

Molten Ventures VCT plc Manager's Investment Summary

Investing in growth- focused technology companies

The VCT offers the opportunity to invest in a highly rated venture capital trust with its consequent tax advantages. The VCT is successful, with a high analyst score (new rating pending as at the date of publication), generating tax-free income from a portfolio focused on knowledge intensive technologies.

Since the deal sharing association with Molten Ventures plc was signed in November 2016, the prospects of the VCT have been transformed. Molten Ventures plc, as a leading venture capital investor in the UK and Europe, makes it an ideal co-investment partner for the VCT. As a consequence, and obviously bound by VCT regulations, the VCT has enjoyed participation in outstanding, and leading-edge investments.

To date the VCT has invested over £45 million into 39 new technology companies.

For the year ended 31 March 2023, the Company's top 15 holdings, including two legacy investments made prior to the Company's association with Molten Ventures plc, represented 83% of the portfolio's NAV (excluding cash reserves) and an unrealised multiple of 1.9x their cost.

The top five investments ranked by carrying value, and including two legacy companies, represent 44% of portfolio NAV, and have an aggregate turnover of £128 million and a combined annual revenue growth rate of 34% using the last two years filed accounts at Companies House, and boast an unrealised multiple of 3.2x cost.

¹ NAV plus dividends paid in the period.

² Conflicts could arise between Molten Ventures VCT plc, Molten Ventures plc, and Molten Ventures EIS with respect to differing investment strategies, deployment and realisation needs, and the contemplated manner and timing of potential exits.

Capital at risk. Past performance is not indicative of future performance.

Early Investment Incentive

In recognition of the higher interest rate environment, bank interest earned on early subscriptions (pending allotment) will be shared with applicants as a discount against the Offer costs through the Pricing Formula.

This will be applied on a tiered basis for all accepted applications where the Receiving Agent is in receipt of funds **on or before** the following dates:

31 October 2023	1.25%
30 November 2023	1.00%
31 December 2023	0.75%
31 January 2024	0.50%
28 February 2024	0.25%

Applications received from 1 March 2024 onwards will not attract any discount.

High growth, technology focused investments

New investments will continue to expand the Molten Ventures VCT portfolio of high growth/high potential businesses with the aspiration of promising exit prospects via strategic M&A or IPO.

The main sectors where opportunities are expected to be identified are:

- Hardware and DeepTech
- Digital Healthcare and Wellness
- Enterprise Technology
- Consumer Technology

Established portfolio, yielding VCT dividends

Investors in any new prospectus share issues or buying Molten Ventures VCT plc shares in the market will gain exposure to the existing portfolio and to any potential tax-free dividends paid in the future. Since its launch in 1998, the Company has paid cash dividends amounting to 114.6p per Ordinary Share to 31 July 2023.

The Company has produced a total return since launch (cumulative dividends paid up to 31 July 2023 plus NAV) of 165.5p per Ordinary Share, a 106.9% tax-free uplift on the net investment (of 80p per share) of Shareholders who invested at inception.¹

Co-Investment model

Molten Ventures VCT plc will co-invest into qualifying opportunities alongside Molten Ventures plc, Molten Ventures EIS and syndicate partners.

The co-investment model allows the pooling of multiple sources of capital to give the VCT access to participate in larger deals, and, later stage companies.²

Molten Ventures VCT plc is managed by Elderstreet Investments Limited, which is authorised and regulated by the Financial Conduct Authority (FRN: 148527). Elderstreet Investments Limited is a 100% owned subsidiary of Molten Ventures plc.

Prospective Investors are reminded that Molten Ventures VCT plc (LSE: MVCT) is distinct from Molten Ventures plc (LSE: GROW) and does not form part of its group.

Molten Ventures VCT plc completed deals

Sector split as % of the VCT portfolio by carrying value as at 31 July 2023		Companies in the VCT portfolio as at 31 July 2023					
Hardware and DeepTech	29%	Thought Machine	FocalPoint	river Lane	SatVu	GARDIN	zaptic
		Ravelin	PARAGRAF	BeZero	hadean	causaLens	
Digital Health and Wellness	17%	evonetix	endomag+	ieso digital health	oliva	Fluidic Analytics	PUSH DOCTOR
Enterprise Technology	17%	FORM3 FINANCIAL CLOUD	ALTRUISTIQ	real eyes	Morressier	Apperio	AppUX
Consumer	4%	allplants	SWEEPR	crowdcube	Cauldron	Unbound	PrimaryBid
		AGORA	FreeTrade				
Legacy³	10%	accessintelligence	FORDS	CASHFAC	SENTIMENT		
Cash	23%						

Key features

The VCT targets a potential tax free dividend yield of 5% of NAV per annum

Investment into an existing mature portfolio

Investors gain immediate exposure to an existing portfolio.

