THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the UK Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if you are resident in the Republic of Ireland, is duly authorised under the European Communities (Markets in Financial Instruments) Regulations 2017 (as amended) or the Investment Intermediaries Act 1995 (as amended), or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom or the Republic of Ireland.

This document comprises a prospectus relating to Molten Ventures plc ("Molten" or the "Company") prepared in accordance with: (i) the Prospectus Regulation Rules of the Financial Conduct Authority (the "FCA") made under section 73A of FSMA; and (ii) the Irish Prospectus Rules. This document has been filed with, and approved by, the FCA and the Central Bank of Ireland and has been made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules and Article 21 of Regulation (EU) 2017/1129, as amended (the "EU Prospectus Regulation").

This document has been approved by: (i) the FCA, as competent authority under the EU Prospectus Regulation as it forms part of retained EU law by virtue of the European Union (Withdrawal) Act 2018 (the "**Prospectus Regulation**"); and (ii) the Central Bank of Ireland, as competent authority under the EU Prospectus Regulation. The FCA and the Central Bank of Ireland only approve this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the EU Prospectus Regulation respectively. Neither approval should be considered as an endorsement of the quality of the securities that are the subject of this document. Investors should make their own assessment as to the suitability of investing in the securities.

The existing ordinary shares of £0.01 each in the capital of the Company ("Existing Molten Shares"), as at the date of this document, are admitted to the premium listing segment of the official list of the FCA (the "Official List") and to trading on the London Stock Exchange's main market for listed securities (the "Main Market") and to a secondary listing on the daily official list (the "Euronext Dublin Daily Official List") maintained by The Irish Stock Exchange plc, trading as Euronext Dublin ("Euronext Dublin") and to trading on the Euronext Dublin Market, a regulated market operated by, and the main securities market of, Euronext Dublin (the "Euronext Dublin Market"). The Existing Molten Shares rank pari passu in all respects.

Application will be made to the FCA for all of the new ordinary shares of £0.01 each in the capital of the Company issued pursuant to the Acquisition (the "**New Molten Shares**") to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for all of the New Molten Shares to be admitted to trading on the Main Market (together the "**UK Admission**"). Application will also be made for all of the New Molten Shares to be admitted to a secondary listing on the Euronext Dublin Daily Official List and to trading on the Euronext Dublin Market (together the "**Irish Admission**" and, together with the UK Admission, "**Admission**"). It is expected that Admission will become effective, and that unconditional dealings in the New Molten Shares will commence in March 2024.

No application has been made or is currently intended to be made for the Existing Molten Shares and/or the New Molten Shares to be admitted to listing or trading on any other stock exchange.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, any shares nor any other securities of the Company in any jurisdiction. No New Molten Shares or other securities in Molten will be generally made available or marketed to the public in the UK, Ireland or in any other jurisdiction in connection with Admission.



(Incorporated in England and Wales with registered number 09799594)

Information relating to the prior issue of 21,261,548 Issue Shares pursuant to the Issue Proposed issue of up to 14,792,679 New Molten Shares in connection with the Acquisition

and

applications for admission of the New Molten Shares to the premium listing segment of the Official List, to trading on the main market for listed securities of the London Stock Exchange, a secondary listing on the Euronext Dublin Daily Official List and to trading on the main securities market of Euronext Dublin

Lead Financial Adviser, Joint Sponsor (LSE) and Joint Corporate Broker Joint Financial Adviser, Joint Sponsor (LSE), Sponsor (Euronext Dublin) and Joint Corporate Broker

**NUMIS SECURITIES LIMITED** 

GOODBODY STOCKBROKERS UC

The Company and each of the Molten Directors, whose names appear on page 32 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Molten Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

# Prospective investors should read the entire document and, in particular, the section headed "Risk Factors" on pages 12 to 24 of this document when considering an investment in the Company.

Numis Securities Limited (which is trading for these purposes as Deutsche Numis) ("**Deutsche Numis**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as lead financial adviser, joint sponsor (LSE) and joint corporate broker for the Company and for no one else in relation to the UK Admission and any other arrangements referred to in this document. Deutsche Numis will not regard any other person (whether or not a recipient of this document) as its client in relation to the UK Admission and any other arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the UK Admission, the contents of this document or any transaction or arrangement referred to in this document.

Goodbody Stockbrokers UC, trading as Goodbody ("Goodbody"), which is regulated in Ireland by the Central Bank of Ireland and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser, joint sponsor (LSE), sponsor (Euronext Dublin) and joint corporate broker for the Company and for no one else in relation to Admission and any other arrangements referred to in this document. Goodbody will not regard any other person (whether or not a recipient of this document) as its client in relation to Admission and any other arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to Admission, the contents of this document or any transaction or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Deutsche Numis and/or Goodbody by FSMA or the regulatory regime established thereunder, neither Deutsche Numis nor Goodbody makes any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or them or on its or their behalf in connection with the Company, the ordinary shares of £0.01 each in the capital of the Company ("Molten Shares") or Admission. Each of Deutsche Numis and Goodbody (and their respective affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which it or they might otherwise have in respect of the contents of this document or any other statement made or purported to be made by it or them or on its or their behalf in connection with the Company, the Molten Shares or Admission.

Each of Deutsche Numis and Goodbody or their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for the Company, for which they would have received customary fees. Each of Deutsche Numis and Goodbody and their respective affiliates may provide such services to the Company and any of their respective affiliates in the future.

The contents of this document are not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Molten Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Molten Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Molten Shares. Investors must rely on their own representatives, including their own legal advisers, financial advisers, tax advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the Company, Deutsche Numis and/or Goodbody nor any of their respective representatives is making any representation to any purchaser of Molten Shares regarding the legality of an investment in the Molten Shares by such purchaser under the laws applicable to such offeree or purchaser.

### Notice to U.S. and other overseas persons

This document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, Deutsche Numis and/or Goodbody or to any person to whom it is unlawful to make such offer or solicitation. The Molten Shares have not been and will not be registered under the applicable securities laws of Canada, Australia, the Republic of South Africa or Japan. Subject to certain exemptions, the Molten Shares may not be offered to or sold within Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan.

The Molten Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Molten Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Molten Shares in the United States. Any offer or sale of Molten Shares will be outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not

be registered under the U.S. Investment Company Act of 1940, as amended (the "U.S. Investment Company Act") and investors will not be entitled to the benefits of the U.S. Investment Company Act. The Company and certain of its subsidiaries and subsidiary undertakings may be passive foreign investment companies ("PFIC") for U.S. federal income tax purposes, and they could each be a PFIC in future years and, if the Company and/or certain of its subsidiaries and subsidiary undertakings are PFIC, U.S. taxable investors may be subject to adverse U.S. tax consequences in respect of an investment in Molten Shares by a U.S. Person.

The Molten Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any offering of Molten Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Molten Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

Copies of this document will be available on the Company's website (https://investors.moltenventures.com/investor-relations/plc), the National Storage Mechanism of the FCA at https://data.fca.org.uk/#/nsm/nationalstoragemechanism, the Official Appointed Mechanism in Ireland at https://www.euronext.com/en/markets/dublin and hard copies of this document can be obtained free of charge from the Company.

Without limitation, neither the contents of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of this document unless that information is incorporated by reference into this document, or has been approved by the FCA or the Central Bank of Ireland. Investors should base their decision whether or not to invest in Molten Shares on the contents of this document alone.

Dated: 8 February 2024

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### PART 1

# **SUMMARY**

#### 1 INTRODUCTION AND WARNINGS

#### 1.1 Name and international securities identifier number (ISIN) of the securities

Ordinary shares of £0.01 each with ISIN GB00BY7QYJ50 ("Molten Shares"). The SEDOL (LSE) of Molten Shares is BY7QYJ5 and the SEDOL (Euronext Dublin) is BYZY4T1. The TIDM (LSE) for Molten Shares is GROW and the TIDM (Euronext Dublin) is GRW.

# 1.2 Identity and contact details of the issuer, including its Legal Entity Identifier (LEI)

The issuer's name is Molten Ventures plc ("**Molten**" or the "**Company**"). The Company's registered office is at 20 Garrick Street, London, England, WC2E 9BT and its telephone number is +44 (0)20 7931 8800. The Company's Legal Entity Identifier is 213800IPCR3SAYJWSW10.

### 1.3 Identity and contact details of the competent authorities approving the document

This document has been approved by the FCA with its head office at 12 Endeavour Square, London E20 1JN and telephone number +44 (0) 20 7066 1000, as competent authority under Regulation (EU) 2017/1129, as amended (the "**EU Prospectus Regulation**") as it forms part of retained EU law by virtue of the European Union (Withdrawal) Act 2018 (the "**Prospectus Regulation**"). This document has also been approved by the Central Bank of Ireland, headquartered at New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3, Republic of Ireland and telephone number +353 (0)1 224 5800, as competent authority under the EU Prospectus Regulation.

# 1.4 Date of approval of this document

This document was approved by the FCA and the Central Bank of Ireland on 8 February 2024.

#### 1.5 Warning

This summary has been prepared in accordance with Article 7 of the Prospectus Regulation and Article 7 of the EU Prospectus Regulation and should be read as an introduction to this document and any decision to invest in Molten Shares should be based on consideration of this document as a whole by the investor. The investor could lose all or part of its invested capital. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this document before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this document, or where it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in Molten Shares.

# 2 KEY INFORMATION ON THE ISSUER

# 2.1 Who is the issuer of the securities?

### 2.1.1 Domicile, legal form, LEI, jurisdiction of incorporation and law under which it operates

The Company is domiciled in England and its LEI is 213800IPCR3SAYJWSW10. The Company was incorporated and registered as a public company limited by shares in England and Wales on 29 September 2015 with registered number 9799594 under the UK Companies Act 2006.

### 2.1.2 Principal activities

Molten is a leading venture capital firm with a proven track record of investing in and developing high growth digital technology businesses, whose shares are admitted to the premium listing segment of the Official List and the secondary listing segment of the Euronext Dublin Daily Official List and to trading on the Main Market and the Euronext Dublin Market. Molten offers investors an increasingly broad range of direct and indirect VC investments (including by way of secondary acquisition), fund of fund investments, fund management (including management of third party capital) and tailored investment opportunities.

Molten's balance sheet investments and certain third party capital strategies, including its partially syndicated fund of funds programme pursuant to which the Molten Group invests in seed and early stage funds (the "Fund of Funds Programme") and the Irish-focused fund, are managed by Esprit Capital, a wholly owned subsidiary undertaking of Molten incorporated in England and Wales and authorised by the FCA as a 'full scope AIFM'. In addition, Encore Ventures, another wholly owned subsidiary of Molten authorised by the FCA as a Small Authorised UK AIFM, manages the Encore Funds (which are EIS funds) and Elderstreet Investments, a further wholly owned subsidiary of Molten also authorised by the FCA as a Small Authorised UK AIFM, manages Molten Ventures VCT (a VCT fund) along with another single investment third party capital vehicle, with c.£383 million of assets managed across these EIS and VCT strategies as at 30 September 2023. The Encore Funds and Molten Ventures VCT typically co-invest alongside Molten where investments meet the relevant EIS/VCT eligibility requirements. Molten's co-investment strategy allows the Molten Group to lead more deals and increase the total size of investment in its direct investee companies.

Molten recognises the opportunity to link public market/pension fund capital to the venture capital asset class and, in addition to the Molten Group's management of EIS funds and VCT funds, is building multiple investment strategies to grow third party AUM and fee income alongside the growth of the Molten balance sheet – these include the syndication of the Fund of Funds Programme, managed co-invest special purpose vehicles, the recently launched Irish-focused fund and the intended launch of a Central and Eastern European-focused fund and a climate-focused fund. Capitalising on attractive opportunities to make secondary portfolio acquisitions (including acquisitions of existing investment funds (private or public)) is another key pillar of Molten's investment strategy, with the market dislocation and depressed valuations of recent years giving rise to a number of opportunities in this area. The Acquisition marks the latest transaction in Molten's strong track record in secondary portfolio acquisitions, having unlocked significant value for shareholders from acquired venture capital portfolios including Seedcamp Funds I & II, Earlybird DWES Funds IV and VI and Earlybird Digital East Fund I.

Molten's balance sheet has a portfolio of over 70 minority interests in companies which, as at 30 September 2023, had a Gross Portfolio Value of £1,299 million (31 March 2023: £1,371 million). As at 30 September 2023, the portfolio remains well funded

with more than £467 million of capital raised by investee companies in the 12 months to 30 September 2023, of which over 85 per cent. has been at higher or equivalent valuations than the holding value attributed by Molten to its investment as at that date. As at 30 September 2023, 17 Core Portfolio Companies represented approximately 62 per cent. of the Gross Portfolio Value. The Core Portfolio Companies as at 30 September 2023 comprised Aircall, Aiven, CoachHub, Endomag, FintechOS, Form3, Graphcore, HiveMQ, ICEYE, Isar Aerospace, Ledger, M-Files, PrimaryBid, RavenPack, Revolut, Schüttflix and Thought Machine (Aiven and Isar Aerospace being held via Earlybird, a European co-investment partner of Molten). As at 30 September 2023, over 80 per cent. of the Core Portfolio had more than 12 months of cash runway, and over 50 per cent. of the Core Portfolio had more than 24 months of cash runway (based on existing budgets and growth plans).

A summary overview of the portfolio as at 30 September 2023 is also set out below:

Sector	Total no. of companies	Percentage split (based on value*)	split (based on no. of companies**)
Enterprise technology Consumer technology Hardware & deeptech Digital health & wellness	31 14 19 10	52% 13% 29% 6%	42% 19% 26% 14%
Total	74	100%	100%

<sup>\*</sup> Shown as a percentage of the total value of investee company holdings that are direct investments, co-investments and Earlybird investee companies above a £2.0 million invested cost threshold. This is not as a percentage of the Gross Portfolio Value as the above excludes certain elements of the portfolio, such as certain Earlybird investments and holdings via the Fund of Funds Programme.

In addition, via the partially syndicated Fund of Funds Programme, which provides Molten with access to earlier stage companies, as well as returns and deal flow opportunities for the highest quality companies from within these portfolios, from inception of the programme in October 2017 to 30 September 2023 Molten had also indirectly invested in over 2,000 companies via 79 third party seed and early stage funds, with total commitments of £131 million (not including commitments to Earlybird funds (in excess of £5 million) which sit outside of the Fund of Funds Programme), of which £88 million had been drawn during that period (£27 million during the financial year ended 31 March 2023 and £8 million during the six months ended 30 September 2023).

### 2.1.3 Major Molten Shareholders

In so far as is known to the Company, as at the Latest Practicable Date, each of the following persons held, directly or indirectly, a percentage of the Company's voting rights that is notifiable pursuant to the DTRs. The table below sets out: (i) the number of voting rights in Molten held by each such person at the Latest Practicable Date; (ii) the percentage of voting rights in Molten that holding represents at the Latest Practicable Date; and (iii) the percentage of the voting rights in Molten that their holding is expected to represent immediately following Admission:

		Percentage of	
	No. of voting	voting rights	Percentage of
	rights as at	as at the	voting rights
	the Latest	Latest	immediately
	Practicable	Practicable	following
Name	Date	Date	Admission*
BlackRock, Inc.	17,760,166	10.19%	14.96%**
Baillie Gifford	15,556,320	8.93%	8.23%
National Treasury Management Agency	14,004,502	8.04%	7.41%
Cazenove Capital Management	10,858,460	6.23%	5.74%
British Business Bank	10,846,560	6.22%	5.74%
Border to Coast Pensions Partnership	8,742,378	5.02%	4.62%
Liontrust Sustainable Investments	7,555,489	4.34%	4.00%
Asset Value Investors	7,452,166	4.28%	3.94%
Vanguard Group	6,364,395	3.65%	3.37%
Ticketridge	6,405,685	3.68%	3.39%
Interactive Investor (EO)	5,546,482	3.18%	2.93%

<sup>\*</sup> Assuming that the interest of the relevant Molten Shareholder as at the Latest Practicable Date does not change, the maximum number of New Molten Shares (being 14,792,679) are issued pursuant to the Acquisition (including as a result of the assumed maximum exercise of the Forward FY23 Options prior to the Scheme becoming Effective pursuant to the terms of the Forward LTIP Letters) and, unless otherwise stated, not taking into account any holdings of Forward Shares.

As at the Latest Practicable Date, the Company and the Molten Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. All Molten Shareholders have the same voting rights in respect of the share capital of the Company.

# 2.1.4 Key managing directors

Martin Davis is the Chief Executive Officer, Benjamin (Ben) Wilkinson is the Chief Financial Officer and Stuart Chapman is an Executive Director. The Company also has five Non-Executive Directors, Laurence Hollingworth (Chair), Grahame Cook (Senior Independent Director), Sarah Gentleman, Gervaise Slowey and Lara Naqushbandi.

### 2.1.5 Identity of statutory auditors

PricewaterhouseCoopers LLP of 7 More London Riverside, London, SE1 2RT, United Kingdom.

### 2.2 What is the key financial information regarding the issuer?

The selected historical financial information set out below has been extracted without material adjustment from the audited financial statements of the Molten Group for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and

<sup>\*\*</sup> Shown as a percentage of the total investee company holdings that are direct investments, co-investments and Earlybird investee companies above a £2.0 million invested cost threshold. Certain elements of the portfolio, such as certain Earlybird investments and holdings via the Fund of Funds Programme, are excluded.

(Source: Molten)

<sup>\*\*</sup> BlackRock holds 94,748,939 Forward Shares and, as such, is expected to be issued 10,527,659 New Molten Shares pursuant to the Acquisition. The percentage shown here is inclusive of the 17,760,166 Existing Molten Shares held by certain funds and accounts managed by members of the BlackRock, Inc. group, and the 10,527,659 New Molten Shares expected to be issued thereto pursuant to the Acquisition.

the unaudited financial statements of the Molten Group for the six months ended 30 September 2022 and 30 September 2023, which have been incorporated into this document by reference.

Additional information relevant to closed end funds

 NAV per

 Total NAV¹
 No. of Molten
 Share¹

 Share class
 (£'m)
 Shares²
 (p)

 Molten Shares
 1,124
 174,261,401
 735

Selected consolidated statement of comprehensive income information

Selected consolidated statement of compreh	iensive income into	rmation			
			For the	e six months end	ed
	For the year end			80 September	
	2023	2022	2021	2023	2022
	£'m	£'m	£'m	£'m	£'m
Movements on investments held at fair	(0.40.4)		070.0	(0.0.0)	(155.0)
value through profit or (loss)	(240.1)	329.4	276.3	(63.2)	(155.9)
Fee income:	01.0	17.0	10.5	0.0	44.4
Management fees Performance fees	21.6	17.8 2.5	12.5	9.3 0.1	11.4
Promoter's fees	0.9	1.4	_	0.1	_
Directors' and other fees	0.2	0.1	0.0	0.3	0.0
Total fee income	22.7	21.8	12.5	9.7	11.4
Total investment (loss)/income	(217.4)	351.2	288.8	(53.5)	(144.5)
Total operating expenses	(23.9)	(26.6)	(16.3)	(13.7)	(12.7)
Other income			0.1		_
(Loss)/profit from operations	(241.3)	324.6	272.6	(67.2)	(157.2)
(Loss)/profit before tax	(246.7)	325.0	267.4	(72.4)	(158.0)
(Loss)/profit for the period	(243.4)	300.7	267.4	(72.2)	(155.3)
(					
Total comprehensive (loss)/income for the period	(243.4)	300.7	267.4	(72.2)	(155.3)
(Loss)/earnings per share attributable	(243.4)	300.7	207.4	(1 2.2)	(100.0)
to owners of the parent:					
Basic (loss)/earnings per weighted average					
shares (pence)	(159)	200	208	(47)	(102)
Diluted (loss)/earnings per weighted average	,			,	,
shares (pence)	(158)	198	206	(47)	(101)
Selected consolidated statement of financial	position information	า			
	As at 31 I	March	As at 30 September		
	2023	2022	2021	2023	2022
	£'m	£'m	£'m	£'m	£'m
Total non-current assets	1,287.9	1,424.0	879.4	1,214.2	1,364.2
Total current assets	27.9	80.9	164.4	26.8	36.3
Total current liabilities	(9.9)	(14.7)	(10.0)	(5.7)	(8.3)
Total non-current liabilities	(111.8)	(56.4)	(0.7)	(111.1)	(112.3)
Net assets	1,194.1	1,433.8	1,033.1	1,124.2	1,279.9
Equity					
Total equity	1,194.1	1,433.8	1,033.1	1,124.2	1,279.9
Net assets per share (pence)	780	937	743	735	837

# 2.3 What are the key risks that are specific to the issuer?

The attention of investors is drawn to the risks associated with an investment in Molten which, in particular, include the following:

### Risks relating to the Group's business

- Investee company/fund valuations are subject to change: The Group's investments include securities and other interests for which no or only a limited market exists. Investments held at fair value through the profit and loss for the six months ended 30 September 2023 decreased by £63.2 million, compared to a loss of £155.9 million for the six months ended 30 September 2022. These investments are extremely difficult to value accurately and valuations are only reported twice a year. Further, such valuations cannot by their nature be exact and are liable to change. The aggregate value of the Group's investments may therefore fluctuate and, furthermore, there can be no assurance that the values of investments reported by Molten from time to time will in fact be realised.
- The Group's direct and indirect investee companies are at an early stage and carry inherent risk: Many of the Group's investments are, directly or indirectly, in early stage companies. There is no certainty that any of the businesses will: (i) reach the stage where economic benefits resulting from expenditure on research activities become probable; (ii) reach profitability; or (iii) generate any, or any significant, returns (e.g. dividends, proceeds from a share sale or a return on capital from an exit event) for their shareholders (including the members of the Group or any third party entity through which

<sup>&</sup>lt;sup>1</sup> Unaudited NAV calculated on a UK IFRS basis that conforms with the requirements of EU adopted IFRS as at 30 September 2023.

<sup>&</sup>lt;sup>2</sup> As at the Latest Practicable Date. As at 30 September 2023, there were 152,999,853 Molten Shares in issue.

the Group has invested) or that the Group (or the third party entity through which the Group has invested) will be able to secure a profitable exit from its investment in any or all of such investee companies.

- Dependence on the Molten Executive Directors and the Molten investment team: The ability of Molten and the wider Group to achieve their investment objectives and strategy is significantly dependent upon the performance of the Molten Executive Directors and the Molten investment team in terms of the making of the Group's investments in investee companies/funds, management of such investments and the determination of any financing arrangements. Failure to manage existing assets effectively and/or identify new investment opportunities could materially adversely affect the Group's business, assets or results of operations.
- Liquidity risk: The consolidated cash balance at 30 September 2023 was £25 million (31 March 2023: £23 million). During the six months ended 30 September 2023, the Group received cash proceeds from portfolio realisations and distributions of £33 million as well as management fees. This was offset by investments made during the same period of £17 million, as well as carry, general and administrative expenses, financing activities and working capital movements. Molten may require additional capital in the future for expansion activity, business development, potential follow-on investments in existing investee companies, to satisfy drawdown requests made by the third party-managed funds in which it is invested and for general working capital purposes. As a result of a confluence of geo-political and macro-economic factors, the Molten Shares are currently trading at a discount to Net Asset Value, which may restrict Molten's ability to raise future capital via an equity fundraising. If Molten does not have access to sufficient additional capital when required, including via debt arrangements, the Group may be unable to make new investments, participate in subsequent follow-on funding rounds carried out by existing portfolio companies or fulfil drawdown requests made by the third party-managed funds in which it is invested. This may prevent the Group from capitalising on attractive new investment opportunities and, as regards existing portfolio companies, may either prevent them from raising sufficient further capital (and subsequently their ability to continue executing on their business and growth plan) or alternatively result in the interest which the Group holds in such portfolio companies being diluted and, in turn, result in the Group receiving a smaller percentage of any returns generated by such portfolio companies and losing its preference share protection on a liquidation event as investors participating in later rounds will rank ahead in the preference stack. As regards the third party-managed funds in which the Group is invested, a failure to fulfil drawdown requests as/when made may result in, amongst other things, liability for costs, the loss of rights to distributions from the relevant fund, reallocation of the capital call and/or the forced sale or compulsory redemption of its interest in the fund. Any such circumstances may have a material adverse effect on Molten's business, financial condition and/or results of operations, including ongoing viability, and/or the market price of Molten Shares.
- Proceeds from the sale of direct and indirect investee companies may vary substantially from year to year:

  There can be no guarantee as to when an investment will ultimately be realised by the Group or the relevant third party through which the Group has invested (for example, the funds managed by Earlybird in which Molten is invested and the third party-managed funds in which Molten is invested via the Fund of Funds Programme) and whether it will be realised for an amount exceeding the amount invested by the Group or the relevant third party through which the Group has invested. Wider market conditions can have a significant impact on realisations and recent market conditions have meant that the volume of IPOs has been very low and the level and nature of trade sales and mergers and acquisitions ("M&A") transactions has also been impacted with these conditions expected to prevail at least for the near term, Molten anticipates that the IPO market will remain largely closed as an exit route in the near term and trade sale and M&A exit volumes will continue to be uncertain. Exits from some or all of the direct and indirect investee companies may be difficult to realise in a timely manner, or at an appropriate price, or at all. If the Group or the relevant third party through which the Group has invested is unable to realise value from its investments or is delayed in realising such value in a timely or competitive manner, this could have a material adverse effect on Molten's business (including its ability to repay any financial indebtedness and to re-invest such proceeds), financial condition and/or results of operations, including ongoing viability, and/or the market price of Molten Shares.
- The Group and its investee companies/funds are subject to competition risk: The ability of Molten and the wider Group to achieve their investment objectives and strategy depends primarily on the ability of the Group to identify and realise opportunities to make and exit investments. Despite current market conditions, many entities are competing with the Group for investment opportunities. Moreover, increased competition can lead to increased pricing in respect of the Group's investment opportunities. The Group may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors. Alternatively, the Group may experience decreased rates of return and increased risk of loss if it matches investment prices, structures and terms offered by competitors. The third party-managed funds in which the Group is invested (for example, via the Fund of Funds Programme) will be affected by competition risk in the same way. These competitive pressures may have a material adverse effect on Molten's business, financial condition and/or results of operations, including ongoing viability, and/or the market price of Molten Shares.
- Molten's ability to borrow under its existing Debt Facility and to satisfy the covenants thereunder is dependent on the value of its investment portfolio: Molten has a £150.0 million debt facility with the Lenders, comprising a £90.0 million term loan and a revolving credit facility of up to £60.0 million. The Term Loan and the Revolving Credit Facility are each repayable in full (subject to any prior refinancing) by 6 September 2025 and the availability period of the Revolving Credit Facility expires on 6 September 2024 such that the Company may not make any further drawdowns under the Revolving Credit Facility during the last 12 months prior to the repayment date. The repayment dates for both the Term Loan and the Revolving Credit Facility, and the availability period of the Revolving Credit Facility, may each be extended by two 12-month periods, subject to the Lenders' willingness to extend and the satisfaction of various conditions (including there being no existing event of default). Should the maximum extension periods be granted, the Term Loan and the Revolving Credit Facility will be repayable in full by 6 September 2027 and the availability period of the Revolving Credit Facility will expire on 6 September 2026.

The Lenders have first priority security interests over certain Group assets and the availability of the Debt Facility is also subject to financial and non-financial covenants which Molten and certain members of the Group must comply with throughout the term of the Debt Facility. As such, Molten's ability to borrow under the Debt Facility and satisfy its financial and non-financial covenants is dependent on the value of the investment portfolio (excluding third party funds under management). Failure to satisfy these covenants may limit Molten's ability to borrow and/or also trigger events of default, which in some instances could trigger a cash sweep on realisations and/or require Molten to cure those breaches by repaying the Debt Facility (either partially or in full). In order to satisfy any such required repayment, Molten may need to sell investments at short notice; such investments may be difficult to realise and therefore the market price achievable may give rise to a significant loss of value compared to the book value of the relevant investment, as well as a reduction in income from the Group's portfolio.

Use of borrowings: While the use of borrowings should enhance total returns where the return on the Group's portfolio exceeds the cost of borrowing, it will have the opposite effect if the return on the Group's portfolio is lower than the cost of borrowing. Any further increases in Sterling interest rates will have an adverse impact on Molten's cost of borrowing and may negatively impact upon the Company's ability to secure borrowing facilities. The Group may also find it difficult, costly or not possible to refinance the Debt Facility on its maturity in September 2025 or any future indebtedness or find that terms become more expensive, particularly in the event that interest rates rise. Any of the foregoing events may have a material adverse effect on the performance of the Group, Molten's earnings, financial performance and business prospects, which could, in turn, have a material adverse effect on the market price of Molten Shares.

### Risks relating to the Acquisition

• The Acquisition may be delayed or may not occur at all: Completion of the Acquisition is subject to the Conditions being satisfied (or, if permitted, waived). There is no guarantee that the Conditions will be satisfied in the necessary time frame (or waived, if applicable) and the Acquisition may, therefore, be delayed or not complete. Delay in completing the Acquisition will prolong the period of uncertainty for the Molten Group and the Forward Group and both delay and failure to complete may result in the accrual of additional costs to their businesses without any of the potential benefits of the Acquisition having been achieved. The aggregate consequences of a material delay in the Acquisition completing, or failure to complete, may have a material adverse effect on the business, results of operations, financial condition and ongoing viability of the Molten Group, the Forward Group and, in the case of a delay only, the Enlarged Molten Group.

### Risks relating to the Group's operating environment

- The Group may be subject to certain risks arising from the direct and indirect impact of geo-political events. Geo-political events including: (i) the ongoing war in Ukraine; (ii) the Israel-Hamas war; (iii) relations between China and Taiwan continuing to deteriorate; (iv) increased tensions between China and the US both in respect of Taiwan and broader economic and political relations; (v) legacy Brexit issues affecting the relationship between the UK and Ireland and the UK and the EU; (vi) political instability in the US with the potential for polarising regime change at the upcoming US presidential elections; and (vii) political instability in the UK, including the potential for future government change, may have unforeseen, long term and far reaching consequences locally and globally. In particular, this geo-political backdrop could have a number of consequences, both short and long term, for the Group, including: (i) inter-governmental policies presenting additional hurdles to cross-border M&A opportunities limiting the route to a meaningful exit; (ii) international protectionism fuelling the escalation of geo-political tensions, impacting upon supply chains; (iii) raised tariffs and other ongoing supply chain issues making it harder for portfolio supply chains and deeptech hardware companies to obtain required materials or make sales of their own products; and (iv) the sanctions imposed on the Russian Federation in response to Russia's invasion of Ukraine having an impact on flows of capital, goods or services. This could, in turn, result in there being a material adverse effect on Molten's performance, financial condition, ongoing viability and ability to continue trading and/or business prospects.
- The impact of the current volatility of global public and private markets arising as a result of macro-economic factors: A combination of the occurrence and after-effects of the COVID-19 pandemic, the Russia-Ukraine war, the Israel-Hamas war, energy price volatility and the necessary rescue of a number of banks has led to a high inflationary environment accompanied by rapidly rising interest rates with market uncertainty and volatility following as a result. This environment could have a number of consequences, both short and long term, for the Group, including: (i) diminishing revenues of direct and indirect investee companies leading to reduced returns and an extension of the period for realisations/distributions; (ii) further volatility in the price of Molten Shares and any listed assets held in Molten's portfolio from time to time; (iii) enhanced direct and indirect investee company requirements for liquidity; (iv) reduced confidence in, and resulting in lower valuations for, growth stocks relative to value stocks; (v) Molten Shares continuing to trade at a discount to Net Asset Value, restricting Molten's ability to raise further capital; and (vi) increased cost of servicing and refinancing borrowings. The effects of this macro-economic environment could result in there being a material adverse effect on Molten's performance, financial condition and/or business prospects.

# 3 KEY INFORMATION ON THE SECURITIES

# 3.1 What are the main features of the securities?

### 3.1.1 Type, class and ISIN

The Molten Shares are ordinary shares with a nominal value of £0.01 each in the capital of the Company. The ISIN is GB00BY7QYJ50.

# 3.1.2 Currency, denomination, par value, number of securities issued and duration

The currency of the Molten Shares is Sterling. The issued share capital of the Company as at the date of this document is £1,742,614.01, comprising 174,261,401 Molten Shares of £0.01 each, all of which are fully paid or credited as fully paid.

### 3.1.3 Rights attached to the Molten Shares

The rights attaching to the Molten Shares are uniform in all respects and they form a single class for all purposes, including with respect to voting and any dividends or other distributions declared, made or paid on the ordinary share capital of the Company. At a general meeting, on a show of hands, every Molten Shareholder who is present in person or by proxy or by representative shall have one vote, and on a poll, every Molten Shareholder present in person or by proxy or by representative shall have one vote per Molten Share held by it.

# 3.1.4 Rank of securities in the issuer's capital structure in the event of insolvency

The Molten Shares do not carry any rights to participate in a distribution (including on a winding-up) other than those that exist under the Companies Act. The Molten Shares rank *pari passu* in all respects.

### 3.1.5 Restrictions on the free transferability of Molten Shares

The Molten Shares are free from restrictions on transfer, subject to compliance with applicable securities laws.

# 3.1.6 **Dividend policy**

It is the current intention of the Molten Directors to reinvest any income received from investee companies as well as the net proceeds of any realisations in the Group's portfolio. However, the Molten Directors may consider the payment of dividends (or other methods of returning net proceeds to Molten Shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of, and investment opportunities available to, the Group.

