

Product

**Molten Ventures EIS and  
Knowledge Intensive EIS Fund**

Tax Status

**Enterprise Investment Scheme**

Fund Group

**Molten Ventures Plc**

**Risk Warning**

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## RISK WARNINGS AND DISCLAIMERS

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## GENERAL RISK WARNINGS

Your attention is drawn to the following risk warnings which identify some of the risks associated with the investments which are mentioned in the Review:

### Fluctuations in value of investments

The value of investments and the income from them can go down as well as up and you may not get back the amount invested.

### Suitability

The investments may not be suitable for all investors and you should only invest if you understand the nature of and risks inherent in such investments and, if in doubt, you should seek professional advice before effecting any such investment.

### Past performance

Past performance is not a guide to future performance.

### Legislation

Changes in legislation may adversely affect the value of the investments.

### Taxation

The levels and the bases of the reliefs from taxation may change in the future. You should seek your own professional advice on the taxation consequences of any investment.

## ADDITIONAL RISK WARNINGS

### Enterprise Investment Scheme offerings:

- EIS companies are unquoted
- The value of EIS Shares can fluctuate and Investors may not get back their investment;
- There is no market for EIS Shares and Shareholders may not be able to realise their shareholding unless the EIS company is sold or floated on a recognised Stock Exchange. Dividends may not be paid
- Potential Investors should consider that past performance of the EIS Manager is no indication of future performance and there can be no guarantees that the EIS Company will meet its objectives.
- Investment in unquoted companies can offer good investment returns, but, by its uncertain nature involves a much higher degree of risk than investment in a quoted portfolio
- Whilst it is the intention of the EIS Directors that the EIS company will be managed so as to qualify as an EIS, there can be no guarantee that it will maintain such status. A failure to qualify could result in the Company losing the tax reliefs previously obtained, resulting in adverse tax consequences for Investors, including a requirement to repay the 30 per cent. income tax relief
- The past performance of investments should not be regarded as an indication of the future performance of an investment
- Levels and bases of, and relief from, taxation are subject to change. Such changes could be retrospective.
- From 6 April 2014 changes to scheme rules: For investments made on or after 30 November 2015, trades which consist substantially in making available reserve energy capacity, or using that capacity to generate electricity, will no longer be qualifying trades
- For investments made on or after Royal Assent November 2015, new legislation prevents all the following types of acquisitions from being a qualifying use of money:
  - an interest in another company such that that company becomes a 51% subsidiary of the issuing company
  - a further interest in another company which is already a 51% subsidiary of the issuing company
  - a trade
  - intangible assets employed for a trade
  - goodwill employed for the purposes of a trade
- For investments made on or after Royal Assent November 2015, there is an age limit on companies issuing EIS shares of 7 years from the date of first commercial sale, or 10 years in the case of a knowledge-intensive company

## Factsheet

### Molten Ventures EIS & Approved KI EIS 2024/2025

Type	Generalist EIS
Manager	Encore Ventures, a subsidiary of Molten Ventures Plc
Custodian	Mainspring Fund Services
Promoter	RAM Capital LLP
Focus	Standard EIS fund and Approved Knowledge Intensive fund investing in growth/venture capital based companies
Approved Fund Available	Yes
Minimum investment	£25,000
Closing dates	Standard fund: Quarterly closes 5 Jan, 5 Apr, 5 Jul, 5 Oct For KI fund: 3rd April 2025, or sooner if the Fund Manager decides to cap the fundraise
Issue costs	2% (plus VAT)
Annual costs	2% (plus VAT) per annum for years 1-5, partially deferred and contingent on the receipt of sale proceeds. Reducing beyond year 5 so fees are payable only on the cost of assets still held
Est. number of companies per investment	8 - 12 companies
Est. deployment timescale	12 - 18 months
Initial advisor charges	If charged, these will be facilitated by the EIS on subscription.

## Summary

**Table 1: Tax Efficient Review summary of offering Pros and Cons**

PROs	CONs
There has been a return to form for Molten Ventures EIS over the past 12 months in which they have delivered 5 cash exits to investors across their EIS tranches, at a time when many other EIS have seen no exits at all	The return on Graphcore of 0.8x is disappointing as this company was once valued at over £2bn. But Molten Ventures should be happy to have got back what they did for investors at a difficult time for Graphcore
Molten Ventures EIS funds are known to focus on larger and later stage investment rounds in syndicated deals that would otherwise generally be beyond the reach of most EIS managers.	Molten Ventures only provide anonymised company by company data for publishing which is a disappointing move, although full data is provided to TER
Investors in the tranches between 2014 and 2019 have nearly all seen a complete return of their initial investment	As to be expected in a portfolio of this size, the past year has also seen write downs of investments such as Thought Machine and IESO

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## Review based upon

This review is based upon the Brochures dated April 2024 for the standard Fund and November 2024 for the KI fund and reporting based on the 31st October 2024 valuation date, phone calls

and meetings with the investment team and data provided by Molten Ventures Plc (formerly known as Draper Esprit Plc).

## Review Process

Tax Efficient Review has enhanced the contents of the EIS reviews to focus more on the areas of investment performance and underlying fees.

To increase the comparison of performance, we now include:

- Table 3 showing cash returned in tax years 2014/15 to 2020/21
- Table 4 which details and amalgamates how many investments the EIS manager has held and their performance across the following categorisations:  
Exited above cost (EAC - creating a profit for

- investors)  
Exited below cost (EBC – creating a loss for investors)  
Completely written-off (CWO – resulting in no return for investors)  
Still Held (SH)  
Partially exited (PART)
- Table 5 showing average time to exit for the exited holdings

We also now compare total five year predicted fees between products.

Table 2: **Funds under management as at 31 January 2025**

Product Name	Net assets £m	Annual Management fee	Still to be invested £m
<b>EIS FUNDS</b>			
EIS 1	£0.50	£Nil- no further fees	nil
EIS 2	£0.30	£Nil- no further fees	nil
EIS 3	£1.90	£Nil- no further fees	nil
EIS 4	£1.90	£Nil- no further fees	nil
EIS 5	£1.10	£Nil- no further fees	nil
Molten Ventures EIS Evergreen	£205.00	For fund closes up to an including Apr19: £nil - no further fees For fund closes from Jul19 onwards 2% (for initial years, then reducing)	£15.32
KI fund	£8.10	2%	£3.10
<b>NON EIS FUNDS THAT CAN CO-INVEST WITH EIS FUNDS</b>			
VCT	£118.00	2%	£20m
PLC	£1,205m	n/a	n/a
<b>TOTAL UNDER MANAGEMENT</b>	<b>£1,542m</b>		

Source: Molten Ventures EIS

## Structure

Molten Ventures EIS and Molten Ventures Approved KI EIS 24/25 are Alternative Investment Funds (AIF) and consist of a collection of parallel discretionary managed portfolios. TER, by reviewing the product, does not validate, ratify, endorse or confirm its classification.

Companies that are hoping to attract investments under the EIS can seek an assurance from HMRC, in advance of inviting applications for shares, to the effect that it is accepted that the conditions of the scheme will be satisfied. The response to a request for an assurance will take the form of a statement as to whether, on the basis of the information provided, HMRC would be able to authorise the company to issue certificates under ICTA/S306 (2) or ITA/S204 in respect of the shares to be issued, following receipt of a form EIS1 satisfactorily completed. For this Fund, we are told that no investment will be made into a company unless advance assurance has been received prior to the date of investment.

The Molten Ventures Approved KI EIS 24/25 is an approved fund so income tax relief will be available in the 24/25 tax year, being the tax year in which the fund closed, or can be carried back to the prior year. The advantage of an approved

fund is that investors can be sure how much tax relief will be available in a certain tax year, however they will need to wait until the fund is fully invested and they have received their single EIS5 form to claim this tax back. Please note Tax Efficient Review does not give tax advice.

The Molten Ventures EIS will provide an EIS3 certificate for each underlying deal (8-12) so although certificates will start to come through sooner the relevant date for income tax purposes is the date the underlying investment was made, not the date of fund close.

The Molten Ventures EIS programme has been managed from inception in 2012 by Encore Ventures LLP, which is independently regulated and authorised by FCA. In 2020 Molten Ventures Plc acquired the partnership interests of the two Managing Partners in Encore Ventures LLP (Richard Marsh and David Cummings) and became the 100% ultimate owner of the manager. This is their second Approved EIS offering and it will co-invest with their unapproved fund (and the VCT and PLC) into Knowledge Intensive companies. Over 87% of their deals in the past 3 years have qualified as knowledge intensive so it is essentially a continuation of their existing strategy.

## The Offer

This review covers both the Molten Ventures EIS funds raising as well as the Molten Ventures Knowledge Intensive Approved EIS fund. Fund raising for both of these vehicles is running concurrently at the time of writing this report, but the Knowledge Intensive version of the Molten Ventures EIS fund will close on 3rd April 2025. Most of the dealflow which is assessed by the Molten Ventures team would qualify under the Knowledge Intensive investment rules, which means there should be a high degree of commonality between the investments in both of these EIS funds. It's only where a company does not qualify under the Knowledge Intensive rules that it would appear in the Molten Ventures EIS fund only.