Experienced manager with strong track record

Elderstreet Investments is one of the oldest VCT managers having made its entry into the VCT market in 1998.

Whilst awaiting a new rating for 2023 at the time of publication, in October 2022 the VCT scored 87/100 from Tax Efficient Review, a well-respected VCT analyst, increasing its score from 84/100 since January 2019, whilst Molten Ventures EIS funds have been the highest rated EIS by Tax Efficient Review for the past eight years running to June 2023 with a rating of 89/100, and have a current rating of 88/100 as at August 2023.

Access to larger more mature growth opportunities

Since 2016, Molten Ventures plc and its subsidiary and affiliated undertakings has scaled its platform to enable access to some of the best deal flow across Europe. The VCT (under the management of the Manager, part of the Molten Ventures group) is one of the funds which, together with Molten Ventures plc, Molten Ventures EIS and other funds under the management of Molten Ventures, make up that platform.

The participation of the VCT alongside these co-branded investment partners enable the VCT to obtain access to private technology company fundraisings that are rarely accessible to individual investors.

Molten Ventures plc's growing leadership in this field has enabled the entrepreneurs in the portfolio to access the capital they need to rapidly grow their businesses, while simultaneously providing VCT Investors with exposure to exciting early and growth-stage technology companies.

Target tax-free dividend of around 5%

Since incorporation, the Company has paid in total dividends of 114.6p per share to 31 July 2023. The ability to pay dividends will be restricted by liquidity, the availability of sufficient distributable profits, capital resources and VCT regulations. Shareholders are reminded that this is a target and the VCT's ability to pay dividends is not guaranteed.

Dividend amounts vary and may fall below the 5% NAV target as has occurred in the period since the 31 March 2023 financial year end.

The average annualised dividend for the three years 31 March 2020 to 31 March 2023 was 6.2%, and for 5 years was 5.1%.⁴

Dividend Reinvestment Scheme

Shareholders can elect to have their dividends reinvested into the Company for additional Ordinary Shares. By reinvesting dividends, Investors are able to increase the size of their holding without incurring any additional offer costs, and, subject to their personal circumstances, will receive an additional 30% income tax relief on amounts reinvested on their total VCT investments of up to £200,000 per tax year, subject always to the prevailing VCT rules and limits.

³ Adjusted to include four follow-on and three new deals completed after that date and two further deals which are works in progress but where the Manager has high confidence they will complete.

⁴ **Capital at risk. Past performance is not indicative of future performance.**

Potential yield

The following table gives an illustration of potential returns to Ordinary Shareholders, assuming a dividend of either 1, 2 and 3 pence per annum is paid, and the equivalent taxable yield grossed up for a taxpayer paying 40% or 45% tax on their income. Dividends of 3.1p per share were paid in the year ended 31 March 2023, and dividends of 1.5p have been paid since then.

Estimated Offer Price* (gross of tax relief)	Illustrative annual dividend	Tax free yield per annum	Grossed up yield per annum	
			40% taxpayer	45% taxpayer
53.3p	1.0p	1.9%	3.1%	3.4%
53.3p	2.0p	3.8%	6.3%	6.8%
53.3p	3.0p	5.6%	9.4%	10.2%

*Using an Illustrative Offer Price of 53.3p being the unaudited 31 July 2023 NAV adjusted for the 23rd September dividend and maximum issue costs of 5.5%. Note that the NAV will be calculated prior to the allotment and adjusted for any dividend declared and unpaid prior to that allotment. No forecast or projection should be implied or inferred.