### 3.2 Where will the securities be traded?

The Existing Molten Shares are admitted to the premium listing segment of the Official List and to trading on the Main Market and to a secondary listing on the Euronext Dublin Daily Official List and to trading on the Euronext Dublin Market. Application will be made to the FCA for the New Molten Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New Molten Shares to be admitted to trading on the Main Market. Application will also be made for the New Molten Shares to be admitted to a secondary listing on the Euronext Dublin Daily Official List and to trading on the Euronext Dublin Market.

# 3.3 What are the key risks specific to the securities?

The attention of investors is drawn to the risks associated with an investment in Molten Shares which, in particular, include the following:

- the value of an investment in the Company, and the returns derived from it, if any, may go down as well as up and an investor may not get back the amount invested or any return at all;
- the market price of Molten Shares may fluctuate independently of the Net Asset Value per Molten Share and may trade at a discount or premium to the Net Asset Value per Molten Share at different times Molten Shares have been trading at a discount to Net Asset Value for a sustained period;
- it may be difficult for Molten Shareholders to realise their investment as there may not be a liquid market in Molten Shares; and
- the Company may issue additional Molten Shares, which may cause the market price of the then existing Molten Shares to decline and/or be dilutive to existing Molten Shareholders who cannot, or choose not to, participate.

# 4 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR ADMISSION TO TRADING ON A REGULATED MARKET

# 4.1 Under which conditions and timetable can I invest in this security?

On 27 November 2023, the boards of Molten and Forward announced that they had reached agreement on the terms and conditions of a recommended all-share offer pursuant to which Molten will acquire the entire issued and to be issued share capital of Forward (other than the Forward Shares already beneficially owned by any member of the Molten Group). The Acquisition is intended to be implemented by way of a Court-sanctioned scheme of arrangement between Forward and Scheme Shareholders under Part 26 of the Companies Act.

Under the terms of the Acquisition:

for each 9 Scheme Shares held, Scheme Shareholders will be entitled to receive 1 New Molten Share (the "Exchange Ratio").

Based on the Exchange Ratio and the Closing Price of 279.6 pence per Molten Share on 24 November 2023 (being the last Business Day prior to the publication of the Rule 2.7 Announcement), the Acquisition implies an offer value of 31.1 pence per Scheme Share and values the entire issued ordinary share capital of Forward at approximately £41.4 million on a fully diluted basis.

On this basis (and assuming the full exercise of the Forward FY23 Options prior to the Scheme becoming Effective pursuant to the terms of the Forward LTIP Letters), upon completion of the Acquisition, existing Molten Shareholders will hold in aggregate approximately 92.2 per cent. and Scheme Shareholders will hold in aggregate approximately 7.8 per cent. respectively of the Enlarged Share Capital and each Molten Shareholder who is not also a Forward Shareholder will suffer a maximum dilution of approximately 7.8 per cent. to their ownership and voting interests in Molten.

The requisite majority of Scheme Voting Shareholders voted in favour of the Scheme and the requisite majority of Forward Shareholders voted in favour of the Forward Resolution required to give effect to the Acquisition at the Forward Meetings, which took place on 17 January 2024. Upon the Scheme becoming Effective it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Forward Meetings (and if they attended and voted, whether or not they voted in favour). It is expected that, subject to the satisfaction or (where relevant) waiver of the outstanding Conditions, the Scheme will become Effective and Admission will occur in March 2024. Any updates as regards the expected timetable for completion of the Acquisition will be notified to Molten Shareholders and Forward Shareholders by announcement through a Regulatory Information Service.

The New Molten Shares will be issued in registered form, credited as fully paid, and will be capable of being held in both certificated and uncertificated form. They will rank pari passu in all respects with the Existing Molten Shares, including the right to receive all dividends and other distributions (if any) declared, paid or made by Molten by reference to a record date falling after the Effective Date. Applications will be made to the FCA for the New Molten Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New Molten Shares to be admitted to trading on the Main Market. Applications will also be made for the New Molten Shares to be admitted to a secondary listing on the Euronext Dublin Daily Official List and to trading on the Euronext Dublin Market. The New Molten Shares will trade under the same ISIN as the Existing Molten Shares.

# 4.2 Why is this prospectus being produced?

The proposed issue and Admission of Molten Shares to which this document relates is being made in connection with the proposed recommended all-share offer pursuant to which Molten will acquire the entire issued and to be issued share capital of Forward (other than the Forward Shares already beneficially owned by any member of the Molten Group). The Molten Board believes there is a strong strategic and financial rationale for the Acquisition which is consistent with Molten's investment objective and policy. There are no cash proceeds receivable by Molten as a result of the issue of New Molten Shares pursuant to the Acquisition. The issue of New Molten Shares is not being underwritten. There are no material conflicts of interest pertaining to the Acquisition or Admission.

On 15 December 2023, Molten issued 21,261,548 Issue Shares pursuant to an equity fundraise comprising a Placing, Subscription, Retail Offer and Offer for Subscription at an Issue Price of 270 pence per Molten Share, raising net proceeds of c.£55.4 million which further capitalised the Molten platform. Molten is using, and will continue to use, the net proceeds of the Issue to:

- Support its existing high-growth technology portfolio of investments, investing in selective follow on investment opportunities
  as its portfolio companies continue to grow.
- Make primary investments in new portfolio companies to capture exceptional opportunities as the valuation environment stabilises.
- Access exceptional secondary investments at attractive valuations.
- Where appropriate and value enhancing, continue to appraise complementary acquisition opportunities.
- Fund the Company's operational capital costs.

No decision has been taken as to how the net proceeds of the Issue will be allocated between the above different uses. The Issue was not underwritten and there were no material conflicts of interest pertaining to the Issue. The Molten Board remains cognisant of the need to comply with the requisite provisions of the Prospectus Regulation and the EU Prospectus Regulation when issuing Molten Shares and, more particularly, the rolling requirement that the Company should not issue more than 20 per cent. of its share capital during any preceding twelve-month period without having published a prospectus. Accordingly, as the 21,261,548 Issue Shares that the Company issued pursuant to the Issue and the up to 14,792,679 New Molten Shares proposed to be issued to Scheme Shareholders pursuant to the Acquisition represent, in aggregate, 20.7 per cent. of Molten's issued share capital as at the Latest Practicable Date, this document is being published in order to 'reset' Molten's 20 per cent. capacity to issue further Molten Shares by way of further issues afforded under the Prospectus Regulation and EU Prospectus Regulation.

### PART 2

# **RISK FACTORS**

An investment in Molten Shares carries a number of risks, including the risk that the entire investment may be lost. In addition to all other information set out in this document, the following specific factors should be considered when deciding whether to make an investment in Molten Shares. The risks set out below are those that are considered to be the material risks relating to the Group and to an investment in Molten Shares but are not the only risks relating to the Group and to such investment in Molten Shares. No assurance can be given that Molten Shareholders will realise a profit on, or recover the value of, their investment in Molten Shares. It should be remembered that the price of securities can go down as well as up.

The risks relating to the Group and the Molten Shares summarised in the section of this document headed "Summary" are the risks that the Molten Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in Molten Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described in this "Risk Factors" section. Additional risks and uncertainties not currently known to the Company or the Molten Directors or that the Company or the Molten Directors consider to be immaterial as at the date of this document may also have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of Molten Shares.

As required by the Prospectus Regulation and the EU Prospectus Regulation, the risk that the Molten Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, has been set out first. Investors should review and consider each risk.

# **RISKS RELATING TO THE GROUP'S BUSINESS**

# Investee company/fund valuations are subject to change

The Group's investments include securities and other interests for which no or only a limited market exists or which are restricted as to their transferability under applicable laws and/or the relevant investment documentation. Investments held at fair value through the profit and loss for the six months ended 30 September 2023 decreased by £63.2 million, compared to a loss of £155.9 million for the six months ended 30 September 2022. While the valuations of the Group's investments have, up to the end of the financial year ending 31 March 2021, been in compliance with UK IFRS and thereafter have been, and will continue to be, in compliance with IFRS and UK IFRS on the basis of market value in accordance with the IPEV Guidelines, these investments are extremely difficult to value accurately and valuations are only reported twice a year. Third party pricing information may not be available for certain investment positions held by the Group or may not be available in a timely manner, in which case the Net Asset Value will be published based on estimated values and on the basis of the information available to the Company at the time. The Company may base the valuations that it uses in calculating its Net Asset Value upon pricing information and valuations furnished to the Group by third parties. Absent bad faith or manifest error, valuations determined in accordance with the Company's valuation policy will be conclusive and binding. Further, such valuations cannot by their nature be exact and are liable to change. Such valuation estimates may be unaudited and may not be subject to independent verification or other due diligence. The aggregate value of the Group's investments may therefore fluctuate and, furthermore, there can be no assurance that the values of investments reported by the Company from time to time will in fact be realised. This may materially adversely affect the market price of Molten Shares.

# The Group's direct and indirect investee companies are at an early stage and carry inherent risk

Many of the Group's investments are, directly or indirectly, in early stage companies. There is no certainty that any of the businesses will: (i) reach the stage where economic benefits resulting from expenditure on research activities become probable; (ii) reach profitability; or (iii) generate any, or any significant, returns

(e.g. dividends, proceeds from a share sale or a return on capital from an exit event) for their shareholders (including the members of the Group or any third party entity through which the Group has invested) or that the Group (or the third party through which the Group has invested) will be able to secure a profitable exit from its investment in any or all of the Group's portfolio businesses. This could have a material adverse effect on the Company's business, financial condition and/or results of operations and/or the market price of Molten Shares. The occurrence of these events at scale may have an impact on the ongoing viability of Molten and its ability to continue trading.

# Dependence on the Molten Executive Directors and the Molten investment team

The ability of Molten and the wider Group to achieve their investment objectives and strategy is significantly dependent upon the performance of the Molten Executive Directors and the Molten investment team in terms of the making of the Group's investments in investee companies/funds, management of such investments and the determination of any financing arrangements. Failure to manage existing assets effectively and/or identify new investment opportunities could materially adversely affect the Group's business, assets or results of operations and/or the market price of Molten Shares.

# Liquidity risk

The Company may require additional capital in the future for expansion activity, business development, potential follow-on investments in existing investee companies, to satisfy drawdown requests made by third party-managed funds in which it is invested and for general working capital purposes, whether from equity or debt sources, especially if the proceeds from equity realisations of direct investments and distributions received in relation to investments via third party-managed funds are not sufficient to fund these requirements. Total cash for the Group as at 30 September 2023 was £85 million, including £60 million undrawn on the Company's revolving credit facility (31 March 2023: £83 million, including £60 million undrawn on the Company's revolving credit facility). The consolidated cash balance as at 30 September 2023 was £25 million (31 March 2023: £23 million). During the six months ended 30 September 2023, the Group received cash proceeds from portfolio realisations and distributions of £33 million as well as management fees. This was offset by investments made during the same period of £17 million, as well as carry, general and administrative expenses, financing activities and working capital movements. As a result of a confluence of geo-political and macro-economic factors, the Molten Shares are currently trading at a discount to NAV, which may restrict Molten's ability to raise future capital via an equity fundraising. If Molten does not have access to sufficient additional capital when required, including via debt arrangements, the Group may be unable to make new investments, participate in subsequent follow-on funding rounds carried out by existing portfolio companies or fulfil drawdown requests made by the third party-managed funds in which it is invested. This may prevent the Group from capitalising on attractive new investment opportunities and, as regards existing portfolio companies, may either prevent them from raising sufficient further capital (and subsequently their ability to continue executing on their business and growth plan) or alternatively result in the interest which the Group holds in such portfolio companies being diluted and, in turn, result in the Group receiving a smaller percentage of any returns generated by such portfolio companies and losing its preference share protection on a liquidation event as investors participating in later rounds will rank ahead in the preference stack. As regards the third party-managed funds in which the Group is invested, a failure to fulfil drawdown requests as/when made may result in, amongst other things, liability for costs, the loss of rights to distributions from the relevant fund, reallocation of the capital call and/or the forced sale or compulsory redemption of its interest in the fund. Any such circumstances may have a material adverse effect on the Company's business, financial condition and/or results of operations, including ongoing viability, and/or the market price of Molten Shares.

# Proceeds from the sale of direct and indirect investee companies may vary substantially from year to year

There can be no guarantee as to when an investment will ultimately be realised by the Group or any relevant third party through which the Group has invested (for example, the funds managed by Earlybird in which Molten is invested and the third party-managed funds in which Molten is invested via the Fund of Funds Programme) and whether it will be realised for an amount exceeding the amount invested by the Group or the relevant third party fund manager. Wider market conditions can have a significant impact on realisations and recent market conditions have meant that the volume of IPOs has been very low and the level and nature of trade sales and M&A transactions has also been impacted – with these conditions expected to prevail at least for the near term, Molten anticipates that the IPO market will remain largely closed as an exit

route in the near term and trade sale and M&A exit volumes will continue to be uncertain. Exits from some or all of the direct and indirect investee companies may be difficult to realise in a timely manner, or at an appropriate price, or at all. If the Group or the relevant third party through which the Group has invested is unable to realise value from its investments or is delayed in realising such value in a timely or competitive manner, this could have a material adverse effect on the Company's business (including its ability to repay any financial indebtedness and to re-invest such proceeds), financial condition and/or results of operations, including ongoing viability, and/or the market price of Molten Shares.

# The Group and its investee companies/funds are subject to competition risk

The ability of Molten and the wider Group to achieve their investment objectives and strategy depends primarily on the ability of the Group to identify and realise opportunities to make and exit investments. Despite current market conditions, many entities are competing with the Group for investment opportunities, including public and private investment funds, commercial and investment banks, commercial finance companies, business development companies and operating companies acting as strategic buyers.

The Company believes that competition for investment opportunities is based primarily on pricing, terms and structure of a proposed investment, certainty of execution and, in some cases, brand or reputational presence. Some of the Group's competitors will have access to funding sources that are not available to Molten. In addition, some of the Group's competitors may have higher risk tolerances, higher profile brands or different risk assessments combined with additional cash reserves to deploy, which could allow them to consider a wider variety of investments and establish more relationships than the Group.

The competitive pressures faced by the Group, together with a growing focus on technology companies, may prevent it from identifying and securing investments that are consistent with its investment objective or that generate attractive returns for Molten Shareholders. Moreover, increased competition can lead to increased pricing in respect of the Group's investment opportunities. The Group may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors. Alternatively, the Group may experience decreased rates of return and increased risks of loss if it matches investment prices, structures and terms offered by competitors.

The third party-managed funds in which the Group is invested (for example via the Fund of Funds Programme) will be affected by competition risk in the same way.

These competitive pressures may have a material adverse effect on Molten's business, financial condition and/or results of operations, including ongoing viability, and/or the market price of Molten Shares.

# Molten's ability to borrow under its existing Debt Facility and to satisfy the covenants thereunder is dependent on the value of its investment portfolio

Molten has a £150.0 million debt facility with the Lenders, comprising a £90.0 million term loan and a revolving credit facility of up to £60.0 million. The Term Loan and the Revolving Credit Facility are each repayable in full (subject to any prior refinancing) by 6 September 2025 and the availability period of the Revolving Credit Facility expires on 6 September 2024 such that the Company may not make any further drawdowns under the Revolving Credit Facility during the last 12 months prior to the repayment date. The repayment dates for both the Term Loan and the Revolving Credit Facility, and the availability period of the Revolving Credit Facility, may each be extended by two 12-month periods, subject to the Lenders' willingness to extend and the satisfaction of various conditions (including there being no existing event of default). Should the maximum extension periods be granted, the Term Loan and the Revolving Credit Facility will be repayable in full by 6 September 2027 and the availability period of the Revolving Credit Facility will expire on 6 September 2026.

The Debt Facility replaced Molten's previous £65.0 million revolving credit facility with HSBC Innovation Bank Limited (previously Silicon Valley Bank UK Limited) and Investec Bank plc, which was repaid in full out of the Term Loan. In addition to repaying the previous facility, the Debt Facility may be used for general working capital purposes and to finance the purchase of portfolio companies, but cannot be used to fund share buybacks. The headline interest rate applied on both the Term Loan and the Revolving Credit Facility includes a 'margin' of 5.50 per cent. per annum plus SONIA. The Lenders have first priority security interests over certain Group assets, including bank accounts, listed shares, and limited partner interests, with a number of entities within the Group acceding as guarantors.

The availability of the Debt Facility is subject to financial and non-financial covenants which Molten and certain members of the Group must comply with throughout the term of the Debt Facility, including:

- value test: maintaining a value to cost ratio of investments of at least 1.10:1.00;
- **LTV ratio:** total aggregate financial indebtedness not exceeding 20 per cent. (10 per cent. on each utilisation) of the value of investments in the portfolio (with adjustments for concentration limits connected to, *inter alia*, sector, geography, joint or collective value and/or listed status) together with the value of all amounts held in specified bank accounts subject to the security package;
- secured LTV ratio: total aggregate financial indebtedness not exceeding 35 per cent. (25 per cent. on each utilisation) of the value of secured investments in the portfolio (with adjustments for concentration limits connected to, inter alia, sector, geography, joint or collective value and/or listed status) calculated by reference to specified assets and bank accounts subject to the security package;
- **minimum eligible investments:** maintaining a minimum of 50 investments and 20 secured investments (in each case, subject to certain eligibility criteria), with each such investment comprising not less than £2.5 million of the aggregate gross asset value of all such investments (with adjustments for concentration limits connected to, *inter alia*, sector, geography, joint or collective value and/or listed status); and
- **secured perimeter:** ensuring that at least 70 per cent. of the eligible investments in the portfolio are comprised of secured eligible investments and cash amounts held in specified bank accounts subject to the security package.

As such, Molten's ability to borrow under the Debt Facility and satisfy its financial and non-financial covenants is dependent on the value of the investment portfolio (excluding third party funds under management). The Lenders may commission quarterly independent valuations of the investment portfolio.

Failure to satisfy these covenants may limit Molten's ability to borrow and/or also trigger events of default, which in some instances could trigger a cash sweep on realisations and/or require Molten to cure those breaches by repaying the Debt Facility (either partially or in full). In order to satisfy any such required repayment, Molten may need to sell investments at short notice; such investments may be difficult to realise and therefore the market price achievable may give rise to a significant loss of value compared to the book value of the relevant investment, as well as a reduction in income from the Group's portfolio. The Group may also find it difficult, costly or not possible to refinance the Debt Facility on its maturity in September 2025, particularly in the event that interest rates rise.

### Use of borrowings

While the use of borrowings should enhance total returns where the return on the Group's portfolio exceeds the cost of borrowing, it will have the opposite effect if the return on the Group's portfolio is lower than the cost of borrowing.

To the extent that a fall in the value of the Group's portfolio causes gearing to rise to a level that is not consistent with, or breaches, Molten's borrowing policy, the borrowing limits or loan covenants of the Debt Facility and/or any future borrowing facilities, the Group may have to sell investments at short notice in order to reduce borrowings. Such investments may be difficult to realise and therefore the market price which is achievable may give rise to a significant loss of value compared to the book value of the relevant investment, as well as a reduction in income from the Group's portfolio. If they are unable to sufficiently reduce borrowings, this may trigger an event of default, which may ultimately lead to a requirement for the relevant debt to be repaid (either partially or in full).

Any further increases in Sterling interest rates will have an adverse impact on Molten's cost of borrowing and may negatively impact upon the Company's ability to secure borrowing facilities.

The Group may also find it difficult, costly or not possible to refinance the Debt Facility on its maturity in September 2025 or any future indebtedness or find that terms become more expensive, particularly in the event that interest rates rise. For example, the Group may be unable to enter into an agreement to secure refinancing on similar terms to the Debt Facility or any other then current indebtedness or on a timely basis or at all. Further, if interest rates are higher when any relevant indebtedness is refinanced, the Group's finance costs could increase. Any of the foregoing events may have a material adverse effect on the performance

of the Group, Molten's earnings, financial performance and business prospects, which could, in turn, have a material adverse affect on the market price of Molten Shares.

The Debt Facility has a floating rate of interest tied to SONIA and the Group may incur other debt (provided this is consistent with Molten's borrowing policy) with a floating rate of interest and be exposed to interest rate risk due to fluctuations in prevailing market rates. Changes in interest rates may also affect the valuation of the investment portfolio by impacting the valuation discount rate. The Group may from time to time hedge or partially hedge interest rate exposure on borrowings, however, such measures may not be sufficient to protect the Group from adverse movements in prevailing interest rates to the extent exposures are unhedged or hedges are inadequate to offer full protection. If exposures are unhedged, interest rate movements may lead to mark-to-market movements which may be positive or negative and upon breaking of such hedges may cause crystallisation of gains or losses. In addition, hedging arrangements expose the Group to credit risk in respect of the hedging counterparty. The Group has an agreed list of authorised counterparties. Authorised counterparties and counterparty credit limits are established within the parameters of the Group's treasury policy to ensure that the Group deals with creditworthy counterparties and that counterparty concentration risk is addressed. Increased exposure to interest movements may have a material adverse effect on Molten's earnings, financial performance and business prospects, which could, in turn, have a material adverse affect on the market price of Molten Shares.

# Molten is subject to risks associated with developments in the technology sector

The success of the Company is based on the ability of its direct and indirect investee companies to successfully identify, develop and take to market viable products in particular sub-sectors of the technology sector (namely enterprise technology, consumer technology, hardware & deeptech and digital health & wellness). Successful commercialisation of an investee company's technology and intellectual property requires the achievement of performance levels and cost points attractive to its customers.

Whilst this risk is mitigated by the diversification limits set out in the Company's investment policy, the Company cannot be certain that such a successful outcome is possible in relation to the business and activities of each of its direct and indirect investee companies. The technology sub-sectors in which the Group invests are characterised by rapid technological changes, frequent new product introductions and enhancements and evolving industry standards. The Group's direct and indirect investee companies may encounter unforeseen operational, technical and other challenges resulting from the changing technology landscape. This may, in turn, have a material adverse effect on the Company's business, financial condition and/or results of operations and/or the market price of Molten Shares.

# The Group's investments may be adversely affected by poor performance of a particular sector or industry

The Group's investments are diversified by technology sub-sector (namely enterprise technology, consumer technology, hardware & deeptech and digital health & wellness) and industry, subject to market constraints and the discrete nature of investment opportunities within the technology sector. The diversification of its investments is intended to mitigate the Group's exposure to adverse events associated with specific investments and technology sub-sectors. Furthermore, some of the Group's direct and indirect investee companies may have significant funding requirements in the future: venture capital is a cyclical industry, and the success of these direct and indirect investee companies may be influenced by the market's appetite for investment in early stage companies. The Group's direct and indirect investee companies may be unable to secure subsequent rounds of funding which may restrict their ability to fund ongoing research and the development and commercialisation of their offering and technology. Available funding may be at commercially unattractive terms and highly dilutive for Molten and any other shareholders. Any such lack of funding could result in a business being forced to sell off its assets and/or enter into administration.

The Company's returns may be adversely affected by macro-economic underperformance or by the unfavourable performance of particular sectors or industries, if they affect the performance or prospects of the Group's portfolio. Should the Company's returns be adversely affected by virtue of such poor performance, or should such adverse effect be amplified by concentration of the portfolio to any particular industry or technology sub-sector, this would have a material adverse effect on the value of the portfolio and on the Company's financial condition, results of operations and prospects, which could have a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Molten Shareholders.

# The value of the Group's portfolio may be dominated by a single or limited number of companies

Whilst no investment will be made if its costs exceed 15 per cent. of the Gross Portfolio Value at the time of investment, a large proportion of the overall value of the portfolio of investee companies/funds held by the Group may at any time be accounted for by one, or very few, direct or indirect investee companies as a result of valuation movements after the time of the relevant investment. As at 30 September 2023, the Molten Group's 17 Core Portfolio Companies together accounted for approximately 62 per cent. of Gross Portfolio Value. Notwithstanding that this risk is mitigated by the diversification limits set out in the Company's investment policy, there is a risk that if one or more such investee companies experience difficulties or suffer from poor market conditions and if, as a result, their value were to be adversely affected, this would have a material adverse impact on the overall value of the Group's portfolio of investee companies/funds. Any material adverse impact on the value of the Group's portfolio of investee companies/funds or material detrimental effect on the revenue received by the Group from such investee companies/funds could have a material adverse effect on the Company's business, financial condition and/or results of operations and/or the market price of Molten Shares.

# The Group will hold non-controlling interests in the investee companies/funds

The Group typically holds non-controlling interests in its investments and, therefore, whilst in respect of direct investee companies it will usually have typical shareholder/investor rights including board/board observer seats (or the relevant equivalent) and in respect of indirect investee companies the fund in which Molten is invested will usually take equivalent typical shareholder/investor rights, the Group has a limited ability to protect its position in such investments and influence the operation of the investee companies/funds in which it invests – such power is dependent on acting collaboratively with other investors whose interests are aligned. This could materially adversely affect the Company's business, financial condition and results of operations and/or the market price of Molten Shares.

# Fluctuations in foreign exchange rates may adversely affect the performance of the Group's portfolio and the Company's total return and Net Asset Value

The Molten Shares are quoted in Sterling (and in Euros on the Euronext Dublin Market) and the accounts of the Group are reported in Sterling. However, certain of the Group's investments are made or operate in currencies other than Sterling and the Group may make certain investments in other currencies and in companies that use other currencies as their functional currency, including Euros and US Dollars. Accordingly, changes in exchange rates may have an adverse effect on the performance, valuations and/or revenues of the Group's investments and on its investee companies'/funds' ability to make debt payments, pay dividends or make other distributions to investors such as the Group. This could materially adversely affect the performance of the Group's portfolio and the Company's total return and Net Asset Value.

# The Group may not be able to retain and attract investment team members and support staff with the right skills and experience

As the future ability of the Company to achieve its investment objective and strategy is significantly dependent upon the expertise of the Molten Executive Directors and Molten's other employees, it will, in turn, also depend on the ability of the Group to attract and retain Molten Executive Directors and other employees of suitable calibre and experience. Whilst Molten has endeavoured to ensure that the Molten Executive Directors and its employees are suitably incentivised, their retention cannot be guaranteed. Furthermore, in the event of a departure of a Molten Executive Director or other key member of the Molten team, there is no guarantee that Molten would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect Molten's business, financial condition, results of operations and/or the market price of the Molten Shares.

# The Group's direct and indirect investee companies may be unable to source and/or retain appropriately skilled personnel

The future ability of the Group's direct and indirect investee companies to achieve their commercial objectives and strategy is significantly dependent upon their ability to source and/or retain appropriately skilled personnel. In particular, they may not have the financial resources to compete with the salary and other incentivisation packages offered by their competitors or other scientific and technology based organisations. Should any of the Group's investee companies not be able to source and/or retain appropriately skilled personnel this may have a material adverse effect on the relevant portfolio company's financial condition, results of operations and prospects and, in turn, the value of Molten's holding in such portfolio company.

# Esprit Capital, Encore Ventures or Elderstreet Investments cease to be authorised as fund managers by the FCA

Esprit Capital, Encore Ventures and Elderstreet Investments are authorised and regulated by the FCA as a 'full scope' UK AIFM (in the case of Esprit Capital) and Small Authorised UK AIFMs (in respect of Encore Ventures and Elderstreet Investments). Should any of Esprit Capital, Encore Ventures and/or Elderstreet Investments cease to be authorised and regulated by the FCA then they would no longer be authorised to act as the investment manager of the Esprit Funds and the AIFM to the Company, the Fund of Funds Programme investment vehicle and the Irish-focused fund (in the case of Esprit Capital), or the Encore Funds (in respect of Encore Ventures), or Molten Ventures VCT and co-investment vehicle Molten SP I LLP (in respect of Elderstreet Investments). If that was to occur, the Group would: (i) lose one of its revenue streams; and (ii) be required to appoint a replacement UK AIFM to the relevant AIF, which could adversely affect the business, results of operations or financial condition of the Group.

# Cyber security incidents may affect the operations and reputation of the Group

The Group, its service providers and investee companies/funds are susceptible to operational and information security and related risks of cyber security incidents which have been exacerbated by the exponential growth in sophisticated AI technologies in recent years. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for the purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the Molten Directors, any member of the Group, the Depositary, any other service providers such as financial intermediaries or any investee company of the Group have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Company's ability to calculate its Net Asset Value; the inability of Molten Shareholders to transact business with the Company; the inability of customers and/or suppliers to transact business with the investee companies/funds of the Group; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting counterparties with which the Group engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems, cyber resilience IT systems and business continuity plans have been developed by the Group which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

# Incentive arrangements could encourage riskier investment choices that could cause significant losses for the Group

The compensation of some investment professionals employed by the Group is, in part, based upon the deployment of capital and performance of the investments that the Group makes which are typically in early stage technology companies. Whilst the performance conditions/targets attached to the incentive arrangements are designed to align to corporate goals for shareholder value creation, such incentive arrangements may create an incentive for the Group to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. Resulting losses by the Group could have a material adverse effect on the performance of the Group and/or the market price of Molten Shares.

# Due diligence risks

Prior to making an initial direct investment in an investee company/fund, Molten undertakes commercial, financial, technical, operational and legal due diligence on the relevant investee company/fund to an extent commensurate to the size and other core characteristics of the investment. In regards to indirect investments (i.e. investments made via the Fund of Funds Programme and Earlybird investments), whilst equivalent due diligence is expected to be undertaken by the third party manager of the third party fund in which Molten is invested prior to making its investments, Molten has limited visibility or control over this process. Notwithstanding that such due diligence is undertaken, it may not uncover all of the material risks affecting such project and/or such risks may not be adequately protected against in the associated investment documentation. The Group may acquire, or acquire interests in, investee companies/funds with unknown

liabilities and without any recourse, or with limited recourse, with respect to unknown liabilities. If an unknown liability was later asserted in respect of the relevant investee company/fund, the relevant investee company/fund might by required to pay substantial sums to settle it or enter into litigation proceedings, which could adversely affect cash flow and the result of its operations. Accordingly, in the event that material risks are not uncovered and/or such risks are not adequately protected against, this may have a material adverse effect on the investee company/fund and consequently a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Molten Shareholders.

In connection with its direct investments, the Group typically has, and will have, reliance on due diligence reports prepared by professionals appointed by the Company in relation to an investee company, and in connection with its indirect investments, the third party fund in which Molten is invested would typically have equivalent reliance. There is a risk that, notwithstanding this reliance relationship, the relevant professional adviser has, or may have, limited its liability or is otherwise able to avoid liability to Molten or the relevant third party fund. Should that be the case, the Group, or the relevant third party fund may be unable to recover losses suffered as a result of its reliance on such professional adviser, which could have a material adverse effect on Molten's financial performance.

# **RISKS RELATING TO THE ACQUISITION**

# The Acquisition is subject to the Conditions which may not be satisfied or waived

Completion of the Acquisition is subject to the Conditions being satisfied (or, if permitted, waived) on or before the Long Stop Date. The Conditions that remain outstanding as at the date of this document include:

- the FCA having acknowledged to Molten or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Molten Shares to listing on the premium listing segment of the Official List has been approved and that (after satisfaction of any conditions to which such approval is expressed to be subject) admission will become effective as soon as a dealing notice has been issued by the FCA and any such conditions have been satisfied;
- the London Stock Exchange having acknowledged to Molten or its agent (and such acknowledgement not having been withdrawn) that the New Molten Shares will be admitted to trading on the Main Market;
- Euronext Dublin having acknowledged to Molten or its agent (and such acknowledgement not having been withdrawn) that the New Molten Shares will be admitted to trading on the Euronext Dublin Market subject only to the allotment of such New Molten Shares;
- obtaining necessary regulatory approvals relating to the Forward Group and certain of its portfolio companies; and
- the sanction of the Scheme by the Court (without modification, or with modification on terms agreed by Molten and Forward with the consent of the UK Takeover Panel) and the delivery of a copy of the Scheme Court Order for registration to the Registrar of Companies.

There is no guarantee that the Conditions will be satisfied in the necessary time frame (or, if permitted, waived) and the Acquisition may, therefore, be delayed or not complete. Delay in completing the Acquisition will prolong the period of uncertainty for the Molten Group and the Forward Group and both delay and failure to complete may result in the accrual of additional costs to their businesses (for example, there may be an increase in costs in relation to the preparation and issue of documentation or other elements of the planning and implementation of the Acquisition) without any of the potential benefits of the Acquisition having been achieved. In addition, Molten's and Forward's respective management teams would have spent time and cost in connection with the Acquisition, which could otherwise have been spent more productively in connection with the other activities of the Molten Group and the Forward Group, as applicable. Therefore, the aggregate consequences of a material delay in the Acquisition completing, or failure to complete, may have a material adverse effect on the business, results of operations, financial condition and ongoing viability of the Molten Group, the Forward Group and, in the case of a delay only, the Enlarged Molten Group.

# Molten may be unable to invoke the Conditions and terminate the Acquisition

Molten's ability to invoke a Condition (other than Scheme-related Conditions) to the Acquisition to either permit the Acquisition to lapse or to delay the Acquisition is subject to the UK Takeover Panel's consent. The UK Takeover Panel will need to be satisfied that the underlying circumstances are of "material significance" to Molten in the context of the Acquisition and this is a high threshold to fulfil. Consequently,

there is a significant risk that Molten may be required to complete the Acquisition even where certain Conditions have not been satisfied or where a material adverse change has occurred to the Forward Group. If any of the events described above were to occur, they may result in additional costs and/or the delay or the failure (partial or otherwise) to realise the financial benefits and cost savings relating to the Acquisition identified by the Molten Directors or may otherwise impact the Enlarged Molten Group's business, results of operations, financial condition and prospects which may cause the price of Molten Shares to suffer.

