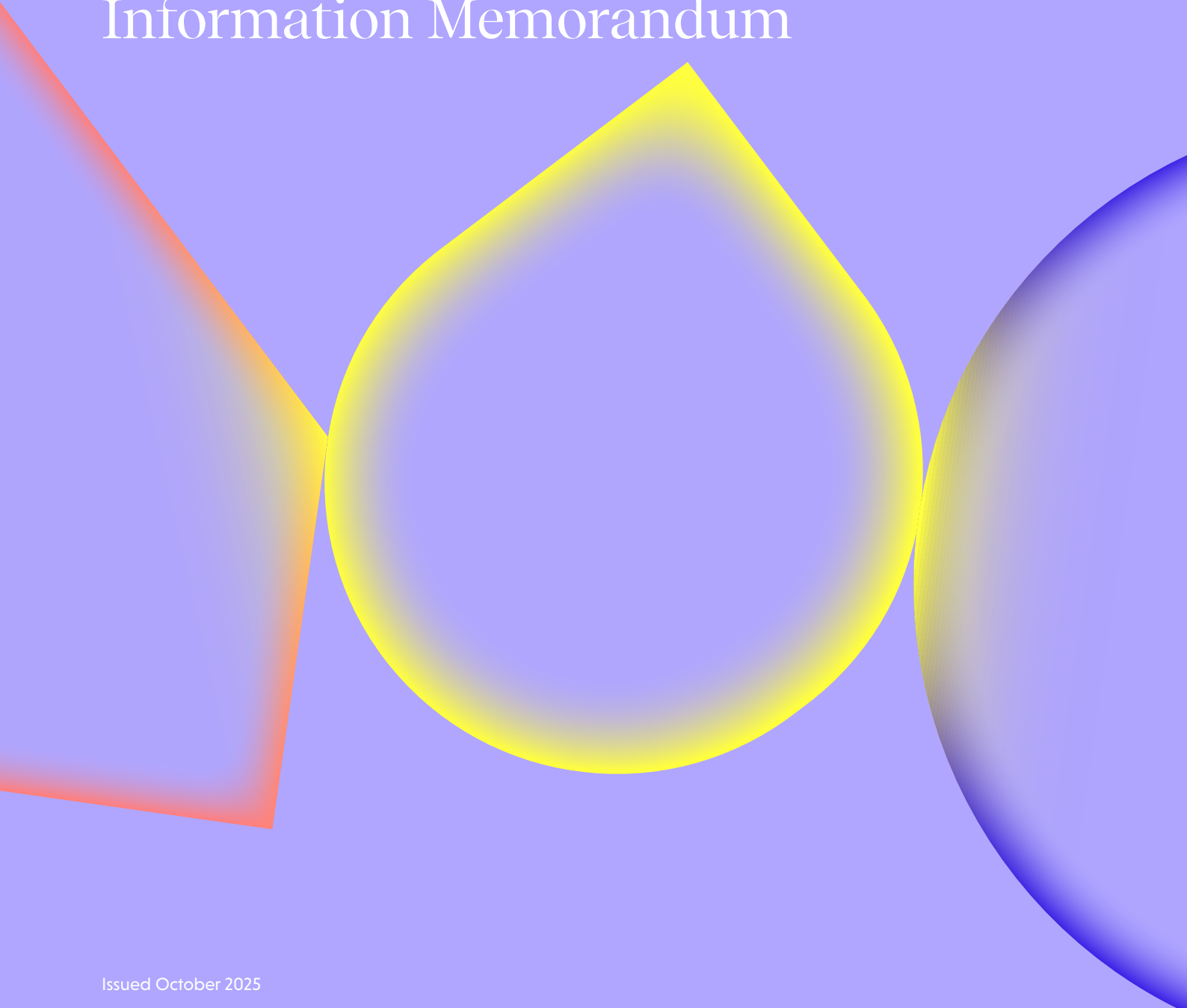




Molten EIS

Molten Ventures EIS Information Memorandum

Issued October 2025

Molten Ventures EIS is an unauthorised Alternative Investment Fund for the purposes of the Alternative Investment Fund Managers Directive as implemented into UK law. Molten Ventures EIS is a collection of parallel discretionary managed portfolios. Each is managed by Encore Ventures LLP, a Limited Liability Partnership registered in England and Wales No. OC347590. Encore Ventures LLP is authorised and regulated by the Financial Conduct Authority (FRN: 510101).

“

Molten Ventures EIS was rated 89/100 (the highest rated EIS) by Tax Efficient Review from 2015 until 2023 and is now rated on the second highest score of 88/100.¹

Contents

	Page No.
Risk Warning	4
Section 1: INTRODUCTION	
About Molten Ventures	5
Overview	6
Our Co-Investment Approach	7
Sector Focus & Investment Criteria	8
Section 2: PORTFOLIO AND PERFORMANCE	
Example Investee Companies	9
How we add value	10
Exit Highlights	12
All Molten EIS Exits to Date	17
Portfolio Construction and Outcomes	14
Section 3: EIS TAX ADVANTAGES	
Tax Advantaged Options – Comparison of Tax Reliefs	16
Section 4: FEES	
Fees	17
Section 5: TEAM & GOVERNANCE	
Team & Governance	18
Section 6: RISK FACTORS	
Risk Factors	21
Section 7: HOW TO INVEST	
What to Expect	24
Fund Operation and Timing	25
Section 8: FURTHER INFORMATION	
Investment Objectives and Investment Restrictions	29
Tax Matters – EIS Technical Information	30
Section 9: APPENDICES	
Glossary of Terms	31
Contact	34

“

Molten have shown that they can deliver cash returns across many of their investment tranches, with most investors between 2014 and 2019 having had most, if not all, of their original investment back via cash distributions.

At a time when EIS fund raising is down at historically low levels, it's good to be able to show that EIS investments can and do help UK smaller companies grow, as well as deliver profitable outcomes to retail investors.

TAX EFFICIENT REVIEW

INDEPENDENT COMMENTATOR ON THE EIS MARKET.
FEBRUARY 2025.

**Don't invest unless you're prepared to lose all the money you invest.
This is a high-risk investment. Take two mins to learn more.**

This Memorandum constitutes a non-direct offer financial promotion pursuant to section 21 of FSMA and is issued and approved by the Fund Manager, Encore Ventures LLP. Encore Ventures LLP is authorised and regulated by the Financial Conduct Authority and its registered offices are at 20 Garrick Street, London, WC2E 9BT.

This document is intended to be communicated only to:

- clients of FCA authorised firms that will provide advice on the suitability of this Fund; or
- those requesting information on behalf of an FCA authorised firm, accountant or tax adviser, and who will only communicate this information to certified sophisticated, high net worth or restricted investors; or
- prospective Investors who meet the FCA's definition of one of the following:
 - a certified high net worth investor;
 - a self-certified sophisticated investor;
 - a certified sophisticated investor;
 - a restricted investor.

Molten Ventures Group

Molten Ventures plc is a leading venture capital firm which invests in and develops high-growth digital technology businesses. All references to Molten Ventures are references to Molten Ventures plc and the group of companies and partnerships in which it is a shareholder or member, and where the context requires, to the funds that they manage.

Prospective Investors are reminded that Molten Ventures EIS is distinct from the Other Molten Ventures EIS Funds, Molten Ventures plc and Molten Ventures VCT plc. Please consult with your independent financial adviser should you wish to acquire shares in Molten Ventures plc (LSE: GROW) or Molten Ventures VCT plc (LSE: MVCT). This is not to be regarded as an offer or invitation to buy or sell shares in Molten Ventures plc or Molten Ventures VCT plc.

Purpose of Memorandum

This Memorandum is issued for the purpose of providing information to potential Investors about an investment in the alternative investment fund known as Molten Ventures EIS (the 'Fund'). **Defined terms used in this Memorandum and not listed in the glossary on page 31 are as defined in the Investment Management Agreement and shall have the same meaning in this Memorandum.**

The Fund, which is not a separate legal entity, exists to facilitate investment in companies which qualify for EIS Relief. The Fund is a Complying Fund and is not a collective investment scheme. It is an unauthorised alternative investment fund for the purposes of the AIFMD as implemented into UK law. The Fund Manager is a Small Authorised UK Alternative Investment Fund Manager for the purposes of the FCA Rules and its client shall be the Fund and not the underlying Investors for regulatory purposes. The Fund is a Restricted Mass Market Investment and will be invested in Non-Readily Realisable Securities, both as defined in the FCA rules. Such investments are often more risky than investments in quoted securities or shares and less liquid as there is typically no ready market in them.

Unquoted securities may be subject to transfer restrictions and may be difficult to sell. It may be difficult to obtain information as to how much an Investment is worth or how risky it is at any given time. Investing in private companies may expose you to a significant risk of losing all the money invested. Before investing, you are strongly recommended to consult an authorised person specialising in advising on investments of the kind described in this Memorandum.

Investing in the Fund is speculative and involves a significant degree of risk. The attention of prospective Investors is specifically drawn

to this Risk Warning: <https://investors.moltenventures.com/investor-relations/eis/eis-portfolio-risk-summary> and the contents of the section in this document entitled 'Risk Factors'.

The Fund Manager, its members and employees do not accept any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any information or opinions contained herein or in any other communication in connection with an Investment in the Fund except where, and only to the extent that, such liability arises under FSMA, regulations made under FSMA or the FCA rules and may not be excluded.

Any Application to invest in the Fund may only be made and will only be accepted subject to the terms and conditions of the Investment Management Agreement. Your rights in this respect are more fully set out in the Investment Management Agreement.

Contents of Memorandum

The Fund Manager has taken all reasonable care to ensure that the facts stated in this Memorandum, at the date of publication, are true and accurate in all material respects and that there are no other material facts whose omission would make any statement of fact or opinion in this Memorandum materially misleading. All statements of opinion or belief contained in this Memorandum, all views expressed and statements made regarding future events represent the Fund Manager's own assessment and interpretation of information available to it as at the date of this Memorandum.

No representation is made or assurance given that such statement or view is correct or that the objectives of the Fund will be achieved. You, as a prospective Investor, must determine for yourself what reliance (if any) you should place on such statements, views or forecasts, and no responsibility is accepted by the Fund Manager in respect of any of such statements, views or forecasts.

Where information has been obtained from third party sources, the Fund Manager cannot accept responsibility for the completeness or accuracy of that information and potential Investors must form their own opinion as to the reliance they place on that information. You will need and be expected to make your own independent assessment of the Fund and to rely on your own judgement (or that of your independent financial adviser) in respect of any investment you may make in the Fund and the legal, regulatory, tax and investment consequences and risks of doing so.

Investor enquiries should be directed to: eis@molten.vc

October 2025.

About Molten Ventures

Molten Ventures invests in disruptive, high growth technology companies.

We believe it is our role to support the visionary entrepreneurs who aspire to invent the future. We fuel their growth with capital, access to our networks and decades of experience building businesses.

For more information please visit:

www.moltenventures.com

We inject exceptional 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. The Fund Manager leverages the platform of the Molten Ventures group as it relates to the sourcing, investing, managing and exiting all investments across all the investment funds.

The Fund benefits from being part of the Molten Ventures group, and from the access to deal flow and operational support this offers. Nonetheless it is important to note that any information relating to Molten Ventures plc is specific to Molten Ventures plc and not the Fund to which this Memorandum relates.

“

Where investments qualify for EIS and VCT investment, this structure enables us to combine three capital pools to invest in the UK's most exciting technology companies in a risk-adjusted and tax-efficient manner for EIS and VCT investors.



BEN WILKINSON
CEO, MOLTEN VENTURES PLC

Molten

Molten Ventures plc

- Listed on London Stock Exchange
- Ticker symbol: GROW

At 31 March 2025 –
reporting date:

- Net assets:

£1.24bn

Molten Ventures plc
is the 100% beneficial owner of:

• **Encore Ventures LLP**

Authorised and regulated by the
Financial Conduct Authority
FCA 510101

Fund manager of:

Molten Ventures EIS

EIS AUM

at 5 April 2025:

£274m

• **Elderstreet Investments Limited**

Authorised and regulated by the
Financial Conduct Authority
FCA 148527

Fund manager of:

Molten Ventures VCT plc

VCT NAV

at 31 March 2025:

£118m

Overview

Molten Ventures EIS's objective is to deliver tax-free capital growth from EIS qualifying venture capital investments.

