidiary undertaking	Activity	Holding	Registered office
Esprit Capital Partners LLP	AIFM to the Company and Esprit Funds	100%	20 Garrick Street, London WC2E 9BT United Kingdom
Molten Ventures (Nominee) Limited[1]	Nominee company	100%	20 Garrick Street, London WC2E 9BT United Kingdom
Elderstreet Holdings Limited[2]	Intermediate holding company	100%	20 Garrick Street, London WC2E 9BT United Kingdom
Molten Ventures (Ireland) Limited	Investment entity	100%	32 Molesworth Street, Dublin 2, Ireland
Esprit Investments (1) (B) LP	Limited Partnership pursuant to which the Company and Molten Ventures FoF I LP hold Fund of Fund investments	100%	20 Garrick Street, London WC2E 9BT United Kingdom
Esprit Investments (2) (B) LP[3]	Limited Partnership pursuant to which the Company and Molten Ventures FoF I LP hold Fund of Fund investments	100%	20 Garrick Street, London WC2E 9BT United Kingdom
Grow Trustees Limited	Trustee of the Group's employment benefit trust	100%	20 Garrick Street, London WC2E 9BT United Kingdom
Molten Ventures Advisors Ltd	Investment Advisor to the Growth Fund	100%	20 Garrick Street, London WC2E 9BT United Kingdom
Molten Ventures Holdings Limited	Intermediate Company and Qualifying Asset Holding Company ("QAHC")	100%	20 Garrick Street, London WC2E 9BT United Kingdom
Esprit Investments (2)(B)(i) LP	Limited Partnership pursuant to which the Group makes certain investments	100%	20 Garrick Street, London WC2E 9BT United Kingdom
Esprit Investments (2)(B)(ii) LP	Limited Partnership pursuant to which the Group makes certain investments	100%	20 Garrick Street, London WC2E 9BT United Kingdom
Forward Partners Group Limited	Limited Partner to the Forward Funds	100%	20 Garrick Street, London WC2E 9BT United Kingdom

1 Molten Ventures (Nominee) Limited is held at cost £Nil (2023: £Nil) on the Company's balance sheet.
2 The remaining interest in Elderstreet Holdings Limited, holding company of Elderstreet Investments Limited, was purchased by Molten Ventures plc on 9 February 2021. For further details, see Note 18 of the FY21 consolidated financial statements.
3 A minority holding in Esprit Investments (1) (B) LP & Esprit Investments (2) (B) LP was sold within the financial year ended 31 March 2023 to internal and external parties.

The investments are held through the investment companies as set out in Note 30 in the consolidated financial statements at their respective net asset values, and as such, are all noted to be Level 3 for FY24 and FY23. The difference between investments disclosed in Note 30 of the consolidated financial statements and the Company investments relate to interests in unvested carried interest held by subsidiaries of Molten Ventures plc, which are included in the consolidated financial statements at FVTPL but are not included in the Company financial statements. Unvested carried interest is carried interest, which is yet to vest, but would be due on realisation of assets based on measurement date fair values of investments. See table below for a reconciliation to the investment figure in Note 30 of the consolidated financial statements and the investments figure on the Company statement of financial position.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Molten Ventures plc investments held at fair value through profit or loss	1,288.5	1,271.5
Fair value of investments held in other Group entities*	3.6	5.5
Total	1,292.1	1,277.0

*Refers to the fair value of investments not held by Molten Ventures plc but included within the Consolidated Statement of Financial Position.

The Company holds investments at FVTPL. Refer to Note 30 for the Group's policies with respect to fair value measurements and Note 2 of the Company financial statements.

Notes to the company financial statements continued

18. Financial instruments risk

In the normal course of business, the Company uses certain financial instruments including cash, trade and other receivables and investments. The Company is exposed to a number of risks through the performance of its normal operations. Refer to Note 31 of the consolidated financial statements.

19. Related party transactions

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and are considered to be the Directors of the Company listed on pages 70 to 71.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Wages and salaries	2.4	2.1
Defined contribution pension costs	0.2	0.2
Social security contributions and similar taxes	0.3	0.3
Carried interest paid	0.6	1.2
Total	3.5	3.8

The details of individual Directors' remuneration and pension benefits, as set out in the tables contained in the Directors' Remuneration Report on page 90, form part of these financial statements.

Other related party transactions

Please refer to Note 32 in the consolidated financial statements for further details on related party transactions. In addition to the transactions referenced in Note 32, the below transactions eliminate on consolidation but are relevant for the Company:

As at 31 March 2024, Molten Ventures plc has a receivable relating to an intercompany loan with Grow Trustees Limited relating to the purchase of own shares for the benefit of the Molten Ventures Employee Benefit Trust of £9.5 million (31 March 2023: £9.5 million).