# If the Acquisition completes, the integration of the Forward Group with the Molten Group could result in operating difficulties and other adverse consequences

If the Acquisition completes, the process of integrating Forward and its subsidiaries and subsidiary undertakings into the Molten Group may create unforeseen operating difficulties and expenditures and pose management, administrative and financial challenges. Specifically, integrating operations and personnel and pre-completion or post-completion costs may prove more difficult and/or expensive than anticipated, thereby rendering the value of the Forward Group less than the value paid. The integration of the Forward Group may require significant time and effort on the part of Molten and its management team. The challenges of integrating the Forward Group may also be exacerbated by differences between Molten's and Forward's operational and business culture, the need to implement cost saving measures, difficulties in maintaining internal controls and difficulties in establishing control over cash flows and expenditures. Such difficulties in successfully integrating Forward could have an adverse effect on the Enlarged Molten Group's business, results of operations, financial condition and prospects which may cause the price of Molten Shares to suffer.

# The anticipated cost savings, operating efficiencies and other benefits resulting from the Acquisition may fail to materialise or be materially lower than have been estimated

The Molten Board believes that there is a strong strategic and financial rationale for the Acquisition which is consistent with Molten's investment objective and policy. However, the expected cost savings, operating efficiencies and other benefits that form a significant part of the rationale for the Acquisition may not develop, for various reasons, including because the assumptions upon which the Molten Board determined the process of integration and the proposed cost savings may prove to be incorrect.

Under any of these circumstances, the cost savings, operating efficiencies and other benefits anticipated by the Molten Board to result from the Acquisition may not be achieved as expected, or at all, or may be delayed, or may involve additional costs. To the extent that the Enlarged Molten Group incurs higher integration costs or achieves fewer cost savings, operating efficiencies or other benefits than expected, this could have an adverse effect on the Enlarged Molten Group's business, results of operations, financial condition and prospects, which may cause the price of Molten Shares to suffer.

# Molten Shareholders will experience a dilution of their ownership of the Enlarged Molten Group

Pre-emption rights do not apply to the issue of the New Molten Shares to the Scheme Shareholders pursuant to the Scheme. Following completion of the Acquisition, holders of the Existing Molten Shares who are not also Scheme Shareholders will experience dilution in their proportionate ownership and voting interest in the Enlarged Molten Group compared to their proportionate ownership and voting interest in Molten immediately prior to completion of the Acquisition because of the issue of New Molten Shares to Scheme Shareholders. Each Molten Shareholder who is not also a Scheme Shareholder will suffer a maximum dilution of approximately 7.8 per cent. to their ownership and voting interests in Molten. Accordingly, the influence that may be exerted by existing Molten Shareholders in respect of the Enlarged Molten Group will be reduced.

# Increased influence of certain major shareholders

Whilst none of Molten's major shareholders have or will have different voting rights attached to the Molten Shares they hold in the Company, following completion of the Acquisition, funds and accounts managed by members of the BlackRock, Inc. group will hold, in aggregate 28,287,825 Molten Shares, representing approximately 15.0 per cent. of Molten's Enlarged Share Capital. As such, the influence they may be able to exert in respect of the Enlarged Molten Group will increase and may have the ability to cause or take actions that are not in, or may conflict with, the best interests of the Company or Shareholders as a whole.

# There will be wasted costs and may be an adverse impact on Molten's reputation if the Acquisition does not complete

If the Acquisition does not complete, Molten and its management team will have spent time and cost in connection with the Acquisition, which could otherwise have been spent more productively in connection with the other activities of the Molten Group. The aggregate fees, expenses and disbursements expected to be incurred by the Molten Group in connection with the Acquisition (excluding any applicable VAT) are expected to be c.£2.95 million. There may also be an adverse impact on the reputation of the Molten Group as a result of media scrutiny arising in connection with an unsuccessful acquisition. In the future, this may make it more difficult for the Molten Group to make other acquisitions. Any such consequences could have an adverse effect on the Enlarged Molten Group's business, results of operations, financial condition and prospects which may cause the price of Molten Shares to suffer.

# RISKS RELATING TO THE GROUP'S OPERATING ENVIRONMENT

# The Group may be subject to certain risks arising from the direct and indirect impact of geo-political events

Geo-political events including (but not limited to): (i) the ongoing war in Ukraine and associated sanctions imposed on the Russian Federation by various countries around the world; (ii) the Israel-Hamas war; (iii) relations between China and Taiwan continuing to deteriorate; (iv) increased tensions between China and the US both in respect of Taiwan and broader economic and political relations; (v) legacy Brexit issues affecting the relationship between the UK and Ireland and the UK and the EU; (vi) political instability in the US with the potential for polarising regime change at the upcoming US presidential elections; and (vii) political instability in the UK, including the potential for future government change, may have unforeseen, long term and far reaching consequences locally and globally. In particular, this geo-political backdrop could have a number of consequences, both short and long term, for the Group, including (but not limited to): (i) intergovernmental policies presenting additional hurdles to cross-border M&A opportunities (particularly impacting upon later stage large-scale technology businesses), limiting the route to a meaningful exit; (ii) international protectionism fuelling the escalation of geo-political tensions, impacting upon supply chains (with particular reference to Ukraine, the Israel-Hamas war and Taiwan); (iii) raised tariffs and other ongoing supply chain issues making it harder for portfolio supply chains and deeptech hardware companies to obtain required materials or make sales of their own products; and (iv) the sanctions imposed on the Russian Federation in response to Russia's invasion of Ukraine having an impact on flows of capital, goods or services. This could, in turn, result in there being a material adverse effect on Molten's performance, financial condition, ongoing viability and ability to continue trading and/or business prospects.

# The volatility of global public and private markets arising as a result of macro-economic environment events has had, and could continue to have, an impact on investment returns and could have a material impact on the Group

A combination of the occurrence and after-effects of the COVID-19 pandemic, the Russia-Ukraine war, the Israel-Hamas war, energy price volatility and the necessary rescue of a number of banks has led to a high inflationary environment accompanied by rapidly rising interest rates with market uncertainty and volatility following as a result. This environment could have a number of consequences, both short and long term, for the Group, including (but not limited to): (i) diminishing revenues of direct and indirect investee companies leading to reduced returns and an extension of the period for realisations/distributions; (ii) further volatility in the price of Molten Shares and any listed assets held in Molten's portfolio from time to time; (iii) enhanced direct and indirect investee company requirements for liquidity; (iv) reduced confidence in, and resulting lower valuations for, growth stocks relative to value stocks; (v) Molten Shares continuing to trade at a discount to Net Asset Value, restricting Molten's ability to raise further capital; and (vi) increased cost of servicing and refinancing borrowings. The effects of this macro-economic environment could result in there being a material adverse effect on Molten's performance, financial condition and/or business prospects.

### **RISKS RELATING TO REGULATION AND TAXATION**

# Changes in laws or regulations governing the Group's operations may adversely affect the Group's business

The Group and its investee companies are subject to laws and regulations enacted by national and local governments. The Company is also required to comply with certain legal and regulatory requirements that are applicable to UK investment companies whose shares are admitted to trading on the Main Market and

Euronext Dublin Market (including the Listing Rules, the Irish Listing Rules, the Disclosure Guidance and Transparency Rules, the Irish Transparency Rules and the EU Transparency Directive). The Company is also subject to, and required to comply with, certain regulatory requirements set out in UK domestic legislation, rules and regulation and, as a result of its Euronext Dublin Market listing, EU and Irish legislation, many of which could directly or indirectly affect the management of the Company.

The laws and regulations affecting the Group and its direct and indirect investee companies are evolving and any changes in such laws and regulations, including any policies that prevent or provide additional hurdles to cross-border M&A activity, adverse regulatory developments in sectors in which the Group is invested or raising of new tariffs impacting direct and indirect investee companies' supply chains, may have a material adverse effect on the ability of the Company and/or its direct and indirect investee companies to carry on their businesses. Any such changes could have a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Molten Shareholders.

# Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Molten Shareholders investing in the Company

Any change in the Company's tax status, or in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure, could adversely affect the value of the Company's investments and the Company's ability to achieve its investment objective, or alter the post-tax returns to Molten Shareholders. Statements in this document concerning the taxation of the Company and taxation of Molten Shareholders are based upon current UK and/or Irish tax law and published practice, any aspect of which is in principle subject to change that could adversely affect the ability of the Company to successfully pursue its investment policy and/or which could adversely affect the taxation of the Company and the Molten Shareholders.

Prospective investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

# Tax due diligence and reporting obligations

Molten is required to comply with certain due diligence and reporting requirements under the International Tax Compliance Regulations 2015, which were enacted to meet the United Kingdom's obligations under FATCA, the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters. Molten Shareholders may be required to provide information to Molten to enable it to satisfy its obligations under the regulations. Whilst Molten has in place appropriate systems and controls to mitigate the risk of non-compliance with its obligations under the regulations, any failure by Molten to comply with such obligations may result in fines being imposed on Molten and, in such event, this may have a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Molten Shareholders.

# Regulatory and legislative breaches

As above, the Company is subject to laws and regulations enacted by national and local governments and is required to comply with certain legal and regulatory requirements that are applicable to UK companies whose shares are admitted to trading on the Main Market and Euronext Dublin Market. The Company is also subject to certain regulatory requirements set out in UK domestic legislation, rules and regulations and EU legislation.

In the event that the Company or any other member of the Group is affected by a material regulatory or legislative failing (such as a breach of FSMA, anti-money laundering legislation and/or the UK AIFM Regime and/or MAR/EU MAR/Irish MAR), the Company or the Group could be subject to regulatory restrictions, fines or other claims and remedies. Sanctions such as these could affect the Company's ability to carry on its business and/or invest in investee companies/funds and therefore on the Company's income and any return to Molten Shareholders. In addition, the Group's reputation could be negatively impacted which may affect the Company and the Group's ability to raise additional funds. This could have a material adverse impact on the market value of Molten Shares.

In accordance with the laws and regulations which apply to the Company, the Company has certain financial reporting and filing obligations. Any failing in respect of financial statements of the Company or the Group, including accuracy, timeliness of filing and preparation in line with relevant legislative requirements, could

result in significant financial loss (including but not limited to regulatory sanctions and/or penalties) and significant reputational damage to the Company and/or the Group. This could affect the Company's and the Group's ability to raise and retain third party funds, and the Company's and the Group's ability to achieve its investment objectives and/or to achieve its returns to Molten Shareholders.

# **RISKS RELATING TO THE MOLTEN SHARES**

# General risks affecting Molten Shares

The value of an investment in the Company, and the returns derived from it, if any, may go down as well as up and an investor may not get back the amount invested or any return at all. The market price of Molten Shares, like shares in all investment companies, may fluctuate independently of the underlying Net Asset Value per Molten Share and may trade at a discount or premium to Net Asset Value per Molten Share at different times, depending on factors such as supply and demand for Molten Shares, market conditions and general investor sentiment – Molten Shares have been trading at a discount to Net Asset Value for a sustained period. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of a Molten Share may, and currently does, vary considerably from the Net Asset Value per Molten Share.

# It may be difficult for Molten Shareholders to realise their investment as there may not be a liquid market in the Molten Shares

The price at which Molten Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission should not be taken as implying that there will be a liquid market for the Molten Shares. Consequently, the share price may be subject to greater fluctuation on small volumes of trading of Molten Shares and the Molten Shares may be difficult to sell at a particular price or at all. The market price of Molten Shares may not reflect the underlying Net Asset Value per Molten Share.

While the Molten Board retains the right to effect repurchases of Molten Shares, they are under no obligation to use such powers or to do so at any time and Molten Shareholders should not place any reliance on the willingness of the Molten Directors so to act. Molten Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Molten Shares in the market. There can be no guarantee that a liquid market in Molten Shares will develop or that Molten Shares will trade at prices close to the underlying Net Asset Value per Molten Share or at or close to the value at which Molten Shares were acquired. Accordingly, Molten Shareholders may be unable to realise their investment at such Net Asset Value per Molten Share or at or close to the value at which Molten Shares were acquired, or at all.

# The Company may issue additional Molten Shares that dilute existing Molten Shareholders

Subject to legal and regulatory requirements, the Company may seek to issue additional Molten Shares. Any additional issuances by the Company, or the possibility of such issuances, may cause the market price of the then existing Molten Shares to decline. Furthermore, the relative voting percentages of existing Molten Shareholders who cannot or choose not to participate will be diluted by further issues of Molten Shares.

# Future sales of Molten Shares could cause the market price of Molten Shares to fall

Sales of Molten Shares or interests in Molten Shares by significant investors could depress the market price of Molten Shares. A substantial number of Molten Shares being sold, or the perception that sales of this type could occur, could also depress the market price of Molten Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Molten Shareholders to sell Molten Shares at a time and price that they deem appropriate.

# Molten Shares are subject to significant transfer restrictions for investors in certain jurisdictions as well as forced transfer provisions

The Molten Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws. Moreover, the Molten Shares will only be offered or sold in due course outside the United States to non-U.S. Persons (as defined in Regulation S under the U.S. Securities Act), in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Molten Directors; (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act, and/or U.S. Investment Advisers Act of 1940, as amended and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. or other jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, including the Company becoming subject to any withholding tax or reporting obligation (including by reason of the failure of the Molten Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations), the Molten Directors may require the holder of such shares to dispose of such shares and, if the Molten Shareholder does not sell such shares, may dispose of such shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold, and Molten Shareholders generally to sell, Molten Shares and may have a material adverse effect on the market value of Molten Shares.

### PART 3

# IMPORTANT INFORMATION

# **GENERAL**

No action has been or will be taken in any jurisdiction that would permit a public offering of the Molten Shares. This document may not be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for any Molten Shares to any person in any jurisdiction.

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with any offering or sale of Molten Shares. Without prejudice to the Company's obligations under FSMA, the Prospectus Regulation Rules, the Irish Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Irish Transparency Rules, the EU Transparency Directive, the Prospectus Regulation, the EU Prospectus Regulation, MAR, EU MAR, Irish MAR, the Listing Rules and the Irish Listing Rules, neither the delivery of this document nor any purchase of Molten Shares, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

The Existing Molten Shares are admitted, and the New Molten Shares will be admitted, to the premium listing segment of the Official List as a closed-ended investment fund and to trading on the Main Market. This means the Company is required to comply with those requirements in Chapter 15 of the Listing Rules (Closed-Ended Investment Funds: Premium listing) and other requirements in the Listing Rules that are expressed to apply to such securities with a premium listing. The Existing Molten Shares are also admitted, and the New Molten Shares will also be admitted, to a secondary listing on the Euronext Dublin Daily Official List and to trading on the Euronext Dublin Market, a regulated market operated by, and the main securities market of, Euronext Dublin. This means that the Company is only required to comply with a subset of the Irish Listing Rules, comprising the minimum standards specified in certain EU legislation.

# **UNITED STATES**

The Molten Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Molten Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of Molten Shares in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Molten Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any offering of Molten Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any Molten Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it. The Company has not been and does not intend to become registered with the SEC as an "investment company" under the U.S. Investment Company Act and related rules. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies, none of which will be applicable to the company or its investors. However, if the Company were to become subject to the U.S. Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the U.S. Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the Company. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the U.S.

Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment.

The Company and certain of its subsidiaries and subsidiary undertakings may be treated as "passive foreign investment companies" (often referred to as "**PFICs**") for U.S. federal income tax purposes and could be PFICs in future years. For each taxable year that the Company and/or any of its subsidiaries and subsidiary undertakings is/are classified as PFICs, holders of Molten Shares that are U.S. taxpayers may be subject to adverse U.S. federal income tax consequences in respect of their investment in Molten Shares. Furthermore, a "qualified electing fund" election, which, if made, could serve as an alternative to the general PFIC rules and could reduce any adverse consequences to U.S. taxpayers as a result of any PFIC classification, may not be available, although the Company will, if requested, reasonably endeavour to provide the information needed to make such an election. A "mark-to-market" election may be available, however, if Molten Shares are regularly traded. Prospective purchasers of Molten Shares that are U.S. taxpayers are urged to consult with their own tax advisers concerning the U.S. federal income tax considerations associated with acquiring, owning and disposing of Molten Shares in light of their particular circumstances.

# **INFORMATION TO DISTRIBUTORS**

Solely for the purposes of the product governance requirements contained within PROD 3 of the FCA's Product Intervention and Product Governance Sourcebook (the "**Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Molten Shares have been subject to a product approval process, which has determined that Molten Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in COBS 3.5 and 3.6 of the FCA's Conduct of Business Sourcebook, respectively; and (ii) eligible for distribution through all distribution channels as are permitted by the Product Governance Requirements (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: (a) the price of Molten Shares may decline and investors could lose all or part of their investment; (b) Molten Shares offer no guaranteed income and no capital protection; and (c) an investment in Molten Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to any issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the FCA's Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, Molten Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of Molten Shares and determining appropriate distribution channels.

# **PRIIPS REGULATION**

In accordance with the PRIIPs Regulation, a Key Information Document in respect of Molten Shares has been prepared by the Company and is available to investors at https://investors.moltenventures.com/investor-relations/plc. If you are distributing Molten Shares, it is your responsibility to ensure that the relevant Key Information Document is provided to any clients that are "retail clients".

The Company is the only manufacturer of Molten Shares for the purposes of the PRIIPs Regulation and neither Deutsche Numis nor Goodbody is a manufacturer for these purposes. Neither Deutsche Numis or Goodbody makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of any Key Information Documents prepared by the Company nor accepts any responsibility to update the contents of any Key Information Documents in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide such Key Information Documents to future

distributors of Molten Shares. Deutsche Numis and Goodbody and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of any Key Information Documents prepared by the Company.

### **DATA PROTECTION**

The information that a prospective investor in the Company provides in documents in relation to an acquisition of Molten Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("personal data") will be held and processed by the Company (and any third party to whom it may delegate certain administrative functions in relation to the Company) in compliance with: (a) the EU General Data Protection Regulation 2016/679 ("EU GDPR") and/or the EU GDPR as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (as amended) ("UK GDPR") and the UK Data Protection Act 2018 (as amended from time to time) ("Data Protection Legislation"); and (b) the Company's privacy notice, a copy of which is available for consultation on the Company's website at www.moltenventures.com ("Privacy Notice") (and if applicable any other third party delegate's privacy notice).

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) in accordance with and for the purposes set out in the Privacy Notice which include:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere or of any third party functionary or agent appointed by the Company.

Where necessary to fulfil the purposes set out above and in the Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) will:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of the United Kingdom (or the EEA, to the extent that EU GDPR applies
  in respect of the personal data being transferred) to countries or territories which do not offer the same
  level of protection for the rights and freedoms of prospective investors in the United Kingdom or the
  EEA (as applicable).

The foregoing processing of personal data is required in order to perform the contract with the prospective investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will ensure that adequate safeguards are in place for the protection of such personal data in accordance with applicable Data Protection Legislation.

Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Privacy Notice.

### PART 4

# PRESENTATION OF FINANCIAL AND OTHER INFORMATION

# PRESENTATION OF FINANCIAL INFORMATION

The financial statements of the Molten Group referred to in this document for the financial year ended 31 March 2021 have been prepared in accordance with the requirements of UK IFRS, the Prospectus Regulation Rules, the Irish Prospectus Rules, the Irish Transparency Rules, the Listing Rules and the Irish Listing Rules. The audited financial statements of the Molten Group referred to in this document for the financial years ended 31 March 2022 and 31 March 2023 and the unaudited financial statements of the Molten Group referred to in this document for the six month periods ended 30 September 2022 and 30 September 2023 have been prepared in accordance with the requirements of UK IFRS and IFRS and the Prospectus Regulation Rules, the Irish Prospectus Rules, the Irish Transparency Rules, the Listing Rules and the Irish Listing Rules. All future financial information for the Enlarged Molten Group will be prepared under UK IFRS and IFRS.

Unless otherwise stated, all financial information relating to Molten has been extracted or derived (without material adjustment) from the audited consolidated financial statements of Molten for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 and the unaudited consolidated financial statements of Molten for the six month periods ended 30 September 2023 and 30 September 2022 and all financial information relating to Forward has been extracted or derived (without material adjustment) from the audited consolidated financial statements of Forward for the year ended 31 December 2022 and the unaudited consolidated financial statements of Forward for the six months ended 30 June 2023.

### **UK IFRS**

UK legislation, in conformity with the Companies Act, has adopted all International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the EU on or before 31 December 2020. On 31 December 2020, UK and EU-adopted International Financial Reporting Standards were therefore aligned. From 1 January 2021, any new or amended International Financial Reporting Standards require separate independent endorsement in the UK to become part of UK IFRS.

# **ROUNDING**

Certain financial and statistical information contained in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

# PRESENTATION OF UNAUDITED PORFOLIO DATA

Unless otherwise stated, portfolio information relating to Molten as at 30 September 2023 and Forward as at 30 June 2023 has been derived from unaudited data provided by Molten and Forward's respective investment managers.

# PRESENTATION OF MARKET AND OTHER DATA

Market and economic data used throughout this document is sourced from various industry and other independent sources. The Company confirms that such data has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this document, the source of such information has been identified.

The Company takes responsibility for compiling, extracting and reproducing market or other industry data from external sources, including third parties or industry or general publications, but none of the Company, any other member of the Molten Group, Deutsche Numis or Goodbody has independently verified that data. The Company gives no assurance as to the accuracy and completeness of, and takes no further responsibility for, such data. Similarly, while the Company believes the Molten Group's internal estimates to

be reasonable, they have not been verified by any independent sources and the Company cannot give any assurance as to their accuracy.

### **CURRENCY PRESENTATION**

Unless otherwise indicated, all references in this document to "£", "pence" or "GBP" are to the lawful currency of the UK, all references in this document to "Euro" or "€" are to the currency adopted by those nations participating in the third stage of the economic and monetary union provisions of the Treaty on European Union, signed at Maastricht on 7 February 1992, all references in this document to "USD" or "US\$" are to the lawful currency of the United States and all references to "CHF" are to the lawful currency of Switzerland.

### **DEFINITIONS**

Capitalised terms contained in this document shall have the meanings given to them in Part 15 (Definitions) of this document, save where the context indicates otherwise.

### **EUROPEAN UNION LEGISLATION**

If and when a European Union instrument is incorporated into the law of the United Kingdom, a reference to that European Union instrument in this document shall, except where the context requires otherwise, mean the European Union instrument as so incorporated and any enactment, statutory provision or subordinate legislation that from time to time (with or without modifications) re-enacts, replaces or consolidates it for the purposes of the law of the United Kingdom.

### **WEBSITES**

Without limitation, neither the contents of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of this document unless that information is incorporated by reference into this document, or has been approved by the FCA or the Central Bank of Ireland.

# **GOVERNING LAW**

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and the Republic of Ireland (as applicable) and are subject to changes therein.

# FORWARD LOOKING STATEMENTS

This document contains forward looking statements, including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "might", "will" or "should" or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the Prospectus Regulation Rules and the EU Prospectus Regulation), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Regulation Rules, the Irish Prospectus Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Irish Transparency Rules, the Prospectus Regulation, MAR, Irish MAR and EU MAR.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 21 of Part 14 of this document.

### PART 5

# EXPECTED TIMETABLE FOR THE SCHEME, INDICATIVE STATISTICS AND DEALING CODES

<b>Expected</b>	Timetable <sup>(1)</sup>
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Announcement of the Acquisition 27 November 2023

Publication of the Scheme Document 21 December 2023

Forward Court Meeting 1.30 p.m. on 17 January 2024

Forward General Meeting 1.45 p.m. on 17 January 2024

Publication of this document 8 February 2024

Scheme Sanction Hearing

A date expected to fall during

March 2024 ("T")<sup>(2)</sup>

Last day of dealings in, and for registration of transfers of, and T + 1 Business Day disablement in CREST of, Forward Shares

Scheme Record Time 6.00 p.m. on T + 1 Business Day

Suspension of dealings in Forward Shares on AIM by 7.30 a.m. on T + 2 Business Day

Effective Date T + 2 Business Days<sup>(3)</sup>

Cancellation of admission to trading of Forward Shares on AIM by 7.00 a.m. on T + 3 Business Days

Admission and commencement of dealings in New Molten by 8.00 a.m. on T + 3 Business Days Shares on the Main Market and the Euronext Dublin Market

New Molten Shares issued to Forward Shareholders T + 3 Business Days

CREST accounts of Forward Shareholders credited with New

Molten Shares

T + 3 Business Days (but not later than 14 days after the Effective Date)

Latest date for despatch of share certificates for New Molten

Within 14 days of the 
Shares

Effective Date

Long Stop Date 30 June 2024<sup>(4)</sup>

### Notes:

- (1) All references to times in this document are to London time, unless otherwise stated. Save to the extent that the dates are historic, these times and dates are indicative only and will depend, among other things, on the date upon which: (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) the Scheme Court Order is delivered to the Registrar of Companies. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Molten Shareholders by announcement through a Regulatory Information Service with such announcement being made available on Molten's website at https://investors.moltenventures.com/investor-relations/plc.
- (2) Subject to satisfaction of certain regulatory Conditions as set out in Part 3 (Conditions to and Further Terms of the Scheme and the Acquisition) of the Scheme Document.
- (3) Following sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Scheme Court Order being delivered to the Registrar of Companies. This is presently expected to occur within two Business Days after the date of the Scheme Sanction Hearing, subject to satisfaction or (where capable of waiver) waiver of the Conditions.
- (4) This is the latest date by which the Scheme may become Effective. However, the Long Stop Date may be extended to such later date as Molten and Forward may agree in writing (with the UK Takeover Panel's consent and as the Court may approve (should such approval(s) be required)).

# **Indicative Statistics**

No. of Existing Molten Shares in issue as at the Latest Practicable Date	174,261,401
No. of options to subscribe for new Molten Shares in issue as at the Latest Practicable Date	6,831,539
Market price per Existing Molten Share <sup>(1)</sup>	217.0p
Number of New Molten Shares to be issued for each nine Forward Shares	1
Maximum number of New Molten Shares to be issued pursuant to the Acquisition <sup>(2)</sup>	14,792,679
New Molten Shares as a maximum percentage of the issued share capital capital of the Company immediately following completion of the Acquisition	7.8%

### Notes:

(1) Based on the Closing Price of the Existing Molten Shares as traded on the London Stock Exchange on the Latest Practicable Date. There can be no assurance that the market price of a Molten Share will trade at the same price as it has previously traded on the Main Market and the Euronext Dublin Market.

£410.2 million

(2) Figures are calculated assuming that the number of Existing Molten Shares and (save for pursuant to the assumed maximum exercise of the Forward FY23 Options prior to the Scheme becoming Effective in accordance with the terms of the LTIP Letters) Forward Shares in issue as at the Latest Practicable Date do not change, that no issues of Molten Shares (other than the New Molten Shares described above) occur between the Latest Practicable Date and completion of the Acquisition, and that 14,792,679 New Molten Shares are issued pursuant to the Acquisition (being the maximum number of New Molten Shares that may be issued thereunder, including as a result of the assumed maximum exercise of the Forward FY23 Options prior to the Scheme becoming Effective in accordance with the terms of the LTIP Letters).

# **Dealing Codes and LEI**

The dealing codes for the Molten Shares are:

Market capitalisation at Admission<sup>(1) (2)</sup>

ISIN	GB00BY7QYJ50
SEDOL (LSE)	BY7QYJ5
SEDOL (Euronext Dublin)	BYZY4T1
TIDM (LSE)	GROW
TIDM (Euronext Dublin)	GRW

The LEI for the Company is 213800IPCR3SAYJWSW10.

### PART 6

# **MOLTEN DIRECTORS AND ADVISERS**

Molten Directors Laurence David Edgar Hollingworth (Independent Chair)

Martin Michael Arthur Davis (Chief Executive Officer)
Benjamin David Wilkinson (Chief Financial Officer)
Stuart Malcolm Chapman (Executive Director)
Grahame David Cook (Senior Independent Director)

Sarah Felicity Gentleman (Independent Non-Executive Director) Lara Hennah Nagushbandi (Independent Non-Executive Director)

Gervaise Slowey (Independent Non-Executive Director)

all of the registered office:

**Registered Office of the** 

Company

20 Garrick Street

London WC2E 9BT

**Company Secretary** Gareth Michael Faith

AIFM Esprit Capital Partners LLP

20 Garrick Street

London WC2E 9BT

Lead Financial Adviser, Joint Sponsor (LSE) and Joint

Corporate Broker

Numis Securities Limited 45 Gresham Street

London EC2V 7BF

Joint Financial Adviser, Joint Sponsor (LSE), Sponsor (Euronext Dublin) and Joint

Corporate Broker

Goodbody Stockbrokers Unlimited Company

Ballsbridge Park Ballsbridge Dublin 4 D04 YW83

Solicitors to the Company

(as to English law)

Gowling WLG (UK) LLP 4 More London Riverside

London SE1 2AU

Ireland

Solicitors to the Company

(as to Irish law)

Taylor Wessing Ireland LLP 58 Fitzwilliam Square North

Dublin D02 HP73 Ireland

**Solicitors to Deutsche Numis** 

and Goodbody (as to English law)

Norton Rose Fulbright LLP 3 More London Riverside

London SE1 2AQ

**Solicitors to Deutsche Numis** 

and Goodbody (as to Irish law)

A&L Goodbody LLP

International Financial Services Centre

North Wall Quay

Dublin 1 D01H104 Ireland **Depositary**Langham Hall UK Depositary LLP

1 Fleet Place 8th Floor London EC4M 7RA

**Registrar** Equiniti Limited

Aspect House Spencer Road Lancing West Sussex BN99 6DA

Reporting Accountants PricewaterhouseCoopers LLP

1 Embankment Place

London WC2N 6RH

**Auditor** PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT

### PART 7

# **BUSINESS DESCRIPTION**

This Part 7 (Business Description) should be read in conjunction with the more detailed information contained in this document including the financial and other information appearing in Part 12 (Operating and Financial Review). Where stated, financial information in this section has been extracted from the audited financial statements of the Molten Group for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and the unaudited financial statements of the Molten Group for the six months ended 30 September 2022 and 30 September 2023 which have been incorporated into this document by reference as set out in Part 16 (Documents Incorporated by Reference) of this document.

# 1 OVERVIEW

### 1.1 Introduction

Molten is a leading venture capital firm investing in and developing high growth digital technology businesses, which was admitted to trading on AIM and the Euronext Growth Market in June 2016. In July 2021, Molten migrated the listing of Molten Shares then in issue from AIM and the Euronext Growth Market to the premium listing segment of the Official List and the secondary listing segment of the Euronext Dublin Daily Official List and to trading on the Main Market and the Euronext Dublin Market.

Molten offers investors an increasingly broad range of direct and indirect VC investments (including by way of secondary acquisition), fund of fund investments, fund management (including management of third party capital) and tailored investment opportunities. Molten's platform provides access to high quality business leaders, advisory teams and operational specialists to offer transformative support to help direct and indirect investee companies achieve their growth ambitions. Molten is actively involved in the long term growth of its direct investee companies, by taking minority positions, typically with customary investor protections, including preference share protection and typically either the appointment of an investor director on the board of the investee company or a board observer function. When Molten invests through a third party-managed vehicle, for example, pursuant to the Fund of Funds Programme, the third party manager typically pursues a similarly active approach.

Molten has a proven track record and an ambitious portfolio management strategy focused on accelerating its support to UK and European high-growth technology businesses in need of longer term investment which Molten is able to provide via its balance sheet and growing base of third party funds under the management of the Molten Group.

Molten's balance sheet investments and certain third party capital strategies, including the partially syndicated Fund of Funds Programme and the recently launched Irish-focused fund, are managed by Esprit Capital, a wholly owned subsidiary undertaking of Molten incorporated in England and Wales. In addition, Encore Ventures, another wholly owned subsidiary of Molten, manages the Encore Funds (which are EIS funds) and Elderstreet Investments, a further wholly owned subsidiary of Molten, manages Molten Ventures VCT (a VCT fund) along with another single investment third party capital vehicle, with c.£383 million of assets managed across these EIS and VCT strategies as at 30 September 2023. The Encore Funds and Molten Ventures VCT typically co-invest alongside Molten where investments meet the relevant EIS/VCT eligibility requirements. Molten's co-investment strategy allows the Molten Group to lead more deals and increase the total size of investment in its direct investee companies.

Molten recognises the opportunity to link public market/pension fund capital to the venture capital asset class and, in addition to the Molten Group's management of EIS funds and VCT funds, is building multiple investment strategies to grow third party AUM and fee income alongside the growth of the Molten balance sheet – these include the syndication of the Fund of Funds Programme, managed coinvest special purpose vehicles, the recently launched Irish-focused fund and the intended launch of a Central and Eastern European-focused fund and a climate-focused fund.

Capitalising on attractive opportunities to make secondary portfolio acquisitions (including acquisitions of existing investment funds (private or public)) is another key pillar of Molten's investment strategy, with the market dislocation and depressed valuations of recent years giving rise to a number of opportunities in this area. The Acquisition marks the latest transaction in Molten's strong track record

in secondary portfolio acquisitions, having unlocked significant value for shareholders from acquired venture capital portfolios including Seedcamp Funds I & II, Earlybird DWES Funds IV and VI and Earlybird Digital East Fund I.