The Molten Ventures EIS is in a different investment space to a lot of other EIS funds in the market place. The Molten Ventures EIS funds are known to focus on larger and later stage invest-

ment rounds in syndicated deals that would otherwise generally be beyond the reach of most EIS managers. Both funds intend to invest in 8-12 companies within 12-18 months of the close date.

Whilst there are other EIS funds which can deploy funds in a faster time frame, the 12-18 months is not uncommon in the EIS industry. The Molten Ventures EIS team raised £26m in 2022/23 and £21m in 2023/24 and Molten told us that they have been focusing on reducing their deployment time frames and the most recent close was deployed in 13 months. However they do not think that a balanced portfolio can be created in less than 12 months.

The fund manager sees its EIS investment strategy as differentiated because it offers private investors participation in investments through the same processes, and meeting the criteria,

for a large publicly-listed venture capital fund run by an established manager with a strong exit track record. This will hopefully provide quality deal flow, including later stage investments into growth rounds for companies which have substantial revenues and high growth rates.

Molten also have a seed fund of funds programme to give additional sources of dealflow. The PLC has commitments to over 80 funds managed by over 60 different seed fund managers which allows them insight into the underlying portfolio of over 2,500 seed stage companies. The team at Molten can then follow the best of these companies with the aim of getting early access to those raising series A rounds.

The fund has a co-investment strategy to invest alongside other funds and managers, including an internal deal sharing agreement with Molten Ventures PLC and the Molten Ventures VCT.

Molten Ventures Plc moved to a main market listing on the London Stock Exchange in 2021 and subsequently entered the FTSE 250 index in September 2021, of which it is currently still a member.

Molten first entered the EIS market following changes in the 2012 Budget which expanded the number of employees an EIS qualifying company could have from 50 to 250. At a stroke, this enabled a lot of the companies that Molten were investing in to become EIS qualifying. Therefore, the investment strategy they have pursued since the launch of the first EIS fund in 2012 has really been relatively unchanged since 2006.

Since this beginning, the unapproved EIS funds run by the manager have achieved 23 exits to date, of which 13 have been profitable outcomes ranging from 1.3x - 10x gross return vs cost. Set against these 13 profitable exits, only 10 investments have returned less than their cost, with 4 of these achieving a partial recovery of capital of 0.2x-0.9x (with EIS reliefs in addition to this). This profile with its high proportion of profitable outcomes is worth noting and comparing against earlier stage investment strategies where a higher failure rate for investments is expected.

In the previous review of the Molten Ventures EIS (Issue 560 January 2024) Tax Efficient Review had pointed out how there had not been any profitable exits for quite some time. So it is good to hear that there have been three exits from

their EIS portfolio since 5 April 2024. These are

- Endomagetics was acquired by Hologic Inc delivering 5.8x and 3.2x on invested capital to the 2018 and 2020 tranches respectively.
- Perkbox was acquired by Great Hill Partners delivering 1.6x and 1.3x on invested capital to the 2018 and 2020 tranches respectively.
- Graphcore via its acquisition by SoftBank delivering 0.8x multiple on invested capital.

Tax Efficient Review also note that there have been further exits from Freetrade and Ravelin since the exits above. This is a timely run of exits from one of the largest EIS managers in the market and we will cover these in more detail in the Track Record section of this review.

By way of recent examples of larger and/or later stage deals which the Molten team have invested in:

- **Riverlane Ltd:** 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 has 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
- **Form3 UK Ltd:** The EIS funds first invested in 2019 and again 16 months later in 2020. The company is another 'Fintech' software business serving the finance sector and enabling account to account payments, again via a cloud computing-based software architecture that can be rapidly integrated into other systems and workflows. In September 2021 the company announced a new funding round of \$160m led by Goldman Sachs which resulted



in an 8x uplift in (unrealised) valuation for the fund's initial investment and over 3x for the second investment. More recently there has been another valuation uplift for the company following a strategic investment in the business by VISA.

- **Altruistiq Ltd:** As increasing numbers of companies commit to "net zero" targets, they require sophisticated approaches to enable them to meet those targets. Large enterprises with significant emissions footprints face particular challenges. On average, more than 80% 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.

As mentioned earlier, there will be a high degree of

commonality in the investments in both the Molten Ventures EIS and the Molten Ventures Knowledge Intensive EIS. The Molten Ventures EIS funds will typically focus its investment strategy on the following sectors:

1. **Consumer Technology:** New consumer-facing products, innovative business models, and proven execution capabilities that bring exceptional growth opportunities
2. **Enterprise Technology:** The software infrastructure, applications and services that make enterprises more productive, cost-effective and smoother to run
3. **Hardware and Deep Tech:** companies developing differentiated technologies that underpin advances in computing, consumer electronics and other industries
4. **Digital Health and Wellness -** Companies leveraging digital and other technologies to create new products and services for the health and wellness markets

**Tax Efficient Review Strategy rating: 29 out of 30**

## Track Record/Performance

Performance measurement in the Generalist EIS area is difficult to measure and this is down to a number of factors:

- Generalist EIS providers have moved away from raising funds in tranches where all investors received holdings in the same set of investee companies (and where performance of the set of companies could be measured) and have moved to multiple closings. This means that investors have more individual portfolios
- Some providers are reluctant to provide data on individual portfolio performance claiming that, in some instances, poor performance can be down to pressure from investors to invest quickly and therefore ending up with little diversification which can lead to poor performance
- With very few exits, performance becomes driven by manager valuation of unquoted

holdings

- There are multiple variations to performance measurement, for instance methodology (Internal Rate of Return, multiple of cost) and whether fees and tax breaks can be included or excluded from the calculation

As part of our review process, we compile a performance measure (Table 4) as follows:

- Initially it will be based on investment cash flows to provide a current valuation compared to initial cost. The data will be compiled by tax year of investment (not calendar year)
- Follow-on investments will be shown in the year the follow-on investment is made, whereas in the Holdings table any follow-on investment is included in the initial cost figure

- Fees and tax breaks will not be accounted for
- The output will be a table for each tax year of investment from 2014/15 to 2020/21, figures for “Cost”, “Total Value (Realised & Unrealised)” and “Gross Multiple of investments purchased in the year” as a multiple of cost.

The data will help to compare performance between providers but suffers from the following restrictions:

- The performance measure will not reflect any individual investor unless they happened to participate in all investments made by the provider in any one tax year and in exactly the same proportions
- Individual performance will need to reflect fees which will not be included in the measurement and so the TER measure will show a higher return number
- The measure will be heavily dependent upon provider valuations of current holdings
- It will not differentiate between performance based on realisations and that based on provider valuation of holdings
- It will not recognise early return of capital in the way that an Internal Rate of Return based calculation does

Since the previous review of the Molten Ventures EIS funds, there have been some changes to how Tax Efficient Review report on the comparative performance of EIS fund managers.

In Table 3 now is an analysis of the level of cash which has been returned to an EIS investor by the different EIS managers over each year’s tranche of investments. This is in the form of a yellow bar chart and a percentage figure of the cash returned based on the initial investment amount. We hope this makes it easier for financial advisers to see at a glance the comparative levels of cash returned over the years by different EIS managers.

As can be seen in Table 3, the investors in the tax year 2015/2016 would be delighted with the 237% cash distributions they have seen on their investment. In fact most of the years between 2014/15 and 2018/19 have seen at or near to 100% of their initial investment returned.

Table 4 is a more familiar table to Tax Efficient Review subscribers, in that it shows the discrete performance of all the companies the EIS managers have invested in across each tranche. But here there has also been a change as we no longer assess years 1-3, since there was typically very little change in the valuations over these first few years.

Table 5 shows the average time to exit for managers which have provided us with the data. TER have recently changed the timings over which they EIS track records. We now look back at distinct year performance over the past 6 years to 2017/2018 and compare peer group performance on a year by year basis.

Compared to the rest of the peer group, the Molten positions by tax year are as follows:

Tax Year	Position v peers
2014/15	7th out of 8
2015/16	2nd out of 9
2016/17	6th out of 10
2017/18	11th out of 12
2018/19	3rd out of 13
2019/20	6th out of 13
2020/21	2nd out of 13

In order to amalgamate all these positions together, for the main providers with over five years track record, we sum the yearly positions and divide by the number of data points. This gives a single number representing the average yearly position in their peer group and where a lower number is better.

The results are:

Providers with at least five years track record	Average yearly position (lower is better)
MMC	2
Guinness	4
Molten	5
Committed	5
Ascension	6
Par	6
Parkwalk	6
Deepbridge Tech	7
Calculus	8
Deepbridge Life	8
Mercia	8
Blackfinch	10

As the earlier EIS funds are maturing and generating their own track record alongside the long standing Molten track record, they have generated 23 exits to date, of which 13 were profitable outcomes from 1.3x up to 10x, and 10 which returned less than their investment cost.

The ratio of profitable exits vs non-profitable is approximately 3:2, and there have been partial cost recovery from the non-profitable outcomes. This is consistent with the long run track record of the investment strategy that is also followed by Molten Ventures Plc and was set out in its IPO admission document.