Three things to know about Molten Ventures EIS:

WE ARE INVESTMENT-LED

Our investment strategy came first and EIS followed. Molten Ventures was an established venture capital firm that already managed funds for professional institutional investors. EIS was added when the Budget in 2012 expanded the head-count limits for firms raising EIS/VCT, meaning a large number of investments made within the existing strategy could now qualify for EIS/VCT.

OUR CO-INVESTMENT STRATEGY ALLOWS US TO PARTICIPATE IN LARGER DEALS

Investments made by the Molten Ventures syndicate, including where EIS invests alongside the VCT and plc funds, are significantly larger on average than deals that can be considered by other EIS managers. This equates to differentiated deal flow and a focus on larger and/or later stage investment rounds than investors had previously had access to with EIS.²

13-YEAR TRACK RECORD WITH EIS

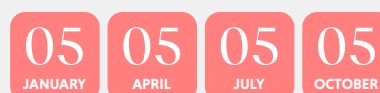
Over £270m has been raised and over £108m of proceeds have been generated from exits to date. Over 100 investments have been made into more than 50 portfolio companies. There is substantial R&D, innovation and job creation within the portfolio, with thousands of employees in aggregate.

Key Information

- Molten Ventures EIS (the 'Fund') is a collection of parallel discretionary managed portfolios.
- The Fund is a growth EIS fund and will deploy its capital into qualifying Investments over a period of time, each with its own electronic EIS3 certificate.
- Each subscription is intended to be invested in a portfolio of 6-12 EIS Qualifying Companies.
- The target is to invest subscriptions within 12-18 months of each Close Date, although this timing is not guaranteed.
- It is intended that the Fund will co-invest alongside other funds managed by Molten, and with other funds and managers. Allocation splits vary from time to time.
- Funds raised in each Close will be invested alongside those subscribed in prior Closes and in subsequent Closes.
- Electronic EIS3 certificates will be issued for each individual Investment, typically around 8-12 weeks following the investment, depending on the turnaround time of HMRC.
- Our target holding period is 3-5 years for each Investment. Exit timeframes are always expected to be a spread – in each portfolio Investors should be prepared that the final assets are likely to be held longer than this and some may be realised earlier during the 3-year qualifying period which would result in the associated loss of tax reliefs.
- The exit route for successful Investments is most likely to be via trade sale (M&A), sale to a Private Equity buyer, or an initial public offering (IPO) and sale of shares.
- Investors will receive distributions from the proceeds of successful realisations as they arise.

Fundraising Close Dates each year

The Fund accepts subscriptions every quarter on an ongoing basis with fundraising tranches that close on:



² The co-investment strategy enables the Fund to participate in larger, later stage growth investments and leverage off the recognition of the Molten Ventures brand. However, conflicts could arise between other funds managed by the Fund Manager, the Fund, Other Molten Ventures EIS Funds, Molten Ventures plc, and Molten Ventures VCT plc with respect to differing investment strategies, deployment and realisation needs, and the contemplated manner and timing of potential exits.

Our Co-Investment Approach

Our co-investment approach allows a focus on larger and/or later stage investments than are available to other EIS Fund Managers, and for EIS Investors to benefit from the investment experience and platform of the Molten Ventures group.

The trigger that led to our first EIS fund was a change announced in Budget 2012 that raised the headcount limit for firms raising capital through EIS/VCT from 50 employees to a new limit of 250 employees (now 499 for Knowledge Intensive Companies).

Overnight, and without changing our existing investment strategy and dealflow, a large number of our opportunities became EIS/VCT qualifying because of the new headcount limit, whereas previously the companies which we focus on had been too big.

We launched our first EIS fund in 2012 with a clear strategy to focus on later stage investments with larger investment rounds into companies that had previously been out of reach to private investors through EIS.

This was enabled by the ability to co-invest alongside the institutional funds being managed by the Molten Ventures group. This allowed participation in deal sizes an order of magnitude greater than typically found in the EIS market at the time.

Today the EIS funds intend to participate in investment rounds where Molten Ventures as a syndicate will normally commit £4-10m. These are expected to comprise later stage deals and also larger scale earlier stage deals.³

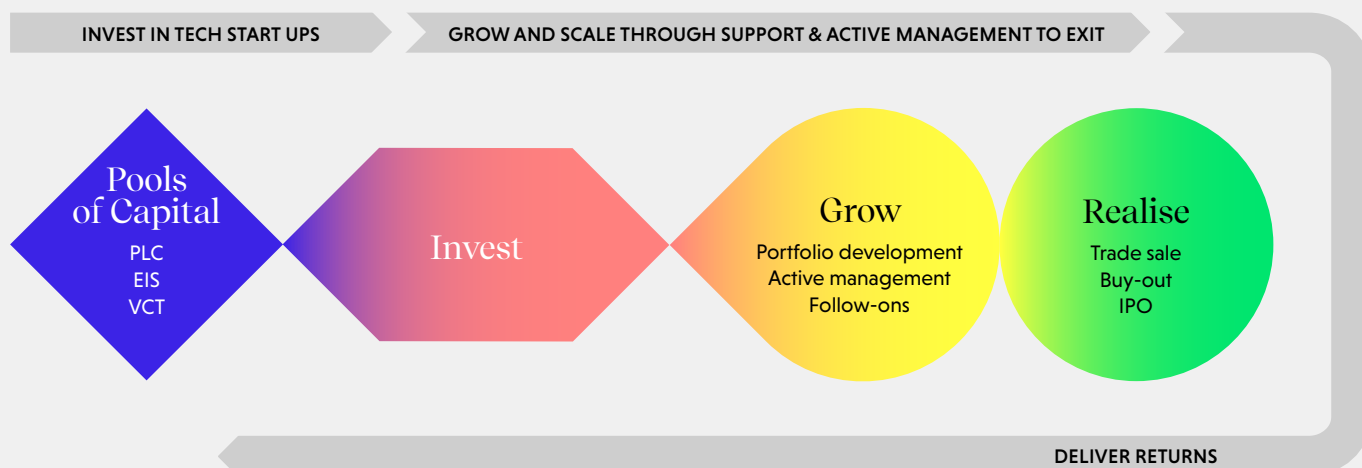
Integration of sustainability in our investment strategy

We are committed to responsible investing through the life cycle of our investments, from pre-screening to exit.

We believe that sustainability 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 sustainability due diligence process before a final decision is taken on the investment.

Business model



³ Note: Conflicts could arise between the Fund Manager, the Fund, the Other Molten Ventures EIS Funds, Molten Ventures plc, and Molten Ventures VCT plc with respect to differing investment strategies, deployment and realisation needs, and the contemplated manner and timing of potential exits.

Sector Focus & Investment Criteria

We seek highly scalable businesses that strive to command large and strategic valuations on exit.

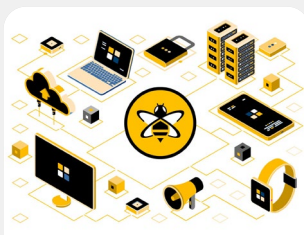
Molten Ventures is an experienced, established venture capital ("VC") investor, and one of the largest VCs in Europe.

VC investing is investing in the businesses of the future. Our VC investments are focused on technology and technology-enabled companies because they are capable of rapid growth by creating new technologies, transforming

and redefining existing industries and becoming leaders in entirely new markets.

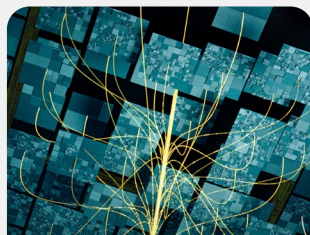
For Silicon Valley over the past 50 years, and Europe over the past 20-30 years, the consistent driver of returns in venture capital has been through technology investing.

We have a broad sectoral approach, however we believe that most venture capital investment opportunities in Europe with the requisite characteristics for the Fund will fall into the following core sectors:



ENTERPRISE & SaaS

We target software infrastructure, applications, and services that significantly boost enterprise productivity, cost-efficiency, and operational smoothness. Our investments empower businesses to thrive in the digital age.



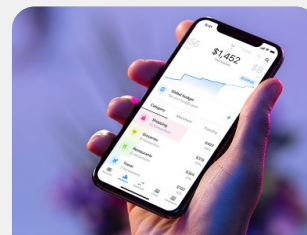
HARDWARE & DEEP TECH

We invest in R&D-intensive technologies with the potential to become commercially dominant, revolutionising industries and enabling entirely new ways of living and doing business. Our focus is on transformative innovations that shape the future.



DIGITAL HEALTH

We back companies using data, software, and hardware to create groundbreaking products and services for the health and wellness market. Our investments aim to improve patient outcomes and transform healthcare delivery.



CONSUMER

We invest in innovative consumer-facing products and business models that harness technology to create exceptional opportunities. Our focus is on companies with proven execution capabilities that can scale rapidly and disrupt markets.

Our goal is to seek out high growth companies that in our team's assessment meet the following criteria:

- 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;
- have the potential to be global sector leaders;
- have competitive barriers to entry to encourage strong margins, and have capital efficient business models;
- 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 or public ownership by institutions by way of an IPO; and
- have the potential to generate returns that are multiples of the invested capital for investors.

Capital is at risk. The Fund makes investments as co-investments, including alongside Other Molten Ventures EIS Funds and the other funds managed by the group.

Example Investee Companies

The examples below give an illustration of the potential scale, growth rate, impact and ambition of the companies we back.

The common theme within our deals is that the companies aspire to be highly valuable businesses, often the market leaders, in large and typically international markets.

In addition to investing capital, we work hands-on with the entrepreneurs and teams that we back. The Molten Ventures group often take an active role in building the businesses and typically have board representation as a director or an observer.

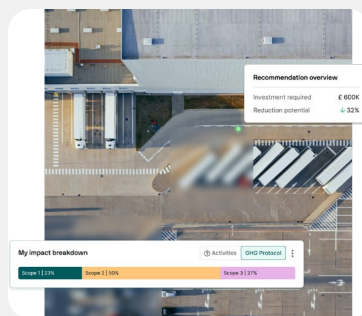


FORM3 FINANCIAL CLOUD

Form3 is a software company. It provides infrastructure for banks to make payments. Its software is built using modern technologies and software approaches that transform what is possible when compared with historic approaches.

It is implemented as a hosted 'cloud-native' software solution that delivers a real-time (24/7/365) bank-grade payment platform for account to account payments. This allows established financial institutions to supplement their existing proprietary IT and payment systems with a flexible software architecture that can support new online customer apps and new payment options, e.g. showing the real time status and completion of payments.

Their clients and partners include Barclays, Lloyds, Goldman Sachs, Nationwide and Mastercard.



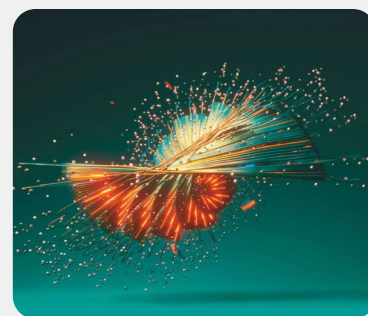
ALTRUISTIQ

As increasing numbers of companies commit to emission reduction targets, they require sophisticated approaches to enable them to meet those targets. Large enterprises with significant emissions footprints face particular challenges.

On average, most of their emissions will come from their supply chain and the scale of their emissions makes it uneconomical to utilise carbon-offsetting schemes. Instead, they need to identify opportunities to abate emissions in their own operations and throughout their supply chain.

Altruistiq is developing a SaaS platform which addresses these challenges by automating and managing their corporate emissions reduction initiatives.

It gathers data at a far more granular level than other offerings in the market. This in turn enables it to generate bespoke, insightful and actionable recommendations and to report with high accuracy.



river lane

Riverlane is a DeepTech company developing quantum computing software designed to transform experimental technology into commercial products.

The company has built a software operating system which provides infrastructure and tools to hardware companies – its role is similar in manner to Microsoft's operating system which became the leader for PC computing. Customers and users can utilise different and even competing quantum technologies with Riverlane's operating system providing consistency and portability across diverse underlying hardware technologies. The company's technology is protected by a wide family of patents.

In August 2024 Riverlane announced that it had raised \$75 million in Series C funding to deliver its groundbreaking quantum error correction (QEC) roadmap.

The funding will enable Riverlane to expand operations to meet surging global market demand for QEC technology.

Warning: Past performance is not necessarily an indicator of future results. Your capital is at risk. Examples provided are illustrative only and may vary from the companies which the Fund may invest into.