### 1.2 Portfolio

Molten's balance sheet has a portfolio of over 70 minority interests in companies which, as at 30 September 2023, had a Gross Portfolio Value of £1,299 million (31 March 2023: £1,371 million). As at 30 September 2023, the portfolio remains well funded with more than £467 million of capital raised by investee companies in the 12 months to 30 September 2023, of which over 85 per cent. has been at higher or equivalent valuations than the holding value attributed by Molten to its investment as that date. As at 30 September 2023, 17 Core Portfolio Companies represented approximately 62 per cent. of the Gross Portfolio Value. The Core Portfolio Companies as at 30 September 2023 comprised Aircall, Aiven, CoachHub, Endomag, FintechOS, Form3, Graphcore, HiveMQ, ICEYE, Isar Aerospace, Ledger, M-Files, PrimaryBid, RavenPack, Revolut, Schüttflix and Thought Machine (Aiven and Isar Aerospace being held via Earlybird, a European co-investment partner of Molten). As at 30 September 2023, over 80 per cent. of the Core Portfolio had more than 12 months of cash runway, and over 50 per cent. of the Core Portfolio had more than 24 months of cash runway (based on existing budgets and growth plans).

A summary overview of the portfolio as at 30 September 2023 is also set out below:

		Percentage
	Percentage	split (based
Total no.	split (based	on no. of
of companies	on value*)	companies**)
31	52%	42%
14	13%	19%
19	29%	26%
10	6%	14%
74	100%	100%
	of companies 31 14 19 10	Total no. split (based on value*)  31 52% 14 13% 19 29% 10 6%

<sup>\*</sup> Shown as a percentage of the total value of investee company holdings that are direct investments, co-investments and Earlybird investee companies above a £2.0 million invested cost threshold. This is not as a percentage of the Gross Portfolio Value as the above excludes certain elements of the portfolio, such as certain Earlybird investments and holdings via the Fund of Funds Programme.

In addition, via the partially syndicated Fund of Funds Programme, which provides Molten with access to earlier stage companies, as well as returns and deal flow opportunities for the highest quality companies from within these portfolios, from inception of the programme in October 2017 to 30 September 2023 Molten had also indirectly invested in over 2,000 companies via 79 third party seed and early stage funds, with total commitments of £131 million (not including commitments to Earlybird funds (in excess of £5 million) which sit outside the Fund of Funds Programme), of which £88 million had been drawn during this period (£27 million during the financial year ended 31 March 2023 and £8 million during the six months ended 30 September 2023).

# 1.3 History of the Group

In 2006, Simon Cook and Stuart Chapman set up Esprit Capital (the investment manager of the Esprit Funds and an FCA authorised and regulated fund manager) and led a management buyout of its venture capital business from Cazenove (with the underlying fund renamed as Esprit Fund 1) and the acquisition of the listed venture capital business of Prelude Ventures. These transactions added a portfolio of approximately 52 companies and Prelude Ventures operated as a listed vehicle until 2008 when it was taken private by Esprit Capital.

Esprit Capital was rebranded as DFJ Esprit in 2007 when the Silicon Valley-based venture capital firm, Draper Fisher Jurvetson, founded by Tim Draper, acquired a minority stake in Esprit Capital and Esprit Capital became Draper Fisher Jurvetson's exclusive partner in Western Europe.

<sup>\*\*</sup> Shown as a percentage of the total investee company holdings that are direct investment, co-investments and Earlybird investee companies above a £2.0 million invested cost threshold. Certain elements of the portfolio, such as certain Earlybird investments and holdings via the Fund of Funds Programme are excluded.

In 2009, Esprit Capital acquired the European venture capital management business of 3i plc (established as the Esprit Fund 3(i) investment management business).

Esprit Capital closed Esprit Fund 3 (a fund established to make primary investments with capital of €80 million plus an additional €15 million of co-investment capital from Draper Fisher Jurvetson and the partners of Esprit Capital) to new investors in 2010. The Molten Group also opened a Dublin office in the same year as a branch of Esprit Capital.

In 2015, the Molten Group rebranded as Draper Esprit as part of the overall rebranding of the Draper Venture Network under the leadership of Tim Draper.

In June 2016 the Molten Shares were admitted to trading on AIM and the Euronext Growth Market concurrent with c.24 million Molten Shares issued as part consideration for the acquisition of Esprit Capital and Esprit Fund 3 and a c. $\Sigma$ 79 million fundraising by way of a placing and subscription of new Molten Shares at  $\Sigma$ 3.00 per share, resulting in Molten Shares worth approximately  $\Sigma$ 103 million being issued to investors at such time.

Molten raised gross proceeds of c.£100 million in June 2017 by way of a placing and subscription of new Molten Shares at £3.24 per share. Later that year, Molten launched the Fund of Funds Programme.

In May 2018 Molten raised gross proceeds of c.£115 million by way of a placing and subscription of new Molten Shares at £4.20 per share (with such shares being issued in June 2018 following shareholder approval) and in June 2018, it entered into a collaboration with Earlybird (see paragraph 3.1 below), taking a significant stake in Earlybird's Digital West Early Stage VI fund at the same time.

Molten raised further gross proceeds of c.£100 million in January 2019 at £5.30 per share and acquired a 27 per cent. interest in Earlybird Fund IV for approximately €63 million and separately a 5 per cent. interest in Earlybird DEF for approximately US\$20 million (with such shares being issued in February 2019 following shareholder approval). As a result, Molten acquired underlying holdings in smava, Peak Games, Nfon, B2X, Socialbakers and UiPath, along with underlying holdings in 13 other companies.

In October 2020, Molten raised gross proceeds of c.£110 million by way of a placing of new Molten Shares to institutional investors at £5.55 per share and in June 2021, Molten raised further gross proceeds of c.£111 million by way of a placing of 13,299,278 new Molten Shares to institutional investors (c.£106 million), and a retail offer of 603,500 new Molten Shares made by Molten to retail investors in the UK via the PrimaryBid platform (c.£5 million), at £8.00 per share to raise further funds for deployment into a strong pipeline of potential future investment opportunities.

In July 2021, Molten migrated the listing of Molten Shares then in issue from AIM and the Euronext Growth Market to the premium listing segment of the Official List and the secondary listing segment of the Euronext Dublin Daily Official List and to trading on the Main Market and the Euronext Dublin Market. In November of the same year, Molten rebranded as Molten Ventures in response to the Company's transformation of recent years.

In November 2022, Molten syndicated part of the Fund of Funds Programme to an Irish family office that committed a total of €30 million to the Fund of Funds Programme, of which half was used to acquire a proportion of Molten's existing interests pursuant to the Fund of Funds Programme, and the other half for future commitments under the Fund of Funds Programme. The Molten Group intends to further broaden the syndication of the Fund of Funds Programme, offering other investors access, through Molten, to the most innovative seed fund managers across Europe, and creating opportunities to co-invest and deploy further capital into direct opportunities within their portfolio companies.

In July 2023, Molten launched its Irish-focused fund, with investment from existing Molten Shareholder, Ireland Strategic Investment Fund (ISIF), to back high growth technology companies whose core activities, management and expertise are located in the Republic of Ireland, building on Molten's existing presence and strength in Ireland, where it has been active for over ten years. The Irish-focused fund closed at €50 million with Molten committing €27.75 million (55.5 per cent. of the fund) and ISIF committing the remaining €22.25 million. In line with the Molten Group's stated strategy to build out third-party managed funds, the Irish-focused fund is intended to generate management fees and

performance-related fees for Molten through its role as manager, as an additional pool of capital alongside the plc balance sheet, EIS/VCT funds and syndicated Fund of Funds Programme.

In December 2023, Molten raised gross proceeds of £57.4 million by way of the Issue (comprising the Placing, the Subscription, the Retail Offer and the Offer for Subscription), further capitalising the Molten platform. Further detail regarding the Issue is set out at paragraph 2 of this Part 7 (Business Description) of this document.

### 1.4 Performance highlights

Some of the Molten Group's performance highlights (unaudited) for the year ended 31 March 2023 include:

- Gross Portfolio Value of £1,371 million (31 March 2022: £1,532 million), £484 million of which was held at, or below, the value of investment rounds completed within the twelve months to 31 March 2023;
- gross portfolio fair value decrease of 16 per cent. (31 March 2022: 37 per cent. increase);
- £138 million (year to 31 March 2022: £311 million) invested from Molten's balance sheet for the year ended 31 March 2023, with a further £41 million (year to 31 March 2022: £45 million) from EIS and VCT co-investment;
- net assets of £1,194 million (31 March 2022: £1,434 million) and NAV per Molten Share of 780p (31 March 2022: 937p);
- c.£1.7 billion platform AUM (31 March 2022: £1.8 billion), including third party capital under management (including c.£0.4 billion via EIS/VCT funds);
- the making of eight primary investments with a combined funding of £61 million, and £44 million of investments in 17 companies for follow-on deals and secondaries (direct);
- the making of commitments to 18 new seed and early stage funds via the Fund of Funds Programme, bringing the overall Fund of Funds Programme portfolio to 75 funds;
- cash proceeds from portfolio realisations and distributions during the year of £48 million (year to 31 March 2022: £126 million);
- the portfolio remained well funded with more than £1 billion of capital raised by investee companies in the 12 months to 31 March 2023, of which over 90 per cent. was at a higher or equivalent valuations than the holding value attributed by Molten to its investment as at 31 March 2023; and
- over 80 per cent. of Core Portfolio Companies with at least 18 months of cash runway as at 31 March 2023 (based on existing budgets and growth plans).

Some of the Molten Group's performance highlights (unaudited) for the six months ended 30 September 2023 include:

- Gross Portfolio Value of £1,299 million (31 March 2023: £1,371 million);
- net assets of £1,124 million (31 March 2023: £1,194 million) and NAV per Molten Share of 735p (31 March 2023: 780p);
- gross portfolio fair value decrease of 4 per cent. (six months to 30 September 2022: 12 per cent. decrease);
- £17 million cash invested in the six months to 30 September 2023 by Molten and a further £36 million from the managed EIS/VCT funds (six months to 30 September 2022: £112 million from Molten and £18 million from the managed EIS/VCT funds):
- £25 million consolidated Molten Group cash (31 March 2023: £23 million Company cash), and a further £40 million available to invest from the managed EIS/VCT funds (31 March 2023: £48 million);
- £33 million cash proceeds from portfolio realisations and distributions (six months to 30 September 2022: £13 million);

- the making of five primary investments with a combined funding of £2 million, £2 million in seven companies for follow-on deals, with a further £8 million invested via the Fund of Funds Programme and £5 million in Earlybird funds;
- the making of commitments to four new seed and early stage funds via the Fund of Funds Programme, bringing the overall Fund of Funds Programme portfolio to 79 seed and early stage funds; and
- portfolio remains well funded with more than £467 million of capital raised by investee companies in the last 12 months, of which over 85 per cent. has been at higher or equivalent valuations than the holding value attributed by Molten to its investment as at 30 September 2023; and
- over 80 per cent. of the Core Portfolio having more than 12 months of cash runway, and over 50 per cent. of the Core Portfolio having more than 24 months of cash runway (based on existing budgets and growth plans).

Further detail regarding the financial performance of the Molten Group is set out at Part 12 (Operating and Financial Review) of this document.

## 1.5 Long term track record

The Molten Group team has a long history of investing in technology and a proven long-term track record, navigating and adapting to prevailing market conditions. Whilst market conditions in the last 12 to 18 months have impacted recent performance, when looking across Molten's history since IPO seven years ago, the Gross Portfolio Value has grown from £78.7 million to £1,299 million as at 30 September 2023 (with a 35 per cent. average percentage return on opening Gross Portfolio Value for each of the full financial years since IPO) and Molten's NAV over the same period has increased from £128.7 million to £1,124 million as at 30 September 2023.

Realisations are another important part of Molten's business and useful measure of a VC firm's track record – in the period from IPO to 30 September 2023, Molten has delivered c.£500 million back to the balance sheet via realisations. In each full financial year since IPO, proceeds from realisations have represented an average of 18 per cent. of opening Gross Portfolio Value, significantly ahead of Molten's target realisation proceeds each financial year of 10 per cent. of opening Gross Portfolio Value.

# 2 THE ISSUE

On 15 December 2023, Molten issued 21,261,548 Issue Shares pursuant to an equity fundraise comprising a Placing, Subscription, Retail Offer and Offer for Subscription at an Issue Price of 270 pence per Molten Share, raising net proceeds of c.£55.4 million which further capitalised the Molten platform. Molten is using, and will continue to use, the net proceeds of the Issue to:

- support its existing high-growth technology portfolio of investments, investing in selective follow on investment opportunities as its portfolio companies continue to grow.
- Make primary investments in new portfolio companies to capture exceptional opportunities as the valuation environment stabilises.
- Access exceptional secondary investments at attractive valuations.
- Where appropriate and value enhancing, continue to appraise complementary acquisition opportunities.
- Fund the Company's operational capital costs.

No decision has been taken as to how the net proceeds of the Issue will be allocated between the above different uses. The Issue was not underwritten and there were no material conflicts of interest pertaining to the Issue. The Molten Board remains cognisant of the need to comply with the requisite provisions of the Prospectus Regulation and the EU Prospectus Regulation when issuing Molten Shares and, more particularly, the rolling requirement that the Company should not issue more than 20 per cent. of its share capital during any preceding twelve-month period without having published a prospectus.

Accordingly, as the 21,261,548 Issue Shares that the Company issued pursuant to the Issue and the up to 14,792,679 New Molten Shares proposed to be issued to Scheme Shareholders pursuant to the Acquisition (including as a result of the assumed maximum exercise of the Forward FY23 Options prior to the Scheme

becoming Effective pursuant to the terms of the Forward LTIP Letters) represent, in aggregate, 20.7 per cent. of Molten's issued share capital as at the Latest Practicable Date, this document is being published in order to 'reset' Molten's 20 per cent. capacity to issue further Molten Shares by way of further issues afforded under the Prospectus Regulation and EU Prospectus Regulation.

# 3 BUSINESS MODEL, SECTORS AND STRATEGY

### 3.1 Scalable platform

In the past seven years since initially listing on AIM and the Euronext Growth Market, Molten has scaled its platform to provide its investors with access to high quality venture deals across the UK and Europe. The Molten Group's co-investment partners (being the Encore Funds (which raise funds from investors who are eligible to claim EIS income tax relief in the UK) and Molten Ventures VCT (which raises funds from investors who are eligible to claim VCT income tax relief in the UK)) bring third-party capital, enabling the Molten Group to build more material stakes and support a portfolio of high growth technology companies addressing material problems with significant target markets and the potential for outsized returns. Meanwhile, the management and performance fees received from the EIS/VCT funds and Molten's other third party capital investment strategies (including the syndicated Fund of Funds Programme and the Irish-focused fund) offset operational costs for Molten Shareholders.

Further details of the tax regimes under which the Encore Funds and Molten Ventures VCT operate are set out at paragraphs 17.6 and 17.7 of Part 14 of this document respectively. Molten Shareholders should note that the tax reliefs available to investors in the Encore Funds and Molten Ventures VCT are not available in respect of an investment in the Company.

### Molten Group balance sheet

The Molten Group's balance sheet forms the core investment vehicle for Molten, investing across Europe in Series A and Series B+ stage deals. In the UK, the Encore Funds and Molten Ventures VCT invest alongside the Molten Group in relatively early stage companies that are eligible for EIS/VCT relief. In Europe, investments are direct and also through/alongside chosen partners including Earlybird.

The Molten Directors believe that the structure of Molten as a listed vehicle aligns well with Molten's patient capital model and provides flexibility for the Molten Group to build stakes in the top performing investments over the longer-term as opportunities arise.

#### Molten Ventures VCT

Elderstreet Investments, a wholly owned subsidiary of Molten, manages Molten Ventures VCT plc (LSE: MVCT) along with another single investment third party capital vehicle. From inception in 1998 to 30 September 2023, Elderstreet Investments has raised funds of c.£167 million in Molten Ventures VCT. Molten Ventures VCT typically co-invests with the Molten Group in UK deals that are VCT qualifying. Molten Ventures VCT does not form part of the Molten Group.

### The Encore Funds

Encore Ventures, another wholly owned subsidiary of Molten, manages the Encore Funds. With six co-investment funds, it has raised c.£244 million from inception in 2012 to 30 September 2023. The Encore Funds were independently ranked as the highest or joint highest rated EIS funds by Tax Efficient Review between 2015 and 2023 with a score of 89/100, and are now rated on the second highest score of 88/100. The Encore Funds typically co-invest with the Molten Group in UK deals that are EIS qualifying.

# The Fund of Funds Programme

The Molten Group rarely makes direct seed stage investments but has been investing in early-stage funds from across the UK, Europe and the US since 2017 via the Fund of Funds Programme. By seeding the early stage ecosystem, Molten can source promising companies for later Series A and B investment, pooling expertise from sector specific funds based across the UK and Europe.

In the period from inception of the Fund of Funds Programme in October 2017 to 30 September 2023, the Fund of Funds Programme had committed £131 million (not including commitments to Earlybird funds (in excess of £5 million) which sit outside the Fund of Funds Programme) to 79 funds in total,

including a blend of mature, emerging and forward-thinking new investment managers, with the rich underlying portfolio including over 2,000 companies. During the same period, £88 million of commitments had been drawn down (£27 million during the financial year ended 31 March 2023 and £8 million during the six months ended 30 September 2023), and it is anticipated that the remaining £44 million will be drawn over the next three to five years; of this, Molten expects to bear £34 million, with the remainder being borne by third party limited partners as a result of the syndication of the Fund of Funds Programme.

In November 2022, the Molten Group syndicated part of the Fund of Funds Programme, welcoming an Irish family office as a limited partner. The Molten Group intends to further broaden the syndication of the Fund of Funds Programme, offering third party investors access to the most innovative seed and early-stage fund managers in the UK and Europe, complemented by robust due diligence and diversification. The niche nature of the programme and Molten's ongoing commitment to nurturing seed and early-stage funds in the UK and Europe marks Molten as a strong player in this space.

## Collaboration with Earlybird

In July 2018, Molten entered into a collaboration with Earlybird, a venture capital investor, in order to share dealflow, investment resources and expertise to co-invest in high growth European technology companies. As well as a co-investment partner, Molten has also invested into seven of the Earlybird funds, allowing Molten to expand its investment footprint in the European market.

### Managed co-invest SPVs

As an extension of the Molten Group's existing strategy of deploying capital via other vehicles through the Fund of Funds Programme, co-investments with some of the Molten Group's seed fund managers have enabled the Molten Group to access exciting opportunities in forward thinking European companies via investments through special purpose vehicles.

### Proposed climate-focused fund

The Molten Group anticipates the launch of a climate-focused fund in the medium term. Whilst the investment process will remain the same, this proposed fund will expand the Molten Group's pre-existing climate thesis and allow the Molten Group to scale its ambition for investment in the climate technology sector.

#### Geographically-focused funds

The Molten Group launched an Irish-focused fund in July 2023 and anticipates launching a Central and Eastern Europe-focused fund in the medium term, with both funds expected to provide a further positive contribution to the Molten Group's cost base and profitability.

The Irish-focused fund builds on the Molten Group's existing presence and strength in Ireland, where it has been active for over 10 years.

The proposed Central and Eastern Europe-focused fund is expected to enable the Molten Group to tap into the emerging technology ecosystems in this region, with Molten having recently strengthened its offer in this region by the recruitment of Bakhrom Ibragimov from the European Bank for Reconstruction and Development (EBRD) where he headed up the EBRD Venture Capital Investment Programme.

### Secondary investments

The Molten Group continues to manage two legacy funds, Esprit Fund 1 and Esprit Fund 3(i), each of which is in run-off.

The Molten Group also makes secondary investments from time to time by acquiring investments held by other investors and founders (including acquisitions of existing investment funds (private or public)), and/or, where it is in the interests of the Molten Group to do so, by acquiring other third party funds managed by the Molten Group. This enables Molten to further diversify its investment strategy and blend the maturity of assets, with secondary investments typically spanning a shorter period of time by virtue of acquiring existing asset positions.

# 3.2 **Sectors**

The Molten Group provides early stage and growth stage technology businesses with capital, networks and management support to accelerate their international growth and development and enhance their value over the long term. The Molten Group adopts a broad sector approach, with sub sector thematics captured within the following broad groupings:

Enterprise technology – the software infrastructure, applications and services that make enterprises more productive, cost-efficient, and smoother to run.

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

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

Digital health & wellness – using data, software and hardware to create new products and services for the health and wellness market.

# 3.3 Criteria

The Molten Group aims to seek out high growth companies originating from across the UK and Europe that:

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

### 4 THE VENTURE CAPITAL MARKET AND INVESTMENT OPPORTUNITY

# 4.1 The venture capital market

The Molten Directors have observed the following long-term trends shaping the technology investment environment:

Public to private – part of a wider global trend, the last fifteen years has seen a shift in capital markets from public to private. This has, in turn, seen a ramping up of VC fundraising in major markets such as the US and Europe, as well as a concurrent shift in asset allocation and increase in private market allocation by crossover investors. The Molten Group sees, with increasing frequency, these investors making direct private investments, predominantly in later stages than the Molten Group's initial investment.

Staying private longer – the shift from public to private is deeply entwined with the trend for companies to stay private for longer, raising more capital and reaching greater levels of maturity. The growing ubiquity of "unicorn" technology companies is one such outcome of this trend.

More funds, more funding, winners at the top – this increase in private capital has led to a rapid expansion of both new venture capital funds and the total level of fundraising, but it is the top end of the market that has shifted most. In 2010, a single fund of US\$1 billion or more was rare; today, such funds are increasingly common. A consequence of this trend is the opportunity to make secondary investments into technology companies (including via acquisitions of existing investment funds (private

or public)) as they outgrow the capabilities of their early private investors or their existing investors otherwise seek to realise their investments.

Europe's growing influence – historically underweighted at a global level, Europe has begun to realise its potential as a technology powerhouse, with a rapidly growing market share of technology investment deals compared to the U.S. In sectors such as AI, European companies are considered a match for U.S. competitors; in sectors like fintech, they are often considered as superior. The Molten Directors believe that Europe has historically been underserved relative to its intellectual property creation and the ability of European companies to disrupt significant global markets. European companies are considered more capital-efficient than U.S. competitors, which goes some way to explaining why Europe still underperforms the U.S. in value of technology deals. However, the growing number of inbound U.S. investors into Europe has made Europe an increasingly competitive market opportunity.

Focus on ESG – it is the Molten Directors' belief that investee companies/funds with high ESG standards are typically better run, better at identifying and managing their business risks and opportunities for growth and generate better earnings growth. Molten's ESG Policy is a key element of Molten's investment and portfolio monitoring processes to ensure its platform in venture capital is used to encourage and promote its values and ESG considerations in developing best-in class technology companies and achieving strong returns for Molten Shareholders/investors. In 2022, Molten was named top VC in the ITPEnergised and Orbis Advisory ESG Transparency Index.

Whilst a confluence of geo-political and macro-economic factors have emerged in the last couple of years that are continuing to present a challenging environment for the UK and European technology VC sector, the Molten Directors believe these long-term trends continue to hold true.

Geographically, Europe remains the fastest growing global VC region, ahead of the U.S. and Asia, with US\$110 billion of investment in 2022. The 2022 VC and growth market in the U.S. declined by 29 per cent., and in Asia by 41 per cent. from 2021 as against 16 per cent. in Europe. Similarly, the compounded annual growth in Europe since 2015 is 26 per cent. per year, more than 10 per cent. above its U.S. counterpart and 16 per cent. above Asia (source: PitchBook).

When analysing the deal volumes of 2022, the harder affected stages of investment were seed rounds (less than US\$2m) and later stage expansion (>US\$50m). The earlier stage, Late Seed, Series A and B rounds showed similar levels of activity when compared to 2021 (source: PitchBook). At Molten, Series A and B have always been a key target investment stage, alongside seed and early stage investment via the Fund of Funds Programme, because the macroeconomic environment plays a much larger role at the later investment stages.

One key factor which provides confidence to stakeholders in the future VC market is the limited partner sentiment on the current environment. European VC fundraising has remained consistent across 2021 and 2022, whereby limited partners are continuing to see value in rationalising valuation environments.

In addition to VC managers adjusting to the market, so too have VC stage companies. Leading from the front, technology giants have announced large scale employee reductions to match the current growth environment and so too have VC stage companies. Across 2022 and into 2023, VC stage companies have adopted less aggressive growth plans and adjusted hiring plans accordingly, pivoting towards pursuing more efficient revenue growth and breakeven where possible. Molten believes this fundamental shift in approach from both the VC manager and portfolio companies will foster a stronger and more resilient VC market in the future.

In the first half of 2023, the deployment of capital in the VC market slowed down as investors became more cautious. However, smaller rounds, categorised largely by Series A and B, have been more insulated to the broader market adjustment when compared to larger rounds in excess of US\$250m which have been shrinking quarter-over-quarter (source: PitchBook). Molten invests in this stage of the market (Series A and B) and over the remainder of 2023 and into 2024, in addition to supporting its existing portfolio, Molten intends to continue deploying in a favourable valuation environment where suitable opportunities are identified with high quality management teams who adopt the same approach to efficient revenue growth.

### 4.2 Investment opportunity

The Molten Group invests in and develops high growth private technology businesses in the UK and Europe via an increasingly broad range of direct and indirect VC investments (including by way of secondary acquisition), fund of fund investments, fund management (including management of third party capital) and tailored investment opportunities. Molten is guided by years of experience in scaling high-growth technology companies and intends to invest incrementally, with a long-term outlook, to build value over time.

### Investment in the UK and Europe's most ambitious technology companies

The Molten Group looks for the most promising private technology companies in the UK and Europe, which the Molten Group believes have the potential to become category leaders. Molten screens thousands of companies a year and invests in approximately 15-30 a year, including follow-on investments. The Molten Group's brand and network, together with the Fund of Funds Programme, provides Molten with access to a pipeline of deals in the ecosystem to ensure the Molten Group can take a market-wide view before investing.

### Sustainable investment in growing companies

As part of Molten's strategy for sustainable growth, the Molten Group invests small amounts early, and aims to reserve more capital for later stage rounds, committing follow-on capital in well-performing businesses, building value over time and looking to exit assets at or above the balance sheet value they are being carried at. The Molten Group's portfolio is diversified across sectors and geographies, and its Core Portfolio Companies are held at valuations based on comparable peers, growth projections and captive market size in accordance with IPEV Guidelines.

#### Experience drives the Molten Group's success

Molten's team is highly experienced: The Molten Group has been investing in technology for over 20 years. The Molten Group typically takes a seat on the board of its direct investee companies or a board observer role, and will typically invest in a preferred share class that attracts suitable investor protections; where Molten invests through a third party-managed vehicle (e.g. via the Fund of Funds Programme), it may take a seat on the limited partner advisory committee (or equivalent). Many of the Molten Group team also offer specific domain expertise and have experience as technology entrepreneurs, which aids Molten's decision-making and ability to give its portfolio companies the right connections and best advice.

### Capitalising on attractive investment conditions

Whilst macroeconomic uncertainties are expected to persist for at least the medium-term, the Molten Directors expect technology markets to begin to stabilise and, in places, recover. In the meantime, with valuations having come down, certain market participants seeking to or having exited and others having slowed down in their capital deployment, an opportunity exists to capitalise on the availability of deals at attractive valuations in a less competitive environment. In particular, the market dislocation and depressed valuations of recent years have given rise to a number of opportunities for secondary portfolio transactions, including the Acquisition. With its strong team and deep levels of experience and expertise, scalable and adaptable model, active approach to portfolio management and thesis-led investment approach, the Molten Directors believe Molten is well positioned to take advantage of these opportunities and continue to deliver as the market begins to transition into the next stage in the cycle.

#### 5 COMPETITIVE STRENGTHS

The Molten Directors believe that Molten has a number of competitive strengths, including:

- **Flexible platform** the Molten Group's platform provides Molten with the flexibility to invest in a variety of ways across an investee company's lifecycle, including seed, early stage, growth, secondaries and follow-ons, with investments made both directly and indirectly, for example, via the Fund of Funds Programme.
- Long term capital Molten offers access to private companies that are growing rapidly. Current trends show that technology companies stay private for longer. The Molten Directors believe that

Molten's structure as a listed vehicle, unlike many other venture capital firms, aligns well with Molten's patient capital model enabling Molten to participate in multiple funding rounds for the long-term.

- Strong management team the Molten Group's investment team have a long history of technology investing. Many of Molten's team also offer specific domain expertise relevant to the particular business of Molten's portfolio companies and also bring operational experience as technology entrepreneurs in their own right.
- **Expertise in scaling businesses** the Molten Group has a wealth of expertise in accelerating UK and European high-growth technology businesses as they scale, providing longer-term "hands on" investment.
- Proven track record in secondary acquisitions the Acquisition is the latest transaction in Molten's proven track record in secondary portfolio acquisitions, having unlocked significant value for shareholders from acquired venture capital portfolios including Seedcamp Funds I & II, Earlybird DWES Funds IV and VI and Earlybird Digital East Fund I. This positions Molten well to take advantage of the market environment which is giving rise to other opportunities within Molten's areas of expertise to acquire portfolios and/or secondary stakes with attractive expected return profiles.
- Strong belief in active management the Company is an active investor and takes a 'hands-on' approach when supporting its direct investee companies. It has developed its support programme for Core Portfolio Companies by directly engaging with portfolio leadership teams in the context of knowledge and best practice sharing; collaborative content production; ESG support; and targeted event co-hosting around specific C-suite functions. The third party fund managers and funds through which Molten invests directly, via the Fund of Funds Programme and otherwise, typically take a similarly active approach as regards their underlying investee companies.

## 6 INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Company's investment objective and investment policy are set out below.

### 6.1 Investment objective

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

### 6.2 Investment policy

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

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

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

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

#### Form of investment

Investments are expected to be mainly in the form of equity, although investments may be made by way of debt, convertible securities or investments in specific projects. In the case of equity investments, the Molten Directors intend to take positions (with suitable minority protection rights where appropriate), primarily in unquoted companies. Molten (acting through the relevant Molten Group entity) is an active investor, usually taking a board position on the investee company.

Given the time frame required to fully maximise the value of an investment, the Molten Board expects that investments will be held for the medium to long term, although short term disposals of assets cannot be ruled out in exceptional or opportunistic circumstances. The Molten Directors intend to reinvest the proceeds of disposals in accordance with the Molten Group's investment policy unless, at the relevant time, the Molten Directors believe that there are no suitable investment opportunities, in which case the Molten Directors will consider returning the proceeds to Molten Shareholders in a tax efficient manner.

### **Borrowing**

Molten may use gearing if it believes it will enhance Molten Shareholder returns over the longer term. Molten seeks to maintain a conservative level of gearing and will limit its borrowings to a maximum of 25 per cent. of Net Asset Value at the time of drawdown.

### Treasury and hedging

Cash held by the Molten Group pending investment, reinvestment or distribution will be managed by the Molten Group in accordance with the Molten Group's treasury policy and placed in bank deposits with major global financial institutions, in order to protect the capital value of the Molten Group's cash assets. The Molten Group may hedge exposure to FX fluctuations in accordance with its hedging policy, including via dual currency deposits. Investments are expected to be held by the Company or a subsidiary to be incorporated for the purpose of holding an investment.

## Changes to and compliance with the investment policy

Any material change to the Company's investment policy set out above will require the prior approval of the FCA and of Molten Shareholders by way of an ordinary resolution at a general meeting. Any such change will need to continue to contain, in accordance with the Listing Rules, information relating to asset allocation, risk diversification and gearing (including maximum exposure). Such information, including quantitative information concerning maximum exposures, shall continue to be sufficiently precise and clear as to enable an investor to: (i) assess the investment opportunity; (ii) identify how the objective of risk spreading is to be achieved; and (iii) assess the significance of any proposed change of investment policy.

In the event of a breach of the investment policy set out above, which the Molten Board considers to be material, Molten Shareholders will be informed via a notification made through an announcement via a Regulatory Information Service.

## 7 INVESTMENT PROCESS

## 7.1 **Deal Team and Platform Team**

Molten's investment process is delivered by Esprit Capital primarily through two teams (the Deal Team and the Platform Team detailed below) that collectively form the Molten investment team (the "Investment Team").

The Molten Group's deal team (the "**Deal Team**") currently comprise the Molten Executive Directors and a number of investment professionals (eight at the date of this document) who are sector experts in their respective domains across each of the four pillars of the Company's investment strategy and who are responsible for engaging with entrepreneurs in their sector and winning deals. Members of the Deal Team form the voting members of the Investment Committee and will also typically take a seat on the board (or equivalent) of investee companies for which they are the deal lead (and sometimes, in respect of Fund of Fund investments, may take a seat on the limited partner advisory committee (or equivalent) of the investee fund for which they are the deal lead).

The Molten Group platform team (the "**Platform Team**") is sub-divided into three core areas which function to support the Deal Team:

The deal origination function is tasked with sourcing deal flow into the Deal Team; building industry relationships to assist with syndication on deals; building out investment theses upon which the Molten Group targets its investments; and collaborating with the entrepreneur community, other investors and the wider ecosystem. This function develops collaborative partnerships with prospective and existing investee companies/funds and aims to ensure that investee companies

are supported at the point they are looking for Series A+ funding, benefiting from the Molten Group's expertise in scaling technology start-ups and expansion into international markets.

- The venture operations function is tasked with the end-to-end delivery of the investment process, working with internal and external legal support and the Deal Team to support ongoing deals; conclude investment transactions; and monitor and report on deal progress.
- The marketing function provides public relations coverage for the Molten Group and for investee companies/funds across all media to raise brand awareness and community engagement in the UK and broader European technology entrepreneur and investor communities.

## 7.2 **Origination**

Each member of the Investment Team, and specifically the Deal Team and the deal origination function of the Platform Team, is responsible for generating deal flow for the team as a whole, as well as within their specialist sectors. Additional deal flow is created by in-bound enquiries from the Molten Group's established network of contacts and from the Fund of Funds Programme.

The first contact with a potential investee company/fund is typically directly through a member of the deal origination function of the Platform Team which enables the Molten Group to progress or reject an investment opportunity quickly.