As mentioned in the Offer section, 2024 did see a return to form for generating profitable exits within the Molten Ventures EIS. Tax Efficient Review have written often of the difficulty in securing profitable exits across 2023 and 2024, but there was an uptick in unquoted, private equity investments in the VCT and EIS market in the latter stages of 2024.

In the previous review of Molten Ventures EIS Tax Efficient Review had written about how there have been no profitable exits within their EIS for over 18 months. But since that review (January 2024) there have been a total of 5 new exits with cash proceeds. In additions to These include:

- Perkbox - an employee benefits platform - (1.6x and 1.3x for a later investment round) via an M&A exit to PE investor Great Hill Partners
- Endomagnetics - pioneering new technology for the location of tumours and tracing them into the lymph nodes - (5.8x and 3.2x for a later investment round) via M&A to Hologix Inc
- Graphcore - an AI chipmaker - first invested in 2016 and was sold to Softbank in 2024
- Ravelin - fraud prevention software sold to Worldpay (subject to completion conditions)
- Freetrade - an app based trading and investment platform sold to IG group giving a 1.9x return to the Molten EIS (subject to regulatory approval and completion conditions)

The exit of Graphcore in 2024 may be something to celebrate, but this company was once valued

at £2bn and had raised over \$600m from investors such as Microsoft. It is good that Molten Ventures (who were one of the earlier investors in Graphcore) managed to recoup most of their investment for EIS investors, but it certainly highlights the volatility seen in 2021/2022 of AI chip companies.

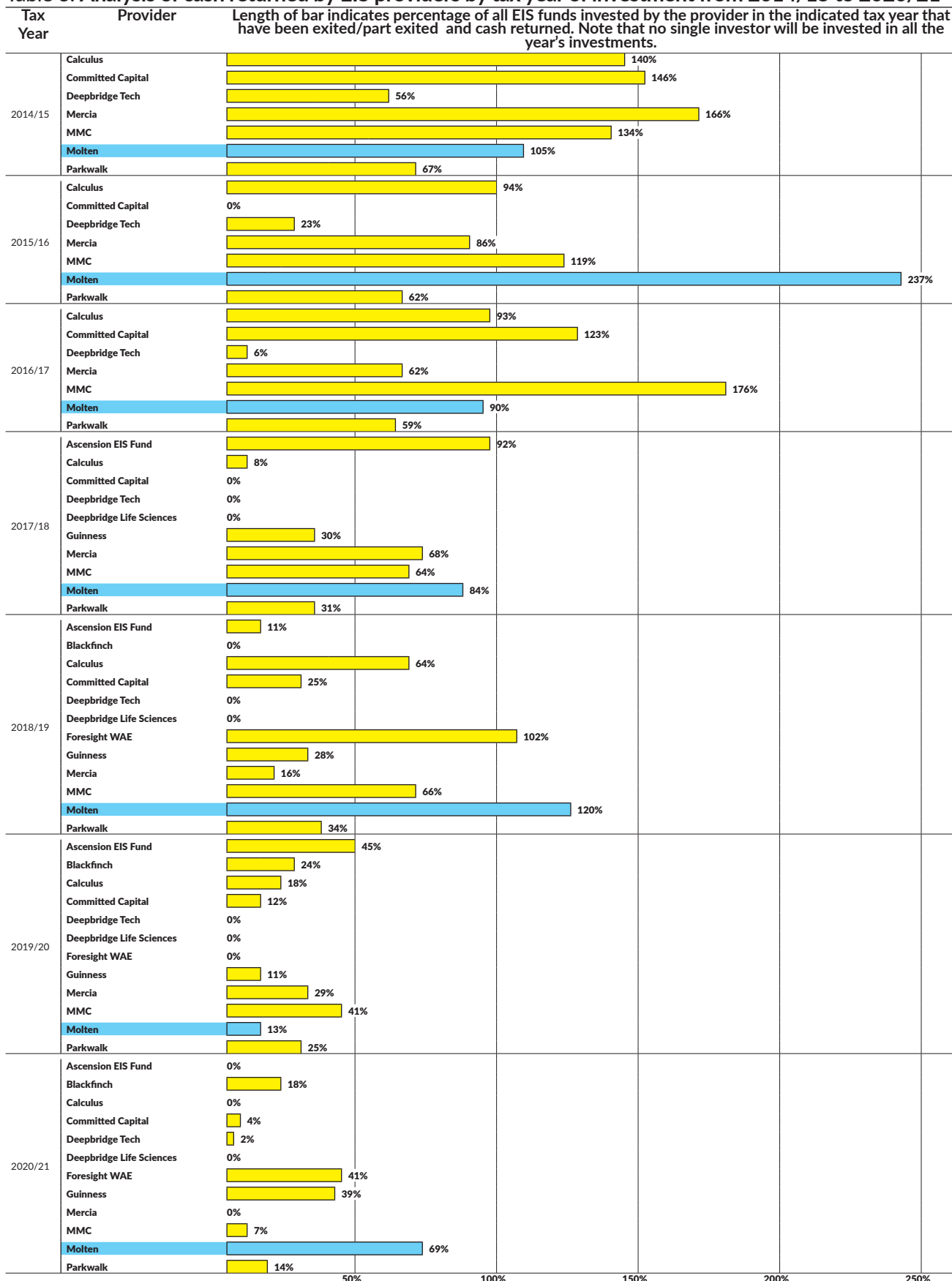
The Molten investment team and style is described as experienced, hands-on investors that will act early and work hard to find successful outcomes via M&A for investments that have not performed to plan. Molten point to the partial cost recoveries from Premfina, Aveillant and Campanja as examples of pro-active portfolio management securing modest M&A transactions and exits rather than allowing the companies to fail. This is also demonstrated in the exit of Datahug which is described as “securing a profitable exit from an underperforming investment”.

What these tables and exits show is that there has been a marked improvement in the track record for the Molten EIS over recent years. However, as is to be expected in an EIS manager with the size and standing of Molten Ventures, it has not all been plain sailing. There have also been recent non-profitable / partial recovery investment outcomes (0x-0.9x):

- Cervest (0x return)
- Push Dr (0x return)
- Streetteam (0x return)
- Resolving (0x return)
- Fluidic Analytics (0x return)
- Campanja (0.4x gross return) via an M&A exit to a private company
- Aveillant (0.2x gross return) via an M&A exit to Thales
- Premfina (0.9x) gross return) via an M&A exit to a private equity buyer.
- Graphcore (0.8x gross return)

We asked the manager to provide data on exits which have already been achieved to date from EIS investments. This is shown in Table 10. As can be seen, there have been a large number of exits to date.

Table 3: Analysis of cash returned by EIS providers by tax year of investment from 2014/15 to 2020/21



Source Providers 08/02/2025

Table 4 (1 of 2): Summary of EIS Performance by Tax Year - Gross multiple of investments made in the tax year

	Asception EIS Fund as at 31/10/2024	Blackfinch as at 16/09/2024	Calculus as at 31/03/2024	Committed Capital as at 30/06/2024	Deepbridge Tech as at 30/11/2024	Deepbridge Life Sciences as at 30/11/2024	Foresight WAE as at 30/06/2024
2014/15			1.44x 6th/8 12 (3 EAC, 3 EBC, 5 CWO, 1 SH)	2.24x 3rd/8 6 (2 EAC, 2 CWO, 2 SH)	3.03x 1st/8 4 (1 EAC, 2 SH, 1 PART)		
2015/16		0.73x 9th/9 4 (2 CWO, 2 SH)	1.38x 4th/9 14 (3 EAC, 1 EBC, 6 CWO, 4 SH)	0.75x 8th/9 4 (1 CWO, 3 SH)	2.03x 3rd/9 6 (1 EAC, 1 CWO, 3 SH, 1 PART)		
2016/17		0.84x 10th/10 10 (1 EAC, 3 CWO, 6 SH)	0.98x 8th/10 11 (4 EAC, 2 EBC, 2 CWO, 3 SH)	2.78x 3rd/10 8 (2 EAC, 6 SH)	1.04x 7th/10 11 (1 EAC, 1 CWO, 8 SH, 1 PART)	6.09x 1st/10 4 (4 SH)	
2017/18	2.78x 1st/12 14 (4 EAC, 1 EBC, 2 CWO, 7 SH)	1.12x 7th/12 14 (1 EAC, 2 CWO, 11 SH)	0.67x 12th/12 10 (1 EAC, 1 EBC, 3 CWO, 5 SH)	1.51x 4th/12 7 (7 SH)	0.88x 10th/12 14 (2 CWO, 11 SH, 1 PART)	1.41x 5th/12 14 (3 CWO, 11 SH)	
2018/19	1.32x 8th/13 11 (1 EAC, 1 CWO, 9 SH)	0.76x 12th/13 4 (2 CWO, 2 SH)	1.64x 6th/13 11 (4 EAC, 1 CWO, 6 SH)	0.94x 10th/13 7 (1 EAC, 6 SH)	0.88x 11th/13 20 (5 CWO, 15 SH)	1.07x 9th/13 20 (3 CWO, 17 SH)	2.35x 2nd/13 11 (1 EAC, 3 CWO, 7 SH)
2019/20	0.92x 10th/13 4 (1 EAC, 1 CWO, 2 SH)	0.84x 13th/13 10 (1 EAC, 3 CWO, 6 SH)	0.87x 12th/13 9 (1 EAC, 1 EBC, 2 CWO, 5 SH)	1.13x 7th/13 9 (1 EAC, 8 SH)	1.06x 8th/13 23 (6 CWO, 17 SH)	0.88x 11th/13 26 (6 CWO, 20 SH)	1.25x 5th/13 9 (1 CWO, 8 SH)
2020/21	1.31x 7th/13 10 (1 CWO, 9 SH)	1.31x 7th/13 14 (1 EAC, 2 CWO, 11 SH)	1.14x 9th/13 11 (11 SH)	1.94x 3rd/13 7 (1 EAC, 6 SH)	0.96x 11th/13 20 (1 EAC, 2 CWO, 17 SH)	0.84x 13th/13 26 (3 CWO, 23 SH)	1.48x 4th/13 12 (1 EAC, 3 CWO, 8 SH)