How we add value

At Molten Ventures, investment is just the beginning. Beyond providing capital, we take an active role in helping our portfolio companies scale. Our Portfolio Development function exists to ensure that the businesses we back have access to the right resources, expertise, and connections to tackle the challenges of building and scaling a fast-growing startup.

We believe that thoughtful, hands-on support drives better outcomes – accelerating the impact of a funding round, extending the effective runway of a team, and ultimately increasing the likelihood of a strong exit.

At the same time, our approach strengthens our ties to the ecosystem: by staying close to our founders, we build long-term relationships that fuel future dealflow.

Through our operating model, investment managers typically sit on the boards of portfolio companies and engage directly in the development of the businesses we invest in.

The Portfolio Development function builds on this by identifying patterns across the portfolio, cross-pollinating best practices, and delivering structured programs to address common challenges

– whether that’s sourcing talent, forming strategic partnerships, or sharpening go-to-market execution.

The following case studies highlight how this model has played out in practice – showcasing the impact of our support in helping our portfolio companies grow, adapt, and thrive.

Case study

Coaching our Portfolio Companies to exit



20+

companies coached over the last 18 months through a structured exit-readiness programme combining workshops and 1:1 clinics.

Sessions covered everything from buyer mapping to equity story development.

Case study

Unilever showcase

- Molten was invited to speak at Unilever's Quarterly Leadership Team meeting to present on the European technology landscape. The session included senior Unilever leaders such as the Global CTO, Global CIO, and CISO.
- Molten shared proprietary data and introduced its AI investment thesis, aligned with early-stage innovation trends.

- Three Molten portfolio companies were selected to present, each chosen for relevance to Unilever's current innovation priorities.
- The showcased technologies demonstrated impact on transforming enterprise operations.

Multiple follow-up conversations are now in progress, including a potential commercial partnership in development.

“

Molten helped us tap into C-Suite execs at Fortune 100 accounts – significantly accelerating our sales cycles.



DARKO MATOVSK
FOUNDER AND CEO OF CAUSALENS

How we add value (CONTINUED)

Board & Operational Effectiveness

We support our portfolio in building the internal discipline needed to scale responsibly, from aligning on the right metrics to strengthening board governance and risk management. This helps ensure teams are not only focused on the right priorities but are also set up to make informed decisions and deliver against their plans.

Business Metrics Alignment: We help companies identify, define, and monitor the business KPIs that matter most at each stage.

Funding Plan Operationalisation: We stress-test funding assumptions to help Founders translate them into an actionable operational plans.

Board Governance: We help companies strengthen governance by introducing them to experienced Chairs and Non-Executive Directors.

Board Effectiveness: We help Founders implement best practices for structuring board meetings, preparing and delivering materials.

Risk and Board Management: We help establish frameworks for identifying, assessing, and mitigating risks.

Talent Acquisition

Hiring the right people at the right time is one of the most critical, and difficult, parts of scaling a business. We work with our portfolio companies to define what 'great' looks like for each stage of growth, from designing organisational structures and shaping search strategies to connecting with top-tier candidates and executive search firms.

Defining Talent Needs and Organisational Structure: We work with Founders to identify skills needed ahead of the next phase of growth, setting the company up for success.

Input into Search Strategy and Materials: We support market mapping and advise on candidate pool selection.

Facilitating Access to Top-Tier Talent: We connect portfolio companies with experienced operators who have seen the next phase of growth.

Sharing Proven Hiring Practices: Leveraging the best-in-class hiring processes, tools, and benchmarks.

Navigating Executive Search Landscape: We have a pool of executive search firms that we have mapped and vetted.

Go-to-Market (GTM) Acceleration

Scaling a fast-growing startup requires more than product-market fit. It demands effective sales execution, clear messaging, and the right network. We work closely with our portfolio companies to strengthen their commercial foundations through targeted support.

Sales Operations Assessment: We help companies assess their sales operations; benchmarking their structure, tools, and workflows against best-in-class startups.

Strategic Introductions: We developed a proprietary network of enterprise executives, including CIOs, CISOs, and Heads of Innovation from Fortune 500 companies, to facilitate warm introductions and unlock high-value deals for our portfolio companies.

GTM Expertise: We provide guidance on key GTM levers.

ICP (Ideal Customer Profile) Strategy: We support companies in refining their ICP, reviewing sales collateral to improve conversion rates and shorten sales cycles.

PR & Brand Support: We facilitate access to journalists and high-profile industry events.

Exit Preparedness

Planning for a successful exit starts long before a buyer shows interest. We work with our portfolio companies early to lay the foundations, from identifying the right acquirers to crafting a narrative that sparks interest.

Buyer Mapping: We support Founders in mapping out the landscape of strategic and financial acquirers.

Equity Story Definition: We help Founders define a narrative that clearly articulates why the company is valuable.

Communications Plan: We help refine messaging, press, and internal channels to ensure the company is positioned as a credible and attractive acquisition or IPO candidate.

Introductions: We introduce Founders to experienced investment bankers and corporate development leads to structure a process, shape deal terms and drive competitive tension.

Transaction Support: We stay hands-on throughout the transaction.

Exit Highlights

We had four profitable exits in the 24/25 tax year, which in aggregate returned over £60m of capital to our EIS funds.

One feature of our successful exits is that the acquirers tend to be very recognisable – Oracle, Nvidia, Nestle, EDF Energy and others have acquired our portfolio companies to improve their range of technologies, strengthen their market position or enter new markets.

When we select investments, we are not looking for niche or lifestyle businesses. The exit outcomes, and identity of the acquirers, reflect the calibre of companies within the portfolio.

PREVIOUS ACQUIRERS OF MOLTEN PORTFOLIO COMPANIES



Case study

endomag⁺

EXIT IN 2024 TO:

HOLOGIC[®]

ACQUIRED FOR:

\$310m

RETURNS:

2018 INVESTMENT: **5.8x**

2020 INVESTMENT: **3.5x**

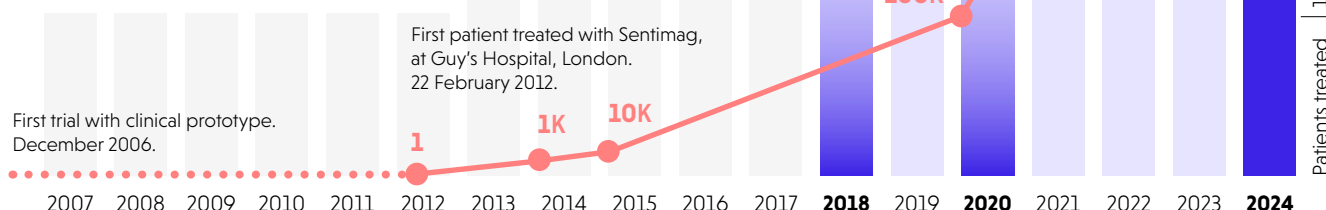
A medical technology company devoted to improving the global standard of care in breast cancer.

Endomag's Sentimag technology had been used in more than 500,000 procedures at the time of exit.

Endomagnetix turned £8m of EIS funds invested in it in 2018 and 2020 into £36m of proceeds when it was sold to Hologic in 2024, in tandem with improving the standard of care for breast cancer patients across the world.



A patient is treated every 4 minutes.
>500,000
treated to date.



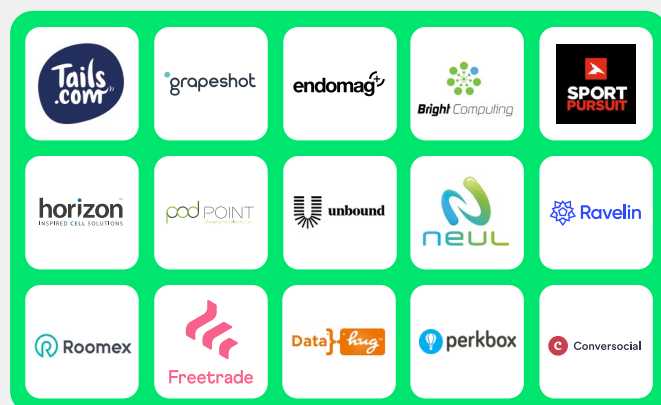
Warning: Past performance is not necessarily an indicator of future results. Your capital is at risk.

All Molten EIS Exits to Date

Our EIS Funds have had 27 realisations up to 5th April 2025 which illustrate the range of outcomes that have been achieved (not including tax reliefs).

We believe that the high proportion of positive outcomes (over 50%), the relatively low total 0x outcomes (<30%) compared to other providers in the market, and the focus we have on making partial recoveries on <1x outcomes wherever possible all differentiate this profile of returns from other EIS strategies in the market that primarily make earlier stage, seed stage or technology transfer spin-out investments.

Returns are expressed as gross multiples versus investment cost (including, where relevant, escrow and expected earn out amounts), and may be subject to a performance fee as described in the 'Fees' section.



	COMPANY	HIGHEST MULTIPLE	COST WEIGHTED AVERAGE RETURN	COST WEIGHTED AVERAGE HOLDING PERIOD (YEARS)
PROFITABLE EXITS	Tails	10.3x	6.4x	3.0
	Grapeshot	9.8x	8.4x	2.0
	Endomagnetics	5.8x	4.5x	4.8
	Bright Computing	5.0x	3.5x	4.7
	SportPursuit	4.7x	3.8x	6.9
	Horizon Discovery	2.9x	2.4x	3.5
	Podpoint	2.7x	2.5x	2.3
	Unbound	2.5x	2.5x	4.1
	Neul	2.1x	2.1x	1.0
	Ravelin	2.1x	2.1x	4.7
	Roomex	1.9x	1.4x	3.3
	Freetrade	1.9x	1.9x	5.1
	Datahug	1.8x	1.3x	3.2
	Perkbox	1.6x	1.3x	4.8
	Conversocial	1.5x	1.3x	3.8
PARTIAL RECOVERY	IXL PremFina	0.9x	0.9x	2.8
	Graphcore	0.8x	0.8x	7.8
	Campanja	0.4x	0.4x	1.3
	Aveillant	0.2x	0.1x	3.8
LOSS	Achica	0x	0x	2.7
	Push Dr	0x	0x	3.5
	Streetteam	0x	0x	3.2
	Cervest	0x	0x	1.3
	Resolving	0x	0x	4.9
	Fluidic Analytics	0x	0x	4.1
	Allplants	0x	0x	2.8
	Morressier	0x	0x	1.4
	Average	2.1x	1.8x	3.6

Warning: Past performance is not necessarily an indicator of future results. Your capital is at risk. Examples provided are illustrative only and will vary from the companies in which an Investment made today would achieve.

Portfolio Construction and Outcomes

We are experienced venture capital investors. We invest into high growth early stage tech companies which is very different to investing in listed companies on a stock exchange.

As an asset class, venture capital investing is risk equity, and it demands specific strategies to manage this.

Venture capital is most commonly managed as a fund. Each fund is typically described as having a vintage, which is based on when it was raised and commenced investing. Different vintages from the same fund manager, and different vintages across the industry will show variances in their returns over time. Institutional venture capital funds typically build a portfolio of 20-30 companies and take 3-5 years to do this.

EIS Differs Through Portfolio Sizes

EIS generally differs because each investor's portfolio contains fewer companies than a non-EIS venture capital fund model as it is invested over a shorter period. In essence they are an annual vintage sample from a much larger portfolio.

We target a portfolio size of 6-12 companies for each Close to allow for diversification.

The Fund is designed to work for both standalone subscriptions into a single vintage, or as a rolling programme for Investors who choose to create a blended return across vintages by making several subscriptions over time.

Portfolio Building

Each subscription to the fund is allocated to its relevant fund Close – every Investor in that Close will have the same portfolio. We can then internally manage and track the specific performance of the discrete Close – not all EIS managers do this.

Every Investment will be selected using the established processes, criteria, due diligence and experience that has served Molten since its foundation. But not all companies will succeed and not all Investments will succeed – this is the nature of risk within venture capital.

We categorise outcomes for each Investment as:

- **WINNERS**

Returning proceeds that are a multiple of their investment cost many times over.

- **RETURNERS**

Returning their investment cost (or slightly more).

- **LOSS**

Returning either nil or a partial recovery of their cost.

The returns of the portfolio, and therefore the return for an Investor's subscription to the fund are determined by how many Winners, Returners and Loss outcomes there are in the portfolio and how big the Winners are.

To generate an overall portfolio return, the successful Investments must produce outcomes that cover the investment cost of the whole portfolio and generate profits on top.