Quarterly meetings are attended by all members of the Investment Team to: (i) establish and develop strategy around high priority deal opportunities: and (ii) separately review, discuss and plan more broadly the ongoing delivery of Molten's investment strategy.

### 7.3 Assessment

Deals are reviewed each week at the Investment Team's weekly deal flow meeting. Two members of the Investment Team (one from the deal origination function of the Platform Team and a Deal Team lead) map potential investments against the relevant Molten investment thesis. Thereafter, at least two members of the Investment Team will be responsible for submission of the first formal paper to the Investment Committee at its weekly meeting.

At this stage due diligence will focus on the following critical issues:

- validation of a company's technology and intellectual property;
- validation of the business plan i.e. the business model and anticipated future margins, the
  potential market, the positioning of the company within its market as well as referencing from
  existing/prospective customers;
- potential for a strategic premium valuation at exit; and
- interviews and reference checks on management and key customers/suppliers.

Provided that the output of the due diligence exercise is satisfactory, a formal paper will be provided to the Investment Committee to present the alignment to investment thesis; outline the terms of the deal; highlight the ESG credentials of the business; and set out the proposed path to investigate any diligence points that have already been identified and are considered to require further attention. The aim of this process is for the Investment Committee to be able to support or reject the opportunity and, if the consensus view is positive, to provide a framework and assistance to help the deal partner to negotiate and close the transaction successfully.

The next stage of the approval process is typically a presentation by the management team of the potential investee company to the Investment Committee. Provided that there is a consensus of not less than 66 per cent. of voting Deal Team members (and approval of the Molten Board has been obtained where required under the schedule of matters reserved to the Molten Board), Molten is able to submit a term sheet.

#### 7.4 Investment execution

Once a deal has been accepted, Molten's own lawyers or external instructed lawyers are engaged by Esprit Capital to complete the final negotiations to protect the Molten Group's interests before final closing subject to onboarding checks being satisfactorily completed.

#### 7.5 Secondary transactions and other strategic investments

Through its network, the Molten Group identifies situations from time to time where there is an investor with multiple stakes in high growth technology companies which requires liquidity across one or a range of its holdings for strategic reasons. These special situation secondary portfolio transactions (including acquisitions of existing investment funds (private or public)) typically require complex structuring and negotiation. Where appropriate, a separate special purpose vehicle or fund is created for each pool of investee company interests acquired. Molten may receive additional revenue through management income and/or carried interest arrangements in any of these secondary fund acquisitions. The team focuses on the key value drivers in such secondary portfolios, evaluating them in the same way as it would a primary transaction. The Molten Group may take over non-value driving investments as part of a secondary portfolio where relevant and incapable of being structured differently.

Once the Molten Group has acquired a stake through a single company secondary or a secondary portfolio transaction, it is typically managed in the same way as stakes in investee companies that are acquired by way of a primary transaction, as described above.

Molten may also pursue other strategic opportunities as and when they arise to the extent they are aligned with the Company's investment objective and policy and are considered, following a comprehensive due diligence process, to be available on attractive terms and represent a compelling strategic opportunity for Molten.

### 7.6 Active management of the portfolio

The Molten Group pursues a strategy of restricting the number of active board seats that each member of the Deal Team may hold at any one time and expects them to spend at least two days a month helping each investee company/fund for which they are responsible. The Molten Group also encourages regular involvement of other employees of the Molten Group and members of the Platform Team in investee company/fund meetings and reviews to ensure the appropriate balance and objectivity when investments are discussed at Investment Committee meetings. Every investment made by the Molten Group (excluding any underlying Fund of Funds Programme investee companies or assets that are not held directly which do not form a part of Molten's Core Portfolio) is discussed by the entire Investment Team at Molten's bi-annual portfolio review process.

# 7.7 ESG in the investment process

Molten's ESG Policy sets out the Molten Group's mission, ESG goals, and approach to responsible investment (further details of which are summarised at paragraph 3 of Part 10 of this document). Molten's mission is to empower Europe to invent the future. The Molten Group wants that future to be sustainable, fair and accessible to all and aims to use its platform in VC to encourage and promote its ESG values and ESG considerations in developing best-in class technology companies and achieving strong returns for Molten Shareholders.

Molten is committed to a policy of responsible investment through the lifecycle of its investments, from pre-screening to exit. Molten aims to invest in businesses and entrepreneurs who recognise and embrace the need for more sustainable practices and strive to improve their ESG performance in order to contribute towards a more sustainable and prosperous future for all.

Molten is mindful of the general themes surrounding ESG and its role as a responsible investor when considering potential investments. All prospective portfolio companies are screened against Molten's ESG exclusion list, which contains various assets Molten will not invest into. At the due diligence stage, Molten distributes its ESG Framework to prospective portfolio companies in order to identify risks as part of the diligence process. The output of this exercise is used to help inform Molten's investment decisions, with any significant ESG risks flagged and escalated. At Investment Committee stage, Investment Committee papers are required to outline ESG risks and opportunities as part of the wider qualitative assessment of the investment opportunity, with relevant ESG topics being explored as part of Investment Committee discussions and decision-making processes.

At the time of making an initial direct investment in a portfolio company, Molten asks for a commitment from founders and management teams to meet or surpass Molten's ESG targets during the lifetime of its investment with its support. Molten believes that in doing so, this creates value for its shareholders and makes its portfolio companies more attractive for investment, against ever-growing expectations

of investors, regulators, prospective talent and consumers. Molten then continues to monitor portfolio companies' performance against these ESG targets through annual distribution of its ESG Framework and delivers bespoke ESG events to help with integration of ESG strategies. Molten also collates historic ESG data throughout the lifetime of its investment to produce a summary of ESG progress.

## 7.8 Management team building

The Molten Group actively helps recruit senior management team members and board members for its direct (and, where appropriate, indirect) investee companies. This includes non-executive chairs and directors, C-suite officeholders and senior positions in finance, marketing, technology, production, manufacturing, sales and other positions.

The Molten Group is particularly focused on ensuring its direct and indirect investee companies have the right team for each stage of their development.

### 7.9 Performance reviews

The Molten Group often leads reviews of sales performance, marketing and product focus groups for its direct (and, where appropriate, indirect) investee companies. It has extensive contacts at third party consulting organisations who can assist the management teams to execute to the best of their abilities and in line with best practice for their industries.

### 7.10 Acquisition expertise

The Molten Group is focused on assisting its direct (and, where appropriate, indirect) investee companies to achieve organic growth as a core investment strategy. However, organic growth can often be complemented by acquiring further products, development skills or sales and distribution capabilities. The Molten Group is actively involved in helping its direct (and, where appropriate, indirect) investee companies to identify, negotiate and integrate strategic acquisitions.

### 7.11 Business development/market entry

The Molten Group often helps its direct (and, where appropriate, indirect) investee companies to develop new business development activities by identifying and negotiating channel partnerships and providing access to broader networks and other strategic and tactical opportunities. Often, it is these business development relationships that can result in a potential acquirer of the company emerging at a later stage. The Molten Group leverages its strong relationships with various major technology corporations and actively engages on behalf of its direct (and, where appropriate, indirect) investee companies. The members of the Deal Team also have long histories of helping investee companies to expand into international markets.

## 7.12 Dealing with underperformance

With periodic business reviews and close and regular contact with the management teams, the Molten Group aims to be positioned to identify any problems within the Molten Group's portfolio at the earliest stage possible. Together with management, the Molten Group endeavours to secure change at board, management and/or operational level as necessary.

Formal reports from the direct investee companies/funds are typically received monthly, in a format that is used by the relevant management team to help them run their business and/or by the fund for its periodic investor reporting. Every six months across two dedicated all-team strategy days, data is presented in a standardised Molten format and each member of the Deal Team reports to the Molten Group on their specific direct investee companies' progress. The Molten Group takes a team based approach to quarterly performance and all of the members of the Investment Team are actively involved in reviewing portfolio progress, including attending board meetings of companies outside of their individual remit. The Molten Group also actively assigns direct investee companies (where possible) to different members of the Investment Team from time to time, to help provide fresh insights and perspectives to the Molten Group's investments.

# 7.13 Investment exit review

The Molten Group reviews exit opportunities regularly and each member of the Deal Team is responsible for an exit thesis for the investee companies they are responsible for prior to any investment

being made. An exit thesis is set out in the original investment paper and it is reiterated or amended thereafter, as appropriate, in the Molten Group's regular reports.

Determining the exit thesis prior to an investment is an important stage in gaining the commitment of the management, board and co-investors to a common plan. Thereafter, the Molten Group seeks to actively manage this exit process by participating on the investee company board, and using these management meetings with the investee company to promote open discussions within the investee company.

The Molten Group endeavours to be an active 'hands-on' participant in any exit process. This includes involvement in the formation of strategy, appointment of advisers or often negotiating directly with potential acquirers or investment banks as necessary.

At the start of each quarter, the Molten Group undertakes a strategic review of each of its assets, establishing the investee company's funding position, any opportunity for additional investment and timing of a potential exit. The outcome of this meeting sets the benchmark for how the Molten Group will manage its portfolio of investee companies. Decisions relating to potential exits (to the extent they are within the control of the Molten Group) will follow a similar approval process to any approval of a new investment, requiring a majority vote of the Investment Committee.

#### 8 VALUATION

Full valuations of the Molten Group's investments are conducted by the Molten Group Finance Team (on behalf of Esprit Capital) as at 31 March for each financial period. Interim valuations are performed by the Molten Group Finance Team (on behalf of Esprit Capital) on a half-yearly basis as at 30 September. Valuations are reviewed by the Chief Financial Officer and the Company's external auditor, and subject to the approval of the Audit, Risk and Valuations Committee.

The fair valuations of the Molten Group's unlisted investments are established with reference to the IPEV Guidelines, in line with which the Molten Group may base valuations on earnings or revenues where applicable, market comparables, calibrated price of recent investment in the investee companies, or on net asset values of underlying funds ("NAV of underlying funds"). An assessment will be made at each measurement date as to the most appropriate valuation methodology, including that for investee companies owned by third-party funds that Molten invests in and which are valued on a look-through basis.

Financial instruments, measured at fair value, categorised as Level 3 can be split into three main valuation techniques:

- calibrated price of recent investment;
- revenue-multiple; and
- NAV of underlying fund.

Each Core Portfolio Company and those which are directly held will be subject to individual assessment.

For a valuation based on calibrated price of recent investment, the recent round enterprise value is calibrated against the equivalent value at year-end using a revenue-multiple valuation methodology as well as in relation to technical/product milestones since the round and the investee company's trading performance relative to the expectations of the round.

For a valuation based on a revenue-multiple, the main assumption is the multiple. The multiple is derived from comparable listed companies or relevant market transaction multiples. Companies in the same industry, geography, and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. They are also adjusted to represent Molten's longer-term view of performance through the cycle of its existing assumption.

The Molten Group invests into limited companies and limited partnerships which are considered to be investment companies that invest for the benefit of the Molten Group (see paragraph 2.6 of Part 14 of this document for further details and note 4b of the audited financial statements of the Molten Group for the financial year ended 31 March 2023 and notes 6, 7 and 16 of the audited financial statements of the

Company for the financial year ended 31 March 2023 and notes 4 and 11 of the unaudited financial statements of the Molten Group for the six months ended 30 September 2023, which have been incorporated into this document by reference as set out in Part 16 of this document). These investment companies are measured at fair value through the profit or loss based on their net asset value at the year end. The Molten Group controls these entities and is responsible for preparing their net asset value, which is mostly based on the valuation of their unquoted investments. The Molten Group's valuation of investments measured at fair value through profit or loss is, therefore, dependent upon estimations of the valuation of the underlying portfolio companies.

The Molten Group, through its controlled investment companies, also invests in investment funds which primarily focus on seed or early stage investments. These investments are considered to be 'fund of fund investments' for the Molten Group and are recognised at their net asset value at the year-end date. These fund of fund investments are not controlled by the Molten Group and some do not have coterminous year ends with the Molten Group. To value these investments, the Molten Group obtains the latest financial statements or partner reports of the investments and discusses further movements with the management of the funds following consideration of whether the funds follow the IPEV Guidelines.

Where the fund of funds holds investments that are individually material to the Molten Group, the Molten Group performs further procedures to determine that the valuation of these investments has been prepared in accordance with the Molten Group's valuation policies for portfolio companies, as outlined below, and these valuations will be adjusted by the Molten Group where necessary based on the Molten Group valuation policy for portfolio companies.

The estimates required to determine the appropriate valuation methodology of investments means there is a risk of material adjustment to the carrying amounts of assets and liabilities. These estimates include whether to increase or decrease investment valuations and require the use of assumptions about the carrying amounts of assets and liabilities that are not readily available or observable.

As noted above, the fair value of investments is established with reference to the IPEV Guidelines and an assessment will be made at each measurement date as to the most appropriate valuation methodology.

The Molten Group invests in early-stage and growth technology companies, through predominantly unlisted securities. Given the nature of these investments, there are often no current or short-term future earnings or positive cash flows. Consequently, although not considered to be the default valuation technique, the appropriate approach to determine fair value may be based on a methodology with reference to observable market data, being the price of the most recent transaction. Fair value estimates that are based on observable market data will be of greater reliability than those based on estimates and assumptions and accordingly where there have been recent investments by third parties, the price of that investment will generally provide a basis of the valuation.

If this methodology is used, its initial use and the length of period for which it remains appropriate to use the calibration of last round price depends on the specific circumstances of the investment, and the Molten Group will consider whether this basis remains appropriate each time valuations are reviewed. In addition, the inputs to the valuation model (e.g. revenue, comparable peer group, product roadmap, and other milestones) will be recalibrated to assess the appropriateness of the methodology used in relation to the market performance and technical/product milestones since the round and the portfolio company's trading performance relative to the expectations of the round. The Molten Group may also use an appropriate revenue market-based multiple where appropriate, reflected in the market valuation of quoted peers, on normalised forecast revenue of the portfolio company to determine its enterprise value. The use of a revenue multiple is also consistent with the valuation metric used by prospective market participant purchasers of the business.

The Molten Group considers alternative methodologies in the IPEV Guidelines, being principally price-revenue or price-earnings multiples, depending upon the stage of the asset, requiring management to make assumptions over the timing and nature of future revenues and earnings when calculating fair value. When using multiples, Molten considers publicly traded multiples as at the measurement date in similar lines of business, which are adjusted based on the relative growth potential and risk profile of the subject company versus the market and to reflect the degree of control and lack of marketability as well as considering company performance against milestones (e.g., financial/technical/product milestones).

The equity values of Molten's portfolio companies are generally assessed via the methodologies described above. For direct investments, the equity values are run through their relevant waterfalls to assess the fair value of the investment to Molten under the current value methodology. Other methodologies would be considered if appropriate.

The next full and interim valuations will be conducted as at 31 March 2024 and 30 September 2024 respectively.

The Net Asset Value (and Net Asset Value per Molten Share) are calculated half-yearly by the Molten Group. Details of each half-yearly valuation of the Company's investments, the Net Asset Value and the Net Asset Value per Molten Share, and of any suspension in the making of such valuations, will be announced by the Company on a Regulatory Information Service as soon as practicable after the end of the relevant period. The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value Molten's investments cannot readily, or without undue expenditure, be obtained or in other circumstances which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

#### 9 SHARE REPURCHASES

At its annual general meeting held on 26 July 2023, Molten was granted the authority to make market purchases of up to 10 per cent. of the Molten Shares in issue as at 15 June 2023. A resolution to renew this authority will be proposed at each annual general meeting of Molten or more frequently if required.

If the Molten Directors, at their absolute discretion, consider it to be in the best interests of Molten Shareholders as a whole to do so, Molten may, in accordance with the Companies Act, purchase Molten Shares to be held as treasury shares and either re-sold for cash or cancelled, either immediately or at a point in the future, or used for the purposes of its employee share schemes. Any such purchases will be subject to the provisions of the Companies Act, the Articles, any insider dealing rules, the Listing Rules and other applicable legislation.

For the avoidance of doubt, market purchases of Molten Shares will only be made where the Molten Directors believe that conditions are favourable with a view to enhancing Net Asset Value per Molten Share for remaining Molten Shareholders.

## 10 MEETINGS, REPORTS AND ACCOUNTS

The financial statements of the Molten Group referred to in this document for the financial year ended 31 March 2021 have been prepared in accordance with the requirements of UK IFRS. The financial statements of the Molten Group referred to in this document for the financial years ended 31 March 2022 and 31 March 2023 and for the six months ended 30 September 2022 and 30 September 2023 have been prepared in accordance with the requirements of UK IFRS and IFRS. All future financial information for the Enlarged Molten Group will be prepared under IFRS and UK IFRS. It is expected that copies of the annual report and accounts will be sent to Molten Shareholders by the end of June each year. Molten's unaudited half-yearly report and accounts covering the six months to 30 September each year are expected to be sent to Molten Shareholders by the end of December each year. Molten's annual reports and half-yearly reports will, once published, be available for inspection at Molten's registered office and on Molten's website (https://investors.moltenventures.com/investor-relations/plc/reports). All general meetings are held in England. Molten held its most recent annual general meeting on 26 July 2023 and will continue to hold an annual general meeting every year hereafter.

### 11 DIVIDEND POLICY

It is the current intention of the Molten Directors to reinvest any income received from investee companies as well as the net proceeds of any realisations in the Group's portfolio. However, the Molten Directors may consider the payment of dividends (or other methods of returning net proceeds to Molten Shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of, and investment opportunities available to, the Group.

#### 12 DISCLOSURE OBLIGATIONS

### 12.1 United Kingdom

The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) ("**DTR 5**") of the FCA Handbook apply to the Company on the basis that the Company is a "UK issuer", as such term is defined in DTR 5.

As such, a person is required to notify the Company and the FCA of the percentage of voting rights it holds as a holder of Molten Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of Molten Shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of the Company, 3 per cent. and each 1 per cent., threshold thereafter up to 100 per cent.

## 12.2 The Republic of Ireland

The Company has notified the Central Bank of Ireland that the Republic of Ireland will be its home Member State for the purposes of the EU Transparency Directive and the Irish Transparency Regulations. Accordingly, the provisions of Part 5 of the Irish Transparency Regulations and the IMC Rules apply to the Company.

As such, in addition to the DTR disclosure obligations set out at paragraph 12.1 above, a person is also required to notify the Company and the Central Bank of Ireland of the percentage of voting rights it holds as a holder of Molten Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within the EU Transparency Directive and the Irish Transparency Regulations, or a combination of such holdings, if, as a result of an acquisition or disposal of Molten Shares (or financial instruments) or events changing the breakdown of voting rights on the basis of information disclosed by the Company in accordance with Regulation 20 of the Irish Transparency Regulations, the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of the Company, 5 per cent., 10 per cent., 15 per cent., 20 per cent., 30 per cent., 50 per cent. and 75 per cent.

# 13 TAXATION

The attention of investors is drawn to the information regarding taxation set out in paragraphs 17 and 18 of Part 14 (Additional Information) of this document. The information is intended only as a general guide to the current tax position under taxation law in the UK and the Republic of Ireland (as applicable) for certain types of investor. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK or the Republic of Ireland are strongly advised to consult their professional advisers.

### 14 RISK FACTORS

The Company's performance is dependent on many factors and potential investors should read the whole of this document and in particular Part 2 (Risk Factors) on pages 12 to 24 of this document.

### 15 TYPICAL INVESTOR

The Molten Directors believe that the Molten Shares are best suited to institutional investors, professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Furthermore holdings in Molten Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

#### PART 8

### **PORTFOLIO REVIEW**

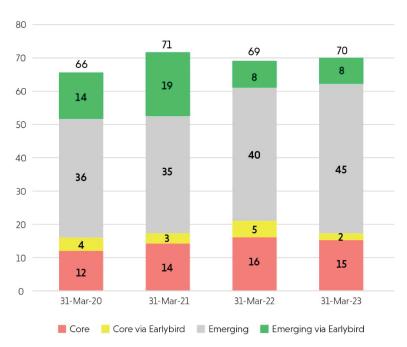
This Part 8 (Portfolio Review) should be read in conjunction with the more detailed information contained in this document including the financial and other information appearing in Part 12 (Operating and Financial Review). Where stated, financial information in this section has been extracted from the audited financial statements of the Molten Group for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and the unaudited financial statements of the Molten Group for the six months ended 30 September 2022 and 30 September 2023 which have been incorporated into this document by reference as set out in Part 16 (Documents Incorporated by Reference) of this document.

#### 1 PORTFOLIO

The Molten Group's portfolio is spread across four sectors: (i) enterprise technology; (ii) consumer technology; (iii) hardware & deeptech; and (iv) digital health & wellness.

The Molten Group continues to focus on finding some of the most exciting new technology companies in the UK and Europe and made eight primary investments with a combined funding of £61 million during the year to 31 March 2023 and a further five primary investments with a combined funding of £2 million during the six months ended 30 September 2023. In addition, the Molten Group invested £44 million in 17 companies for follow-on deals and secondaries (direct) during the year to 31 March 2023 and a further £2 million in seven companies for follow-on deals during the six months ended 30 September 2023. Cash proceeds from portfolio realisations and distributions for the year to 31 March 2023 amounted to £48 million (compared to £126 million for the year to 31 March 2022) and for the six months to 30 September 2023 were £33 million (compared to £13 million for the six months to 30 September 2022) against a backdrop of continued weak trade sales, slowdown in M&A and the IPO market being effectively closed for business. As at 30 September 2023, the Molten Group's portfolio remains well funded with more than £467 million of capital raised by investee companies in the 12 months to 30 September 2023, of which over 85 per cent. has been at higher or equivalent valuations than the holding value attributed by Molten to its investment as at that date.

## Number of portfolio companies invested in by Molten by financial year



(Source: Molten)

#### 2 INVESTMENTS

During the year ended 31 March 2023, £138 million (31 March 2022: £311 million; 31 March 2021: £128 million) was deployed from the Molten Group, with a further £41 million (31 March 2022: £45 million; 31 March 2021: £34 million) deployed from EIS/VCT funds.

During the six months ended 30 September 2023, £17 million (30 September 2022: £112 million) was deployed from the Molten Group, with a further £36 million (30 September 2022: £18 million) deployed form EIS/VCT funds.

### 2.1 Core Portfolio

Aiven

As at 30 September 2023, 17 Core Portfolio Companies represented approximately 62 per cent. of the Gross Portfolio Value. The Core Portfolio as at 30 September 2023 comprised Aircall, Aiven, CoachHub, Endomag, FintechOS, Form3, Graphcore, HiveMQ, ICEYE, Isar Aerospace, Ledger, M-Files, PrimaryBid, RavenPack, Revolut, Schüttflix and Thought Machine (Aiven and Isar Aerospace being held via Earlybird, a European co-investment partner of Molten). As at 30 September 2023, over 80 per cent. of the Core Portfolio had more than 12 months of cash runway, and over 50 per cent. of the Core Portfolio had more than 24 months of cash runway (based on existing budgets and growth plans).

Fair value (£m) as at 30 September

2023 Date of first

Investee company (unaudited) investment Description

Aircall £59 million May 2018 Location: France

Sector: Enterprise technology
Invested as at 30 September 2023:
£14 million

Aircall is a cloud-based call centre and telephony platform for businesses. Its voice platform integrates with CRM and helpdesk tools to enhance engagement businesses and between customers, enabling better customer support and sales engagement and its powerful analytics engine helps sales teams improve productivity. Aircall has six global offices and over 800 employees, and has recently strengthened its senior team via a number of new recruits.

£83 million May 2019 **Location: Finland** 

Sector: Enterprise technology Invested as at 30 September 2023: £5 million (via Earlybird)

Aiven provides access to the latest open source technologies, offering managed service solutions for popular use cases including video streaming, database management, analytics and visualisations. Aiven's products are built public cloud infrastructure, supporting developers around the world with building new applications without having to manage backend infrastructure. Aiven recently revamped its Cluster startup programme to

Fair value (£m) as at

30 September

2023

Date of first

Investee company

(unaudited)

investment

Description

empower and support new startup ecosystem partners spanning the Americas, APAC and EMEA regions and has also recently made a number of further key hires with experience in

scaling software businesses.

CoachHub

£95 million

December 2020

**Location: Germany** 

Sector: Enterprise technology

Invested as at 30 September 2023: £31 million

CoachHub is a leading online professional coaching platform that enables organisations to create a personalised, measurable and scalable coaching programme for employees, regardless of department and seniority level. By doing so, CoachHub aims to help organisations to realise the benefits of professional coaching such as increased employee engagement, higher productivity, improved job performance increased retention. CoachHub recently launched a new product for collective coaching to foster co-development and a cohesive venue to encourage elevated individual and team performance.

Endomag

£35 million

July 2018

**Location: UK** 

£9 million

Sector: Digital health & wellness Invested as at 30 September 2023:

Endomag produces surgical guidance products that allow surgeons to accurately remove cancerous tumours, preventing unnecessary surgery and improving outcomes and patient experience. At present, Endomag focuses on improving the standard of care for breast cancer patients and has two primary products, Magtrace and Magseed. Endomag has treated more than 350,000 patients and is in use in over 1,000 hospitals across 45 countries.

**FintechOS** 

£28 million

**April 2021** 

**Location: UK** 

Sector: Enterprise technology Invested as at 30 September 2023: £27 million

FintechOS is a global leader in high productivity fintech infrastructure (HPFI),

2023 Date of first investment

Investee company

(unaudited)

Description

helping companies across any domain rapidly launch and manage the next generation of financial products and services. FintechOS solutions also give companies the ability to engage customers across new digital channels, and to service their operations more effectively. FintechOS has continued to scale revenues, growing 70 per cent. in 2022. FintechOS has launched strategic partnerships with EY to help EY banking and insurance clients with fintech digital transformation and with PwC to support its Infinite Financial Solution for its banking clients.

Form3 £61 million October 2018 Location: UK

Sector: Enterprise technology Invested as at 30 September 2023: £30 million

Form3 provides a cloud-native, real-time payment technology platform to enable banks and regulated fintechs to create new tech-enabled products experiences. Form3 is among the first in the payments industry to complete testing and certification for the new FedNowSM Service, the Federal Reserve's new instant payment offering that launched in July 2023. In September 2023, Visa announced its investment in Form3, embarking on a partnership to offer Form3's payment technology to its client base.

£21 million September 2016 Graphcore

Location: UK

Sector: Hardware & deeptech Invested as at 30 September 2023: £24 million

Graphcore is a machine intelligence semiconductor company which develops intelligent processing units ("IPUs") that enable world-leading levels of Al compute. The IPU's unique architecture enables Al researchers to undertake entirely new types of work. thereby helping to drive advances in machine intelligence. Gcore, an edge and cloud solutions provider, opened an Al Cloud cluster in Newport in partnership with Graphcore to build the European Al infrastructure. Graphcore's IPUs now power ChatGPT

2023 Date of first

Investee company

(unaudited) investment

Description

alternative, Open Assistant's OASST1 fine-tuned Pythia-12B and the US Department of Energy's Argonne National Laboratory is making the latest generation of Graphcore Bow IPUs available to scientific researchers around

the world.

HiveMQ £21 million April 2022 **Location: Germany** 

Sector: Hardware & deeptech

Invested as at 30 September 2023: £20 million

HiveMQ's messaging platform (MQTT) is designed for the fast, efficient and reliable bi-directional movement of data between devices and the cloud. From its roots in the automotive industry in Germany, HiveMQ has grown both intentionally and into other sectors. In June 2023, HiveMQ launched its Cloud Starter plan, a dedicated, fully-managed, self-service MQTT platform. In August 2023, HiveMQ expanded into the U.S., establishing a new local office in Boston, Massachusetts, with this strategic expansion coming on the back of HiveMQ's revenue growth, doubling year over year.

**ICEYE** £40 million December 2021 **Location: Finland** 

> Sector: Hardware & deeptech Invested as at 30 September 2023: £22 million

> ICEYE's radar satellite imaging service, with coverage of selected areas every few hours, both day and night, helps clients resolve challenges in sectors such as maritime, disaster management, insurance. finance. security intelligence with actionable information. The Australian Government has selected ICEYE to provide real-time natural disaster data to help build their response strategies. ICEYE has also partnered with Bayanat and Yahsat in the UAE to help build their space programme. ICEYE's collaboration with ESA will develop the next generation of Earth Observation insights for stronger community resilience.

£24 million

2023 Investee company (unaudited)

Isar Aerospace

Date of first investment December 2019

Description

**Location: Germany** 

Sector: Hardware & deeptech Invested as at 30 September 2023:

£4 million (via Earlybird)

Isar Aerospace develops and builds launch vehicles for transporting small and medium sized satellites and satellite constellations into Earth's orbit. Isar Aerospace has built a rocket that will help to solve the most crucial bottleneck in the European space industry, sovereign and competitive access to space. Isar Aerospace has been preparing its launch site, which is now production ready, for its first test flight.

£62 million Ledger January 2018 **Location: France** 

Sector: Hardware & deeptech

## Invested as at 30 September 2023: £29 million

Ledger's products use hardware wallets, server appliances, and embedded technology based on a low-footprint crypto-embedded operating system secure elements built for orchestration of code and systems, enabling financial institutions to get cybersecurity services for digital assets. most Ledger's recent product announcement is the Ledger Stax, a new hardware wallet with a curved E lnk touchscreen, released in Q4 2023. Ledger has established an integration with PayPal, allowing users to explore crypto in a convenient, simple and secure way via the Ledger Live companion app.

M-Files £46 million March 2013 **Location: US** 

**Sector: Enterprise technology** Invested as at 30 September 2023: £7 million

M-Files is an intelligent information management platform that organises customers' content with the ability to connect to existing network folders and systems and to enhance them with the help of AI to categorise and protect information. M-files Hubshare now includes new features to improve the user experience, and new integrations with other popular SaaS applications, such as Slack and Microsoft Teams.

2023

Date of first

Investee company **PrimaryBid** 

(unaudited) investment October 2020 £15 million

Description **Location: UK** 

**Sector: Consumer technology** Invested as at 30 September 2023: £14 million

PrimaryBid is a technology platform that allows everyday investors access to public companies raising capital by enabling them to transact at the same time and at the same price as institutional investors. PrimaryBid has conducted retail offers as part of wider fundraisings for issuers including the automaker Aston Martin Lagonda Global Holdings plc and Severn Trent plc, one of the UK's largest water companies.

£38 million March 2017 RavenPack

**Location: Spain** 

Sector: Enterprise technology Invested as at 30 September 2023: £8 million

RavenPack is a leading big data analytics provider for financial services, allowing clients to enhance returns, reduce risk and increase efficiency by systematically incorporating the effects of public information on their models or workflows. RavenPack's most recent product announcement is the availability of its data and knowledge graph on Snowflake. RavenPack has also released RavenPack Edge, which is a cloud-based natural language processing platform that helps businesses and investors make better decisions by analysing unstructured data.

Revolut £55 million April 2018

Location: UK

**Sector: Consumer technology** Invested as at 30 September 2023: £7 million

Revolut is a global financial services company specialising in mobile banking, card payments, money remittance and foreign exchange. In June 2023, Revolut launched "Revolut Ultra", a platinum card targeted at the luxury lifestyle orientated customer, in the UK and Europe. Revolut has more than 30 million customers worldwide, who are currently making more than 400 million transactions per month.

Fair value (£m) as at

30 September

2023

£23 million

Date of first investment

September 2021

Investee company (unaudited)

Schüttflix

Description

**Location: Germany** Sector: Enterprise technology

Invested as at 30 September 2023:

£20 million

Schüttflix is the first logistics hub for the construction bulk-materials industry that works digitally and supplies sand, gravel and grit on the spot. The Schüttflix app connects suppliers and carriers directly with customers from the road construction, civil engineering, gardening and landscaping sectors, transforming the market for all custom construction bulk materials into an efficient, Germanywide ecosystem. In August 2023, Schüttflix raised €45 million with both existing and new investors to support its growth plans.

Thought Machine £99 million November 2019 **Location: UK** 

Sector: Hardware & deeptech Invested as at 30 September 2021: £36 million

Thought Machine, a cloud native banking technology company, provides core banking infrastructure to both incumbent and challenger banks. Thought Machine's technology provides an alternative, flexible cloud-based solution that can be configured to provide product, user experience, operating model or data analysis capability. Thought Machine has announced Intesa Sanpaolo's newly launched digital bank, is now running on Vault Core, and Cordada, a private debt platform in Latin America, announced its partnership with Thought Machine, using Vault Core to develop highly personalised financial products for SME lenders and fintechs across the region.

### 2.2 New investments

In the financial year ended 31 March 2023, Molten invested £61 million in eight new companies (excluding investments made from EIS/VCT funds). The Molten Group's investments included:

- HiveMQ Molten led a €40 million Series A funding round in HiveMQ, provider of the enterprise MQTT messaging platform.
- &Open Molten led a US\$26 million Series A funding round in &Open, a gifting platform that helps companies to send meaningful gifts at scale.

- **SettleMint** Molten co-led a €16 million Series A funding round for SettleMint, a high performing low-code platform for building blockchain applications.
- Altruistiq Molten led a £15 million funding round in Altruistiq, a climate technology company whose emissions reduction model is leading the change in corporate carbon measurement.
- **Vaultree** Molten co-led a US\$13 million Series A funding round for Vaultree, an end-to-end encryption company who make it possible to work with fully encrypted data without the need to decrypt the information or surrender security keys.