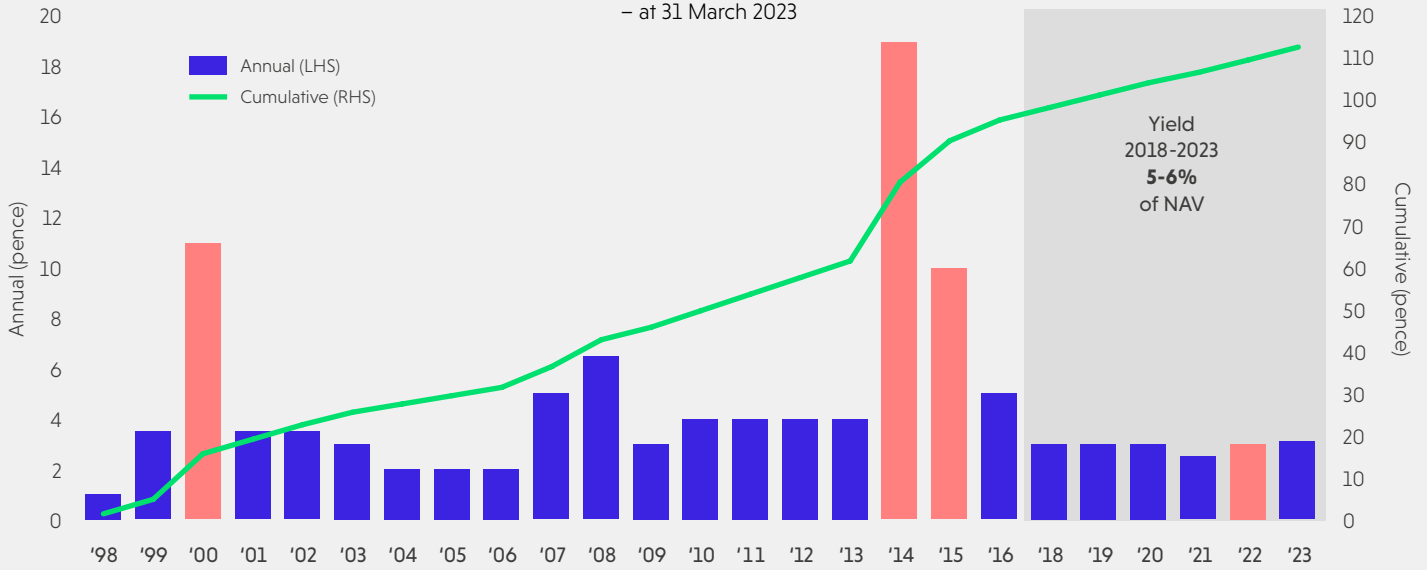
Capital at risk. Past performance is not indicative of future performance. The return figure stated is a target and not guaranteed.

Performance

Historic dividends

The VCT has paid a total of 114.6 pence to 31 July 2023 in dividends since inception in 1998. These include special dividends when meaningful exits have occurred. These can be seen in Figure 1 as red bars.

Figure 1: Annual and cumulative dividends
– at 31 March 2023



Past performance is not a reliable indicator of future results.

NAV breakdown

Figure 2 shows the breakdown of the Company by percentage of Net Asset Value, as at 31 July 2023, adjusted for deals completed or where the Manager has high confidence they will complete but which are work in progress.

The Manager forecasts that the cash element of the Company at the year ending 31 March 2024 would be c. £10 million prior to any new funds being allotted via this Offer. This would represent c.8% of the unaudited NAV as at 31 July 2023. This forecast is based on completing a further £15 million of investments, deducting estimated running costs and future dividends (not guaranteed), and no further realisations in the period. This can be seen in Figure 3 that shows cash flows movements from the 31 July 2023 unaudited cash balance and a projection of the cash movements to the year ending 31 March 2024.

Consequently, if this offer is taken up in full (including the over-allotment facility), once invested, the Company will have over £160 million of net assets of which, once the proceeds of the raise have been invested, over 90% will be allocated predominantly to technology investments, driven by the co-investment strategy the Company operates alongside Molten Ventures.

As to the legacy portfolio that pre-dates the Company's strategic partnership with Molten Ventures, as at 31 July 2023 86% of the legacy portfolio is made up of two companies. One is an AIM quoted software business, and the other is a private profitable engineering company.

Figure 2: Adjusted split of the VCT by value
– at 31 July 2023

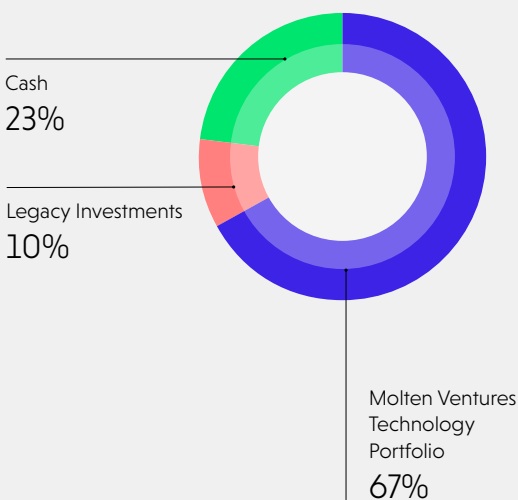
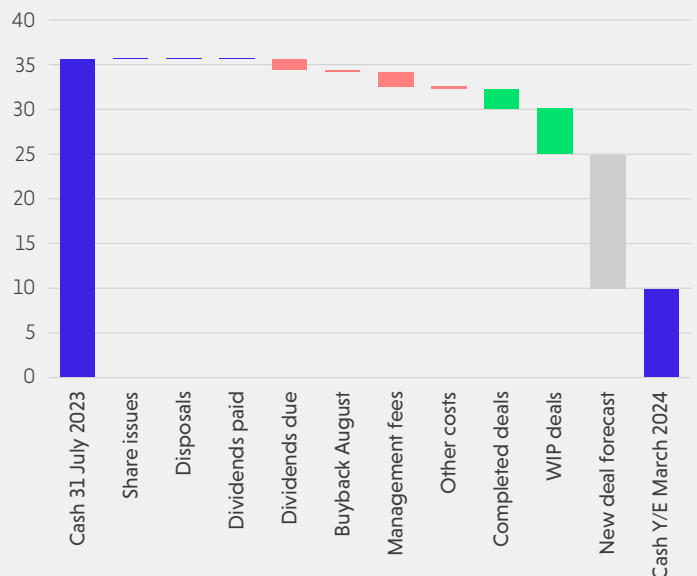