Large returns are possible, because successful outcomes are potentially uncapped, but these are not guaranteed. This is a feature of venture capital and why professional long term asset managers will consider it within an overall portfolio as a small percentage of the portfolio that is considered a risk investment but with potentially high returns.⁸

A particular advantage of EIS is that proceeds are exempt from CGT (assuming that EIS Relief has been claimed and the shares have been held for at least 3 years). In our view this is potentially the largest tax relief on offer with EIS but is often overlooked.

In addition Investors can claim the income tax relief and also have the possibility of deferring capital gains, while potentially mitigating some of their downside via loss relief.

Worked Examples

We have modelled three scenarios overleaf. This is in order to illustrate the potential for downside as well as upside.

The worked examples show a Net Subscription to the Fund of £100,000 from which £10,000 is held back (as described further in the section Fees) and £90,000 is invested in a portfolio of eight companies.

⁸ Capital is at risk. Investors should therefore be prepared to lose part or all of their invested capital.

Portfolio Construction and Outcomes (CONTINUED)

NET SUBSCRIPTION	£100,000
Held Back for Fees	£10,000

		COMPANY	1	2	3	4	5	6	7	8
INVESTED	£90,000		£11,250	£11,250	£11,250	£11,250	£11,250	£11,250	£11,250	£11,250
Income Tax Relief	£27,000		£3,375	£3,375	£3,375	£3,375	£3,375	£3,375	£3,375	£3,375

INVESTMENT SCENARIO 1 – This models a downside outcome where there are no Winners, and an equal split of Loss (assumed 0x full loss) and Returner (capped at 1x return) outcomes.

OUTCOME		LOSS	LOSS	LOSS	LOSS	RETURNER	RETURNER	RETURNER	RETURNER
		0x	0x	0x	0x	1x	1x	1x	1x
GROSS PROCEEDS	£45,000	–	–	–	–	£11,250	£11,250	£11,250	£11,250
Loss Relief (@45%)	£14,176	£3,544	£3,544	£3,544	£3,544	–	–	–	–
Less Accrued Fees	-£5,490	Assumption that all exits occur within 5 years							
Income Tax Relief	£27,000	Assumption that all Investments are held for 3yrs or more (or have nil proceeds) so no ITR is withdrawn on exit							
NET	£80,686								

INVESTMENT SCENARIO 2 – This model adds two Winners, each with a 5x outcome. Examples of ~5x outcomes can be seen in the exit multiples achieved to date.

OUTCOME		LOSS	LOSS	RETURNER	RETURNER	RETURNER	RETURNER	WINNER	WINNER
		0x	0x	1x	1x	1x	1x	3x	5x
GROSS PROCEEDS	£135,000	–	–	£11,250	£11,250	£11,250	£11,250	£33,750	£56,250
Loss Relief (@45%)	£7,088	£3,544	£3,544	–	–	–	–	–	–
Performance Fees (inc VAT)	-£7,039								
Less Accrued Fees	-£5,670	If all non-Winners are realised within 5 years but the Winners takes longer, each additional year will add up to £680 (inc VAT) in fees which will reduce the Net return accordingly							
Income Tax Relief	£27,000	Assumption that all investments are held for 3yrs or more (or have nil proceeds) so no ITR is withdrawn on exit							
NET	£156,379								

INVESTMENT SCENARIO 3 – This models higher success, with one of the Winners increased to a 10x return.

Examples of ~10x outcomes can be seen in the exit multiples achieved to date. There are different routes to a portfolio outcome around this level which could also be achieved, for example, by achieving three 5x Winners, or a single larger 15x Winner.

OUTCOME		LOSS	LOSS	RETURNER	RETURNER	RETURNER	RETURNER	WINNER	WINNER
		0x	0x	1x	1x	1x	1x	5x	10x
GROSS PROCEEDS	£213,750	–	–	£11,250	£11,250	£11,250	£11,250	56,250	£112,500
Loss Relief (@45%)	£7,088	£3,544	£3,544	–	–	–	–	–	–
Performance Fees (inc VAT)	-£25,901								
Less Accrued Fees	-£5,827	If all non-Winners are realised within 5 years but the Winners takes longer, each additional year will add up to £680 (inc VAT) in fees which will reduce the Net return accordingly							
Income Tax Relief	£27,000	Assumption that all Investments are held for 3yrs or more (or have nil proceeds) so no ITR is withdrawn on exit							
NET	£216,110								

Past performance is not a reliable indicator of future results. Where the Molten EIS Funds have achieved outcomes at the levels of 5x or 10x these relate to past Investments made in December 2013 (Tails: 10.3x), December 2015 (Grapeshot: 9.8x), July 2018 (Endomagnetics: 5.8x), October 2017 (Sport Pursuit: 4.7x), and April 2018 (Bright Computing: 5.0x). See also the Performance section on page 13 for a full list of all exits achieved to date.

Tax Advantaged Options – Comparison of Tax Reliefs

Molten Ventures EIS has an investment-led strategy, with EIS Relief providing additional incentives that enhance the underlying returns and offer substantial protection via loss relief.

The table below shows a high level comparison of different tax advantaged options for investing with Molten Ventures. It shows a summary only and is intended to guide further considerations. The specific details can be complex and may depend on personal circumstances. Tax reliefs may depend on how long an asset has been held and the amounts on which reliefs are available. The impact fees have on the amounts on which reliefs are available varies across the cases below. This table does not constitute investment advice.

	Molten Ventures EIS	Molten Ventures VCT	FTSE Listed VC Fund held in a S&S ISA
Tax Relief	EIS	VCT	Possible for private individuals to hold in an ISA
Amount Per Annum	£2,000,000 Amounts above £1m must be in Knowledge Intensive Company investments	£200,000	£20,000
Income Tax Relief	30% ⁵ On amount invested into portfolio	30% On entire subscription	–
Tax Free Capital Gains	✓	✓	✓
Tax Free Dividends	–	✓	Maybe
Minimum Holding Period	3 years ⁶	5 years	–
Investment Type	Discretionary portfolio of future investments	Pooled balance sheet, including existing holdings	Pooled balance sheet
Carry Back	✓	–	–
Loss Relief	✓	–	–
CGT Deferral Relief	✓	–	–
BPR Relief (IHT)	✓ ⁷	–	–
Liquidity	Low Realisation of portfolio companies	Share buyback	Liquid stock
Paperwork	Multiple EIS forms Multiple referable dates for tax relief	Single transaction Single referable date for tax relief	Single transaction

⁵ For EIS, the Molten Ventures EIS fund sets aside 10% of each subscription for fees in the early years of the Fund. EIS Relief is not available on this portion of the investment. So around 90p in each £1 invested is expected to be eligible for EIS Reliefs.

⁶ The referable date for tax relief for EIS is the date on which shares are issued by each individual Investee Company. The target deployment is to invest in a portfolio of 6-12 companies over a period of 12-18 months – so the EIS Reliefs will span several Investments over a period of time.

⁷ As at the date of writing unlisted shares that qualify for Business Property Relief, such as those invested in by the Fund, (subject to minimum holding criteria and personal circumstances) are exempt from IHT. It is expected that, from 6th April 2026 onwards, they will be subject to 0% IHT on the first £1m of business property and 20% IHT above £1m.

Fees

For each £1 subscribed, approximately 90p will be invested (net of our fees) and create 27p of potential Income Tax Relief.

We are transparent in setting out our fees and do not charge fees to Investee Companies. We operate in an investment-led segment of the venture capital market and our priority is to seek out the best opportunities. Applying fees to Investee Companies would be against market practice in these investments.

Deferral of Fees

- In order to maximise the amount invested into EIS Qualifying companies the Fund will settle a proportion of the management fees in the early years from cash and will accrue the balance of fees that will then be paid out of, and subject to the receipt of, exit proceeds.
- We intend to set aside 7.5% (plus applicable VAT) of each Investor's Net Subscription to pay Initial and Management fees in the early years, and after this amount is used fees are taken from proceeds.
- The goal is that a minimum of 90p out of each £1 of Net Subscription is invested in EIS Qualifying Companies for Net Subscriptions of £50,000 and above.

Fee schedule (subject to VAT where applicable)

- **Initial Fee**
2% of the Net Subscription
- **Annual Management Fee (Years 1-5)**
2% p.a. of the Net Subscription
- **Ongoing Management Fee (Year 6 onwards)**
From year 6 onwards, a reducing management fee is charged pro rata to the invested capital that is still under management. This fee is 2% p.a. of the cost price of Investments, including any deferred proceeds, remaining in the Investor's portfolio at the beginning of each annual period, subject to a minimum of 0.5% p.a. of the Investor's Net Subscription to the Fund.

Fees from the Custodian that holds the cash and shares on behalf of Investors are:

- **Custodian Fee**
£80 per annum
An amount of £480 will be set aside from the Net Subscription to cover the first 6 years, and subsequent annual fees will be payable out of exit proceeds.
- **Dealing Commission**
0.2% of transaction value, per purchase or sale transaction.

Performance Fee

The Fund Manager is entitled to a Performance Fee of 20% plus VAT on any Distributions which exceed your Net Subscription to the relevant fund Close. The Performance Fee is payable in cash when liquidity events occur. If the Fund terminates, any unpaid Performance Fee will be payable in cash, shares, or other instruments.

As described in Schedule 2 to the Investment Management Agreement, all reasonable endeavours will be used to ensure that Non-Recoverable Deal Costs borne by the Fund and allocated pro rata amongst Investors will not exceed 0.5% of an Investor's Net Subscription.

Minimum Investment

The minimum subscription to the Fund is £25,000.

A further subscription to the Fund that occurs in a different fundraising Close will be treated as a separate account.

Worked examples

Net Subscription	£25k	£50k	£100k	£250k
Amount set aside to partially pay Initial Fee and Annual Fees in the early years (7.5%) with the balance of fees being accrued	£1,875	£3,750	£7,500	£18,750
Amount set aside to pay Custodian Fee in the early years @ £80 p.a.	£480	£480	£480	£480
0.2% Dealing Fee (approx)	£45	£90	£180	£455
VAT (20%) up to	£375	£750	£1,500	£3,750
Amount to be invested	£22,225	£44,930	£90,340	£226,565
As a percentage of Net Subscription	89%	90%	90%	91%

Warning: Past performance is not necessarily an indicator of future results. Your capital is at risk.

Team & Governance

Management Committee of Encore Ventures



Richard Marsh

Chief Portfolio Officer,
Molten Ventures plc

Richard has worked in start-ups and venture capital since 1997 and is an experienced entrepreneur as well as a venture capitalist, and founder of the Molten EIS practice.

He founded and built Datanomic, a Cambridge-based software company which was a pioneer of Data Quality software and was acquired by Oracle.

Sector focus: Software, hardware, mobile and cleantech.

Richard is an Engineering graduate of Cambridge University where he also received his PhD. Richard holds an MBA from IMD Business School, Lausanne, where he was a Sainsbury Management Fellow.



Ben Wilkinson

CEO,
Molten Ventures plc

Ben Wilkinson was appointed CEO of Molten Ventures in October 2024, having joined the Group as CFO in 2016 and the Board in June 2019. As CFO, he was pivotal in building Molten's balance sheet through equity and debt financing, broadening the shareholder register, and leading Molten's transition to the Main Market.

Before joining Molten, Ben served as CFO for five years at AIM-listed President Energy PLC. Earlier in his career, he worked in M&A investment banking at ABN Amro/RBS, gaining significant cross-border transaction and corporate financing experience.

Ben is a Chartered Accountant (FCA) with a BSc in Economics from Royal Holloway, University of London.



Andrew Zimmerman

Chief Financial Officer,
Molten Ventures plc

Andrew was appointed as CFO and Director in January 2025, having served as Interim CFO since October 2024. Andrew joined Molten as Finance Director in 2023 from IPGL Limited – the family investment office of an UHNWI – where he served as CFO.

Prior to that, Andrew was the EMEA Finance Director for the Carlyle Group, a NASDAQ-listed global private equity and alternative investments firm.

Andrew qualified as a chartered accountant with Deloitte, and has also held Financial Controller roles at Martin Currie Investment Management Limited, Alliance Trust plc and Schroders plc.



Lucy Collins

Head of EIS,
Molten Ventures plc

Lucy joined Molten in 2019 and was promoted to Head of EIS in 2022. She is responsible for the oversight of all the operational and fundraising aspects of the EIS funds and works closely with the Investment team on the deployment of the Funds.