In the six months ended 30 September 2023, the Molten Group has invested a further £2 million in five new companies (excluding investments made from EIS/VCT funds), including:

- **Anima** Molten invested in Anima's Series A £10 million round. Anima has developed a platform to digitise and optimise the workflows of healthcare team members, improving efficiency.
- **Binalyze** Molten invested in Binalyze's Series A £15 million round. Binalyze is a cyber security company focusing on Digital Forensic Response addressing cyber breaches.
- **IMU** Molten invested in IMU's Series A £10 million round. IMU is a sophisticated tool used to interrogate and generate a comprehensive analysis of the immune system through patient samples.
- Morressier Molten invested in Morressier's Series B £14 million round. Morressier provides software for scholarly communications, supporting academic conferences and end-to-end workflows for peer review.
- Oliva Molten invested in Oliva's Series A £5 million round. Oliva is an online platform supporting
  mental health of corporate employees, using personalised care to treat anxiety, depression and
  other mental health conditions.

#### 2.3 Follow-on investments

As part of the Molten Group's strategy to provide companies with continued support throughout their lifecycle, the Molten Group invested £41 million into a number of follow-on investments (excluding secondaries) during the financial year ended 31 March 2023, including:

- **FintechOS** Molten invested £10 million in FintechOS, which provides an open-source solution for banks and the insurance industry.
- **CoachHub** Molten made a £4 million investment in a US\$80 million Series B extension round in CoachHub, the leading global talent development platform that enables organisations to create a personalised, measurable, and scalable coaching programme for the entire workforce.
- Clue Molten invested £4 million as part of the extension to Clue's Series C round. Clue is a leading brand in femtech which has recently launched new products for pregnancy and birth control and monetised its period tracking app.
- Schüttflix Molten participated in Schüttflix's Series A extension with a further £7 million investment. Schüttflix is the first logistics hub for the construction bulk-materials industry that works digitally and supplies sand, gravel and grit on the spot.
- Finalcad Molten invested £3 million in Finalcad's Series C round. Finalcad is the global leader
  in digital transformation for construction, infrastructure and energy; its unique combination of
  software, change management and data helps construction stakeholders to change the way they
  build.
- **FocalPoint** Molten participated with an investment of £3 million in a Series C funding round of £23 million by FocalPoint. FocalPoint's ground-breaking super correlation software enables a new class of satellite positioning receiver that can measure the directions of the incoming signals, allowing them to ignore reflected signals and fake 'spoofed' signals, making them more accurate in cities and more resilient against spoofing attacks.
- **Aktiia** Molten invested CHF2 million in a convertible loan note in Aktiia. Aktiia develops blood pressure monitoring wearables that monitor blood pressure automatically throughout the day.
- **BeZero Carbon** Molten participated in BeZero Carbon's US\$50 million Series B funding round. BeZero Carbon is a ratings agency for the voluntary carbon market.

- Manna Molten invested US\$3 million in a convertible loan note in Manna. Manna provides
  drone delivery as a service stack to restaurant chains, dark kitchens and online food delivery
  platforms.
- Freetrade Molten invested £1 million in Freetrade via a convertible bridge. Freetrade is a brokerage application that offers mobile-based share dealing services.

During the financial year ended 31 March 2023, funds managed by Earlybird entities drew down £7 million allowing Molten, via its collaboration with Earlybird, to continue to access additional seed and early stage investments with the benefit of Earlybird's expertise.

In the six months ended 30 September 2023, the Molten Group invested a further £2 million into follow-on investments (excluding secondaries) including:

- Aktiia Molten invested in Aktiia's Series A extension round.
- **Allplants** Molten invested in Allplants' Series B extension round. Allplants is an online chef-to-consumer food delivery company selling flash frozen meals.
- **Apperio** Molten invested in Apperio's Series A+ extension Round. Apperio is a cloud-based analytics solution built for legal departments to monitor and optimise legal spend.
- Clue Molten invested in Clue's Series C extension round through which it raised £8.5 million.
- Realeyes Molten invested in Realeyes' convertible bridge. Realeyes use webcams to understand the identity, attention and emotions of users who opt in, to ultimately make digital experiences better.
- Schüttflix Molten further invested in Schüttflix's Series A extension round.
- **Sweepr** Molten invested in Sweepr's series A extension round. Sweepr is an Al-powered digital care platform for service providers and smart home providers.

During the six months ended 30 September 2023, funds managed by Earlybird entities drew down a further £5 million as part of its collaboration with Molten.

# 2.4 Fund of Funds Programme

During the financial year ended 31 March 2023, Molten made commitments to 18 new seed and early stage funds via the Fund of Funds Programme.

New seed/early stage funds committed in the financial year ended 31 March 2023 include:

- Sisu Ventures III (Finland gaming) Sisu Game Ventures is an early-stage venture capital fund focused 100 per cent. on games. Sisu has deep roots in the Nordic region, but its network of founders is fully global.
- Educapital Fund II (France ed tech) Educapital is a leading pan-European fund specialised in the future of education and the future of work.
- Contrarian VC Fund I (Lithuania climate tech) Contrarian Ventures is a hands-on, community-focused, and founders-vetted seed-stage sustainable energy transition-focused venture capital firm investing across Europe and Israel.

In the six months ended 30 September 2023, the Molten Group has made further investments in the following seed/early stage funds:

- BlackSeed BlackSeed aims to invest in Black-led technology-enabled start-ups by partnering with industry leaders.
- **Astanor II** Astanor is a global leader in agrifood technology impact investing, successfully closing Astanor II, its second venture fund, at €360 million.
- **Digital East Fund III** Digital East Fund III is managed by leading European early-stage-focused venture capital investors, investing in technology startups with roots in emerging Europe.
- **Speedinvest IV** Speedinvest IV is managed by a leading pan-European early-stage venture capital fund manager.

As at 30 September 2023, 79 seed and early stage fund deals have been closed. Total commitments to new and existing seed/early stage funds as at 30 September 2023 were £131 million (not including commitments to Earlybird funds (in excess of £5 million) which sit outside of the Fund of Funds Programme), of which £88 million had been drawn to 30 September 2023 (£27 million during the financial year ended 31 March 2023 and £8 million in the six months to 30 September 2023). It is anticipated that the remaining £44 million will be drawn over the next three to five years; of this Molten expects to bear £34 million, with the remainder being borne by third party limited partners as a result of the syndication of the Fund of Funds Programme.

#### 3 REALISATIONS

During the financial year ended 31 March 2023, total cash proceeds from portfolio realisations and distributions amounted to £48 million, including proceeds of £13 million from the sale of Trustpilot shares, proceeds of £12 million from the sale of UiPath shares, and £13 million realised on the syndication of part of the Fund of Funds Programme.

In the six months to 30 September 2023, total cash proceeds from realisations and distributions amounted to £33 million, including over £9 million from the sale of Trustpilot shares.

#### PART 9

### THE ACQUISITION AND INFORMATION ON FORWARD

#### 1 INTRODUCTION

On 27 November 2023, the Molten Board and the Forward Board jointly announced that they had reached agreement on the terms and conditions of a recommended all-share offer pursuant to which Molten will acquire the entire issued and to be issued share capital of Forward (other than Forward Shares already beneficially owned by any member of the Molten Group). The Acquisition is intended to be implemented by way of a Court-sanctioned scheme of arrangement between Forward and Scheme Shareholders under Part 26 of the Companies Act.

The full terms and conditions of the Scheme are set out in the Scheme Document, which was published by Forward on 21 December 2023. The requisite majority of Scheme Voting Shareholders voted in favour of the Scheme and the requisite majority of Forward Shareholders voted in favour of the Forward Resolution required to give effect to the Acquisition at the Forward Meetings, which took place on 17 January 2024.

#### 2 SUMMARY OF THE TERMS OF THE ACQUISITION

Under the terms of the Acquisition:

for each 9 Scheme Shares held, Scheme Shareholders will be entitled to receive 1 New Molten Share (the "**Exchange Ratio**").

Based on the Exchange Ratio and the Closing Price of 279.6 pence per Molten Share on 24 November 2023 (being the last Business Day prior to the publication of the Rule 2.7 Announcement), the Acquisition implies an offer value of 31.1 pence per Scheme Share and values the entire issued ordinary share capital of Forward at approximately £41.4 million on a fully diluted basis.

On this basis (and assuming the full exercise of the Forward FY23 Options prior to the Scheme becoming Effective pursuant to the terms of the Forward LTIP Letters), upon completion of the Acquisition, existing Molten Shareholders will hold in aggregate approximately 92.2 per cent. and Scheme Shareholders will hold in aggregate approximately 7.8 per cent. respectively of the Enlarged Share Capital and each Molten Shareholder who is not also a Forward Shareholder will suffer a maximum dilution of approximately 7.8 per cent. to their ownership and voting interests in Molten.

The requisite majority of Scheme Voting Shareholders voted in favour of the Scheme and the requisite majority of Forward Shareholders voted in favour of the Forward Resolution required to give effect to the Acquisition at the Forward Meetings, which took place on 17 January 2024. Upon the Scheme becoming Effective it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Forward Meetings (and if they attended and voted, whether or not they voted in favour).

It is expected that, subject to the satisfaction or (where relevant) waiver of the outstanding Conditions, the Scheme will become Effective and Admission will occur in March 2024. Any updates as regards the expected timetable for completion of the Acquisition will be notified to Molten Shareholders and Forward Shareholders by announcement through a Regulatory Information Service.

The New Molten Shares will be issued in registered form, credited as fully paid, and will be capable of being held in both certificated and uncertificated form. They will rank *pari passu* in all respects with the Existing Molten Shares, including the right to receive all dividends and other distributions (if any) declared, paid or made by Molten by reference to a record date falling after the Effective Date.

Applications will be made to the FCA for the New Molten Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New Molten Shares to be admitted to trading on the Main Market. Applications will also be made for the New Molten Shares to be admitted to a secondary listing on the Euronext Dublin Daily Official List and to trading on the Euronext Dublin Market. The New Molten Shares will trade under the same ISIN as the Existing Molten Shares.

Subject to obtaining the consent of the UK Takeover Panel and, where required by the terms of the Cooperation Agreement, the prior written consent of Forward, Molten reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme.

#### 3 BACKGROUND TO AND REASONS FOR THE ACQUISITION

The Molten Board believes that there is a strong strategic and financial rationale for the Acquisition which is consistent with Molten's investment objective and policy.

Over the past two years, the wider venture market has faced ongoing pressures driven by continued global macroeconomic instability, high levels of inflation and rising interest rates and, during the past nine months, Molten has continued to see extended deal timelines with fundraising, exits and new investments taking longer to complete due to increased levels of due diligence. While the Molten Board believes that much of the influence of this uncertainty in both public and private valuations was factored in during the financial year ended 31 March 2023, these conditions continue to weigh upon Molten, the Molten portfolio and the broader venture market.

As a result, Molten's primary focus has been on supporting portfolio companies in preserving cash, improving operational efficiency, and prioritising a route to profitability balanced against sustaining top-line growth. This landscape for the venture market, where investors are more cautious and founders are seeking to manage costs and lengthen runways, has not changed meaningfully in recent months, and whilst there are signs of stabilisation in the wider macroeconomic environment and some cause for cautious optimism, the Molten Board believes that such conditions are likely to exist for at least the short-to mid-term.

This period of market dislocation and depressed valuations has given rise to a number of opportunities for secondary transactions, including the Acquisition. Forward has a well-balanced portfolio across the venture capital life cycle, focused on fast-growing sub-sectors that are aligned to both Molten's origination focus as well as current market trends, such as applied AI, alternative assets and digital marketplaces.

Despite the macroeconomic headwinds and 5.4 per cent. decrease in portfolio fair value in the six months ended 30 June 2023 (exclusive of realisations and new investments) (Source: Forward interim results for the six month period ended 30 June 2023), Forward's portfolio has demonstrated good recent momentum with a 12-month fair value weighted average revenue growth of 133 per cent. across its top 15 portfolio companies in the first half of 2023 (Source: Forward interim results for the six month period ended 30 June 2023, revenue growth average weighted by the 30 June 2023 fair value of the top 15 portfolio companies at 31 December 2022). As at 21 September 2023, Forward's management team estimated that over 70 per cent. of the companies comprising Forward's top 15 portfolio companies had cash runway of at least 18 months, or were anticipated to reach breakeven without further fundraising or were already profitable (Source: opinion of Forward). As part of the Enlarged Molten Group, the Molten Board believes there is an opportunity for Forward's portfolio companies to continue current growth trajectories and accelerate value creation.

The Molten Board believes there are a number of high-quality assets in Forward's portfolio with the necessary characteristics to continue to outpace market growth rates and become strategically valuable market leaders in attractive niches with the potential to enter Molten's Core Portfolio in the medium-term, including companies with specialisms in applied AI such as Robin AI (legal-tech), OutThink (cybersecurity) and Apexx (payments) as well as a number of others which have already demonstrated significant progress such as Gravity Sketch (3D design software) and Ably (realtime experience platform). Forward's investment strategy, which has been focused on earlier stage businesses than that of Molten, has enabled it to access these opportunities at an entry point that would not be available to new investors, including Molten, today. The addition of Forward's 43 active portfolio companies means the Acquisition will enable Molten to diversify the blend of maturity of its assets and provide a broader pipeline of assets for follow-on investment. Earlier stage companies have been materially impacted by current market headwinds and the Molten Board believes that as the market improves, these factors will unwind, with the potential to unlock valuation growth within the Forward portfolio.

The Acquisition will provide additional resource and support for Forward's portfolio companies as well as afford the Enlarged Molten Group the opportunity to explore new investment opportunities. The UK, where both Forward and Molten are predominantly based, remains the hub of venture capital activity in Europe and continues to attract experienced founders, skilled technical talent, and top technology investors. The

Molten Board believes that the addition of Forward's portfolio to Molten's own portfolio, combined with the expertise of the Molten investment team and the support of an enlarged platform, will enhance the position of the Enlarged Molten Group to deliver long-term success. The Molten Board is committed to ensuring integration efforts are conducted in a timely manner aligned with the composition and needs of the Enlarged Molten Group. The Molten Group has been a shareholder in Forward since its initial public offering in July 2021 and, prior to founding Forward, Nic Brisbourne, the Forward CEO, was a partner in Molten and worked at Molten for seven years – this existing relationship between Forward and Molten will facilitate the integration of Forward into the Enlarged Molten Group.

In conjunction with the Issue, which comprised a Placing, Subscription, Retail Offer and Offer for Subscription at an issue price of 270 pence per Molten Share and completed on 15 December 2023, raising net proceeds of c.£55.4 million, the Molten Board believes that the Acquisition will deliver attractive value for both Molten Shareholders and Forward Shareholders. In addition to voting in favour of the requisite resolutions to effect the Acquisition, Forward's largest shareholder, BlackRock, subscribed for £20.8 million worth of Issue Shares in the Issue, demonstrating its confidence in the prospects of the Enlarged Molten Group. British Patient Capital Limited, a subsidiary of British Business Bank plc and Molten Shareholder prior to the Issue, subscribed for £10 million worth of Molten Shares in the Issue. Together, the Acquisition and the Issue will result in a larger, more diversified and better capitalised platform, which the Molten Board believes will be well positioned to both support its existing investee companies and capitalise on the opportunities arising as a result of current market conditions.

Molten has a proven track record in secondary portfolio acquisitions, and has unlocked significant value for shareholders from acquired venture capital portfolios including Seedcamp Funds I & II, Earlybird DWES Funds IV and VI and Earlybird Digital East Fund I. This track record gives the Molten Board confidence in its ability both to deliver significant value from the Acquisition, and to take advantage of the market environment which is giving rise to other opportunities within Molten's areas of expertise to acquire portfolios and/or secondary stakes with attractive expected return profiles.

Taking into account the net proceeds of the Issue, as at the Latest Practicable Date, the Molten Group had well in excess of £100 million of liquidity, including under the Revolving Credit Facility. The strengthened balance sheet gives Molten operational flexibility as it navigates the current market environment.

None of the statements above is intended to constitute a quantified financial benefits statement for Molten or Forward for any period for the purposes of the UK Takeover Code.

#### 4 INFORMATION ON FORWARD

Forward is an established and respected London-based venture capital firm, specialising in supporting high-growth, early-stage technology businesses in the UK, with a ten-year track record of making venture capital investments. The Forward Group was founded in 2013 and, as part of its IPO, a new holding company, Forward Partners Group plc, was set up in March 2021, which was floated on AIM in July 2021.

Investing between £200,000 and £2 million in venture capital funding, with a focus on pre-seed and seed, the Forward Group focuses on investments in applied AI, marketplaces and alternative assets, with Forward's Studio business providing specialist support growth for portfolio companies to improve portfolio returns. This differentiated model supports founders to build stronger businesses faster and provide better outcomes for companies and investors alike.

As at 30 June 2023, Forward reported a portfolio fair value of £76.9 million (30 June 2022: £94.9 million) and a Net Asset Value of £90.5 million (30 June 2022: £114.8 million), representing a Net Asset Value per Forward Share of 67 pence (30 June 2022: 85 pence) (Source: Forward interim results for the six month periods ended 30 June 2023 and 30 June 2022).

The Forward Group's portfolio consisted of 43 active companies as at 30 June 2023 (Source: Forward interim results for the six month period ended 30 June 2023). The Forward Group's top 15 portfolio companies by valuation, as at 30 June 2023, comprised Gravity Sketch, Robin AI, Spoke, OutThink, Ably, Makers, Apexx, Juno, Snaptrip, Breedr, KoruKids, Plyable, Counting Up, Up Learn and SpotQA\_Virtuoso (Source: Forward interim results for the six month period ended 30 June 2023). Forward's top 15 portfolio companies by valuation as at 30 June 2023 delivered a 12-month fair value weighted average revenue growth of 133 per cent. in the first half of 2023 (Source: Forward interim results for the six month period

ended 30 June 2023, revenue growth average weighted by the 30 June 2023 fair value of the top 15 portfolio companies at 31 December 2022).

#### 5 FORWARD INVESTMENT OBJECTIVE AND INVESTING POLICY

## Investment objective

The investment objective of the Forward Group is to generate net asset growth for shareholders through investing in, providing financing to and cultivating development of early-stage high-growth potential digital businesses.

### Investing policy

The Forward Group seeks to achieve its investment objective through investing in UK-based pre-seed and seed stage businesses which show strong growth potential and offer attractive risk weighted returns. Forward Ventures will typically seek to secure a significant minority stake in its investee businesses, while also maintaining an appropriate level of diversification within the portfolio with the majority of investments typically comprising under 10 per cent. of net asset value.

Forward seeks investments in digital businesses utilising Web3, marketplace and applied AI operating models, but will also consider investment opportunities outside its core focus which offer significant return potential and in which the Forward Directors have the necessary expertise and experience to be able to identify and manage the opportunity.

#### 6 FORWARD MANAGEMENT TEAM

The key members of the Forward management team who are responsible for the management of Forward's portfolio of investments are:

### Managing Partner and CEO: Nic Brisbourne

Nic is the founder and CEO of Forward. He has worked in venture capital in London and Silicon Valley for over 20 years. Prior to founding Forward in 2013, he was a founding partner at Molten. Before entering the venture capital industry, Nic worked as a strategy consultant for Gemini Consulting and at London-based startup Operis Group plc.

### Partner and Investor: Luke Smith

Luke joined Forward from REV Venture Partners, a corporate VC, where he was responsible for deal origination, investment due diligence and portfolio reporting. He was previously a consultant with the strategy consultancy Oliver Wyman, where he worked across the retail, aviation, healthcare and FMCG sectors. His focus at Forward is on sourcing and executing new investments.

#### 7 THE FORWARD PORTFOLIO

As at 30 June 2023, the top 15 portfolio companies in the Forward portfolio by value were:

	Fair Value as at
	30 June 2023
	(unaudited)
Company	£'m
Gravity Sketch	9.8
Robin Al	8.2
Spoke	5.8
OutThink	5.3
Ably	4.5
Makers	3.7
Apexx	3.4
Juno	2.9
Snaptrip	2.6
Breedr	2.3
KoruKids	2.3
Plyable	2.0
Counting Up	2.2
Up Learn	2.2
SpotQA_Virtuoso	2.2
Remaining portfolio	17.5
Portfolio value	76.9

(Source: Forward interim results for the six month period ended 30 June 2023)

#### 8 FORWARD CARRIED INTEREST PLANS

Forward has established carried interest plans for the management team and certain other employees and ex-employees of the Forward Group in respect of any investments and follow-on investments made in its portfolio of investments. Each carried interest plan generally operates in respect of investments made during a 24 month period and related follow-on investments made for a further 36 month period.

Subject to certain exceptions, plan participants receive, in aggregate, 10 per cent. of the net realised cash profits from the investments and follow-on investments made over the relevant period once Forward has received an aggregate annualised 6 per cent. realised return on investments and follow-on investments made during the relevant period. The plan participants' return is subject to a "catch-up" in their favour. Plan participants' carried interests vest over up to seven years for each carried interest plan and are subject to good and bad leaver provisions.

Participants in the existing Forward carried interest plans will continue to remain entitled to any payments due under such plans following completion of the Acquisition.

### 9 FORWARD LTIP

Forward adopted an LTIP in December 2021, with the initial awards in the form of nominal value options granted under it soon thereafter. Options granted pursuant to the Forward LTIP are subject to stretching performance conditions linked to total shareholder return targets and portfolio exit targets. In the ordinary course, performance is assessed at the end of the relevant performance period.

Details of the effect of the Scheme on the outstanding options granted under the Forward LTIP and the proposals that Molten has agreed to make to the holders of such options (as summarised below) were detailed in the Scheme Document and participants in the Forward LTIP were contacted separately by Forward and Molten regarding the effect of the Scheme on their rights under the Forward LTIP and with details of the arrangements applicable to them (the "Forward LTIP Letters").

Options granted in 2021 and 2022: in respect of the options granted under the Forward LTIP in the financial years ending 31 December 2021 and 31 December 2022, the Forward Remuneration Committee has

determined that these options will not vest in connection with the Acquisition on the basis that the relevant performance conditions would not be met on the date that the Court sanctions the Scheme.

Options granted in 2023: in respect of the options granted under the Forward LTIP in the financial year ending 31 December 2023 (the "**Forward FY23 Options**"), the Forward Remuneration Committee will determine the extent to which any outstanding Forward FY23 Options will vest on the date that the Court sanctions the Scheme. However, the extent of any such vesting will not exceed 300,000 Forward Shares.

Participants may exercise their outstanding options (to the extent vested) conditional upon the Court sanctioning the Scheme. Any options that are not exercised prior to the date that the Court sanctions the Scheme will lapse on that date in accordance with the rules of the Forward LTIP.

#### 10 SHARE CAPITAL OF FORWARD

As at the Latest Practicable Date, there were 134,613,117 Forward Shares in issue, all which have been issued fully paid, and no Forward Shares were held in treasury (source: Forward internal records). The Forward Shares are traded on the AIM market of the London Stock Exchange. As at the Latest Practicable Date, BlackRock held approximately 70.4 per cent. of the issued share capital of Forward (source: Forward share register analysis).

#### **PART 10**

### MOLTEN DIRECTORS, CORPORATE GOVERNANCE AND ESG POLICY

#### 1 MOLTEN DIRECTORS

The Molten Directors are as follows:

### Laurence Hollingworth (aged 65) (Chair)

Laurence Hollingworth was appointed as Chair of Molten on 2 January 2024. Laurence has extensive experience in the capital markets and a strong understanding of the investment environment following a 37-year career with Cazenove and latterly JP Morgan. He has held several senior leadership roles during his career including Head of UK Investment Banking, Head of EMEA Industry Coverage and finally as vice chairman for Equity Capital Markets EMEA. He is currently chair of Clarkson plc, the world's largest shipbroker, and a non-executive director of Atom Bank plc, an online retail challenger bank. Laurence serves as chair of the Nomination Committee and as a member of the Remuneration Committee.

# Martin Davis (aged 61) (Chief Executive Officer)

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

### Grahame Cook (aged 65) (Senior Independent Director)

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

### Ben Wilkinson (aged 43) (Chief Financial Officer)

Ben was appointed to the Molten Board in June 2019, having joined the Molten Group as CFO in 2016. He has over 10 years' experience as a public company CFO. At Molten, Ben has been responsible for building out the balance sheet, through equity and debt financing and broadening the shareholder register. He has developed the finance function and led on Molten's move to the Main Market. Prior to Molten, Ben served for five years as CFO of AlM-listed President Energy PLC. Ben is a Chartered Accountant, FCA, with a background in M&A investment banking from ABN Amro/RBS where he was involved with multiple cross-border transactions and corporate financings. Ben is a graduate of Royal Holloway, University of London with a BSc in Economics. Ben sits as a member of the ESG Committee.

## Stuart Chapman (aged 54) (Executive Director)

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

## Gervaise Slowey (aged 56) (Independent Non-executive Director)

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

### Sarah Gentleman (aged 53) (Independent Non-Executive Director)

In addition to her role as a non-executive director at Molten, Sarah is the senior independent director of Rathbones Group plc, as well as being a member of its audit, risk, nomination and remuneration committees. Sarah has over 30 years' experience working in a combination of strategic and financial roles, having started her career as an analyst at McKinsey & Company; these include Business Development Director at Egg UK and Chief Financial Officer at LCR Telecom.

Until 2012, Sarah was a sell-side banking analyst at Sanford Bernstein where she covered French, Spanish and Italian banks. Most recently, Sarah has been working as an adviser to early-stage technology companies with a focus on fintech. At Molten, Sarah chairs the Remuneration Committee and sits as a member of the Audit. Risk and Valuations Committee and Nomination Committee.

# Lara Naqushbandi (aged 43) (Independent Non-Executive Director)

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

### 2 CORPORATE GOVERNANCE

# 2.1 The UK Corporate Governance Code

The Disclosure Guidance and Transparency Rules require Molten to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Molten Directors recognise the importance of sound corporate governance. Molten complies with the UK Corporate Governance Code.

### 2.2 The Irish Corporate Governance Annex

Under the Irish Listing Rules, the Irish Corporate Governance Annex does not apply to Molten, as an issuer with securities admitted to a secondary listing on the Euronext Dublin Daily Official List.

## 2.3 Share dealing code

The Company has adopted a share dealing code in relation to the Molten Shares, which is based on the requirements of MAR, EU MAR and Irish MAR.

#### 2.4 Internal controls

The Molten Board has ultimate responsibility for the Molten Group's system of internal controls and for the ongoing review of their effectiveness. Systems of internal control can only identify and manage risks and not eliminate them entirely. As a result, such controls cannot provide an absolute assurance against misstatement or loss. The Molten Board considers that the internal controls, which have been established and implemented, are appropriate for the size, complexity and risk profile of the Molten Group.

Key internal controls include:

- close management of the day-to-day activities of the Molten Group by the Molten Executive Directors and weekly minuted executive meetings with an agenda of standing items including projects, portfolio, risks, human resources, ESG, regulatory compliance and cybersecurity;
- an organisational structure with defined levels of responsibility and clear reporting lines;
- specified investment approval levels and financial authority limits;
- a robust approach to valuations;
- a majority of non-executive directors on the Molten Board;
- an annual budgeting process, which is approved by the Molten Board;
- monthly management reporting against agreed key performance indicators;
- financial controls to ensure that the assets of the Molten Group are safeguarded and that appropriate accounting records are maintained; and
- annual external audit.

The Molten Board continues to review the system of internal controls to ensure it is fit for purpose and appropriate for the size and nature of Molten's operations and resources.

#### 2.5 The Molten Board

The Molten Board currently comprises three executive directors and five non-executive directors, each of whom is independent and one of whom is Chair.

The Molten Board is responsible for the determination of the Molten Group's investment policy (subject, where necessary, to the approval of Molten Shareholders and the FCA) and setting the strategic aims and objectives of the Molten Group. The Molten Board has overall responsibility for the Molten Group's activities, including the review of investment activity and performance. The Molten Board meets at least six times per annum (and on an ad-hoc basis when necessary between the scheduled meetings).

The Molten Directors have access to the advice and services of the Company Secretary, who is responsible to the Molten Board for ensuring that board procedures are followed and that applicable rules and regulations are complied with. In addition, the Company Secretary ensures that the Molten Directors receive appropriate training as necessary. The appointment and removal of the Company Secretary is a matter for the Molten Board as a whole.

The Audit, Risk and Valuations Committee, Remuneration Committee, Nomination Committee and ESG Committee deal with specific aspects of Molten's affairs.

# 2.6 The Audit, Risk and Valuations Committee

The Audit, Risk and Valuations Committee is responsible for ensuring that the financial performance of the Molten Group is properly reported on and monitored. Its role includes monitoring the integrity of the Molten Group's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of Molten's internal control and risk management systems and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings). The Audit, Risk and Valuations Committee is also responsible for reviewing Molten's valuation policies and procedures to ensure that the Molten Board is fulfilling its obligations relating to the independent and proper valuation of the underlying Molten Group investments, and for establishing, monitoring and reviewing procedures and controls to ensure compliance with the relevant regulatory regimes. The Audit, Risk and Valuations Committee will normally meet not less than three times a year. Grahame Cook chairs the Committee and its other members comprise Gervaise Slowey, Sarah Gentleman and Lara Naqushbandi.

### 2.7 The Remuneration Committee

The Remuneration Committee recommends the Molten Group's policy on executive remuneration; determines the levels of remuneration for Molten's executive directors, the Chair and other senior executives; and prepares an annual remuneration report for approval by Molten Shareholders at the annual general meeting.

The Remuneration Committee will normally meet at least twice a year. Sarah Gentleman chairs the Remuneration Committee and its other members comprise Laurence Hollingworth, Grahame Cook, Gervaise Slowey and Lara Nagushbandi.

### 2.8 The Nomination Committee

The Nomination Committee is responsible for reviewing succession plans for the Molten Directors, including the Chair, the Chief Executive Officer and other senior executives and assists the Molten Board in reviewing its structure, size and composition. The Nomination Committee will normally meet at least twice a year. Laurence Hollingworth is chair of the Nomination Committee and its other members comprise Grahame Cook, Gervaise Slowey, Sarah Gentleman and Lara Nagushbandi.

#### 2.9 The ESG Committee

The ESG Committee is responsible for providing overarching oversight and supervision of the Molten Group's ESG activities. The ESG Committee meets not less than twice annually but may convene more regularly as required. Gervaise Slowey chairs the ESG Committee and its other board members comprise Lara Naqushbandi and Ben Wilkinson. The activities of the ESG Committee include, amongst other things, the implementation of the ESG Policy, provision of support and guidance to the Molten Group's ESG Working Group, approval and monitoring of ESG-related KPIs, and ongoing review of the effectiveness of ESG functions across the Molten Group.

### 2.10 Conflicts of interest

It is the Molten Group's intention to meet the highest standards of ethical, regulatory and market conduct, especially in respect of conflicts of interest. The Molten Group will act in the best interests of its clients at all times and maintains a groupwide conflicts of interest policy as well as strategic-specific conflict of interest policies for the other funds under management of the Molten Group.

At the point at which a new potential investment is received, the possibility of a conflict is considered when the introduction is recorded. The possibility of conflicts is also considered by the senior management of the Molten Group during periodic meetings.

The following are the situations where a conflict of interest is likely to arise when a person or firm:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;

- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client;
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Where possible, the Molten Group will seek to organise its affairs and business activities in such a way as to minimise the risk of conflicts of interest arising, inclusive of external arrangements. However it is acknowledged that the avoidance of all risks is not feasible in a commercial environment, and so the Molten Group takes all reasonable steps to minimise and mitigate conflicts as much as possible.

Where conflicts of interest are unavoidable, the Molten Group develops and implements procedures to manage them as best as practicable. Steps are taken to ensure that neither the Molten Group nor its personnel are unfairly advantaged, nor is any client to be unfairly disadvantaged by the conflict presented. Where the Molten Group identifies a material conflict that cannot be adequately managed in relation to a particular client, the client will be informed in writing of the conflict presented prior to any business being undertaken. This will include the parties involved, the general nature and circumstance of the conflict, comments on the level of risk presented and confirmation whether it is an actual or potential conflict, and a contact person who is best placed to resolve the conflict.

### 3 ESG POLICY

Molten's mission is to empower Europe to invent the future. Molten wants that future to be sustainable, fair and accessible to all and aims to use its platform in VC to encourage and promote its ESG values and ESG considerations in developing best-in class technology companies and achieving strong returns for its investors.

Molten is committed to investing responsibly and embedding ESG considerations in everything that it does to accelerate positive change and inspire the next generation of diverse entrepreneurs.

The ESG Policy (the principal terms of which are summarised in this paragraph 3 of this Part 10 of this document) sets out the Molten Group's values, ESG goals and approach to responsible investment.

# 3.1 The Molten Group's values

- Innovation & Ambition: a new model to do things differently and better. The Molten Group helps entrepreneurs to change the world with its depth of experience, expertise and drive.
- Collaboration & Community: Molten is a team of teams working with its community and stakeholders to get the best results and inspire the next generation of entrepreneurs. It's always a group effort.
- Honesty & Integrity: trust is built on doing the right thing for the right reasons. The Molten Group
  acts with integrity and "gives it straight", even when it isn't easy to hear.
- Long-term & Accountability: the long-term future requires action and accountability now. The Molten Group believes that the structure of Molten as a listed vehicle aligns well with Molten's patient capital model and allows the Molten Group to see the bigger, longer-term picture. The Molten Group's governance structures keep the business aligned and accountable to the Molten Group's long-term values and goals.
- Inclusivity & Diversity: the Molten Group embraces difference to build a better, fairer future for all. The Molten Group seek the brightest and the best, whoever they are and whatever their background.