During the year, £1.8 million (year ended 31 March 2023: £2.0 million) was invoiced from Molten Ventures plc to Encore Ventures LLP for overheads, including use of office space at 20 Garrick Street, staff, and fixed assets. At year-end a balance , Molten Ventures plc owed £0.1 million (31 March 2023: due £0.2 million). Encore Ventures LLP is a subsidiary of Molten Ventures plc and has a management contract with the EIS funds.

During the year, the Company invoiced Elderstreet Investments Limited, previously an associate and now a subsidiary, £0.4 million (year to 31 March 2023: £0.4 million), with a balance outstanding at year-end of £Nil (31 March 2023: £Nil) for overheads, including use of office space at 20 Garrick Street, staff, and fixed assets.

During the year, the Company transferred certain fund of fund investments totalling £nil (31 March 2023: £26.2m) from Esprit Investments 1(B) LP and Esprit Investments 2(B) LP to a newly formed entity, Molten Ventures FoF I LP as part of a strategy for the syndication of Fund of Funds.

20. Subsequent events

Please refer to Note 37 of the consolidated financial statements.

Board, management and administration

Directors

Laurence Hollingworth (Chairman) (appointed 2 January 2024)
Grahame Cook (Senior Independent Director)
Martin Davis (Chief Executive Officer)
Stuart Chapman (Executive Director)
Ben Wilkinson (Chief Financial Officer)
Gervaise Slowey (Non-Executive Director)
Sarah Gentleman (Non-Executive Director)
Lara Naqushbandi (Non-Executive Director) (appointed 11 Sept 2023)
Richard Pelly (Non-Executive Director) (retired 26 July 2023)

Registered office

20 Garrick Street
London
England
WC2E 9BT
United Kingdom

Website

www.investors.moltenventures.com/investor-relations/plc

Broker and Joint Financial Adviser

Numis Securities Limited
45 Gresham Street
London
EC2V 7BF
United Kingdom

Broker and Euronext Dublin Sponsor

Goodbody Stockbrokers UC
9-12 Dawson Street
Dublin 2
D02 YX99
Ireland

Legal Advisers to the Company (as to English law)

Gowling WLG (UK) LLP
4 More London Riverside
London
SE1 2AU
United Kingdom

Legal Advisers to the Company (as to Irish law)

Taylor Wessing Ireland LLP
58 Fitzwilliam Square North
D02 HP73 Dublin 2
Ireland

Depositary

Langham Hall UK Depositary LLP
1 Fleet Place
8th Floor
London
EC4M 7RA
United Kingdom

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT
United Kingdom

Public Relations Adviser

Powerscourt Limited
1 Tudor Street
London
EC4Y 0AH
United Kingdom

Investor Relations Adviser

Equitory
33 Queen Street Pl
London
EC4R 1AP
United Kingdom

Principal Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP
United Kingdom

JP Morgan Chase Bank, N.A., London Branch
25 Bank Street
London
E14 5JP
United Kingdom

HSBC Innovation Bank Limited
Alphabeta
14–18 Finsbury Square
London
EC2A 1BR
United Kingdom

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
United Kingdom

Company Secretary

Gareth Faith

Glossary

In this report, where the context permits, the expressions set out below shall bear the following meaning:

"Act"	the UK Companies Act 2006.
"AIM"	AIM, the market of that name operated by the London Stock Exchange.
"Audit, Risk and Valuations Committee"	the Audit, Risk and Valuations Committee of the Board.
"AUM"	assets under management.
"BoE"	Bank of England.
"BVCA"	British, Private Equity & Venture Capital Association.
"Company" or "Molten Ventures" or "Plc"	Molten Ventures plc (formerly Draper Esprit plc), a company incorporated in England and Wales with registered number 09799594 and having its registered office at 20 Garrick Street, London WC2E 9BT.
"Core Portfolio" or "Core Portfolio Companies"	the companies that generally represent highest fair value to Molten, which account for approximately 62% of the overall portfolio value based on fair values as at 30 September 2023.
"DEF" or "Digital East Fund"	Digital East Fund 2013 SCA SICAR.
"Directors" or "Board"	the directors of the Company from time to time.
"Earlybird Growth Opportunities fund"	Earlybird Growth Opportunities Fund I GmbH & Co. KG.
"Earlybird Fund IV"	Earlybird GmbH & Co. Beteiligungs-KG IV.
"Earlybird Fund VI"	Earlybird DWES Fund VI GmbH & Co. KG.
"Earlybird Fund VII"	Earlybird DWES Fund VII GmbH & Co. KG.
"EIS"	The EIS funds managed by Encore Ventures LLP (Co. Reg. No. OC347590), which sits outside of the Group under the management of Encore Ventures. EIS funds being Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007.
"Elderstreet"	Elderstreet Investments Limited, a private company limited by shares incorporated in England and Wales under registration number 01825358 with its registered office at 20 Garrick Street, London WC2E 9BT.
"Encore Funds"/"EIS funds"	DFJ Esprit Angels' EIS Co–Investment Fund, DFJ Esprit Angels' EIS Co–Investment II, DFJ Esprit EIS. III, DFJ Esprit EIS IV, Draper Esprit EIS 5, Molten Ventures EIS, Molten Ventures KI EIS 23/24 and each an "Encore Fund".
"Encore Ventures"	Encore Ventures LLP, a limited liability partnership incorporated in England and Wales under the registration number OC347590, which sits outside of the Group under the management of Encore Ventures, with its registered office at 20 Garrick Street, London WC2E 9BT.
"ESG"	Environmental, Social and Governance.
"Esprit Capital"/"ECP"	Esprit Capital Partners LLP, a limited liability partnership incorporated in England and Wales under the registration number OC318087 with its registered office at 20 Garrick Street, London WC2E 9BT, the appointed managing vehicle of Molten Ventures plc.
"Euronext Dublin"	the trading name of the Irish Stock Exchange Plc.
"Exclusion list"	the Group's exclusion list setting out the sectors, businesses and activities in which the Group will not invest due to having as their objective or direct impact any of the following: 1. Slavery, human trafficking, forced or compulsory labour, or unlawful/harmful child labour. 2. Production or sale of illegal or banned products, or involvement in illegal activities. 3. Activities that compromise endangered or protected wildlife or wildlife products. 4. Production or sale of hazardous chemicals, pesticides and wastes. 5. Mining of fossil fuels. 6. Manufacture, distribution or sale of arms or ammunitions which are not systems or services generally regarded as having defensive/non-offensive objectives as their core focus. 7. Manufacture of, or trade in, tobacco or alcohol. 8. Manufacture or sale of pornography. 9. Trade in human body parts or organs. 10. Animal testing other than for the satisfaction of medical regulatory requirements. 11. Production or other trade related to unbonded asbestos fibres.
"FCA"	the UK Financial Conduct Authority.
"Forward Partners"	Forward Partners Group Limited, a private company limited by shares incorporated in England and Wales under registration number 13244370 with its registered office at 20 Garrick Street, London WC2E 9BT.
"Fund of Funds"	seed and early stage funds invested in by the Group.
"Gross Portfolio fair value movement"	the increase or decrease in the fair value of the portfolio of investee companies held by funds controlled by the Company before accounting for deferred tax (via Molten Ventures (Ireland) Limited), external carried interest and amounts co-invested.
"Gross Portfolio Value"	Gross Portfolio Value is the value of the portfolio of investee companies held by funds controlled by the Company before accounting for deferred tax, external carried interest and amounts co-invested.
"Group"	the Company and its subsidiaries from time to time and, for the purposes of this document, including Esprit Capital and its subsidiaries and subsidiary undertakings.
"HMRC"	HM Revenue & Customs.
"Forward Partners"	Forward Partners Group Limited, a private company limited by shares incorporated in England and Wales under registration number 13244370 with its registered office at 20 Garrick Street, London WC2E 9BT.
"HSBC"	HSBC Innovation Bank Limited.
"IFRS" or "IFRSs"	International Financial Reporting Standards, as adopted for use in the European Union.
"IPO"	initial public offering
"IPEV Guidelines"	the International Private Equity and Venture Capital Valuation Guidelines, as amended from time to time.
"IRR"	the internal rate of return.
"Investment Committee"	the Investment Committee of ECP.
"Investment Team"	the Partnership Team and Platform Team as described on the Company's website.
"JPM"	J.P. Morgan Chase Bank N.A. London Branch
"Main Market"	the London Stock Exchange plc's main market for listed securities and the regulated market of Euronext Dublin.
"Net Asset Value"/"NAV"	the value, as at any date, of the assets of the Company and/or Group after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company and/or Group from time to time.
"Net Portfolio Value"	the value of the portfolio of investee companies held by funds controlled by the Company after accounting for deferred tax, external carried interest and amounts co-invested and recognised on the statement of financial position.
"Ordinary Shares"	ordinary shares of £0.01 pence each in the capital of the Company.
"PricewaterhouseCoopers" or "PwC"	PricewaterhouseCoopers LLP, a limited liability partnership registered in England and Wales with registered number OC303525 and having its registered office at 7 More London Riverside, London SE1 2RT.
"SONIA"	is the Sterling Overnight Index Average, an interest benchmark administered by the Bank of England.
"Shareholder"	Shareholders of Molten Ventures plc
"TCFD"	Task Force on Climate-Related Financial Disclosures.
"VC"	Venture Capital.
"VCT"/"VCT funds"	the VCT fund of Molten Ventures VCT plc (Co. Reg. No.03424984), which sits outside of the Group under the management of Elderstreet. VCT being Venture Capital Trusts under the provisions of Part 6 of the Income Tax Act 2007.

Consultancy, design and production by:
jonesandpalmer.co.uk

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