Lucy has worked in the EIS industry since 2004 and has seen a large number of EIS qualifying companies go through their entire investment lifecycle.

Lucy is a Physiology graduate of Oxford University. She is a member of the EIS Association Regulatory Committee and the British Venture Capital Association EIS and VCT subcommittee.

Team & Governance (CONTINUED)

Investment Team Spotlight

All team bios can be seen on our website at: www.moltenventures.com/people but here is a spotlight on three of our investment team.



Nicola McClafferty

Partner

Focus: Digital consumer

Nicola McClafferty's venture capital career draws from over two decades of experience across banking, operations, and investing. She initially developed her deep understanding of technology businesses in the early 2000s at Broadview (now Jefferies Technology Investment Banking), advising founder-led companies through critical exits.

This experience shaped her foundational perspective on building successful, high growth ventures.

Her curiosity about the entrepreneurial journey led her to Benchmark Europe (now Balderton Capital) in 2006, where she backed early-stage consumer internet startups just as digital transformation began reshaping daily life.

Driven to test her insights directly, Nicola founded her own e-commerce marketplace focused on the circular economy. She scaled the business with strategic investors like ASOS, successfully exiting in 2015. This entrepreneurial chapter deeply influenced her investment philosophy. *"It gave me real empathy"*, Nicola notes. *"I understand first-hand the challenges founders face in fundraising, hiring and managing growth."*

Joining Molten in 2017, Nicola has led investments in consumer technology and digital commerce.

Her portfolio includes companies such as: Lyst, a global fashion search engine (now exited); and Duel, a brand advocacy platform for consumer retail brands. Nicola prioritises investments in enabling technologies – platforms that support new commerce models.

Currently, she is particularly engaged with generative AI, identifying it as a pivotal platform shift comparable to the emergence of mobile technology. Her focus remains on AI-native consumer applications, notably in vertical search, personalised shopping, and product discovery.

Nicola's approach blends big-picture ambition with pragmatic operational insights, informed by her dual perspective as both founder and investor.

LYST



duel.

Dr Inga Deakin

Principal

Focus: Digital health

Inga Deakin blends scientific rigor with commercial insight to back health-tech companies redefining care. Holding a neuroscience PhD from Oxford on mental health, she left academia to commercialise science at Imperial Innovations, supporting spin-outs such as Ieso and Puridify.

Her UK-US career includes Chief of Staff at a diagnostics start-ups and Entrepreneur in Residence at Duke University. She has sat on ten boards with three exits. At Molten, she focuses on health and life-science investments, especially data-driven platforms improving efficiency and outcomes.

She led Molten's investment in IMU Biosciences, which is marrying biology and data science to profile immunity for precision medicine in oncology and transplantation, and Anima, an NHS care-enablement platform that automates clinical workflows.



She is passionate about equitable access and scalable, preventative solutions backed by evidence. Navigating ecosystems of patients, clinicians, payors, regulators, and pharma, Inga applies international operating and investing experience to guide scientifically rigorous, diverse teams toward commercial success.

George Chalmers

Head of Climate

Focus: Climate and energy

George Chalmers' entry into climate tech was a return to his deep-rooted convictions. His journey began in 2009 with Cambridge University and Tata, pioneering off-grid solar finance in rural India. *"That was the first time I saw how innovation in energy drives real change"*, he reflects.

George leads Molten Ventures' strategic investments across the climate and energy spectrum. Over four and a half years, he's completed seven major deals from seed rounds to Series C, primarily focusing on energy data, which constitutes around 75% of his portfolio.

"Energy markets are exploding in complexity, volatility, and asset diversity – demanding smarter data to forecast, finance, and manage massive new investments. Now is the moment for innovative data players to capture these new opportunities", he says.

George's insights are informed by hands-on experience; prior to Molten, he founded a residential energy data startup, successfully exiting to Octopus Energy in 2020.

His earlier tenure at Credit Suisse provided deep expertise in financial markets and capital allocation, which now guides his investment decisions. He is interested in intersections of climate and emerging technologies, particularly AI's impact on energy infrastructure. *"AI significantly intensifies energy demand"*, he observes, highlighting implications for infrastructure development and power management.

Looking forward, George closely monitors industry developments and champions startups building essential infrastructure for a decarbonised future. He firmly believes the greatest opportunities lie with systems thinkers who can navigate complexity swiftly and effectively.



α anima

imu

oliva

ALTRUISTIQ®

sightline
climate

BeZero

concretene

Team & Governance (CONTINUED)

Investor Relations

Meet our dedicated investor relations team via the Molten Ventures website:
<https://investors.moltenventures.com/investor-relations/eis>

Investor and Adviser Relations

As an adviser or Investor in the Fund you are supported by our dedicated EIS/VCT team that manages the operational aspects of our EIS and VCT funds.

Our contact email address is:

eis@molten.vc

The Custodian and Nominee for the Fund are provided by Apex Unitas Limited and they will be involved with applications, account opening and in distributions of proceeds from exits.

The primary contact point for all information including EIS3 certificates, contract notes for Investments, exit letters and proceeds schedules, reports and valuations is the online portal, where up to date portfolio information and valuations can be seen at any time (subject to our bi-annual valuation process):

molten.mainspringfs.com

Investment Management

At the investment level, Molten Ventures operates with a connected investment team across the whole business that is responsible for sourcing, investing and managing all Investments.

We find opportunities that meet our criteria as a group, through established processes and experience. This is consistent across all deals, irrespective of which fund(s) will participate.

Once approved, if an opportunity is EIS/VCT qualifying then those funds participate as co-investors. If not, then the EIS funds will not participate.

Governance

The FCA authorised fund manager of Molten Ventures EIS and the Other Molten Ventures EIS Funds is Encore Ventures LLP (FCA: 510101) which is 100% owned within the Molten Ventures plc group structure.

▼
The Molten Ventures Team
at 20 Garrick Street, London.



Risk Factors

An investment in the Fund entails a significant degree of risk and, therefore, should be undertaken only by Investors capable of evaluating the risks of the Fund and bearing the risks it represents.

Prospective Investors in the Fund should carefully consider the following factors in connection with an investment in the Fund.

The following list is not a complete list of all risks involved in connection with an investment in the Fund.

General Risk Factors

1. Capital at Risk

There can be no assurance that the Fund's Investment Objectives will be achieved or that there will be any return of capital. Therefore, an Investor should only invest in the Fund if the Investor can withstand a total loss of their Subscription.

2. Appropriateness and Suitability

EIS investments are only intended for individuals who are professionally advised or highly knowledgeable and who understand and are capable of evaluating the merits and risks of an investment in the Fund. All Investors are encouraged to seek independent financial advice with respect to the appropriateness and/or suitability of the Fund.

3. Past Performance

There can be no assurance that Investments by the Fund will perform as well as any previous investments made by the Fund Manager and/or the wider Molten Ventures group. Higher interest rates on bank deposits and UK Government securities reduce the return premium on higher risk assets, so the gap between potential returns and lower risk alternatives may narrow. Equally as the cost of borrowing increases, portfolio companies that use debt may be unable to obtain finance at commercially acceptable rates.

4. Dependence on Key Personnel

The success of the Fund will be highly dependent on the expertise and performance of certain key personnel. There can be no assurance that these persons will continue to be associated with the Molten Ventures EIS throughout the life of the Fund. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of the Fund.

Whilst such key persons will devote adequate time to the management of the Fund, they are under no specific obligations to devote a particular portion of their time to such management.

5. Illiquidity of Investments

An investment in the Fund is an investment in Non-Readily Realisable Securities and requires a long-term commitment with no certainty of return. The Fund's Investments will be illiquid, and there can be no assurance that the Fund will be able to realise such Investments at attractive prices or otherwise be able to effect a successful realisation or exit strategy.

6. Nature of the Fund's Investments

The Fund's Investments will be in equity or equity-related Investments that, by their nature, involve business, financial, technical, market and legal risks. While such Investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses.

The value of Investments may be affected by events that are inherently difficult to predict, such as domestic or international economic and political developments.

7. Unlisted Early Stage Companies

While Investments in these companies may present greater opportunities for growth, such Investments may also entail larger risks than are customarily associated with investments in large companies and, in particular, a lack of liquidity in their securities. Commensurate with the nature of venture capital investing it should be expected that some companies, and the Investments in those companies, may fail.

Start-up and growth stage companies will be dependent on the skills of a small group of key executives, the loss of which may be particularly detrimental to those companies. Products and technologies developed by Investee Companies may prove not to be commercially or technically successful.

8. Difficulty of Locating Suitable Investments

There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Fund to invest all Net Subscriptions in opportunities that satisfy the Fund's Investment Objectives and Investment Restrictions, or that such investment opportunities will lead to completed Investments by the Fund.

Whilst the Fund intends to co-invest with other Molten Ventures funds, Molten Ventures funds may be unsuccessful in identifying a pipeline of suitable investments, or investments which qualify for EIS Relief (given that the other Molten Ventures funds are not EIS funds and are not therefore obliged under their constitution to invest only in transactions that qualify for EIS Relief).

There can be no assurance that the other Molten Ventures funds will have capital available to invest.

Risk Factors (CONTINUED)

9. Valuations

Valuations will be provided to Investors in accordance with the valuation principles set out in this Memorandum. However, investments in start-up and growth stage companies are inherently difficult to value and valuations may go up or go down and may not be achieved when the Fund sells its Investments.

No warranty is given that any such valuation is capable of being attained on a disposal, flotation or other realisation.

Where comparable peer groups are used as a benchmark to determine valuations based on, for example, revenue multiples, the performance of the peer group will impact portfolio valuations.

Higher valuations in competitive deals may result in larger investments for smaller equity stakes relative to other market conditions.

10. Foreign Investments

The Fund may from time to time invest in non-UK headquartered companies, or UK headquartered companies with operations or subsidiaries elsewhere. Investing outside the UK may involve greater risks than in the UK.

In particular, the value of the Fund's Investments in foreign securities may be significantly affected by changes in currency exchange rates, which may be volatile.

Additional risks include:

- risks of economic dislocations in the host country;
- less publicly available information;
- less well developed regulatory institutions; and
- greater difficulty of enforcing legal rights in a foreign jurisdiction.

Moreover, non-UK companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to UK companies.

11. Portfolio Concentration

The Fund's portfolio of Investee Companies may include a small number of large positions. If the Fund Investments are concentrated in a few companies or industries, any adverse change in one or more of such companies or industries could have a material adverse effect on the Fund's Investments.

12. Conflicts and Co-investment

Molten Ventures EIS may invest in connection with a transaction in which the Other Molten Ventures EIS Funds, Molten Ventures plc and/or Molten Ventures VCT plc, have already invested or are expected to participate.

Conflicts could arise between Molten Ventures EIS, the Other Molten Ventures EIS Funds, Molten Ventures plc, and Molten Ventures VCT plc with respect to differing investment strategies, deployment and realisation needs, and the contemplated manner and timing of potential exits.

For example, the co-investment syndicate may receive an acquisition offer for a portfolio company and exit an Investment earlier than the 3-year termination date stipulated by the EIS legislation. Investors must therefore be prepared to lose EIS Relief and repay any income tax relief claimed.

13. Competition

A number of factors, including high profile successes from European venture capital investments, have resulted in increased awareness and inflows of capital to the European venture capital asset class. Increased capital availability is reflected in more start up companies receiving funding, in larger investments being made into companies, and in competition for deals.

The Fund may lose investment opportunities in the future because of increased competition or if it is unwilling to match investment pricing and terms offered by competitors. Similarly, attractive investment opportunities are likely to be competitive and those companies may raise larger investment rounds at higher pricing, which reinforces the importance of deal access and selection, coupled with strong execution and value creation post-investment to generate favourable investment returns.

14. Geopolitical Risk

Certain portfolio companies may have commercial relationships with, or receive investment from, statelinked entities or counterparties located in jurisdictions that could become subject to international sanctions. In particular, if geopolitical events were to escalate – for example, in the event of heightened tensions or conflict involving China and Taiwan – governments, including the UK, US and EU, could impose new or expanded sanctions regimes. The imposition of sanctions may restrict the ability of affected portfolio companies to trade, access finance, or continue relationships with key suppliers and customers. In some cases, sanctions could result in deadlock situations that prevent a company from operating effectively, impair its financial position or, in severe circumstances, lead to insolvency. Any sanctions affecting portfolio companies could have a material adverse effect on their valuations and, consequently, on returns.