Source: Return calculations from providers, analysis by Tax Efficient Review 13/02/2025. Annual numbers of investments include new and follow-on

Table 4 (2 of 2): Summary of EIS Performance by Tax Year - Gross multiple of investments made in the tax year

	Guinness as at 31/10/2024	Mercia as at 31/03/2024	MMC as at 30/09/2024	Molten as at 31/01/2025	Par as at 31/03/2024	Parkwalk as at 30/11/2024
2014/15		2.56x 2nd/8 10 (1 EAC, 7 CWO, 2 SH)	1.88x 5th/8 8 (3 EAC, 1 EBC, 3 CWO, 1 PART)	1.41x 7th/8 8 (2 EAC, 1 EBC, 3 CWO, 2 SH)	2.11x 4th/8 7 (1 EAC, 1 EBC, 1 CWO, 4 SH)	1.27x 8th/8 22 (3 EAC, 4 EBC, 8 CWO, 7 SH)
2015/16		1.28x 5th/9 22 (3 EAC, 1 EBC, 12 CWO, 6 SH)	2.97x 1st/9 10 (3 EAC, 5 CWO, 2 PART)	2.49x 2nd/9 10 (4 EAC, 1 EBC, 3 CWO, 2 SH)	0.91x 7th/9 9 (2 CWO, 7 SH)	1.15x 6th/9 33 (6 EAC, 7 EBC, 13 CWO, 7 SH)
2016/17		0.89x 9th/10 19 (2 EAC, 10 CWO, 7 SH)	3.23x 2nd/10 8 (3 EAC, 3 CWO, 2 PART)	1.09x 6th/10 11 (3 EAC, 1 EBC, 4 CWO, 3 SH)	1.31x 5th/10 11 (1 EAC, 2 CWO, 8 SH)	1.41x 4th/10 34 (7 EAC, 2 EBC, 8 CWO, 17 SH)
2017/18	1.60x 2nd/12 16 (4 EAC, 2 CWO, 10 SH)	1.37x 6th/12 26 (3 EAC, 1 EBC, 10 CWO, 12 SH)	1.52x 3rd/12 8 (3 EAC, 4 CWO, 1 PART)	0.87x 11th/12 6 (2 EAC, 3 CWO, 1 SH)	1.01x 8th/12 13 (1 CWO, 12 SH)	1.00x 9th/12 40 (4 EAC, 2 EBC, 17 CWO, 17 SH)
2018/19	1.91x 4th/13 15 (2 EAC, 3 CWO, 10 SH)	0.64x 13th/13 15 (1 EAC, 8 CWO, 6 SH)	2.52x 1st/13 6 (2 EAC, 1 EBC, 3 CWO)	2.12x 3rd/13 14 (4 EAC, 1 EBC, 5 CWO, 4 SH)	1.65x 5th/13 14 (14 SH)	1.51x 7th/13 41 (6 EAC, 3 EBC, 7 CWO, 25 SH)
2019/20	1.27x 4th/13 18 (1 EAC, 4 CWO, 13 SH)	0.99x 9th/13 17 (5 CWO, 11 SH, 1 PART)	3.02x 1st/13 3 (1 EAC, 1 EBC, 1 CWO)	1.18x 6th/13 15 (2 EAC, 3 CWO, 10 SH)	1.34x 3rd/13 13 (13 SH)	1.66x 2nd/13 35 (2 EAC, 2 EBC, 4 CWO, 27 SH)
2020/21	1.32x 5th/13 14 (1 EAC, 3 CWO, 10 SH)	0.96x 11th/13 21 (5 CWO, 16 SH)	3.12x 1st/13 2 (1 EAC, 1 CWO)	2.29x 2nd/13 10 (2 EAC, 4 CWO, 4 SH)	1.03x 10th/13 14 (14 SH)	1.32x 5th/13 37 (1 EAC, 1 EBC, 3 CWO, 32 SH)

IMPORTANT NOTE: The main constituent in the valuation is the manager's view of their investments (as there are few exits) - where an investee company is still held then the manager has provided the valuation. As a result of this element of discretion, valuations can vary materially, so a detailed analysis of the manager's valuation methodology is recommended in order to make meaningful comparisons

HOW TO READ THIS TABLE: This table seeks to provide some performance data related to unquoted investments made by the EIS managers in each tax year. As no investor investing in the tax year will have received holdings in each investee company, it does not reflect individual portfolio performance. In addition, different valuation dates between providers makes comparison a difficult task

Gross Valuation multiple and position in year group → **1.23x** 1st of 8 ← Colour of cell indicates tercile position of that year's performance  
 indicates first tercile (best) indicates second tercile indicates third tercile (worst)  
 → Number of investments (including follow-on) and current status CWO Complete Write-off or where current valuation is less than 5% of cost  
 EAC Exit Above Cost EBC Exit Below Cost PART Partial Exit SH Still Held

Provider fees have not been accounted for nor have any EIS tax breaks such as up-front tax relief or Loss Relief  
 For each tax year in column 1, the numbers in columns for each provider show the current value of all the investments made by the provider in that tax year followed by the number of holdings. So for example, a figure of 1.4x means that the value of the investments made that tax year are now valued by the manager at 1.4 times cost. A figure below 1 means the current value has declined below cost

Source: Return calculations from providers, analysis by Tax Efficient Review 13/02/2025. Annual numbers of investments include new and follow-on

**Table 5: Average time to exit by provider**

Providers (in alphabetical order)	Exited Above Cost	Exited Below Cost	Partially Exited	Completely Written-Off	All Exits
Committed Capital as at 30/06/2024	3.98 years (5 Companies)	None	None	7.5 years (2 Companies)	5.01 years (7 Companies)
Deepbridge Tech as at 30/11/2024	4.28 years (2 Companies)	None	3.36 years (1 Company)	4.63 years (6 Companies)	4.09 years (9 Companies)
Deepbridge Life Sciences as at 30/11/2024	None	None	None	4.66 years (8 Companies)	4.58 years (11 Companies)
Guinness as at 31/10/2024	2.61 years (7 Companies)	None	None	2.95 years (8 Companies)	2.78 years (15 Companies)
MMC as at 30/09/2024	5.56 years (2 Companies)	None	5.55 years (1 Company)	5.88 years (4 Companies)	5.66 years (7 Companies)
Molten as at 31/01/2025	4 years (15 Companies)	4.2 years (4 Companies)	4.1 years (1 Company)	3.8 years (6 Companies)	4.00 years (26 Companies)
Parkwalk as at 30/11/2024	3.81 years (19 Companies)	5.3 years (6 Companies)	None	5.36 years (29 Companies)	4.82 years (54 Companies)

*Data from providers for exits in tax years 2014/15 to 2020/21. Number of tax years providing data are as in Table 4. Where an exited company has received more than one investment then only the time from the first investment to the first exit receipt has been counted  
Report produced 13/02/2025 18:11:00*

Table 8 shows the data for each cohort/tranche of EIS investments which Molten have made since 2012/13. Table 9 shows the list of existing investments within the Molten EIS portfolio.

Table 11 shows the percentage split of the portfolio by the changes to the valuations. The majority of the portfolio is covered by either being held at cost or up-rated in value.

Table 12 shows the sector split of the portfolio with technology, computing and healthcare taking up dominant positions across the investments.

Table 13 shows the split of the portfolio by stage of investment, and this reflects one of the defining characteristics of their EIS funds of investing in the larger/later stage companies permissible within the EIS legislation.

In summary, it is good to be able to report a return to profitable exits for the Molten Ventures EIS. They have managed to deliver a number of profitable exits at a time when many EIS managers in their peer group have gone for nearly 2 years without.

When looking back at certain Molten Ventures EIS tranches, the investors in the year 2015/2016 could not fail to be happy with the cash returns they have seen. But whilst the returns in that year were an outlier, Molten have shown that they can deliver cash returns across many of their investment tranches. Most investors between 2014 and 2019 have had most, if not all, of their original investment back via cash distributions. Given the illiquidity of EIS investments in general, this is something which should be celebrated.

**Tax Efficient Review Track Record rating: 35 out of 40**

## The Manager

Molten Ventures, is one of the largest and most active venture capital investors in Europe and the combined investment deployment in its financial year to 31st March 2024 was £103m across the group vehicles (Plc, EIS, VCT).