Figure 3: Cash forecast MV VCT 2023-2024 (£m)
– at 31 July 2023



Sample portfolio companies

Hardware and Deeptech



Thought Machine is a software business that is developing core banking systems for the modern era. This is large scale, mission critical, complex software.

Thought Machine's approach enables decades-old, legacy platforms to be replaced with scalable, internet-based technologies.

Customers include Lloyds Banking Group, SEB and Standard Chartered.

Thought Machine's founder is a successful, serial entrepreneur whose last business was acquired by Google.

www.thoughtmachine.net

Digital Health and Wellness



Endomag has developed unique, minimally-invasive, surgical guidance technology with an initial use in breast cancer surgery.

It uses a fluid with magnetic properties to replace the use of radioactive liquids, and a magnetic location marker to pinpoint a tumour and guide the surgeon to that tissue during an operation.

Endomag has enabled over 350,000 procedures in 1,000 hospitals across 45 countries, is the subject of 12 clinical publications, all confirming its efficacy compared with current standards.

www.endomag.com

Hardware and Deeptech



Riverlane aims to dramatically reduce the cost of the first quantum computer by developing a 'portable' operating system for quantum computers with the first high impact application. Unlocking the full spectrum of quantum computing application requires new hardware and software tools to control inherently unstable qubits and comprehensively correct system errors ten billion times or more per second.

Riverlane's vision is to bring quantum computing to the world; making quantum computers as accessible and as ubiquitous as the PC.

www.riverlane.com

EXIT CASE STUDY



Pod Point is a leading provider of EV (Electric Vehicle) charging points across the UK. Its products cover home charging, workplace charging and commercial charge points.

Molten Ventures plc first backed the company in 2017 and Molten Ventures VCT plc participated in a subsequent growth round investment in 2018. Pod Point was acquired by EDF Energy in 2020, yielding a 2.2x gross return and IRR of 63% for Molten Ventures VCT plc.



2.2x gross return

Acquired by EDF

EXIT CASE STUDY



In November 2022, the VCT sold its holding in **Roomex** a travel and expenses management solution, specifically designed for businesses with a large mobile workforce.

The sale returned a multiple of 1.3x cost. The investment was made in October 2018 and exited in November 2022 with an IRR of 7.1%.

1.3x gross return

Details of the Offer

Minimum Investment

£6,000 per investor and applications should be in multiples of £1,000.

Maximum Investment

£200,000 per investor in VCTs, in total, for the current tax year.

Initial Charge

3.0% of the amount subscribed for those investing via an intermediary (3.5% for direct applicants).⁵

Annual Costs

Total running costs (including VAT but excluding performance fees) capped at 3.5%. Any excess will be borne by the Manager and Administrator through a reduction in their fees in 2022.

For the year ended 31 March 2023 the Ongoing Charges Figure (OCF) was 2.5% (using a weighted NAV), 31 March 2022 the OCF was 2.4%, 31 March 2021 the OCF was 2.4%, and for the year ending 31 March 2020 the OCF was 3.3%.

⁵ The Promotion Fee for direct applicants is higher than for those submitted via an intermediary due to the additional work undertaken by the Company and Manager. Shareholders are strongly encouraged to obtain independent advice with respect to any (re)investment in the Company.

Further information regarding the management of the VCTs and the performance fees is set out in the Prospectus (particular attention is drawn to Part 1: Risk Factors).

Risk Warning: This is a financial promotion for the purposes of the Financial Services and Markets Act 2000 (as amended) issued and approved by Elderstreet Investments Limited, as manager of Molten Ventures VCT plc is authorised and regulated by the Financial Conduct Authority. FCA No. 148527. Whilst information contained within may pertain to Molten Ventures VCT plc, this document has not been issued or approved for its own purposes or on its behalf. Prospective Investors should note that past performance should not be seen as an indication of future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested. Your capital is at risk. Therefore, you should only make investments in the VCT which you can afford to lose without having any significant impact on your overall financial position or commitments. 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. You are unlikely to be able to make a claim to the Financial Services Compensation Scheme (FSCS) about Molten Ventures VCT plc in the event that Molten Ventures VCT plc found itself in a position where it was unable to pay out.