## 3.2 Approach

Molten is committed to a policy of responsible investment through the lifecycle of its investments, from pre-screening to exit. The Molten Group uses various tools and methodologies to screen, evaluate and monitor its investments, which are aligned to the United Nations Sustainable Development Goals ("SDGs") and the United Nations Principles for Responsible Investment ("PRI") (to which Molten became a signatory in 2019). To assist in establishing a framework of what Molten believes 'good' ESG looks like in the Molten Group's portfolio businesses, Molten has developed a framework of target ESG standards that it applies in its own business and deploys in its direct investment strategy.

The Molten Group also uses its Fund of Funds Programme to strategically target opportunities which have a stated ESG impact focus, including Zinc in London (a social impact fund), Future Positive Capital in Paris and London (robotics, synthetic biology and genetic engineering investors seeking to solve large social and environmental challenges), Five Seasons in Paris (impact investment across the food value chain), and Mustard Seed in Lisbon and London (social/environmental impact investor).

### 3.3 Pre-investment

All prospective investee companies in which Molten considers making a direct investment are initially screened against the Molten Group's exclusion list and thereafter assessed as part of the Molten Group's ESG due diligence process before a final decision can be taken on the investment. The Molten Group employs a risk scoring system to assess compliance with relevant laws in relation to environmental, social, governance, health and safety, bribery and corruption issues by reference to Molten's ESG framework in addition to the AML/KYC checks (including as regards politically exposed persons, sanctions and adverse media) undertaken by the Venture Ops team and approved by the Money Laundering Reporting Officer.

It is Molten's belief that the introduction and implementation of the ESG framework stands to benefit the operations and standing of its investee companies as well as the broader environment/community. By using this framework, Molten can effectively create a profile of the businesses in which the Molten Group invests by reference to the nature/location of their operations and workforce, the types of customers/clients they are likely to attract, and the overall quality of management on ESG issues having regard to their commitment, capacity and track record.

# 3.4 Ownership

Following completion of a direct investment, Molten internally maps the assessed ESG status of the investee company against the SDGs (factoring in materiality thresholds to capture the core nature of the business and its ESG gaps, risks and opportunities). The decision to prioritise SDG alignment as the Molten Group's core sustainability objective was made at an executive level following consultation with a number of the Molten Group's key investors on their own priorities and by building a deep understanding of the powerful impact of the SDGs if delivered by 2030 as per the UN's stated aim.

As part of the onboarding process, Molten typically shares its high level due diligence ESG assessment with the management team of the investee company, and uses this to establish a baseline of discussion points that are specific and material to the business. The Molten Group then aims to collaborate with management to formulate proportionate and company-specific ESG metrics (linked to the SDGs as appropriate) and strategies for ongoing monitoring supported by appropriate policy and governance arrangements. The scope of agreed actions and nature of Molten support will typically evolve as the business grows and matures, but will often take the form of one-to-one interactions, ESG-focused events, networking opportunities and integration into Molten's wider community of companies and investors.

Where agreed, Molten also provides direct assistance in the form of training or financial commitments toward portfolio carbon balancing exercises during the first and second year of ownership.

### 3.5 Monitoring & reporting

The Molten Group monitors direct investee companies' performance on an ongoing basis against its ESG framework, the SDGs, and any action plans agreed with management. The outcome of the Molten

Group's monitoring activities are fed into internal discussions about the portfolio holistically from an ESG perspective, and conversations with portfolio management to agree next steps or remediation actions. As signatories to the PRI, Molten reports on direct investee company ESG data in aggregate and also reports annually to the Molten Group's stakeholders on the ESG activities of the Molten Group and the implementation of its ESG Policy.

# 3.6 ESG in the Molten Group's own operations

The Molten Group is committed to fully embracing and developing ESG within its own operations. Molten's annual report for each financial year contains details of the ESG measures that the Molten Group has taken in that financial period. ESG highlights in the financial year ended 31 March 2023 include:

- Delivered on ESG targets as part of a broader ESG roadmap, including Molten's first CDP climate change disclosure;
- Strategic and tactical support through portfolio engagement events, focusing on ESG-related risks and opportunities; and toolkit resources to assist with development;
- Implemented a Climate Strategy which defines the Molten Group's approach to the reduction of greenhouse gas emissions in its own activities and at a portfolio level as well as establishing engagement targets with investee companies;
- Developed and formalised Molten's corporate purpose so as to articulate its core reason for being, in alignment with its ESG Policy; and
- Developed and published a Molten Group Human Rights Policy.

### **PART 11**

# **SELECTED FINANCIAL INFORMATION**

The tables below set out the Molten Group's selected financial information for the periods indicated, as reported in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and international accounting standards in conformity with the requirements of the Companies Act 2006 ("**UK IFRS**").

The audited consolidated financial information for the Molten Group as of and for each of the three years ended 31 March 2021, 2022 and 2023 has been extracted without material adjustment from the audited financial statements of the Molten Group for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 which have been incorporated into this document by reference as set out in Part 16 (Documents Incorporated by Reference) of this document.

The unaudited consolidated interim financial information of the Molten Group for each of the six month periods ended 30 September 2022 and 2023 has been extracted without material adjustment from the unaudited condensed consolidated interim financial statements of the Molten Group for the six month periods ended 30 September 2022 and 30 September 2023 which has been incorporated into this document by reference as set out in Part 16 (Documents Incorporated by Reference) of this document.

# Consolidated statement of comprehensive income

	For the financial year ended 31 March 2021 (audited)	For the financial year ended 31 March 2022 (audited)	For the financial year ended 31 March 2023 (audited)	For the six month period ended 30 September 2022 (unaudited)	For the six month period ended 30 September 2023 (unaudited)
Movement on investments held at fair value through profit or loss Fee income	276.3 12.5	329.4 21.8	(240.1)	(155.9) 11.4	(63.2)
Total investment (loss)/ income	288.8	351.2	(217.4)	(144.5)	(53.5)
Operating Expenses General administrative expenses Depreciation and amortisation Share based payments –	(13.8) (0.7)	(19.5) (0.8)	(18.7) (0.7)	(10.1) (0.4)	(10.8) (0.3)
resulting from company share option scheme Investments and acquisition costs	(1.5)	(3.7) (0.2) (2.4)	(0.1)	(2.1)	(2.5)
Exceptional items  Total operating expenses	(16.3)	(26.6)	(23.9)	(12.7)	(13.7)
Other income	0.1				
Profit/(loss) from operations Finance income	272.6 0.2	324.6 1.8	(241.3) 1.7	(157.2) 1.9	(67.2)
Finance expense	(5.4)	(1.4)	(7.1)	(2.7)	(5.2)
(Loss)/profit before tax	267.4	325.0	(246.7)	(158.0)	(72.4)
Income taxes	(0.0)	(24.3)	3.3	2.7	0.2
(Loss)/Profit for the period	267.4	300.7	(243.4)	(155.3)	(72.2)
Other comprehensive income/(expense)					
Total comprehensive (loss)/ income for the year	267.4	300.7	(243.4)	(155.3)	(72.2)
Earnings per share attributable to owners of Molten: Basic (loss)/earnings per weighted average shares (pence)	208	200	(159)	(102)	(47)
Diluted (loss)/earnings per weighted average shares (pence)	206	198	(158)	(101)	(47)

# Consolidated statement of financial position

Non-current assets Intangible assets Investments in associates Financial assets held at fair value through the profit or loss	As at 31 March 2021 (audited) £'m 10.9 - 867.1	As at 31 March 2022 (audited) £'m  10.7 - 1,410.8	As at 31 March 2023 (audited) £'m 10.5 - 1,277.0	As at 30 September 2022 (unaudited) £'m 10.6 - 1,353.0	As at 30 September 2023 (unaudited) £'m 10.4 - 1,203.6
Deferred tax Property, plant and equipment	1.4	1.6 0.9	0.4	0.6	0.2
Total non-current assets	879.4	1,424.0	1,287.9	1,364.2	1,214.2
Current assets Trade and other receivables Cash and cash equivalents Restricted cash	3.7 158.4 2.3	2.8 75.8 2.3	5.0 22.9	7.8 28.5	2.2 24.6
Total current assets	164.4	80.9	27.9	36.3	26.8
Current liabilities Trade and other payables Financial liabilities	(9.7) (0.3)	(14.3) (0.4)	(9.6) (0.3)	(7.9) (0.4)	(5.6) (0.1)
Total current liabilities	(10.0)	(14.7)	(9.9)	(8.3)	(5.7)
Non-current liabilities Deferred tax Financial liabilities Provisions	(0.4) (0.3)	(26.1) (30.0) (0.3)	(22.5) (89.0) (0.3)	(23.2) (88.8) (0.3)	(21.6) (89.2) (0.3)
Total non-current liabilities	(0.7)	(56.4)	(111.8)	(112.3)	(111.1)
Net assets	1,033.1	1,433.8	1,194.1	1,279.9	1,124.2
Equity Share capital Share premium account Own share reserve Other reserves Retained earnings	1.4 508.3 (0.3) 26.2 497.5	1.5 615.9 (8.2) 28.9 795.7	1.5 615.9 (8.9) 33.3 552.3	1.5 615.9 (8.9) 31.0 (640.4)	1.5 615.9 (8.9) 35.6 480.1
Total equity	1,033.1	1,433.8	1,194.1	1,279.9	1,124.2
Net assets per share (pence)	743	937	780	837	735

# **Alternative Performance Measures ("APMs")**

The Molten Group has included the APMs listed below as they highlight key value drivers for the Molten Group and, as such, have been deemed by the Molten Group's management to provide useful additional information. These measures are not defined by UK IFRS, are unaudited and should be considered in addition to UK IFRS measures.

### Gross Portfolio Value

The Gross Portfolio Value is the gross fair value of the Molten Group's investment holdings before deductions for the fair value of carry liabilities and any deferred tax. The Gross Portfolio Value is subject to deductions for the fair value of carry liabilities and deferred tax to generate the net investment value, which is reflected on the consolidated statement of financial position as financial assets held at fair value through profit or loss. Further explanation as to the calculation of fair value in arriving at the total movement in fair value is set out in the fair value measurements notes of the financial statements in the Company's annual reports for the financial years ended 31 March 2021 (note 27, page 153), 31 March 2022 (note 28, page 159) and 31 March 2023 (note 28, page 169).

# **Gross Portfolio as at 30 September 2023**

	Fair Value of Investments 31 March 2023	Investments £m	Realisations £m	Molten Ventures (Ireland) Limited £m	Movement in foreign exchange £m	Total Fair Value Movement 30 September 2023 £m	Fair Value of Investments 30 September 2023	Ownership interest range*
Thought Machine	109.6				_	(10.4)	99.2	A
CoachHub	96.6	_	_	_	(1.4)	(1.4)	99.2 95.2	C
Aiven	94.5	_	(6.7)	_	(1.4)	(4.7)	83.1	В
Ledger	71.8	_	(0.1)	_	(0.9)	(9.9)	61.9	В
Form3	52.4	_	_	_	(0.0)	9.0	61.4	C
Aircall	58.6	_	_	_	0.8	0.8	59.4	В
Revolut	54.5	_	_	_	0.7	0.7	55.2	A
M-Files	44.9	_	_	_	(0.7)	1.2	46.1	В
ICEYE	35.7	_	_	_	0.5	4.7	40.4	В
Ravenpack	41.0	_	_	_	0.5	(2.5)	38.5	D
Endomag	34.0	_	_	_	_	0.7	34.7	С
FintechOS	28.3	_	_	_	(0.4)	_	28.3	С
Isar Aerospace	27.4	_	(1.9)	_	(0.4)	(1.8)	23.7	Α
Schüttflix	21.1	_	_	_	(0.3)	2.2	23.3	В
Graphcore	37.2	_	-	_	0.3	(15.9)	21.3	Α
HiveMQ	20.9	_	-	_	(0.3)	(0.3)	20.6	В
PrimaryBid	14.7	_	-	_	_	_	14.7	В
Remaining	526.4	16.5	(24.0)		(2.2)	(28.3)	490.6	
Total	1,369.6	16.5	(32.6)	_	(5.0)	(55.9)	1,297.6	
Co-invest assigned to Molten Ventures plc	1.1					(0.1)	1.0	
Gross Portfolio Value	1,370.7	16.5	(32.6)		(5.0)	(56.0)	1,298.6	
Carry external Portfolio deferred	(94.0)	-	1.9	-	-	(3.2)	(95.3)	-
tax Trading carry &	-	-	-	-	_	-	-	-
co-invest Non-investment	0.3	-	-	-	-	-	0.3	-
cash movements				4.0		(4.0)	(4.0)	
Net portfolio value	e 1,277.0	16.5	(30.7)	4.0	(5.0)	(63.2)	1,203.6	

<sup>\*</sup> Fully diluted interest categorised as follows: Cat A: 0-5 per cent., Cat B: 6-10 per cent., Cat C: 11-15 per cent., Cat D: 16-25 per cent., CAT E: >25 per cent.

# **Gross Portfolio as at 31 March 2023**

Investment	Fair Value of Investments 31 March 2022	Investments £m	Realisations £m	Non- investment cash movements £m	Total Movement in Fair Value £m	Fair Value of Investments 31 March 2023	Fully Diluted Interest category at 31 March 2023*
Thought Machine	103.5	_	_	_	6.1	109.6	А
CoachHub	85.7	4.3	_	_	6.6	96.6	С
Aiven	105.3	_	_	_	(10.8)	94.5	В
Ledger	91.9	0.9	_	_	(21.0)	71.8	В
Aircall	62.9	_	_	_	(4.3)	58.6	В
Revolut	91.3	_	_	_	(36.8)	54.5	Α
Form3	46.6	_	_	_	5.8	52.4	С
M-Files	37.3	_	_	_	7.6	44.9	В
RavenPack	35.1	_	_	_	5.9	41.0	D
Graphcore	113.5	_	_	_	(76.3)	37.2	Α
ICEYE	32.1	_	_	_	3.6	35.7	В
Endomag	24.7	_	_	_	9.3	34.0	С
FintechOS	17.4	9.6	_	_	1.3	28.3	С
Isar Aerospace	27.9	_	_	_	(0.5)	27.4	Α
HiveMQ	_	20.2	_	_	0.7	20.9	В
Schüttflix	12.7	7.0	_	_	1.4	21.1	В
PrimaryBid	24.6	_	_	_	(9.9)	14.7	В
Remaining Portfolio	617.2	96.2	(48.1)		(138.9)	526.4	
Total	1,529.7	138.2	(48.1)		(250.2)	1,369.6	
Co-invest assigned to Molten							
Ventures plc	1.8				(0.7)	1.1	
Gross Portfolio Value	1,531.5	138.2	(48.1)		(250.9)	1,370.7	
Carry external	(121.5)	_	2.1	_	25.4	(94.0)	_
Portfolio deferred tax	0.5	_	_	_	(0.5)	_	_
Trading carry & co-invest	0.3	_	_	_	_	0.3	_
Non-investment cash movement		_	_	14.1	(14.1)	_	_
Net portfolio value	1,410.8	138.2	(46.0)	14.1	(240.1)	1,277.0	

<sup>\*</sup> Fully diluted interest categorised as follows: Cat A: 0-5 per cent., Cat B: 6-10 per cent., Cat C: 11-15 per cent., Cat D: 16-25 per cent., CAT E: >25 per cent.

The Fair Value of Investments as at 31 March 2023 also includes any movement in foreign exchange since 31 March 2022.

# **Gross Portfolio as at 31 March 2022**

	Fair Value			Non- investment	Total	Fair Value of	Fully Diluted Interest
	of Investments 31 March	Investments	Realisations	cash movements	Movement in Fair Value	Investments 31 March	category at 31 March
Investment	31 Warch 2021	£m	Realisations £m	£m	£m	31 March 2022	at 31 March 2022*
Investment	2021	LIII	LIII	LIII	LIII	2022	2022
Graphcore	108.8	_	_	_	4.7	113.5	Α
Aiven	45.5	_	_	_	59.8	105.3	В
Thought Machine	18.4	20.0	_	_	65.1	103.5	Α
Ledger	41.8	10.0	_	_	40.1	91.9	В
Revolut	20.4	_	(5.0)	_	75.9	91.3	Α
CoachHub	12.4	14.7	_	_	58.6	85.7	D
Aircall	32.8	3.6	_	_	26.5	62.9	В
Form3	10.2	25.0	_	_	11.4	46.6	С
Lyst	35.1	7.2	_	_	(2.6)	39.7	С
M-Files	29.7	_	_	_	7.6	37.3	В
Trustpilot	85.5	_	(23.2)	_	(25.8)	36.5	В
Ravenpack	29.9	_	_	_	5.2	35.1	D
ICEYE	13.1	15.0	_	_	4.0	32.1	Α
Isar Aerospace	14.8	_	_	_	13.1	27.9	Α
Endomag	15.7	_	_	_	9.0	24.7	С
PrimaryBid	2.3	11.9	_	_	10.4	24.6	Α
N26	10.0	_	_	_	12.1	22.1	Α
Freetrade	20.0	5.0	_	_	(4.9)	20.1	В
Smava	23.8	_	_	_	(6.5)	17.3	Α
UiPath	100.3	_	(49.8)	_	(36.5)	14.0	Α
Cazoo	25.7	_	_	_	(13.7)	12.0	Α
Remaining Portfolio	285.0	198.8	(48.3)	_	50.1	485.6	_
Total	981.2	311.2	(126.3)		363.6	1,529.7	
Co-invest assigned to Molten							
Ventures plc	2.6				(0.8)	1.8	
Gross Portfolio Value	983.8	311.2	(126.3)		362.8	1,531.5	
Carry external	(97.0)	_	13.5	_	(38.0)	(121.5)	_
Portfolio deferred tax	(20.0)	_	_	_	20.5	0.5	_
Trading carry & co-invest	0.3	_	_	_	_	0.3	_
Non-investment cash movement		_	_	15.9	(15.9)	_	_
Net portfolio value	867.1	311.2	(112.8)	15.9	329.4	1,410.8	

<sup>\*</sup> Fully diluted interest categorised as follows: Cat A: 0-5 per cent., Cat B: 6-10 per cent., Cat C: 11-15 per cent., Cat D: 16-25 per cent., CAT E: >25 per cent.

The Fair Value of Investments as at 31 March 2022 also includes any movement in foreign exchange since 31 March 2021.

### Gross Portfolio as at 31 March 2021

Investment	Fair Value of Investments 31 March 2020	Investments £m	Realisations £m	Non- investment cash movements £m	Total Movement in Fair Value £m	Fair Value of Investments 31 March 2021	Fully Diluted Interest category at 31 March 2021*
Graphcore	86.8	10.3	_	_	11.7	108.8	А
Ui Path	28.0	_	(5.3)	_	77.6	100.3	А
Trustpilot	65.3	_	(75.0)	_	95.2	85.5	В
Aiven	12.8	_		_	32.7	45.5	В
Ledger	17.7	_	_	_	24.1	41.8	В
Lyst	10.8	_	_	_	24.3	35.1	С
Aircall	24.3	_	_	_	8.5	32.8	В
RavenPack	30.9	_	_	_	(1.0)	29.9	D
M-Files	20.0	1.5	_	_	8.2	29.7	В
Cazoo	_	10.3	_	_	15.4	25.7	Α
Smava	16.7	_	_	_	7.1	23.8	В
Revolut	21.7	_	_	_	(1.3)	20.4	Α
Freetrade	_	4.0	_	_	16.0	20.0	В
Perkbox	19.9	_	_	_	(1.3)	18.6	С
SportPursuit	11.1	_	_	_	7.4	18.5	Е
Thought Machine	17.4	_	_	_	1.0	18.4	В
Endomag	6.9	7.0	_	_	1.8	15.7	С
Remaining Portfolio	310.8	94.9	(125.4)	_	30.4	310.7	_
Total	701.1	128.0	(205.7)		357.8	981.2	
Co-invest assigned to Molten							
Ventures plc	1.8		(0.6)		1.4	2.6	
Gross Portfolio Value	702.9	128.0	(206.3)		359.2	983.8	
Carry external	(40.6)	_	_	_	(56.4)	(97.0)	_
Portfolio deferred tax	(5.3)	_	_	_	(14.7)	(20.0)	_
Trading carry & co-invest	0.3	_	_	_		0.3	_
Molten Ventures (Ireland) Limited		_	_	11.8	(11.8)	_	_
Net portfolio value	657.3	128.0	(206.3)	11.8	276.3	867.1	

<sup>\*</sup> Fully diluted equity interest in shares as a percentage of fully diluted share capital of each investment categorised as follows: Cat A: 0-5 per cent., Cat B: 6-10 per cent., Cat C: 11-15 per cent., Cat D: 16-25 per cent., Cat E: >25 per cent.

The Fair Value of Investments as at 31 March 2021 also includes any movement in foreign exchange since 31 March 2020.

Molten Ventures (Ireland) Limited is an intermediate holding company. As investments are made through Molten Ventures (Ireland) Limited, given that it is not consolidated under the accounting standards, this line adjusts for cash movements that flow through this vehicle. This adjustment is necessary to ensure that the column, Movement in Fair Value, matches the change in unrealised gains on investments held at fair value in the profit and loss account.

#### **PART 12**

### **OPERATING AND FINANCIAL REVIEW**

This Part 12 (Operating and Financial Review) should be read in conjunction with Part 4 (Presentation of Financial and Other Information), Part 7 (Business Description) and Part 16 (Documents Incorporated by Reference). The financial information considered in this Part 12 (Operating and Financial Review) is extracted without material adjustment from the audited financial statements of the Molten Group for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and the unaudited consolidated interim financial information of the Molten Group for each of the six month periods ended 30 September 2022 and 2023 which have been incorporated into this document by reference as set out in Part 16 (Documents Incorporated by Reference) of this document.

The following discussion of the Molten Group's results of operations and financial condition contains forward-looking statements. The Molten Group's actual results could differ materially from those that it discusses in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, particularly under Part 2 (Risk Factors) and Part 4 (Presentation of Financial and Other Information). The terms "medium term" and "long term" are not intended to be representative of any particular financial year.

#### 1 OVERVIEW

Molten is a leading venture capital firm investing in and developing high growth digital technology businesses, which was admitted to trading on AIM and the Euronext Growth Market in June 2016. In July 2021, Molten migrated the listing of Molten Shares then in issue from AIM and the Euronext Growth Market to the premium listing segment of the Official List and the secondary listing segment of the Euronext Dublin Daily Official List and to trading on the Main Market and the Euronext Dublin Market.

Molten offers investors an increasingly broad range of direct and indirect VC investments (including by way of secondary acquisition), fund of fund investments, fund management (including management of third party capital) and tailored investment opportunities. Molten's platform provides access to high quality business leaders, advisory teams and operational specialists to offer transformative support to help direct and indirect investee companies achieve their growth ambitions. Molten is actively involved in the long term growth of its direct investee companies, by taking minority positions, typically with customary investor protections, including preference share protection and typically either the appointment of an investor director on the board of the investee company or a board observer function. When Molten invests through a third party-managed vehicle, for example, pursuant to the Fund of Funds Programme, the third party manager typically pursues a similarly active approach.

Molten has a proven track record and an ambitious portfolio management strategy focused on accelerating its support to UK and European high-growth technology businesses in need of longer term investment which Molten is able to provide via its balance sheet and growing base of third party funds under the management of the Molten Group.

Molten's balance sheet investments and certain third party capital strategies, including the Fund of Funds Programme and the recently launched Irish-focused fund, are managed by Esprit Capital, a wholly owned subsidiary undertaking of Molten incorporated in England and Wales. In addition, Encore Ventures, another wholly owned subsidiary of Molten, manages the Encore Funds (which are EIS funds) and Elderstreet Investments, a further wholly owned subsidiary of Molten, manages Molten Ventures VCT (a VCT fund) along with another single investment third party capital vehicle, with c.£383 million of assets managed across these EIS and VCT strategies as at 30 September 2023. The Encore Funds and Molten Ventures VCT typically co-invest alongside Molten where investments meet the relevant EIS/VCT eligibility requirements. Molten's co-investment strategy allows the Molten Group to lead more deals and increase the total size of investment in its direct investee companies.

Molten recognises the opportunity to link public market/pension fund capital to the venture capital asset class and, in addition to the Molten Group's management of EIS funds and VCT funds, is building multiple investment strategies to grow third party AUM and fee income alongside the growth of the Molten balance sheet – these include the syndication of the Fund of Funds Programme, managed co-invest special purpose

vehicles, the recently launched Irish-focused fund and the intended launch of a Central and Eastern European-focused fund and a climate-focused fund.

Capitalising on attractive opportunities to make secondary portfolio acquisitions (including acquisitions of existing investment funds (private or public)) is another key pillar of Molten's investment strategy, with the market dislocation and depressed valuations of recent years giving rise to a number of opportunities in this area. The Acquisition marks the latest transaction in Molten's strong track record in secondary portfolio acquisitions, having unlocked significant value for shareholders from acquired venture capital portfolios including Seedcamp Funds I & II, Earlybird DWES Funds IV and VI and Earlybird Digital East Fund I.

# 2 CURRENT TRADING AND PROSPECTS

In the six months to September 2023, Molten has continued to develop and invest in disruptive, high-growth technology companies and, in doing so, supporting the founders and entrepreneurs seeking to invent the future in Europe. In the period, Molten has continued to be impacted by market pressures driven by ongoing global macroeconomic instability, high levels of inflation and rising interest rates. The Directors believe that much of the impact of this ongoing uncertainty on both public and private valuations was factored in during the financial year ended 31 March 2023, though these circumstances still affected valuations in the six months to 30 September 2023.

Molten reported a small gross portfolio fair value decrease of 4 per cent. for the six months ended 30 September 2023 (12 per cent. decrease for the six months to 30 September 2022). The Company acted quickly at the onset of the downturn in early 2022 and is now seeing evidence of greater stability in the Molten Group's valuations. The Directors anticipate further stabilisation, and in parts, recovery, evidenced by the reduction of losses in Molten's investments held at fair value for the six months ended 30 September 2023. The focus of the Directors for Molten and its portfolio is on disciplined capital allocation, positioning Molten to capture opportunities as the valuation environment stabilises.

The underlying commercial performance of Molten's portfolio continues to be strong, with signs of improved market comparables. While the nature of venture capital leads to a degree of risk, it is important to view the performance of the portfolio as a whole and also to focus across market cycles. Molten's portfolio is well diversified, with 74 companies across four sectors, and is triaged across different stages and technology sub-sectors. The Directors remain confident in the overall potential of the Molten portfolio.

Molten has continued to identify attractive primary investment opportunities, particularly at the early stages. While the market environment for the technology ecosystem remains challenging, historically, some of the most innovative and commercially successful companies have been founded during similar periods of adversity. Data from previous downturns suggests that investments made in technology businesses during periods of economic crisis have historically generated some of the strongest returns for VC investors.

Whilst macroeconomic uncertainties are expected to persist in at least the medium-term, the Molten Directors expect technology markets to begin to stabilise and, in places, recover. In the meantime, an opportunity exists to capitalise on the availability of deals at attractive valuations in a less competitive environment. In particular, the market dislocation and depressed valuations of recent years have given rise to a number of opportunities for secondary portfolio transactions, including the Acquisition. With its strong team and deep levels of experience and expertise, scalable and adaptable model, active approach to portfolio management and thesis-led investment approach, the Molten Directors believe Molten is well positioned to take advantage of these opportunities and continue to deliver as the market begins to transition into the next stage in the cycle.

The Directors have also continued to build on Molten's third-party assets strategy, for example through the launch of Molten's Irish-focused co-investment vehicle. Molten's third-party assets strategy is an increasingly important part of the Company's business, which is building out capital from other private sources to invest alongside Molten's balance sheet and derive income from this in the form of management fees.

# Broader market environment

The medium-term macroeconomic outlook remains uncertain, with investor sentiment being negatively impacted by geopolitical tensions in Ukraine and most recently the rapid escalation of the Israel-Hamas war. While there has been some speculation regarding the better-than expected inflation figures, the

Directors do not believe that the UK and European economies will return in the short to medium term to a period of ultra-low interest rates and accompanying inflation that characterised the decade after the financial crisis in 2008. The Directors anticipate a relatively higher interest rate environment for some time and, while there may be some downward movement on interest rates, the Directors anticipate that the cost of capital will remain high for the coming years.

While these factors remain, the Directors continue to be optimistic that market conditions will further stabilise in the second half of the financial year ending 31 March 2024. The underlying technology held in Molten's portfolio continues to transform the industries in which they operate, and both public and private market investors will continue to back innovative companies with a track record of sound commercial performance and strong business fundamentals.

While the IPO market remains something of a mixed picture, there are signs of life, with the recent listings of companies like Klaviyo, InstaCart and, most notably, Arm. Late-stage technology companies, including those in Molten's portfolio, continue to see a public listing as an attractive destination once circumstances allow.

Private M&A, and in particular trade sales, are especially important for the Molten Group, with trade sales having historically made up the majority of Molten's realisations, which can then be used to reinvest as part of Molten's evergreen balance sheet investment strategy.

# Financial position

The Gross Portfolio Value as at 30 September 2023 was £1,299 million, down from £1,371 million as at 31 March 2023, resulting from investments made of £17 million (with a further £36 million from EIS and VCT co-investment), portfolio realisations and distributions of £33 million and a net fair value movement (excluding the impact of FX) of £51 million.

Molten's balance sheet has been preserved over the six months, with cash as at 30 September 2023 of £25 million and the Revolving Credit Facility undrawn, with capacity of up to £60 million, providing further funding flexibility to preserve the value of the portfolio though limiting the capacity for significant new investment.

## Realisations and deployment

While discipline around Molten's deployment process remains a focus, with realisations exceeding the amount invested in the period, the Company has continued to support opportunities in innovative, early-stage companies such as Oliva and Binalyze.

As at 30 September 2023, Molten's portfolio remains well funded with over 80 per cent. of the Core Portfolio having more than 12 months of cash runway, and over 50 per cent. having more than 24 months of cash runway (based on existing budgets and growth plans). Molten anticipates funding requirements to be in line with the guidance (£20 million) provided in the audited financial statements of the Molten Group for the financial year ended 31 March 2023.

Portfolio realisations and distributions generated cash proceeds for Molten in the period of  $\mathfrak{L}33$  million, with realisations exceeding investments for two consecutive half years.  $\mathfrak{L}17$  million relates to direct investments including Molten's final exit of shares in Trustpilot, and a further  $\mathfrak{L}16$  million in realisations through the Fund of Funds Programme and Earlybird.

#### Outlook

Even as economic headwinds persist, the Directors will continue to deliver through our scalable and adaptable model, active approach to portfolio management, and thesis-led investment approach. The Directors expect to further progress in building third-party assets and income, with the continued syndication of the Fund of Funds Programme.

Molten has recorded a loss from operations of  $\pounds67.2$  million for the six months ended 30 September 2023 and  $\pounds241.3$  million for the year ended 31 March 2023 driven by a decrease in portfolio valuations in the same period and Forward has experienced a similar trend. The Molten Directors believe a reduction of the losses in the gross portfolio fair value (a 4 per cent. decrease for the six months ended 30 September 2023

versus a 12 per cent. decrease for the six months to 30 September 2022) is evidence of greater stability in Molten's valuations.

The Molten platform was built to operate and invest through the cycle, and the Directors focus now, as valuations continue to stabilise, is on positioning Molten to capture opportunities at attractive valuations in what is increasingly a buyers' market for venture capital.

### 3 SIGNIFICANT FACTORS AFFECTING MOLTEN'S RESULT AND OPERATIONS

### 3.1 Investments made

The Molten Group deploys its funds by way of primary investments into new investee companies, follow-on investments into existing investee companies; stake building into new and existing investee companies via secondary investments and through commitments to other seed and venture funds. The table below shows the Molten Group's investments for each of the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and the six month periods ended 30 September 2022 and 30 September 2023.

	- ··				nonths ended	
		year ended 31			30 September	
	2021	2022	2023	2022	2023	
	£m	£m	£m	£m	£m	
Core Portfolio						
investments						
Primary investments	14.4	3.1	20.2	20.2	_	
Follow-on investments	19.6	109.2	21.8	18.2	_	
Secondary investments	_	_	_	_	_	
Other investments						
(e.g. fund-of-funds)	_	_	_	_	_	
Subtotal	34.1	112.3	42.0	38.3		
Subtotal			42.0			
Other investments						
Primary investments	41.1	108.6	40.1	35.6	2.4	
Follow-on investments	10.7	21.0	19.1	12.4	1.8	
Secondary investments	_	_	3.0	_	_	
Other investments						
(e.g. fund-of-funds)	42.1	69.2	34.1	25.6	12.4	
Sub total	93.9	198.8	96.2	73.6	16.5	
Total	128.0	311.2	138.2	112.0	16.5	

#### 3.2 Realisations

The Molten Group realises cash from the sale of investee companies, which is measured against the original cost of investment. The table below shows the Molten Group's disposals for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and the six month periods ended 30 September 2022 and 30 September 2023.

					nonths ended
	For the	year ended 31	March	30 Sep	otember
	2021	2022	2023	2022	2023
	£m	£m	£m	£m	£m
	2021	2022	2023	2022	2023
	£m	£m	£m	£m	£m
Core Portfolio disposals	80.3	78.0	_	11.2	8.6
Other disposals	126.0	48.3	48.1	1.7	24.0
Total	206.3	126.3	48.1	12.9	32.6

### 3.3 Gross Portfolio Value

Gross Portfolio Value is the gross value of the Molten Group's investment holding before deductions for fair value of carry liabilities and any deferred tax. Fair value is determined using IPEV Guidelines. The table below shows the Gross Portfolio Value and the net portfolio value as at March 2021, 31 March 2022, 31 March 2023 and 30 September 2022.