The investment team today has expanded and

now comprises 22 professionals (Partners, Venture Partners, Principals and Associates). There is a single investment team that operates to find investments, and manage those assets through to exit, and there is an allocation to the EIS and VCT funds for Qualifying deals.

Richard Marsh, co-founder of Molten's EIS funds, has taken on additional responsibility as Chief Portfolio Officer of Molten Ventures Plc to focus on management of and exits from the whole of the firm's investment portfolio, including EIS and VCT. He chairs the firm wide follow on Investment Committee and remains on the Management Board of Encore Ventures, manager of the EIS funds. Lucy Collins is Head of EIS and responsible for the operations and fundraising aspects of the EIS funds.

Key team members of the Molten Ventures EIS investment team include:

- Lucy Collins (Head of EIS). Lucy has 20 years of operational experience working in EIS funds, including 5 years within Molten. She has a MA in Physiological Sciences from Oxford, a CISI Diploma in Investment Compliance and is a member of the EISA regulatory committee
- Richard Marsh (Chief Portfolio Officer, Molten Ventures Plc;). Richard has over 15+ years of experience in venture capital and investing through the EIS scheme. He is a successful entrepreneur and was Founder of software company Datanomic that was sold to Oracle. He holds an MBA from IMD, Switzerland
- Stuart Chapman (Co-founder and Director Molten Ventures PLC. Stuart has 20+ years of experience in venture capital in UK and US (Silicon Valley) having started his Venture Capital career at 3i. Stuart was a previously a Board member of the British Venture Capital Association (BVCA)
- Ben Wilkinson (Chief Executive Officer, Director, Molten Ventures Plc) Ben was the Molten Group CFO for 7 years before becoming CEO and is an experienced leader of public company finance teams having previously served for 5 years as CFO of AIM-listed President Energy Plc. Ben is a Chartered Accountant, FCA, with a background in M&A investment banking from ABN Amro/RBS

Table 14 in the appendix of this report contains a breakdown of their roles within the running of the Molten Ventures EIS portfolios. We asked Molten for a list for the EIS investments made in recent years and who was the lead investment partner for each deal:

- 2019 - Fluidic Analytics (Vishal Gulati/

Richard Marsh), Form3 (Vinoth Jayakumar), Hadean Supercomputing (David Cummings), Ieso Digital Health (Vishal Gulati), Conversocial (Stuart Chapman), Streetteam (Simon Cook), Paragraf (David Cummings), Real Eyes (Stuart Chapman), Sweepr (Nicola McClafferty), Perkbox (Simon Cook / Vinoth Jayakumar),

- 2020 - Thought Machine (David Cummings / Vinoth Jayakumar), Curio Labs (Richard Marsh), PushDr (Stuart Chapman), Freetrade (Simon Cook / Vinoth Jayakumar), Perkbox (Simon Cook / Vinoth Jayakumar), Evonetix (Vishal Gulati), Ravelin Technology (Vinoth Jayakumar), Roomex (Nicola McClafferty), Form3 (Vinoth Jayakumar), Endomagnetics (David Cummings)
- 2021 - Primary Bid (Vinoth Jayakumar), Fluidic Analytics (Vishal Gulati), Riverlane (David Cummings / Stuart Chapman), Agora (Will Turner / Christoph Hornung), Focal Point Positioning (David Cummings), Cervest (Vinoth Jayakumar), Ieso (Vishal Gulati), SateliteVu (George Chalmers / Vinoth Jayakumar)
- 2022- BeZero (George Chalmers), Allplants (Nicola McClafferty), Altruistiq (George Chalmers), Gardin (Edel Coen), Paragraf (David Cummings), Apperio (Richard Marsh), Causalens (Christoph Hornung), Worldr (Leonora Ross-Skinner), Focal Point Positioning (David Cummings), Fluidic Analytics (Vishal Gulati), Hadean Supercomputing (David Cummings)
- 2023 - Evonetix (Nelly Marjova), Altruistiq (George Chalmers), Zaptic (Nelly Markova), Riverlane (Stuart Chapman), Oliva (Inga Deakin), SatVu (George Chalmers), Apperio (Richard Marsh), Allplants (Nichola McClafferty), Morressier (Christoph Hornung), Binalyze (Edel Coen), IMU Biosciences (Inga Deakin), Anima (Inga Deakin)
- 2024 - Altruistiq (George Chalmers), Valarian (Leonora Ross-Skinner), Focal Point (David Cummings), SatVu (George Chalmers), Xmos (Alan Duncan), FintechOS (Vinoth Jayakumar), Dines App (Nic Brisbane), Concretene (George Chalmers)

**Tax Efficient Review Management Team/Deal Flow/Exit rating: 17 out of 20**

## Fees and Costs

The difficulty in trying to compare fees and costs between EIS offers is that they can be charged to both the EIS investor directly or indirectly through the underlying EIS companies. TER considers that any charges made to the EIS companies affects the return to the EIS investor and therefore TER amalgamates both direct and indirect fees to compile a total “five year cost of ownership”. In order to compile the comparison table to illustrate the effect of total charges on a £100,000 portfolio invested for five years, TER have had to make a few assumptions which by definition are not “real world”. The key ones are:

Level of charges are based on data provided by the portfolio manager

The 20% assumed annual growth rate of investee companies is made by Tax Efficient Review for modelling purposes only. No estimate is either intended nor implied. Investee company values can go down as well as up

No investee company is written-off and all companies are sold together after five years

Some providers have higher annual costs to reflect the more extensive levels of in-house management and administration of their EIS activities

From the data, TER has compiled two tables. Table 6 compares the total fees for all the EIS providers and relates total fees to the level of gain driven by the assumed 20% growth rate of the portfolio.

Table 7 shows the detail of how the fees and charges accrue over five years together with a potential exit value of the portfolio if sold after five years.

As can be seen from Table 6, Molten are middle of the pack when comparing fees per £ of profit on our simulation.

Molten Ventures EIS and Molten Ventures Approved KI EIS 23/24 fees are paid by investors and the fund does not make any charges to portfolio companies. Whilst this reduces the amount of an investor’s subscription on which EIS relief is obtained, and some investors may grumble about the upfront charges, Molten say it is an essential factor to maintain the quality of investments.

Molten say it is not market practice for mainstream venture capital funds to charge their portfolio companies and so if they were to do so, they would not be competitive in winning deals. The manager points out that charging deal fees to portfolio companies is not attractive to entrepreneurs. It would also need to invest more money in order to cover the outflow of these fees, and at a higher valuation for an equivalent equity ownership in the company – which is ultimately detrimental to investors’ cash and returns.

Due to this policy, Molten have always charged its fees to investors, however, this reduces the amount of tax relief an investor can claim. In 2019, Molten evolved their charging structure, so for each £1 subscribed into the fund (after any adviser fees, if relevant) 90p is invested and to achieve this a portion of the fees are deferred. The 4 year fee cap has been removed, but the management fee reduces down pro rata as holdings are sold and are no longer under management.

- **Initial Charge : 2% (+ VAT)**
- **Annual management charge : 2%+VAT - for Years 1-5. Then reduces to 2% (+VAT) of the cost of remaining holdings in later years subject to a minimum threshold of 0.5% (+VAT) of the original subscription amount**  
However, the combined amount payable from initial subscriptions will not exceed of 7.5% (+VAT) plus £480 custodian fees and purchase dealing costs held back, so that ~90p in each £1 subscribed can be invested. The balance of the managers’ fees is deferred, and subject to, realisations of the investments.
- **Performance Fee: 20%+VAT of proceeds above a hurdle rate of return for each investment. The performance fee is payable on a deal by deal basis but investors must be in profit on their overall subscription to the fund at the end of the fund life for the manager to retain the performance fees. The process is that when a profitable exit takes place, an amount is set aside for performance fees within the investors’ client accounts at Mainspring. If the £1 hurdle isn’t ultimately met, this set aside amount will be credited back to investors. For each investment the hurdle rate is the part of an investor’s sub-**