In addition, the imposition of trade tariffs by the United States may negatively affect international trade flows, manufacturing costs and shipping availability. These factors can create an uncertain operating environment for portfolio companies, potentially increasing input costs, constraining access to raw materials or markets, and depressing consumer demand. Such developments may in turn reduce the profitability, growth prospects and valuations of portfolio companies. Adverse geopolitical developments could materially affect the overall performance of the Company's portfolio investments.

Risk Factors (CONTINUED)

15. Cybersecurity Risk

The Fund, its service providers (including the Fund Manager, the Custodian and other suppliers), and portfolio companies are exposed to the risk of cyber attacks, data breaches and other technology-related incidents. Cyber threats may arise from external attacks, internal failures, or human error and could result in the loss, theft or corruption of data, disruption of operations, regulatory breaches, reputational damage or financial loss. While the Fund Manager and its service providers implement a range of measures designed to manage cybersecurity risk, there can be no assurance that such controls will be effective against all possible threats or vulnerabilities.

Tax Risk Factors

16. Reliefs Under EIS

Prospective Investors who wish to receive the benefit of EIS Relief should understand and accept each of the following:

- Representations in this document with respect to EIS Relief relate to the generic position of a UK-resident individual tax payer and do not amount to tax advice to any person.
- Tax legislation and HMRC practice are subject to change at any time and the EIS Relief may be amended or withdrawn. The levels and bases of reliefs from taxation may change in the future or such reliefs may be withdrawn. The EIS Reliefs referred to in this document are those currently available in accordance with current legislation and practice and their value depends on the individual circumstances of Investors.
- Investors must follow certain simple steps to receive the EIS Relief. It is possible for Investors to lose their entitlement to EIS Relief by not taking these steps.
- Whilst it is the intention of the Fund Manager to invest in companies which are EIS Qualifying Companies, the Fund Manager cannot guarantee that all Investments will qualify for EIS Relief. Equally, following an investment in an EIS Qualifying Company, the Fund Manager cannot guarantee the continued availability of EIS Relief relating to that Investment because this depends on the continuing compliance with the requirements of EIS by the Investee Company.
- Advance Assurance will be sought from HMRC or advisers that each Investee Company is an EIS Qualifying Company, and that the EIS Relief will be available in respect of that Investment. However, there is no guarantee that the claims for EIS relief will be agreed or that such agreement may not be subsequently withdrawn. In those circumstances subscription monies will not be returned to Investors and they will remain invested in the Investee Company.

- Following the admission of an Investee Company to the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's main market for listed securities, Business Property Relief for Inheritance Tax purposes will cease.
- If an Investee Company ceases to be an EIS Qualifying Company or there is a change in the Investor's personal circumstances, it may lead to the loss of the Investor's EIS Relief (in relation to a specific portfolio Investment or generally).
- The tax year for which an EIS Relief is available may be later than originally envisaged if the timing of investments is delayed.
- Neither the Fund nor the Fund Manager shall be liable for any loss incurred by an Investor in relation to value received (as defined in s226(1) Income Tax Act 2007) by any person from any Investee Company or as a result of a change in circumstances of an Investee Company at any time.
- The Fund Manager retains complete discretion to realise an Investment at any time (including within the three year period from the date of the acquisition of the Investment) that it considers appropriate. In such case, some or all of the EIS Relief relating to that particular Investment will be lost. In making such a disposal, the Fund Manager is not obliged to take into account the tax position of Investors (individually or generally).
- Any change of governmental, economic, fiscal, monetary or political policy could materially affect, directly or indirectly, the operation of the Fund and/or its ability to achieve or maintain Investments which qualify for EIS Relief.

17. General Tax Considerations

An investment in the Fund may involve complex tax considerations that will differ for each Investor depending on individual circumstances and may be subject to change in the future. In addition, the availability of tax reliefs in respect of an investment in an Investee Company will depend on that company maintaining its status as an EIS Qualifying Company.

In addition, the Fund may invest in securities of corporations and other entities organised outside the United Kingdom. Income or profits from such Investments may be subject to non-UK withholding taxes, which may or may not be reduced or eliminated by an income tax treaty.

What to Expect

APPLICATION



ONLINE



EMAIL



POST



Welcome Letter

Uploaded to the portal when your application is accepted.

Portal Activation Email

Sent when your application is accepted.

Fundraising Close Dates – each year

05

JANUARY

05

APRIL

05

JULY

05

OCTOBER



MOLTEN VENTURES' INVESTOR PORTAL
molten.mainspringfs.com

REPORTING

Fund Reports & Valuations twice yearly:

- 5th April holdings (based on 31 March values) – Distribution est. June via our investor portal (following audit)
- 5th October holdings (based on 30 September values) – Distribution est. November via our investor portal
- Annual statements showing interest earned in the tax year

Distribution estimated:
July via the portal

INVESTMENTS

For each Investment:

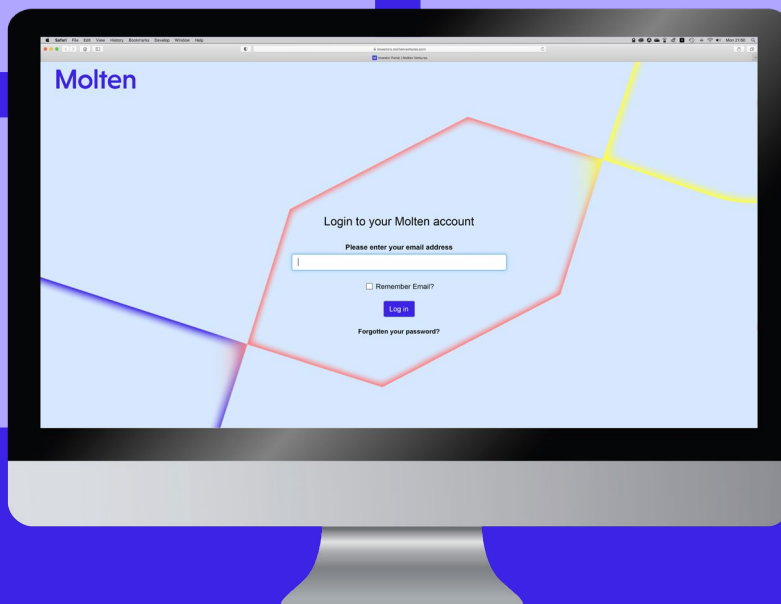
- Deal note – available on the portal
- Share purchase contract note – available on the portal

EXITS

- Following each exit a notification will be available on the portal which includes:
 - Proceeds calculation for tax returns
 - Bank details verification
- Funds are distributed

EIS3s

- Available on the portal approximately 8-12 weeks after each Investment



Fund Operation and Timing

Applications and Fund Closes

The Fund operates with quarterly fundraising Close Dates:

5th January • 5th April • 5th July • 5th October

or as otherwise notified by the Fund Manager.

Applications accepted after the April 5th Close Date but on or prior to the July 5th Close Date shall be attributed to the July 5th Close. And the same principle shall apply for all Closes thereafter.

Application Process

Investors should complete and sign the Application Form in the Application Pack which is available upon request from eis@molten.vc (subject to completion of onboarding paperwork) and send it to the Fund Custodian, or use the online application form accessible from our website.

A cheque may be sent with the Application Form or funds can be transferred electronically once an application has been sent to the Fund Custodian.

By signing the Application Form, Investors are confirming that they will have a direct contractual relationship with Apex Unitas Limited (if the application is accepted) for the purposes of providing custody and nominee services, including the administration of subscriptions in accordance with the Custodian Agreement as described more fully in Schedule 3 of the Investment Management Agreement.

Once successful Applications have been reviewed and accepted by the Fund Manager, the Custodian will set up an account and notify the Investor. Following the transfer of funds, Investors' subscriptions will be held in a client bank account by the Custodian, pending investment, with each Investor's subscription clearly identified.

Any fee which the Fund Manager is requested to pay to an Investor's financial adviser in relation to advice which such Investor has received regarding an investment in the Fund will be set aside for this purpose from the subscription received from that Investor, leaving a Net Subscription amount to be invested in the Fund. Investors will not obtain EIS Relief in respect of any such amounts set aside. The Application Form provides further information on Financial Adviser's Facilitation Fees.

There is a 14-day cancellation period as described in the Application Pack.

Investor Portal

Our primary method of reporting to Investors and their advisers will be through a secure, online investor portal. Documents will be uploaded to the portal and Investors and any of their nominated contacts will receive an email notification when a new document is added.

An activation link to set up access to the portal will be provided following acceptance of your Application to invest in the Fund. This will come from eis@molten.vc

Fees

A portion of each subscription will be set aside to meet fees as set out in the 'Fees' section of this document found on page 17. This amount will not be eligible for EIS Relief.

Commencement of Investments

The Fund makes Investments on an ongoing basis.

Investors will not participate in Investments that have already taken place before the date of the Close that they participate in, or, where at the Close Date, the allocations have already been made for an Investment which is in process.

The funds subscribed in each Close are very likely to be invested alongside funds subscribed in earlier and later Closes.

The allocation of Investments amongst Investors will be made according to the Fund Manager's Allocation Policy (a copy of which is available on request).

In accordance with the Fund Manager's Allocation Policy, an Investment may be allocated to Investors in certain Closes and not others (generally prioritising earlier Closes over newer ones) in order to avoid Investors ending up with small percentage allocations of their Net Subscription in an Investee Company.

All Investors in the same fundraising Close will invest in the same portfolio of Investee Companies in the same proportions (with minor variations to allow for the issue of whole shares).

Deployment of Capital

The deployment target is to invest in a portfolio of 6-12 companies over a period of 12-18 months commencing from each Close Date. It is possible that in certain circumstances the portfolio size and range of investment dates could vary from these numbers, which are targets not guarantees.

The initial deployment of funds will exclude amounts set aside for Fees.

Fund Operation and Timing (CONTINUED)

Investment Decisions

The Investment Committee will be responsible for making investment decisions for the Fund. Its decisions are final. The Investment Committee is appointed by the Fund Manager. The Fund Manager will select Investee Companies on the basis of the Investment Objectives and Investment Restrictions.

Sustainability considerations are embedded within the investment process from pre-investment to ownership and exit, through the operation of an exclusion policy to screen companies in certain sectors, sustainability-focused due diligence and ongoing portfolio engagement and monitoring.

Appropriate exits will be sought for each Investment and may include: an initial public offering (IPO); a sale to third parties or a trade sale; a buy-out by management, other shareholders or by the company itself; or a sale to another investment fund. In less favourable circumstances an exit could consist of a distressed sale or administration which would likely result in investors wholly or at least substantially losing invested capital.

The Fund Manager is aware that new shares in EIS Qualifying Companies should be held for a minimum of three years to obtain all the benefits of EIS Relief. However, the Fund Manager may exit an Investment prior to the expiry of this three year qualifying period (an 'Early Exit') if the Fund Manager reasonably believes that to do so will be in the interests of the Investors or there may be a company level event which creates an early exit which is out of the Fund Manager's control.

Reporting and Basis of Valuation

Each Investor (and their adviser and any other nominated contact if applicable) will receive through the investor portal:

- a deal note and a share purchase contract note for each Investment when it is made;
- Electronic EIS3 certificates, to follow, for each Investment;
- half-yearly reports, valuations and cash statements based on 5th April and 5th October holdings.

All Investments will be valued by Molten Ventures in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines.

The overriding principle of these valuation guidelines is to show a fair valuation of the Investment to the Investors, based on what would be a fair transaction between informed parties at arm's length.

EIS3 Forms

The Fund will hold its shares via one or more nominees. However, each Investor will be the beneficial owner of their own shares in each Investment.

Each Investment is treated separately by HMRC and there will be a separate electronic EIS3 form for each one.

EIS3 forms will be uploaded to the portal as soon as practicable following each Investment. We are dependent on the turnaround time of HMRC in doing this and our experience at the date of this Memorandum is that it takes around 8-12 weeks on average to receive the EIS3s, although it may take longer in some cases

Exits

The Fund Manager will notify you if an Investment in your portfolio is realised and will arrange for the distribution of proceeds to be made as soon as practicable in each case.

Proceeds will be paid out to Investors subject to payment of any outstanding or accrued fees.

In order to receive proceeds Investors need to provide their bank account details on the application form. Investors may need to re-authenticate these details from time to time.

Legal Form

The Fund is not a collective investment scheme for the purposes of FSMA.