Table 6: EIS offers estimated five year costs ranked by cost per £1 of profit

Provider	Simulated 5 year return net of fees and charges based on 20% growth per annum	Simulated 5 year fees and charges based on 20% growth per annum	Simulated 5 year cost per £1 of investor profit (column 3 divided by excess of column 2 over £100,000) Lower is better	% of costs charged to investors	% of costs charged to investee companies	Provider treatment of VAT on fees R indicates recoverable (Note 1)		
						VAT charged on Initial charge?	VAT charged on AMC?	VAT charged on Performance Fee?
ASCENSION	£200,314	£33,913	£0.34	86%	14%	N/A	Yes	No
PAR EQUITY	£197,006	£34,752	£0.36	73%	27%	Yes	Yes	Yes
BLACKFINCH	£192,501	£34,573	£0.37	54%	46%	No	No	No
FUEL VENTURES	£194,273	£35,955	£0.38	65%	35%	N/A	Yes/R	Yes
EDITION	£195,878	£39,212	£0.41	61%	39%	N/A	Yes	Yes
<b>MOLTEN</b>	<b>£178,342</b>	<b>£35,772</b>	<b>£0.46</b>	<b>100%</b>	<b>0%</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
GUINNESS	£196,618	£44,022	£0.46	70%	30%	N/A	N/A	Yes
PARKWALK	£177,071	£35,718	£0.46	100%	0%	No	Yes	No
PRAETURA	£192,231	£45,302	£0.49	92%	8%	Yes	Yes	Yes
DOWNING HEALTHCARE	£191,327	£44,666	£0.49	94%	6%	No	Yes	Yes
CALCULUS Note 2	£188,165	£46,618	£0.53	89%	11%	Yes	Yes	Yes
SENECA	£190,093	£48,500	£0.54	92%	8%	Yes	Yes	Yes
DEEPBRIDGE TECH	£182,830	£44,317	£0.54	48%	52%	N/A	N/A	Yes
DEEPBRIDGE LIFE SCIENCES	£182,830	£44,317	£0.54	48%	52%	N/A	N/A	Yes
FORESIGHT	£176,588	£43,632	£0.57	94%	6%	No	Yes	Yes
MERCIA EIS	£181,523	£48,719	£0.60	85%	15%	Yes	Yes	Yes
MMC	£172,627	£44,248	£0.61	100%	0%	Yes	Yes	Yes
OCTOPUS	£189,614	£54,797	£0.61	100%	0%	No	Yes	Yes

Note 1: The treatment of VAT on fees differs between offers. "Yes" indicates that VAT is charged by the provider. "N/A" indicates that the fee is not charged. "No" indicates that the fee is not subject at present to VAT. This could change in the future. TER does not give VAT advice

Note 2: Calculus charge both a 10%+VAT performance fee and invest in shares that give Calculus 12% of any upside. Calculus claim that the effect is similar to a 22% fee which is what is modelled in the Calculus numbers

This table illustrates the effect of total charges on a £100,000 portfolio invested for five years

Level of charges based on data provided by the portfolio manager

Some providers have higher annual costs to reflect the more extensive levels of in-house management and administration of their EIS activities

Key unrealistic assumptions made by Tax Efficient Review for modelling purposes only: 20% annual growth rate of all investee companies, no investee company is written-off, all companies are sold together after five years

No estimate of return is either intended nor implied. Investee company values can go down as well as up. TER does not give tax advice

Source: Data from Provider, Calculation by Tax Efficient Review. Report produced 20/02/2024

Table 7: **Tax Efficient Review Estimate of Total Charges over a five year period for MOLTEN VENTURES EIS**

Fee type	Amount	Description
Investor- Initial charge	2.40%	2%+VAT
Investor- Annual management charge	2.40%	2%+VAT of net subscription
Investor- Annual operating costs	0.00%	None
Investor- Transaction specific costs	0.20%	0.2% (no VAT)
Investor- Performance hurdle	125.00%	6% pa with max 125%
Investor- Performance Fee	24.00%	20% plus VAT of profitable exits above hurdle, subject to 100% of an investors subscription being returned
Investor- Custodian Fees-Admin per annum	0.00%	£80 per annum
Investee companies- arrangement fees	0.00%	None
Investee companies- dealing fee	0.00%	None
Investee companies- annual monitoring fees	0.00%	None
Investee companies- Exit fees	0.00%	None
Number of investee companies	8	
Held back upfront to cover fees	10.00%	Covers 2.4% initial charge, 6 years of custodian fees and 2.75 years of management fees
% of fund invested in yr1	50.00%	
% of fund invested in yr2	50.00%	
Assumed growth*	20.00%	Tax Efficient Review assumption

Cell colour indicates fee charged to Investor (Yellow) or Investee Company (Pink)	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL 5 YEAR FEES
Value of portfolio beg year	£100,000	£98,901	£118,573	£142,288	£170,745	
Less Initial charge	£10,000	£0	£0	£0	£0	£10,000
Less Transaction fees	£90	£90	£0	£0	£0	£180
Less Annual Operating Costs	£0	£0	£0	£0	£0	£0
Less Annual management charge	£0	£0	£0	£0	£4,800	£4,800
Less Arrangement fee	£0	£0	£0	£0	£0	£0
plus Assumed growth*	£8,991	£19,762	£23,715	£28,458	£33,189	
Monitoring fees	£0	£0	£0	£0	£0	£0
Exit fees/Deferred fees	£0	£0	£0	£0	£0	£0
Performance Fee	£0	£0	£0	£0	£20,792	£20,792
Value of portfolio at year end	£98,901	£118,573	£142,288	£170,745	£178,342	£35,772
Total cumulative charges	£10,090	£10,180	£10,180	£10,180	£35,772	

This table illustrates the effect of total charges on a £100,000 portfolio invested for five years.

Level of charges based on data provided by the portfolio manager.

Some providers have higher annual costs to reflect the more extensive levels of in-house management and administration of their EIS activities

\*Assumed annual growth rate of investee companies is made by Tax Efficient Review for modelling purposes only.

No estimate is either intended nor implied. Investee company values can go down as well as up.

Source: Fees data from Providers, Calculation by Tax Efficient Review. Report produced 20/02/2024

scription that is committed to that particular investment plus 6% per annum (compounded) until it reaches 1.25x of the amount invested, after which it shall not increase further.

A performance fee based on successful investment realisations rather than being paid on the total return to the investor is not in the best

interests of investors. However, our disappointment in this area is counterbalanced by the incorporation of a hurdle before the fee is paid and the fact that an investor's entire subscription needs to be returned before these can be billed.

**Tax Efficient Review Costs rating: 7 out of 10**

## Conclusion

This review is for both the Molten Ventures EIS fund and the Molten Ventures Knowledge Intensive Approved EIS fund. There is expected to be a high level of commonality in the investments being considered for both of these funds, as the majority of the dealflow which Molten Ventures assesses would qualify under the Knowledge Intensive investment rules. But those advisers who wish to partake in the Knowledge Intensive version of the Molten Ventures EIS fund must do so before it closes on 3rd April 2025.

Since their EIS was first launched (initially under the Draper Esprit name) in 2012/2013, Molten Ventures have focussed on larger, later stage investment rounds (often within syndicated deals) that would usually be beyond the reach of most EIS managers.

It is in the track record that they have generated since then where the Molten Ventures team really set themselves apart. Molten Ventures had generated high multiples on exits in past years from companies such as Tailsco, Grapeshot and Bright Computing. But in the previous review of the Molten Ventures EIS (Issue 560 January 2024) Tax Efficient Review had pointed out that there had not been any profitable exits from within this EIS for quite some time. To be clear, Molten Ventures were far from being alone in this position, but here is a quote from the conclusion of that review:

*"...the last few years have seen relatively few exits. There were two in 2022, Bright Computing in January 2022 at a 5x multiple and Roomex in November 2022 at 1.9x multiple. But since then there have been no profitable exits combined with a number of complete write offs, and, speaking frankly, time is ticking for Molten Ventures to show they can deliver value driven multiples back to their EIS investors"*

Tax Efficient Review are happy to report that 2024 saw three exits delivering cash returns to Molten Ventures EIS investors. There has also been a strong start to 2025 with two profitable exits already signed and in the process of completion. In terms of the 2024 exits these were Endomagnetics, which developed new technology for the location of tumours in cancer, delivered 5.8x and 3.2x on invested capital to the 2018 and 2020 tranches respectively. Perkbox, the employee benefits platform, delivered 1.6x and 1.3x on invested capital to the 2018 and 2020 tranches respectively and Graphcore via its acquisition by SoftBank delivering 0.8x multiple on invested capital. In total these exits generated proceeds of over £60m for the Molten Ventures EIS.

We have to be circumspect about Graphcore, as this AI chip processing company was once valued at over £2bn, but it is good for investors that Molten Ventures managed to recoup the value that they did for their investors.

In summary, these exits are a return to form for Molten Ventures EIS. If you were lucky enough to be an investor in the 2015/2016 Molten EIS investments you could not fail to be happy with the 236% cash returns on the original investment. Whilst that year is an outlier, 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 Total rating: 88 out of 100 (for "EIS Growth fund from an established provider with track record")**

**Table 8: Analysis of Molten EIS unquoted holdings as at 13 February 2025**

Year	Amount Invested	Number	Number of +ve Exits	Number of -ve Exits	Value of Exits	Current	Total	Return Multiple on cost	% of subscriptions returned in cash inc. Earn Out
2012/13	£1,468,610	6	2	2	£501,056	£6,101	£507,157	0.35	34%
2013/14	£3,044,970	9	5	3	£6,751,480	£6,052	£6,757,532	2.22	222%
2014/15	£3,886,945	8	2	3	£4,095,245	£1,398,645	£5,493,890	1.41	105%
2015/16	£4,937,903	10	4	3	£11,725,511	£588,423	£12,313,934	2.49	237%
2016/17	£7,246,794	12	3	3	£6,531,917	£1,349,451	£7,881,368	1.09	90%
2017/18	£7,358,995	6	2	2	£6,207,877	£219,536	£6,427,414	0.87	84%
2018/19	£27,508,552	14	4	2	£33,059,333	25,311,779	£58,371,112	2.12	120%
2019/20	£30,565,639	16	3	2	£8,708,447	£27,265,442	£35,973,889	1.18	28%
2020/21	£23,606,287	10	3	3	£28,091,297	£25,918,432	£54,009,729	2.29	119%
2021/22	£31,749,012	11	0	1		£22,160,879	£22,160,879	0.70	0%
2022/23	£23,637,884	10	0	1		£19,930,805	£19,930,805	0.84	0%
2023/24	£25,782,325	13	0	0		£23,392,173	£23,392,173	0.91	0%
<b>TOTALS</b>	<b>£190,793,916</b>				<b>£105,672,164</b>	<b>£147,547,718</b>	<b>£253,219,881</b>	<b>1.33</b>	<b>55%</b>

Note this includes the in process exits of Freetrade and Ravelin

Source Molten

**Table 9: Molten Ventures EIS Unquoted portfolio analysis for Tax Efficient Review as at 05/01/2025**

Investee name	Share class	Amount invested	Current Value	Date of first investment	Syndicated	Lead investor	Structure of investment	Industry sector	Financing stage	Valuation method	Multiple of cost
Molten would not allow publication of holding names	Ord Shares	1.65	1.65	Dec-24	Y	Y	Ordinary	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	B4 Ord Shares	0.50	0.00	May-23	Y	N	Non participating preferred	Food Producers	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.01
	B2 Ord Shares	1.35	0.00	Nov-22	Y	Y	Non participating preferred	Food Producers	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.00
	B2 Shares	2.33	0.00	Dec-21	Y	Y	Non participating preferred	Food Producers	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.00
	Series A Preferred Stock	3.31	3.30	Oct-23	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	D Ord Shares	0.12	0.12	Jul-23	Y	Y	Participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	D Ord Shares	0.18	0.18	May-23	Y	Y	Participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	D Ord Shares	1.14	1.14	Sep-22	Y	Y	Participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	C2 Ord	2.95	0.10	Nov-18	Y	Y	Participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.03
	Seed 2 Pref	0.41	-	Jul-18	N	Y	Participating preferred	Software & Computer Services	Early Stage, Pre-Revenue	Write-down 76%-100%	-

Table 9: Molten Ventures EIS Unquoted portfolio analysis for Tax Efficient Review as at 05/01/2025

Investee name	Share class	Amount invested	Current Value	Date of first investment	Syndicated	Lead investor	Structure of investment	Industry sector	Financing stage	Valuation method	Multiple of cost
Molten would not allow publication of holding names	Series A2 Shares	5.22	6.26	Mar-22	Y	N	Non participating preferred	Software & Computer Services	Early Stage, Pre-Revenue	Note 1	1.20
	A3 Preferred Shares	2.69	2.69	Aug-23	Y	Y	Participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Seed 2 Preferred Shares	1.00	1.00	Oct-24	Y	Y	Non participating preferred	Technology Hardware & Equipment	Later Stage, Pre-profit expansion	Cost	1.00
	Crowdcube Ltd D2 Preference	1.59	2.71	Dec-18	Y	Y	Participating preferred	General Financial	Later Stage, Pre-profit expansion	Note 1	1.71
	Crowdcube Limited B Preference	0.68	0.59	Oct-15	Y	Y	Non participating preferred	General Financial	Later Stage, Pre-profit expansion	Note 1	0.86
	Series A2 Preference	1.10	0.70	Feb-20	Y	N	Non participating preferred	media	Later Stage, Pre-profit expansion	Write-down 26%-50%	0.64
	Ord Shares	0.36	0.00	Sep-21	Y	N	Non participating preferred	General Financial	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.00
	Series Seed B Shares	0.38	0.38	Jul-24	N	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	B2 Preferred Shares	4.00	0.19	Jan-23	Y	N	Non participating preferred	Pharmaceuticals & Biotechnology	Early Stage, Pre-Revenue	Write-down 76%-100%	0.05
	B2 Preferred Shares	2.20	0.11	Apr-20	Y	Y	Non participating preferred	Pharmaceuticals & Biotechnology	Early Stage, Pre-Revenue	Write-down 76%-100%	0.05
	Evonetix Ltd A Pref	1.00	0.07	May-18	Y	Y	Non participating preferred	Pharmaceuticals & Biotechnology	Early Stage, Pre-Revenue	Write-down 76%-100%	0.07
	Seed 4 Shares	3.10	3.10	Nov-24	Y	N	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Seed 2 Shares	0.50	0.50	Apr-24	Y	N	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Seed 2 Shares	1.47	1.47	Jan-23	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Seed 2 Shares	2.47	2.47	Aug-22	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Series B-7 Shares	1.88	1.88	Jul-24	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	C2 Preferred Shares	1.50	2.32	Apr-24	Y	Y	Participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Note 2	1.55
	C2 Preferred Shares	3.30	5.11	Sep-22	Y	Y	Participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Note 2	1.55

Table 9: Molten Ventures EIS Unquoted portfolio analysis for Tax Efficient Review as at 05/01/2025

Investee name	Share class	Amount invested	Current Value	Date of first investment	Syndicated	Lead investor	Structure of investment	Industry sector	Financing stage	Valuation method	Multiple of cost
Molten would not allow publication of holding names	A2 Preferred Shares	1.95	3.94	Apr-21	Y	Y	Participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Note 2	2.01
	Series B4 Shares	2.33	7.70	Jun-20	Y	N	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Note 2	3.31
	Series B2	2.79	22.28	Feb-19	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Note 2	7.99
	Series Seed Preferred 2 Shares	2.96	0.01	Feb-22	Y	Y	Non participating preferred	Technology Hardware & Equipment	Early Stage, Pre-Revenue	Write-down 76%-100%	0.00
	Series A4 Preferred Shares	2.10	2.10	Apr-24	Y	N	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Series A4 Preference Shares	3.89	3.89	May-23	Y	N	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Series A2 Preferred Shares	1.93	1.95	Nov-21	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.01
	A Ord	0.96	1.04	Dec-16	N	Y	Non participating preferred	Media	Later Stage, Pre-profit expansion	Note 1	1.08
	A Ord	0.08	0.12	Jul-14	N	Y	Non participating preferred	Media	Later Stage, Pre-profit expansion	Note 1	1.62
	Series Seed-1 shares	0.89	0.00	Apr-21	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.00
	Series A2 Preferred Shares	2.75	2.75	Mar-22	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	B2 Seed	1.60	2.06	Apr-19	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Note 2	1.29
	C5 Preferred Shares	1.58	1.58	Dec-24	Y	N	Participating preferred	Health Care Equipment & Services	Later Stage, Pre-profit expansion	Cost	1.00
	B2 Preferred Shares	3.30	0.34	Nov-21	Y	Y	Participating preferred	Health Care Equipment & Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.10
	A2 Preferred	0.55	0.06	Jul-19	Y	Y	Participating preferred	Health Care Equipment & Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.10
	A Preferred	2.11	0.22	Dec-17	Y	Y	Participating preferred	Health Care Equipment & Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.10
Series A2 Shares	4.16	4.16	Feb-22	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00	
Series A2 Shares	3.05	3.05	Mar-23	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00	

Table 9: Molten Ventures EIS Unquoted portfolio analysis for Tax Efficient Review as at 05/01/2025

Investee name	Share class	Amount invested	Current Value	Date of first investment	Syndicated	Lead investor	Structure of investment	Industry sector	Financing stage	Valuation method	Multiple of cost
Molten would not allow publication of holding names	Series A preferred	0.01	0.00	Aug-20	Y	N	Ordinary	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.02
	Series B Common units	0.01	0.00	Aug-20	Y	N	Ordinary	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.02
	Series C	0.89	0.00	Jun-15	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.00
	Series B	0.60	0.01	Jan-14	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.01
	Series A	0.21	0.01	Jan-13	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.03
	A2.2 Ord Shares	0.85	1.11	Jan-24	Y	Y	Non participating preferred	Pharmaceuticals & Biotechnology	Early Stage, Pre-Revenue	Note 2	1.30
	A2.2 Ord Shares	3.18	4.14	Sep-23	Y	Y	Non participating preferred	Pharmaceuticals & Biotechnology	Early Stage, Pre-Revenue	Note 2	1.30
	B Pref	0.09	0.31	Apr-17	Y	N	Participating preferred	Technology Hardware & Equipment	Later Stage, Pre-profit expansion	Note 1	3.59
	Pref 0.0001	1.01	1.28	Apr-15	y	N	Participating preferred	Technology Hardware & Equipment	Later Stage, Pre-profit expansion	Note 1	1.26
	Series A-3 Shares	2.36	2.36	Dec-24	Y	N	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Preferred B 2 Shares	3.93	-	Jul-23	Y	N	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	-
	Series Seed-3C Preferred Stock	2.04	2.04	Apr-23	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Preferred 2 Shares	2.64	2.67	Feb-22	Y	N	Non participating preferred	Technology Hardware & Equipment	Later Stage, Pre-profit expansion	Cost	1.01
	Ord Shares	1.72	3.28	Oct-19	Y	N	Non participating preferred	Technology Hardware & Equipment	Later Stage, Pre-profit expansion	Note 2	1.91
	Series B2 Preferred Shares	3.05	3.05	Jan-21	Y	N	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	A3 Preferred Shares	2.15	0.69	Dec-19	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 51%-75%	0.32
	A3 Pref	0.43	0.14	Jul-18	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 51%-75%	0.32
A Pref	0.52	0.00	Feb-17	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.01	