The Fund is not a separate legal entity. Instead, the Fund is a collection of parallel discretionary managed portfolios operated by the Fund Manager, which Investors will enter into on the basis of the Investment Management Agreement. The Fund is an Alternative Investment Fund (AIF) for the purposes of the AIFMD.

The Fund Manager does not hold Investors' cash or shares. The Custodian, which is FCA authorised and is covered by the Financial Services Compensation Scheme (FSCS) for those eligible to claim, holds cash on behalf of Investors and holds shares on behalf of Investors in the name of its Nominee.

All Investments made on behalf of Investors will be held on behalf of each Investor (but subject to instructions from the Fund Manager under the Investment Management Agreement) by the Custodian's Nominee under arrangements that enable each Investor's entitlements to be separately identified.

Investors at all times remain the beneficial owners of their proportion of the shares held by the Nominee in each portfolio company.

Investors will have the option to withdraw monies at any time that have not been applied in making Investments, or which have not been earmarked for paying fees in accordance with the terms of the Investment Management Agreement.

Fund Operation and Timing (CONTINUED)

The Fund Manager shall be entitled to enter into different terms and arrangements, including different custodian and nominee arrangements, with different types of investor, or other fund managers or intermediaries which may or may not invest in parallel to the Fund.

Investment Term/Life of the Fund

Whilst it is the Fund Manager's intention to secure an orderly disposal of Investments within a three to five year period from investment into the relevant Investee Company, some Investments may take longer to realise and you should only invest if you are able to leave your investment intact for five years or more from the Close that your Application is attributed to.

The Fund will continue from year to year at the option of the Fund Manager although the arrangements with Investors for each Close will continue for seven years from the Close Date, subject to the Fund Manager's discretion to extend the life of such arrangements in accordance with the terms of the Investment Management Agreement and subject always to the right of each Investor to terminate their arrangements earlier.

On termination of your arrangements, you can decide whether you wish the Fund Manager:

- to direct the Custodian to transfer your portion of any remaining Investments into your name, and pay any cash held in your portfolio to you; or
- to seek to sell your portion of any remaining Investments and pay the proceeds of sale to you, together with any cash held in your portfolio.

However, please note that it is unlikely that the Fund Manager will be able to sell portions of the remaining Investments, as there is likely to be no market for such shares (in the absence of a sale of a controlling interest). This is described in more detail in the Investment Management Agreement.

Conflicts Policy

The Fund Manager, in accordance with FCA rules, operates its business in such a way as to minimise the occurrence of conflicts of interest and to enable it to resolve such conflicts in a fair manner if they arise.

Molten Ventures EIS operates a co-investment strategy and may participate alongside the Other Molten Ventures EIS Funds, Molten Ventures plc and Molten Ventures VCT plc where investments qualify for EIS Relief.

Consequently, Molten Ventures EIS may invest in connection with a transaction in which the Other Molten Ventures EIS Funds, Molten Ventures plc and/or Molten Ventures VCT plc have already invested or are expected to participate. Investment allocation splits between Molten Ventures EIS, Other Molten Ventures EIS Funds, Molten Ventures plc, and Molten Ventures VCT plc are determined periodically by the Management Board of Esprit Capital Partners LLP (the fund manager of Molten Ventures plc) in consultation with Encore Ventures LLP, and

Elderstreet Investments Limited and based on a number of factors including (but not limited to) tax, legal and regulatory considerations, capital available for deployment, quantum of the investment opportunity, forecast investment pipeline, applicable investment objectives and restrictions, investor base, and appetite for risk.

The group strategy enables Molten Ventures EIS to participate in larger and/or later stage growth investments and leverage off the recognition of the Molten Ventures brand, however conflicts could arise between the Molten Ventures EIS, Other Molten Ventures EIS Funds, the Molten Ventures plc, and Molten Ventures VCT plc with respect to differing investment strategies, deployment and realisation needs, and the contemplated manner and timing of potential exits. For example, the co-investment syndicate may receive an acquisition offer for a portfolio company and exit an investment earlier than the 3-year termination date stipulated by the EIS legislation. Investors must therefore be prepared to lose EIS Relief and repay any income tax relief claimed.

The Fund Manager maintains and adheres to a conflicts policy which has been prepared in accordance with the FCA rules.

FCA Classification

The Fund is a Restricted Mass Market Investment and makes investments into Non Readily Realisable Securities. As a result, there is a restricted market for such Investments and it may therefore be difficult to sell the investments or to obtain reliable information about their value. Investors should consider the suitability and appropriateness of an investment carefully and note the risk warnings set out in this Memorandum.

Complaints

Should an Investor have a complaint about any aspect of our service they should contact the Fund Manager (see contact details on the back cover of this Memorandum).

We will investigate your complaint and provide you with a written response. In the event that you are not satisfied with the resolution of any complaint that you raise with us, then you may have a right to refer your complaint to the Financial Ombudsman Service at:

The Financial Ombudsman Service,
Exchange Tower, London, E14 9SR

Telephone: 0300 123 9 123 (UK) or +44 20 7964 0500 (International)

Email: complaint.info@financial-ombudsman.org.uk

Further information is available from the website of the Financial Ombudsman Service:

www.financial-ombudsman.org.uk

Fund Operation and Timing (CONTINUED)

Financial Services Compensation Scheme (FSCS)

Financial loss may arise in the event of default of the Fund Manager or the Custodian. As a result, investors may be entitled to compensation from the Financial Services Compensation Scheme if the Fund Manager or the Custodian cannot meet their obligations. The Financial Services Compensation Scheme is only available to certain types of claim. Payments under the protected investment business scheme are limited to a maximum of £85,000 of any claim.

Further information about compensation arrangements is available directly from the FSCS at:

Financial Services Compensation Scheme,
PO Box 300 Mitcheldean, GL17 1DY.

Telephone: 0800 678 1100 / 020 7741 4100.

Further information is available from the website of the Financial Services Compensation Scheme:

www.fscs.org.uk

Custodian and Nominee

This section broadly summarises the role of the Custodian. Investors should refer to the Custodian Agreement which is available from:

<https://systems.mainspringfs.com/documents/molten/custody-agreement-new-investors/ml1>

or on request from the Fund Manager, for a more detailed explanation of the Custodian's role, obligations and powers. Where there is any inconsistency between the Fund Documents and the Custodian Agreement, the Custodian Agreement will prevail.

Please note that at the date of issue of this Memorandum the Custodian is Apex Unitas Limited (formerly Mainspring Nominees Limited), however the Fund Manager reserves the right to appoint an alternative or additional custodian (subject to providing details of such appointment to affected Investors, including the new terms of custody, should this circumstance arise).

The Custodian will act (either in its own name or the name of its 'pooled' nominee company) as the Investor's nominee and the Investor will at all times remain the beneficial owner of cash and Investments held by such Nominee for such Investor on the terms of the Custodian Agreement.

Investor subscriptions will be held by the Custodian in one or more customer trust accounts with an authorised banking institution. The Custodian will create internal individual accounts for each Investor on their system and will be responsible for the administration of each Investor's account on an ongoing basis.

As part of its duties, the Custodian will perform the requisite anti-money laundering checks on each Investor and credit the Investor's account with the initial subscription.

The Custodian will hold the Investor's cash and securities and provide six-monthly account valuations. Cash and securities will be held by and registered in the name of the Custodian acting as nominee, but the beneficial ownership shall, at all times, be with the Investor.

The Custodian will have the right to deduct any stamp duty or other taxes and charges (including fees and expenses payable under the Investment Management Agreement) payable upon the transfer of Investments from the Investors' accounts.

By completing the Application Form contained in the Application Pack, prospective Investors will, among other things, be deemed to have irrevocably agreed to the Custodian being appointed on the terms of the Custodian Agreement.

Custodian's Specific Obligations and Powers

- i) All securities will be registered in the name of the Nominee and will be entrusted to the Custodian for safekeeping.
- ii) The Custodian will hold physical securities in its safe or in the vault of an FCA/PRA authorised UK bank, or deposit uncertificated electronic securities with a reputable dematerialised commercial settlement system, electronic signature platform, or book entry system. In all instances securities shall be held to the order of the Nominee.
- iii) The Custodian will be authorised, on the instruction of the Fund Manager, to exercise pre-emption or similar rights in relation to the shares in accordance with the Articles of Association of the Investee Company or any agreement entered into in connection with the subscription for the shares, and to deal with any rights relating to any share issue made or proposed by an Investee Company.
- iv) The Custodian will be authorised, on the instruction of the Fund Manager or Investor as the case may be, to exercise voting rights in relation to the shares held on behalf of that Investor in accordance with the Articles of Association of the Investee Companies or any agreement entered into in connection with the subscription for the shares.

Investment Objectives and Investment Restrictions

Investment Objectives

The Fund Manager's aim is to manage the funds subscribed by Investors to produce capital gains whilst managing risk.

The Fund will invest in a portfolio of companies with a target that each Investment can be realised within 3-5 years, although some Investments will take longer (or shorter) than this to realise.

Please see the risk factors section on page 21 for further details regarding this.

Investments will be focused on sectors that have the potential for rapid, scalable growth and support defensible competitive advantage.

Companies in which the Fund invests may be loss-making or profitable, are expected to be private unlisted entities and are not generally expected to pay dividends.

Investment Restrictions

In carrying out its duties under the Investment Management Agreement in respect of the Fund, regard shall be had, and all reasonable steps shall be taken, to comply with such policies or restrictions as are required in order to attract the EIS Relief as may be prescribed by HMRC from time to time.

In particular, but without prejudice to the generality of the above statements, the criteria for the Fund are as follows:

- a) it shall be a Complying Fund;
- b) so far as practicable, each Investment shall be in shares of an EIS Qualifying Company. Where relevant, Advance Assurance will be obtained in respect of each Investment, however in exceptional cases the Fund Manager may invest without obtaining Advance Assurance if it has obtained appropriate professional advice that confirms that the Investment should qualify for EIS Relief;
- c) generally, the Fund Manager reserves the right to return any surplus of cash if it concludes that it cannot be properly invested or considers it to be in the interests of the Investor, and at its discretion, any returns on Investments which have been realised may be returned;
- d) the Fund Manager shall not invest in excess of 20% of an Investor's Net Subscription in any one round of funding in any one Investee Company;
- e) the Fund intends to co-invest alongside other Molten Ventures funds however this shall not be a restriction on the Fund and it may invest otherwise and without this co-investment; and
- f) the Fund Manager may, with the approval of Investors having together made at least 75% of the Net Subscriptions to the Fund, and who would be included in the Investment concerned, make an investment outside these criteria, save that it may not derogate from the criteria at paragraphs (a) and (b) above.

The Fund Manager expects that the majority of the Fund's Investee Companies will meet the criteria which define a Knowledge Intensive Company, however this will not be a restriction on the Fund and it may invest where the criteria are not met, and also in circumstances where HMRC have not provided confirmation during Advance Assurance whether the criteria are met or not.

Investors should be aware that the Fund portfolio will include Non-Readily Realisable Securities. There is a restricted market for such Investments and it may therefore be difficult to deal in the Investments or to obtain reliable information about their value.

The intention of the Fund Manager is to divest Investments related to each Close prior to the applicable Long Stop Date, subject to appropriate opportunities to do so. The Fund Manager may extend the fund life beyond the Long Stop date if it considers it to be in the best interests of Investors, specifically if there are Investments that take longer to realise than the target holding period. In the event of a gradual realisation of Investments prior to such date, the cash proceeds of realised Investments may be placed on deposit, or used to pay fees properly accruing to the Investor, or otherwise be returned to Investors.

Tax Matters – EIS Technical Information¹⁰

EIS3 Certificates

The Fund Manager will, following each investment in shares made through the Fund in EIS Qualifying Companies, work with the Investee Company to apply on each Investor's behalf to HMRC for an EIS3 certificate. A copy of this certificate or details from it will need to be submitted to HMRC in order to claim the income tax relief and/or capital gains tax deferral.

The entitlement to EIS Relief is referable to the date of the investment in shares of each company, rather than when the application to subscribe to the Fund is made.

The issue of EIS3 certificates is an administrative matter and may take several weeks and does not impact the date of investment in shares of the company. For example, an Investment where the shares are issued on 3rd April 2026 is applicable to the 2025/26 UK tax year, notwithstanding the fact that corresponding EIS3 certificates are likely to be issued in the next tax year.

Date for Claiming 30% Income Tax Relief

The time limit for claiming EIS income tax relief runs from the date of each investment in shares in EIS Qualifying Companies made through the Fund. For each investment in shares made on your behalf through the Fund, the latest date on which you can file a claim for EIS income tax relief is five years after 31st January following the end of the tax year in which the shares were issued (or four years after 31st January following the end of the tax year in which the shares were issued if you are using 'carry back' to the prior tax year).

Dates Relating to Capital Gains Tax Deferral

Capital gains tax deferral relief is available to Investors where shares in an EIS Qualifying Company are issued to the Investor in the period that begins twelve months before, and ends three years after, the disposal giving rise to the capital gain.

Knowledge Intensive Company

The UK government introduced the knowledge intensive company criteria in order to encourage investment in R&D focused businesses, and to give additional support where older businesses might have struggled to meet the EIS criteria in the past. For companies that meet the conditions, the total EIS and VCT lifetime investment limit along with other risk finance State aid investment, increases to £20 million.

The 3-Year Holding Period

Income tax relief and tax free capital gains are linked to a minimum three year period of ownership.

For income tax relief the qualifying criteria must be met for the three year period starting on the date of the investment in shares in an EIS Qualifying Company.

Thereafter there are no on-going EIS qualifying criteria and income tax relief cannot be withdrawn by reference to events occurring after the expiry of this three year period.

For tax free capital gains the relief is only available if the shares in an EIS Qualifying Company are disposed of at least three years after the investment through which they were issued, and income tax relief has been claimed and not withdrawn on those shares.

Unapproved EIS Fund Status

The Fund is not classified by HMRC under section 251 of the Taxes Act as what is termed as an Approved Fund.

This means that entitlements to any of the tax reliefs is referable to the date each investment is made through the Fund in shares in EIS Qualifying Companies, and not the date on which the Investor puts their money into the Fund.

Withdrawal of EIS Relief

Investors should be aware that there are circumstances in which the EIS Relief on an investment in shares in EIS Qualifying Companies made through the Fund may be withdrawn. The rules in this area are complex, and Investors must seek their own personal tax advice from an appropriately qualified professional adviser. However in broad terms the current rules provide that EIS Relief may be withdrawn in the following circumstances:

- The company that issued the shares to the Investor ceases to be an EIS Qualifying Company within the three year period following the date the shares were issued; or
- The shares issued to the Investor cease to be 'eligible shares' within the three year period following the date the shares were issued; or
- The shares are disposed of within the three year period following the date the shares were issued which given the nature of unlisted investments and prospective exit opportunities, could happen from time to time; or
- The Investor ceases to be eligible to claim relief in respect of that Investment.

¹⁰ <https://www.gov.uk/guidance/venture-capital-schemes-tax-relief-for-investors>

Please note that that tax information is correct as at the date of this document, but may change in future. The provision of this information does not constitute personal tax advice. EIS relief is subject to individual circumstances. Taxation levels, bases and reliefs may change if the law changes and the tax benefits of products will vary according to your personal circumstances; independent advice should therefore be sought.

Glossary of Terms

"Advance Assurance"

The non-statutory confirmation issued by HMRC in advance of a share issue that a company raising funds meets the EIS requirements in Part 5 ITA 2007, and that the shares to be issued are eligible shares.

"AIFMD"

The Alternative Investment Fund Managers Directive (2011/61/EU) (as implemented into UK law).

"Application"

An application by an Investor pursuant to a duly signed and executed Application Form.

"Application Pack and Application Form"

The application pack relating to the Fund containing the Investment Management Agreement and the Application Form which together with this Memorandum comprises the Fund Documents.

"Business Day"

A day (other than a Saturday, Sunday or a public holiday in England) on which clearing banks in the City of London are open for the transaction of normal sterling banking business.

"Close"

The aggregate of all the Subscriptions received in each quarterly fund raise.

"Close Date"

The date of the relevant closing of a quarterly fund raise of the Fund which shall fall on the 5th January, 5th April, 5th July and 5th October in each year (or such other date as the Fund Manager determines). If any such date shall fall on a non-Business Day then the relevant Close Date shall be the next Business Day.

"Complying Fund"

Arrangements complying with the conditions of Paragraph 2 (2) (b) of the Schedule of FSMA (Collective Investment Schemes) Order 2001.

"Custodian"

Apex Unitas Limited (formerly Mainspring Nominees Limited) as custodian or its nominee (or such other or additional custodian and nominee as appointed by the Fund Manager from time to time).

"Custodian Agreement"

The Custodian's agreement (as amended from time to time), the current version of which is available on request from the Fund Manager.

"EIS"

The Enterprise Investment Scheme.

"EIS Qualifying Company"

A company which qualifies for the purposes of the Enterprise Investment Scheme, as set out in Part 5 of the Taxes Act.

"EIS Relief"

Relief from taxation under EIS.

"FCA"

The Financial Conduct Authority.

"FCA Rules"

The rules contained in the FCA's Handbook of Rules and Guidance.

"Financial Adviser's Facilitation Fee"

The amount deducted from an Investor's Subscription (if any) and paid at the request of the Investor to a financial adviser, as defined in Application Form, Section 1, 'Financial Adviser's Facilitation Fee'.

"FSMA"

The Financial Services and Markets Act 2000 (as amended).

"Fund"

The Molten Ventures EIS Fund, previously known as the Draper Esprit EIS from October 2016 until April 2022.

"Fund Documents"

This Memorandum and the Application Pack, containing the Investment Management Agreement and the Application Form.

"Fund Manager"

Encore Ventures LLP.

"Government"

His Majesty's government, the central government of the United Kingdom.

"HMRC"

His Majesty's Revenue and Customs.

"Investee Company"

A company or companies in whose securities the Fund has made an investment.

"Investment"

An investment acquired by the Fund Manager on behalf of Investors through the Fund.

"Investment Management Agreement"

The investment management agreement set out in the Application Pack (as amended from time to time).

Glossary of Terms (CONTINUED)

"Investment Objectives"

The investment objectives set out in Schedule 1 of the Investment Management Agreement, and summarised in this Memorandum.

"Investment Restrictions"

The investment restrictions set out in Schedule 1 of the Investment Management Agreement, and summarised in this Memorandum.

"Investor"

An actual or potential investor in the Fund, as the context requires.

"Knowledge Intensive Company"

A company that meets the criteria set out in s.252A of the Taxes Act.

"Long Stop Date"

In respect of each Close, the date falling on the seventh anniversary of the Close date, subject to extension at the discretion of the Fund Manager. The Fund Manager may extend the fund life beyond the Long Stop date if it considers it to be in the best interests of Investors, specifically if there are Investments that take longer to realise than the target holding period.

"Management Fee"

The management fee payable to the Fund Manager in accordance with paragraph 2 of Schedule 2 of the Investment Management Agreement.

"Memorandum"

This information memorandum for the Fund.

"Net Subscription"

In respect of each Investor the aggregate amount paid by such Investor to the Custodian pursuant to the Subscription indicated in Section 2 of the Application Form, less any amount deducted and paid (if any) as Financial Adviser's Facilitation Fees.

"Non-Readily Realisable Securities"

As defined in the FCA Glossary.

"Non-Recoverable Deal Costs"

Costs, evidenced by a properly issued invoice, which are:
i) incurred in the preparation and execution of an Investment or sale transaction and that are not reimbursed by the Investee Company as transaction expenses, or (ii) costs incurred in respect of any Investment that does not conclude or in relation to any professional advice obtained on behalf of the Investors (including without limitation to enforce the Investors rights in an Investment).

"Other Molten Ventures EIS Funds"

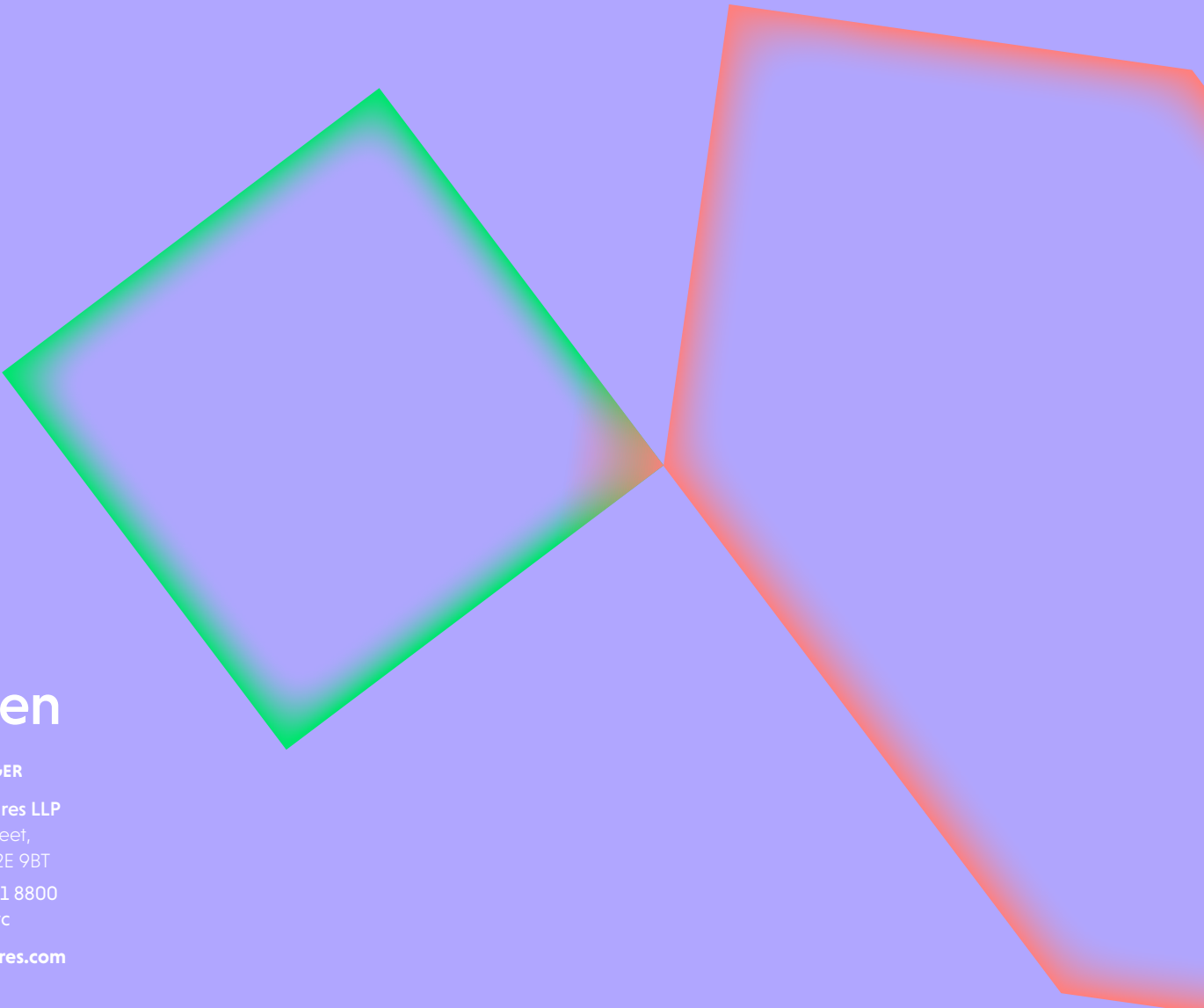
The earlier EIS funds established by the Fund Manager being (i) the legacy non HMRC approved EIS funds established by the Fund Manager being DFJ Esprit Angels' EIS Co-Investment Fund, DFJ Esprit Angels' EIS Co-Investment II, DFJ Esprit EIS III, DFJ Esprit EIS IV, and Draper Esprit EIS 5, and (ii) any HMRC approved Enterprise Investment Scheme fund launched by the Fund Manager, whether past, present or future..

"Subscription"

In respect of each Investor the aggregate amount paid by such Investor to the Custodian pursuant to the Subscription indicated in Section 2 of the Application Form.

"Taxes Act"

The Income Tax Act 2007.



Molten

FUND MANAGER

Encore Ventures LLP

20 Garrick Street,
London, WC2E 9BT

+44 (0)20 7931 8800

eis@molten.vc

moltenventures.com

FOR PROMOTER AND INTERMEDIARY ENQUIRIES



RAM Capital Partners LLP

Mappin House, 4 Winsley Street,
London, W1W 8HF

+44 (0)20 3006 7530

taxsolutions@ramcapital.co.uk

ramcapital.co.uk