Table 9: Molten Ventures EIS Unquoted portfolio analysis for Tax Efficient Review as at 05/01/2025

Investee name	Share class	Amount invested	Current Value	Date of first investment	Syndicated	Lead investor	Structure of investment	Industry sector	Financing stage	Valuation method	Multiple of cost
Molten would not allow publication of holding names	Series B Preferred Shares	2.24	4.37	Mar-23	Y	N	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Note 2	1.95
	Ord Preferred Shares	2.94	15.16	Mar-21	Y	N	Non participating preferred	Software & Computer Services	Early Stage, Pre-Revenue	Note 2	5.15
	Series A2 Preference Shares	2.01	2.00	Dec-19	Y	Y	Non participating preferred	Software & Computer Services	Early Stage, Pre-Revenue	Cost	1.00
	Series B1 Shares	7.43	18.36	Feb-20	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Note 1	2.47
	A Preferred Shares	0.25	0.01	Oct-19	Y	Y	Non participating preferred	media	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.03
	A Pref	0.07	0.00	Jun-19	Y	Y	Non participating preferred	media	Later Stage, Pre-profit expansion	Write-down 76%-100%	0.04
	Ord	0.50	-	May-17	Y	Y	Ordinary	media	Later Stage, Pre-profit expansion	Write-down 76%-100%	-
	Ordinary	0.53	-	Mar-17	Y	Y	Ordinary	media	Later Stage, Pre-profit expansion	Write-down 76%-100%	-
	Ord	0.30	-	Dec-14	Y	Y	Ordinary	media	Later Stage, Pre-profit expansion	Write-down 76%-100%	-
	Ordinary	0.05	-	Dec-12	Y	Y	Ordinary	media	Later Stage, Pre-profit expansion	Write-down 76%-100%	-
	Seed 2 Preferred Shares	1.00	1.00	Apr-24	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Seed 2 Preferred Shares	2.12	2.12	Nov-22	Y	Y	Non participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
	Ord Shares Molten	0.01	0.01	May-24	Y	Y	Ordinary	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00
Series 1B Preferred Shares	1.12	1.12	May-24	Y	Y	Participating preferred	Software & Computer Services	Later Stage, Pre-profit expansion	Cost	1.00	
<b>TOTALS</b>		<b>£134m</b>	<b>£161m</b>								<b>1.20</b>

Note 1: Uplift in value, manager valuation based on earnings multiple  
 Note 2: Uplift in value, manager valuation based on price of recent investment  
 Source Molten

Table 10 (1 of 2): Realisation analysis including write-offs - three years to Feb 2025

Investee Company Name	Bright	Cervest	Conversocial	Endomag- netics	Freetrade *	Fluidic Ana- lytics	Graphcore	Perkbox
Sector	Software,& Computer services	Software & Computer Services	Software,& Computer services	Health Care Equipment & Services	Health Care Equipment & Services	Fintech	Technology, hardware and Equipment	Software,& Computer services
Financing stage when first invested	Later Stage, Pre-profit expansion	Later Stage, Pre-profit expansion	Later Stage, Pre-profit expansion	Later Stage, Pre-profit expansion	Early Stage, Pre-Revenue	Later Stage, Pre-profit expansion	Early Stage, Pre-Revenue	Later Stage, Pre-profit expansion
Amount EIS originally invested (£)	£392,848	£4,330,360	£174,747	£3,902,522	£2,400,000	£250,000	£694,235	£785,828
Date	27/07/2015	18/10/2021	24/05/2013	13/07/2018	11/03/2020	19/12/2014	12/09/2016	08/12/2016
Further investment amounts (if any) (£ & dates)	£278,834 08/09/2016 £889,768 28/03/2018		£52,422 24/02/2014 £328,307 15/12/2015 £1,000,000 20/08/2019	£4,054,689 26/11/2020		£749,989 26/08/2016 £3,966,350 11/01/2019 £649,997 26/02/2021 £2,499,990 20/07/2022		£3,676,124 19/12/2019 £1,965,998 30/03/2020
Realisations/Dividends (£ & dates)	£5,502,317 10/01/2022	£0 13/02/2023	£2,047,666 20/08/2021	£35,689,768 24/07/2024	£4,558,478 27/01/2025	£0 09/01/2024	£528,582 11/07/2024	£8,441,355 23/08/2024
Annual internal rate of return (%)	29%	-100%	7%	35%	IRR	-100%	-9%	6%
Length of investment (years)	6.5	1.3	8.2	4.8	4.9	5.2	7.8	5.6

\* Subject to regulatory approval and completion conditions  
Source: Molten Ventures EIS

Table 10 (2 of 2): Realisation analysis including write-offs - three years to Feb 2025

Investee Company Name	Podpoint	IXL Premfina	Push Dr	Ravelin *	Resolving	Roomex	SportPursuit	Streetteam
Sector	Electric Vehicle Charging	Insurance technology	Health Care Equipment & Services	Software & Computer Services	Software & Computer Services	Travel & Leisure	eCommerce	Travel & Leisure
Financing stage when first invested	Later Stage, Pre-profit expansion	Early Stage, Pre-Revenue	Later Stage, Pre-profit expansion	Later Stage, Pre-profit expansion	Later Stage, Pre-profit expansion	Later Stage, Pre-profit expansion	Later Stage, Pre-profit expansion	Later Stage, Pre-profit expansion
Amount EIS originally invested (£)	£1,561,000	£926,176	£750,033	£6,087,073	£370,446	£2,374,201	£993,814	£1,605,152
Date	04/04/2017	28/07/2018	21/12/2015	04/06/2020	13/03/2017	31/10/2018	25/10/2013	08/12/2017
Further investment amounts (if any) (£ & dates)	£1,107,766 05/07/2018		£710,751 15/06/2016 £1,892,648 24/01/2018 £564,176 24/06/2019 £1,840,339 05/03/2020		£1,942,207 25/10/2018	£1,749,316 14/06/2019	£1,025,001 02/03/2015 £0 02/10/2015	£4,700,673 27/09/2019 £728,159 23/10/2020
Realisations/Dividends (£ & dates)	£6,697,585 13/02/2020	£809,111 20/07/2021	£0 31/03/2022	£12,500,024 03/02/2025	£0 09/06/2023	£5,693,076 01/11/2022	£7,609,296 14/06/2021	£0 24/08/2022
Annual internal rate of return (%)	46%	-4%	-100%	17%	-100%	9%	21%	-100%
Length of investment (years)	2.9	3.0	6.3	4.7	6.2	4.0	7.6	4.7

\* Subject to regulatory approval and completion conditions  
Source: Molten Ventures EIS

Table 11: Molten Ventures EIS EIS unquoted portfolio analysis of valuation methodology (% of original cost) as at 31/01/2025

Valuation Category	%
Cost	42%
Write-down 26%-50%	1%
Write-down 51%-75%	2%
Write-down 76%-100%	25%
Uplift in value, manager valuation based on price of recent investment	18%
Uplift in value, manager valuation based on earnings multiple	13%
<b>TOTAL</b>	<b>100%</b>

Note 1: Parkwalk do not track whether investments have new external investors or no new external investors but tell TER that they will all have some external investors  
 Source: Molten Ventures EIS

Table 12: Molten Ventures EIS EIS Fund EIS unquoted analysis of sector (% of original cost) as at 31/01/2025

Sector	%
Software & Computer Services	71%
Pharmaceuticals & Biotechnology	8%
Technology Hardware & Equipment	7%
Health Care Equipment & Services	6%
Food Producers	3%
Media	3%
General Financial	2%
<b>TOTAL</b>	<b>100%</b>

Source: Molten Ventures EIS

Table 13: Molten Ventures EIS EIS unquoted portfolio analysis of investment stage (% of original cost) as at 31/01/2025

STAGES	%
Early Stage, Pre-Revenue	19%
Later Stage, Pre-profit expansion	81%
<b>TOTAL</b>	<b>100%</b>

Source: Molten Ventures EIS

Table 14: Matrix of individual responsibilities Molten Ventures EIS 31/01/2025

NAMES	Richard Marsh	Stuart Chapman	Ben Wilkinson	Lucy Collins	Jon Quick	Alex Holland	Investment Team across all funds (Plc, EIS, VCT) - head-count 20+
<b>EIS RELATED WORK</b>							
Deal origination		5%					35%
General enquiries	5%						
New deal doing							10%
Sitting on Boards/Monitoring	30%	20%					40%
Fund raising	5%			20%		30%	
Internal issues	5%	5%	5%	60%	80%	50%	10%
Exits	5%		5%	20%	20%	20%	5%
<b>NON EIS WORK</b>							
Non EIS work	50%	70%	90%				
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Years in venture capital	20+	20+	9	20	13	6	
Years involved with EIS Funds	20+	10+	9	20	13	6	
Years with current team	12	16	9	6	3	6	

Source: Molten Ventures EIS