	As at 31 March			As at 30 S	As at 30 September	
	2021 £m	2022 £m	2023 £m	2022 £m	2023 £m	
Gross Portfolio Value Carried Interest Deferred tax Trading carried interest	983.8 (97.0) (20.0)	1,531.5 (121.5) (0.5)	1,370.7 (94.0) –	1,450.2 (97.8) 0.3	1,298.6 (95.3) -	
and co-invest	0.3	0.3	0.3	0.3	0.3	
Net Portfolio Value	867.1	1,410.8	1,277.0	1,353.0	1,203.6	

#### 3.4 Fee income

The Molten Group's revenue is derived predominantly from fee income within the UK. The table below shows an analysis of the Molten Group's revenue for the financial years ended March 2021, 31 March 2022 and 31 March 2023 and the six month periods ended 30 September 2022 and 30 September 2023.

				For the six mo	onths ended	
	For the	year ended 31	March	30 Sept	30 September	
	2021	2022	2023	2022	2023	
	£m	£m	£m	£m	£m	
Management fees	12.5	17.8	21.6	11.4	9.3	
Performance fees	_	2.5	_	_	0.1	
Promoter's fees	_	1.4	0.9	_	_	
Portfolio directors' fees	0.0	0.1	0.2	0.0	0.3	
Total	12.5	21.8	22.7	11.4	9.7	

Fees are received by the Molten Group in respect of the Encore Funds (being EIS funds), Molten Ventures VCT and other sources of third-party capital under management as well as unconsolidated structured entities managed by Esprit Capital, which is consolidated into the Molten Group. The Encore Funds are managed by Encore Ventures under an investment management agreement; Encore Ventures is a consolidated subsidiary of the Molten Group. Molten Ventures VCT (a non-Molten Group public limited company) is managed under the Molten Ventures VCT Investment Management Agreement by Elderstreet Investments, which is a consolidated subsidiary of the Molten Group. Management fees are received by the Molten Group in respect of these contracts.

For the year ended 31 March 2023, Esprit Capital received £21.6 million of management fees. Management fees are either earned at a fixed annual rate or are set at a fixed percentage of funds under management, measured by commitments or invested cost, depending on the stage of the fund being managed. Revenues are recognised as the related services are provided. The Molten Group's management fees are typically billed quarterly or half-yearly in advance. Where fees have been billed for an advance period, the amounts are credited to deferred income, and then subsequently released through the profit and loss during the period to which the fees relate. Certain performance fees and portfolio directors' fees are also billed in advance and these amounts are credited to deferred income, and then subsequently released through the profit and loss accounting during the period to which the fees relate

Performance fees are earned on a percentage of returns over a hurdle rate. These are recognised in the statement of comprehensive income on realisation of an underlying investment. Amounts are

recognised as revenue when it can be reliably measured and is highly probable funds will flow to the Molten Group, which is generally at the point of invoicing or shortly before due to the unpredictability associated with realisations but is assessed on a case by case basis.

Promoter's fees are earned by Elderstreet Investments, as manager of Molten Ventures VCT, based on amounts subscribed for shares during each offer. Fees are agreed on an offer-by-offer basis and are receivable when the shares are allotted. Elderstreet Investments may also be entitled to promoter's fees when it promotes offers for new subscriptions into the funds it manages, subject to certain reductions, for example 'early bird' incentives. Promoter's fees are earned at a percentage of subscriptions received. Revenue is recognised in full at the time valid subscriptions are received.

Portfolio directors' fees are annual fees charged to an investee company. Directors' fees are only charged on a limited number of the investee companies which predate the time of Molten's ownership of Elderstreet Investments.

#### 3.5 Cash balances

It is important that the Molten Group maintains sufficient liquidity to meet operational requirements in order for it to take advantage of investment opportunities and support the growth of its investee companies. The table below shows the Molten Group's cash balances as at 31 March 2021, 31 March 2022, 31 March 2023, 30 September 2022 and 30 September 2023.

	As at 31 March			As at 30	As at 30 September	
	2021	2021 2022 2023			2023	
	£m	£m	£m	£m	£m	
Cash and cash equivalents	158.4	75.8	22.9	28.5	24.6	
Restricted cash	2.3	2.3	_	-	_	
Total	160.7	78.1	22.9	28.5	24.6	

Total cash for the Molten Group as at 30 September 2023 was £85 million, including £60 million undrawn on the Company's revolving credit facility (31 March 2023: £83 million, including £60 million undrawn on the Company's revolving credit facility). The consolidated cash balance as at 30 September 2023 was £25 million (31 March 2023: £23 million). During the six months ended 30 September 2023, the Molten Group received cash proceeds from portfolio realisations and distributions of £33 million as well as management fees. This was offset by investments made during the same period of £17 million, as well as carry, general and administrative expenses, financing activities and working capital movements.

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, held in readily accessible bank accounts. The carrying amount of these assets is approximately equal to their fair value. Responsibility for liquidity risk management rests with the Molten Board, which has established a framework for the management of the Molten Group's funding and liquidity management requirements. The Molten Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and maintaining debt solutions considered appropriate by the Molten Board to facilitate access to additional liquidity.

#### 4 KEY PERFORMANCE INDICATORS

Molten monitors several key performance indicators ("**KPIs**") to evaluate trends, establish budgets and assess the operational and financial performance of its performance. These measures are derived from the Molten Group's internal systems. Some of these measures are not determined in accordance with generally accepted accounting principles, including UK IFRS and, accordingly, are susceptible to varying calculation and may not be comparable with other similarly titled measures of performance of other companies.

Molten considers growth in the value of its portfolio, the amount of realised cash, the number of new investments, the ESG standards of its investee companies, wider market deal flow (i.e. the number of private company financing rounds across Europe) and its cash balances to be the KPIs used by the Company to

help evaluate trends, establish budgets and assess the operational and financial performance of its performance.

KPIs	Measurement	Progress during FY23	Focus for FY24
Growth in value of the portfolio	Gross Portfolio Value determined using IPEV Guidelines.	Gross Portfolio Value has decreased to £1,371 million, with a fair value movement of £293 million reflecting a fair value decrease of 19 per cent. from FY22 (FY22: £1,532 million).	Continued target of 20 per cent. fair value growth through the cycle.
2. Realising cash	Cash generated from portfolio company exits against original cost.	£48 million realised in the year (FY22: £126 million).	Target of 10 per cent. in realisations of the Gross Portfolio Value through the cycle.
3. New investments	Deploying funds for investments into new portfolio companies, follow-on investments into existing companies, stake building into existing companies and secondary investments.	£138 million invested in the year from plc (FY22: £311 million), with a further £41 million from EIS/VCT funds (FY22: £45 million).	Expected level of annual deployment in the region of £100-150 million including EIS/VCT.
4. Deal flow	The Molten Group maintains an internal database of opportunities.	The Molten Group continually tracks deals done at stages earlier than its target stages and filter to pre-qualify future potential investments.	Through the Molten Group's brand and network, continue to access high quality dealflow across Europe.
5. Cash balances	Maintaining sufficient liquidity to meet operational requirements, take advantage of investment opportunities and support the growth of portfolio companies.	£23 million cash available to the Company (FY22: £78 million) at year-end. £48 million (FY22: £61 million) cash in the Molten Group's EIS and VCT funds available for investment. Undrawn balance from £150 million debt facility at year-end was £60 million (FY22: undrawn revolving credit facility £35 million).	Target maintenance of 12-18 months of cash resources.
6. ESG	Progress against the Molten Group's FY23 ESG KPIs (see page 46 of the audited financial statements of the Molten Group for the financial year ended 31 March 2023).	The Molten Group continued to work through its ESG roadmap (see page 46 of the audited financial statements of the Molten Group for the financial year ended 31 March 2023).	Execute on the Company's FY24 ESG KPIs, (see the Sustainability section on page 46 of the audited financial statements of the Molten Group for the financial year ended 31 March 2023).

The Company believes that these KPIs provide alternative measures by which to assess the operating performance of the Molten Group and, together with UK IFRS measures, are useful in evaluating the Molten Group's operating performance.

# 5 DESCRIPTION OF KEY LINE ITEMS IN MOLTEN'S CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

# 5.1 Change in unrealised gains on investments held at fair value through the profit and loss

The Molten Group holds investments through investment vehicles it manages. The investments are predominantly in unlisted securities and are carried at fair value through the profit and loss. The Molten Group's valuation policy is set out at paragraph 8 of Part 7 (Business Description) of this document.

#### 5.2 Fee income

Revenue is derived predominantly from fee income within the UK, from continuing operations for all years and comprises management fees, performance fees, promoter's fees and portfolio director fees.

# 5.3 Operating expenses

General administrative expenses comprise general employee and employee related expenses, operating lease rentals, legal and professional fees, travel expenses, marketing expenses, IT expenses and other administrative costs.

### 5.4 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each relevant jurisdiction in which income was received, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries in which the Molten Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

#### 6 RESULTS OF OPERATIONS

The table below presents the Molten Group's results of operations for the periods indicated and has been extracted from the audited financial statements of the Molten Group for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and the unaudited consolidated interim financial information of the Molten Group for each of the six month periods ended 30 September 2022 and 2023 which have been incorporated into this document by reference as set out in Part 16 (Documents Incorporated by Reference) of this document.

				For the six mo	
	For the year ended 31 March		March	30 September	
	2021	2022	2023	2022	2023
	£m	£m	£m	£m	£m
Movement on investments					
held at fair value through					
profit or loss	276.3	329.4	(240.1)	(155.9)	(63.2)
Fee income	12.5	21.8	22.7	11.4	9.7
Total investment (loss)/					
income	288.8	351.2	(217.4)	(144.5)	(53.5)
Total operating expenses	(16.3)	(26.6)	(23.9)	(12.7)	(13.7)
Other income	0.1	_	_	_	_
(Loss)/profit from operations	272.6	324.6	(241.3)	(157.2)	(67.2)
Finance (expense)/income	(5.2)	0.4	(5.4)	(0.8)	(5.2)
(Loss)/profit before tax	267.4	325.0	(246.7)	(158.0)	(72.4)
Income taxes	(0.0)	(24.3)	3.3	2.7	0.2
Loss)/profit for the period	267.4	300.7	(242.4)	(155.3)	(72.2)

# 6.1 Comparison of results of operation for the six month period ended 30 September 2023 and the six month period ended 30 September 2022

# 6.1.1 Change in losses/gains on investments held at fair value through the profit and loss

Investments held at fair value through the profit and loss for the six months ended 30 September 2023 decreased by £63.2 million, compared to a loss of £155.9 million for the six months ended 30 September 2022. The Directors believe that the reduction of losses is evidence of greater stability in the Company's valuations against the backdrop of the current macroeconomic conditions and broader environment. The table below shows the change in losses on investments held at fair value through the profit and loss for the six months ended 30 September 2023 and the six months ended 30 September 2022.

	For the six months ended 30 September	
	2022	2023
	£m	£m
Change in unrealised (losses)/gains on investments held at		
fair value through the profit and loss	(247.4)	(53.8)
Change in realised gains on investments held at fair value	0.7	(4.4)
through the profit and loss	8.7	(4.4)
Net foreign exchange (loss)/gain on investments held at fair value through the profit and loss	82.8	(5.0)
iali value tillough the profit and loss		
Total movements on investments held at fair value		
through the profit and loss	(155.9)	(63.2)

The net cash flow/(outflow) from operating activities is adjusted to reconcile the movement in investments held at fair value through the profit and loss.

#### 6.1.2 Fee income

Fee income for the six months ended 30 September 2023 reduced by £1.7 million to £9.7 million, compared to £11.4 million for the six months ended 30 September 2022. The decrease was primarily due to a reduction in the funds under management on which the Molten Group charges fees. The table below shows the change in fee income for the six months ended 30 September 2023 and the six months ended 30 September 2022.

		For the six months ended 30 September	
	2022 £m	2023 £m	
Management fees	11.4	9.3	
Performance fees	_	0.1	
Promoter's fees Portfolio directors' fees	0.0	0.3	
Total	11.4	9.7	

73 per cent. of the management fees received by the Molten Group for the six months ended 30 September 2023 are recognised in the Molten Group's statement of comprehensive income resulting from related party transactions from unconsolidated structured entities.

# 6.1.3 **Operating expenses**

Operating expenses for the six months ended 30 September 2023 increased by  $\mathfrak{L}1.0$  million to  $\mathfrak{L}13.7$  million, compared to  $\mathfrak{L}12.7$  million for the six months ended 30 September 2022. The increase reflects, *inter alia*, inflationary pressures faced by the Molten Group's infrastructure as well as increases in marketing costs and professional fees. The table below shows the change in operating expenses for the six months ended 30 September 2023 and the six months ended 30 September 2022.

	For the six months ended	
	30 September	
	2022	2023
	£m	£m
General administrative expenses	(10.1)	(10.8)
Depreciation and amortisation	(0.4)	(0.3)
Share-based payments – resulting from Company		
share option scheme	(2.1)	(2.5)
Investment and acquisition costs	(0.1)	(0.1)
Total operating costs	(12.7)	(13.7)

Molten continues to have limited net costs with management fee income during the six months ended 30 September 2023 of £9.3 million. As such Molten's costs (net of income) are close to parity, and substantially less than the stated target of less than 1 per cent. of NAV.

# 6.1.4 Financial liabilities

Financial liabilities as at 30 September 2023 increased by  $\mathfrak L0.1$  million to  $\mathfrak L89.3$  million, compared to  $\mathfrak L89.2$  million as at 30 September 2022. The increase reflects a small reduction in current liabilities and the additional cost of Molten's borrowings. The table below shows the financial liabilities as at 30 September 2023 and 30 September 2022.

	As at 30 September	
	2022	2023
	£m	£m
Current liabilities		
Leases	(0.4)	(0.1)
Loans and borrowings		
Total current financial liabilities	(0.4)	(0.1)
Non-current liabilities		
Leases	(0.1)	_
Loans and borrowings	(88.7)	(89.2)
Total non-current financial liabilities	(88.8)	(89.2)
Total	(89.2)	(89.3)

The table below shows the loan liability balance as at 30 September 2023 and 30 September 2022.

As at 30 September
2022 2023
£m £m
150.0 150.0
SONIA Rate SONIA Rate
+5.50% +5.50%
(90.0) (90.0)
1.3 0.8
(88.7) (89.2)
60.0 60.0
SONIA Rate SONIA R +5.50% +5.50 (90.0) (9 1.3 (88.7) (8

On 14 November 2023, Molten drew an additional £38 million from the Debt Facility in order to further support Molten's investments and make future investments, which was repaid on 21 December 2023.

# 6.2 Comparison of results of operation for the year ended 31 March 2023 and the year ended 31 March 2022

# 6.2.1 Change in losses/gains on investments held at fair value through the profit and loss

Investments held at fair value through the profit and loss for the financial year ended 31 March 2023 decreased by  $\mathfrak{L}240.1$  million, compared to a gain of  $\mathfrak{L}329.4$  million for the financial year ended 31 March 2022. The decrease was primarily due to a significant shift in the investment environment, particularly in the high-growth technology markets, as interest rates were increased to combat global inflationary pressures. The table below shows the change in gains on investments held at fair value through the profit and loss for the year ended 31 March 2023 and the year ended 31 March 2022.

	For the year ended	
	31 March	
	2022	2023
	£m	£m
Change in unrealised (losses)/gains on investments held at		
fair value through the profit and loss	217.6	(305.3)
Change in realised gains on investments held at fair value		
through the profit and loss	95.9	22.8
Net foreign exchange (loss)/gain on investments held at		
fair value through the profit and loss	15.9	42.4
Total movements on investments held at fair value through		
the profit and loss	329.4	(240.1)

# 6.2.2 Fee income

Fee income for the financial year ended 31 March 2023 increased by  $\mathfrak{L}0.9$  million (4.1 per cent.) to  $\mathfrak{L}22.7$  million, compared to  $\mathfrak{L}21.8$  million for the financial year ended 31 March 2022. The increase was primarily due to an increase in the third party funds under management. The table below shows the change in fee income for the year ended 31 March 2023 and the year ended 31 March 2022.

	For the ye	For the year ended 31 March	
	31 M		
	2022	2023	
	£m	£m	
Management fees	17.8	21.6	
Performance fees	2.5	_	
Promoter's fees	1.4	0.9	
Portfolio directors' fees	0.1	0.2	
Total	21.8	22.7	

74 per cent. of the management fees received by the Molten Group for the year ended 31 March 2023 are recognised in the Molten Group's statement of comprehensive income resulting from related party transactions from unconsolidated structured entities.

# 6.2.3 Operating expenses

Operating expenses for the financial year ended 31 March 2023 decreased by £2.7 million (10.15 per cent.) to £23.9 million, compared to £26.6 million for the financial year ended 31 March 2022. Operating expenses were broadly similar to the previous year once exceptional items recognised in the financial year ended 31 March 2022 relating to the Company's move to the Main Market and the Euronext Dublin Market are taken into account. The table below shows

the change in operating expenses for the year ended 31 March 2023 and the year ended 31 March 2022.

	For the ye	e year ended	
	31 N	1arch	
	2022	2023	
	£m	£m	
General administrative expenses	(19.5)	(18.7)	
Depreciation and amortisation	(0.8)	(0.7)	
Share based payments - resulting from company share option scheme	(3.7)	(4.4)	
Investments and acquisition costs	(0.2)	(0.1)	
Exceptional items	(2.4)		
Total operating expenses	(26.6)	(23.9)	

# 6.2.4 Income taxes

The table below shows the change in income taxes for the year ended 31 March 2023 and the year ended 31 March 2022.

	For the year ended 31 March	
	2022	2023
	£m	£m
Current tax expense		
Current tax on profits for the year	_	_
Adjustments for under/(over) provision in prior years	(0.1)	
Total current tax expense	(0.1)	
Deferred tax (expense)/benefit		
Prior year correction on deferred tax	(20.5)	_
Movement on deferred tax	(3.7)	3.3
Total deferred tax benefit/(expense)	(24.2)	3.3
Income tax benefit/(expense)	(24.3)	3.3

The UK standard rate of corporation tax was 19 per cent. as at year-end (for the year ended 31 March 2022: 19 per cent.). The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to (loss)/profit for the year before tax are as follows:

	For the year ended	
	31 March	
	2022	2023
	£m	£m
Profit/(loss) for the year before tax	325.0	(243.4)
Tax using the Company's domestic tax rate of 19% (2022:19%)	61.8	(46.2)
Taxable gains	1.1	_
Losses/(gains) on investments	(62.6)	45.6
Prior year correction on deferred tax	20.5	3.3
Movement on deferred tax	3.7	3.3
Others	(0.2)	0.6
Income tax expense	24.3	3.3

#### 6.2.5 Financial liabilities

Financial liabilities as at 31 March 2023 increased by £58.9 million to £89.3 million, compared to £30.4 million as at 31 March 2022. The increase is principally as a result of the Company drawing down £90 million when it entered into the Debt Facility. The table below shows the financial liabilities as at 31 March 2023 and 31 March 2022.

	As at 31 March	
	2022	2023
	£m	£m
Current liabilities		
Leases	(0.4)	(0.3)
Loans and borrowings		
Total current financial liabilities	(0.4)	(0.3)
Non-current liabilities		
Leases	(0.3)	_
Loans and borrowings	(29.7)	(89.0)
Total non-current financial liabilities	(30.0)	(89.0)
Total	(30.4)	(89.3)

The table below shows the loan liability balance as at 31 March 2023 and as at 31 March 2022.

	As at 31 March		
	2022	2023	
	£m	£m	
Bank loan senior facility amount	65.0	150.0	
Interest rate	<b>BOE</b> Base	SONIA Rate	
	Rate +6.25%	+5.50%	
Drawn at balance sheet date	(30.0)	(90.0)	
Arrangement fees	0.3	1.0	
Loan liability balance	(29.7)	(89.0)	
Undrawn facilities at balance sheet date	35.0	60.0	

# 6.3 Comparison of results of operation for the year ended 31 March 2022 and the year ended 31 March 2021

# 6.3.1 Change in unrealised gains on investments held at fair value

Investments held at fair value through the profit and loss for the financial year ended 31 March 2022 increased by £329.4 million, compared to a gain of £276.3 million for the financial year ended 31 March 2021. The increase was primarily due to growth in investments made in the Core Portfolio in previous financial years, both through financing rounds at higher valuations and revenue growth. The table below shows the change in gains on investments held at fair value through the profit and loss for the year ended 31 March 2022 and the year ended 31 March 2021.

	For the year ended	
	31 March	
	2021	2022
	£m	£m
Change in unrealised (losses)/gains on investments held at		
fair value through the profit and loss	183.6	217.6
Change in realised gains on investments held at fair value		
through the profit and loss	143.9	95.9
Net foreign exchange (loss)/gain on investments held at		
fair value through the profit and loss	(51.2)	15.9
Total movements on investments held at fair value		
through the profit and loss	276.3	329.4

### 6.3.2 Fee income

Fee income for the financial year ended 31 March 2022 increased by £9.3 million (74.4 per cent.) to £21.8 million, compared to £12.5 million for the financial year ended 31 March 2021. The increase was primarily due to an increase in the funds under management, particularly from the increase in the third-party funds (in part reflecting the consolidation of the Molten Ventures VCT fees following the acquisition of the full holding of Elderstreet Investments). The table below shows the change in fee income for the year ended 31 March 2022 and the year ended 31 March 2021.

	For the year ended	
	31 March	
	2021	2022
	£m	£m
Management fees	12.5	17.8
Performance fees	_	2.5
Promoter's fees	_	1.4
Portfolio directors' fees	0.0	0.1
Total	12.5	21.8

58 per cent. of the management fees received by the Molten Group for the year ended 31 March 2022 are recognised in the Molten Group's statement of comprehensive income resulting from related party transactions from unconsolidated structured entities.

# 6.3.3 **Operating expenses**

Operating expenses for the financial year ended 31 March 2022 increased by £10.3 million (63.2 per cent.) to £26.6 million, compared to £16.3 million for the financial year ended 31 March 2021. The increase reflects continued investment in the Molten Group's infrastructure, an increase in share based payments resulting from company share option schemes and exceptional items recognised in the financial year ended 31 March 2022 relating to the Company's move to the Main Market and the Euronext Dublin Market. The table below shows the change in operating expenses for the year ended 31 March 2022 and the year ended 31 March 2021.

	For the ye	ar ended
	31 M	arch
	2021	2022
	£m	£m
General administrative expenses	(13.8)	(19.5)
Depreciation and amortisation	(0.7)	(0.8)
Share based payments - resulting from company share option scheme	(1.5)	(3.7)
Investments and acquisition costs	(0.3)	(0.2)
Exceptional items	_	(2.4)
Total operating expenses	(16.3)	(26.6)

# 6.3.4 *Income taxes*

The table below shows the change in income taxes for the year ended 31 March 2022 and the year ended 31 March 2021.

	For the year ended 31 March	
	2021	2022
	£m	£m
Current tax expense		
Current tax on profits for the year	0.3	- (5 ()
Adjustments for under/(over) provision in prior years		(0.1)
Total current tax expense	0.3	(0.1)
Deferred tax (expense)/benefit		
Prior year correction on deferred tax	(20.5)	
Movement on deferred tax	(0.3)	(3.7)
Total deferred tax benefit/(expense)	(0.3)	(24.2)
Income tax benefit/(expense)		(24.3)

The UK standard rate of corporation tax was 19 per cent. as at year-end (for the year ended 31 March 2022: 19 per cent.). The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to (loss)/profit for the year before tax are as follows:

	For the year ended	
	31 Mai	rch
	2021	2022
	£m	£m
Profit/(loss) for the year before tax	267.4	325.0
Tax using the Company's domestic tax rate of 19% (2021:19%)	50.8	61.8
Taxable gains	_	1.1
Losses/(gains) on investments	(50.7)	(62.6)
Prior year correction on deferred tax	_	20.5
Movement on deferred tax	0.3	3.7
Others	(0.4)	(0.2)
Income tax expense		24.3

# 6.3.5 Financial liabilities

Financial liabilities as at 31 March 2022 increased by £29.8 million to £30.4 million, compared to £0.6 million as at 31 March 2021. The increase is principally as a result of the Company drawing down £30 million from its debt facility. The table below shows the financial liabilities as at 31 March 2022 and 31 March 2021.

	As at 31 March	
	2021	2022
	£m	£m
Current liabilities		
Leases	(0.3)	(0.4)
Loans and borrowings		
Total current financial liabilities	(0.3)	(0.4)
Non-current liabilities		
Leases	(0.7)	(0.3)
Loans and borrowings	0.4	(29.7)
Total non-current financial liabilities	(0.3)	(30.0)
Total	(0.6)	(30.4)

The table below shows the loan liability balance as at 31 March 2022 and 31 March 2021.

	As at 31 March		
	2021	2022	
	£m	£m	
Bank loan senior facility amount	60.0	65.0	
Interest rate	BOE Base	<b>BOE</b> Base	
	Rate +6.25%/	Rate +6.25%	
	7.50% Floor		
Drawn at balance sheet date	_	(30.0)	
Arrangement fees	0.4	0.3	
Loan liability balance	(0.4)	(29.7)	
Undrawn facilities at balance sheet date	60.0	35.0	

### 7 LIQUIDITY AND CAPITAL RESOURCES

Molten Group's primary sources of liquidity are the cash flows it generates from its operations, realisations of its investments and borrowings. The primary use of this liquidity is to fund Molten Group's operations (including the purchase of investments).

	For the v	year ended 31	March		nonths ended Itember
	2021 £m	2022 £m	2023 £m	2022 £m	2023 £m
Net cash flow/(outflow) from operating activities	70.6	(212.2)	(108.0)	(106.6)	6.7
Net cash flow/(outflow) from investing activities  Net cash inflow from financing	(0.8)	(0.1)	_	-	-
activities	60.1	128.1	51.1	55.1	(5.0)
Net cash flow for the period	129.9	(84.2)	(56.9)	(51.5)	1.7
Cash and cash equivalents, beginning of period Exchange differences on cash and cash equivalents	34.1 (3.3)	160.7 1.6	78.1 1.7	78.1 1.9	22.9
·	(0.0)				
Cash and cash equivalents at end of the period	158.4	75.8	22.9	28.5	24.6
Restricted cash	2.3	2.3	_	_	_
Total cash and cash equivalents and restricted					
cash at period-end	160.7	78.1	22.9	28.5	24.6

# 7.1.1 Cash flow from operating activities

Net cash inflow from operating activities for the six months ended 30 September 2023 was  $\mathfrak{L}6.7$  million compared to a net cash outflow of  $\mathfrak{L}106.6$  million for the six months ended 30 September 2022. The increase in the net cash inflow for the six months ended 30 September 2023 was primarily due to a smaller revaluation of investments held at fair value through profit and loss and the reduction in the purchase of investments.

Net cash outflow from operating activities for the year ended 31 March 2023 was £108.0 million compared to a net cash outflow of £212.2 million for the year ended 31 March 2022. The decrease in the net cash outflow in 2023 was primarily due to the revaluation of investments held at fair value through profit and loss, the reduction in the purchase of investments and the reduction of proceeds from disposals in underlying investment vehicles.

Net cash outflow from operating activities for the year ended 31 March 2022 was £212.2 million compared to a net cash inflow of £70.6 million for the year ended 31 March 2021. The increase in net cash outflow in 2022 was primarily due to the increase in purchase of investments and the reduction of proceeds from disposals in underlying investment vehicles.

### 7.1.2 Cash flow used in investing activities

There was no net cash outflow from investing activities for the six months ended 30 September 2023 or the six months ended 30 September 2022.

There was no net cash outflow from investing activities for the year ended 31 March 2023 which was compared to a net cash outflow of £0.1 million for the year ended 31 March 2022. The decrease in the net cash outflow in 2023 was due to no property, plant or equipment being acquired in 2023.

Net cash outflow from investing activities for the year ended 31 March 2022 was £0.1 million compared to a net cash inflow of £0.8 million for the year ended 31 March 2021. The net cash outflow in 2022 was broadly the same as in 2021 once the payment for the acquisition of Elderstreet Investments is taken into account.

# 7.1.3 Cash flow from financing activities

Net cash outflow from financing activities for the six months ended 30 September 2023 was £5.0 million compared to a net cash inflow of £55.1 million for the six months ended 30 September 2022. The increase in the net cash outflow in 2023 was primarily due to interest payments on the Debt Facility.

Net cash inflow from financing activities for the year ended 31 March 2023 was  $\mathfrak{L}51.1$  million compared to a net cash inflow of  $\mathfrak{L}128.1$  million for the year ended 31 March 2022. The net cash inflow in 2023 was primarily due to a drawdown on the Debt Facility.

Net cash inflow from financing activities for the year ended 31 March 2022 was £128.1 million compared to a net cash inflow of £60.1 million for the year ended 31 March 2021. The net cash inflow in 2022 increased primarily due to no loan repayments being made for the year ended 31 March 2021.

## 7.2 Borrowings

Molten and various entities within the Molten Group entered into a facilities agreement on 6 September 2022 (amended and restated on 23 December 2022 and 31 May 2023 and further amended by way of an amendment agreement on 29 November 2023) with the Lenders. The debt facility comprises a £90.0 million term loan and a revolving credit facility of up to £60.0 million. The Term Loan and the Revolving Credit Facility are each repayable in full (subject to any prior refinancing) by 6 September 2025 and the availability period of the Revolving Credit Facility expires on 6 September 2024 such that the Company may not make any further drawdowns under the Revolving Credit Facility during the last 12 months prior to the repayment date. The repayment dates for both the Term Loan and the Revolving Credit Facility, and the availability period of the Revolving Credit Facility, may each be extended by two 12-month periods, subject to the Lenders' willingness to extend and the satisfaction of various conditions (including there being no existing event of default). Should the maximum extension periods be granted, the Term Loan and the Revolving Credit Facility will be repayable in full by 6 September 2027 and the availability period of the Revolving Credit Facility will expire on 6 September 2026.

The Debt Facility replaced Molten's previous £65.0 million revolving credit facility with HSBC Innovation Bank Limited (previously Silicon Valley Bank UK Limited) and Investec Bank plc, which was repaid in full out of the Term Loan. In addition to repaying the previous facility, the Debt Facility may be used for general working capital purposes and to finance the purchase of portfolio companies, but cannot be used to fund share buybacks.

The headline interest rate applied on both the Term Loan and the Revolving Credit Facility includes a 'margin' of 5.50 per cent. per annum plus SONIA. The Facilities Agreement also provides for the Lenders to receive a commitment fee of 0.75 per cent. on any unused amount under the Revolving Credit Facility. Molten also paid an arrangement fee of 1.0 per cent. on new funds; a 0.35 per cent. fee on existing funds; an agency fee to the agent, J.P. Morgan SE; and a modest security agent fee to the security agent.

The Lenders have first priority security interests over certain Molten Group assets, including bank accounts, listed shares, and limited partner interests, with a number of entities within the Molten Group acceding as guarantors.

The availability of the Debt Facility is subject to financial and non-financial covenants which Molten and certain members of the Molten Group must comply with throughout the term of the Debt Facility, including:

- value test: maintaining a value to cost ratio of investments of at least 1.10:1.00;
- **LTV ratio:** total aggregate financial indebtedness not exceeding 20 per cent. (10 per cent. on each utilisation) of the value of investments in the portfolio (with adjustments for concentration

limits connected to, *inter alia*, sector, geography, joint or collective value and/or listed status) together with the value of all amounts held in specified bank accounts subject to the security package;

- secured LTV ratio: total aggregate financial indebtedness not exceeding 35 per cent. (25 per cent. on each utilisation) of the value of secured investments in the portfolio (with adjustments for concentration limits connected to, *inter alia*, sector, geography, joint or collective value and/or listed status) calculated by reference to specified assets and bank accounts subject to the security package;
- **minimum eligible investments:** maintaining a minimum of 50 investments and 20 secured investments (in each case, subject to certain eligibility criteria), with each such investment comprising not less than £2.5 million of the aggregate gross asset value of all such investments (with adjustments for concentration limits connected to, *inter alia*, sector, geography, joint or collective value and/or listed status); and
- **secured perimeter:** ensuring that at least 70 per cent. of the eligible investments in the portfolio are comprised of secured eligible investments and cash amounts held in specified bank accounts subject to the security package.

Failure to satisfy these covenants may limit Molten's ability to borrow and/or also trigger events of default, which in some instances could trigger a cash sweep on realisations and/or require Molten to cure those breaches by repaying the Debt Facility (either partially or in full). The Lenders may commission guarterly independent valuations of the investment portfolio.

Molten may make voluntary prepayments of loans advanced under the Facilities Agreement which may be subject to break costs. Molten may not re-borrow any of the Term Loan once prepayment has been made, however it is entitled to re-borrow under the Revolving Credit Facility.

As at 31 March 2023, the Company had a loan liability balance of £89.0 million and undrawn facilities of £60.0 million. On 14 November 2023, Molten drew an additional £38 million from the Debt Facility in order to further support Molten's investments and make future investments, which was repaid on 21 December 2023.

## 7.3 Treasury and hedging

Cash held by the Molten Group pending investment, reinvestment or distribution will be managed by the Molten Group in accordance with the Molten Group's treasury policy and placed in bank deposits with major global financial institutions, in order to protect the capital value of the Molten Group's cash assets. The Molten Group may hedge exposure to FX fluctuations in accordance with its hedging policy, including via dual currency deposits. Investments are expected to be held by Molten or a subsidiary to be incorporated for the purpose of holding an investment.

# 7.4 Commitments and contingent liabilities

The Molten Group leases office buildings in London for use by its staff. The Molten Group also has an office in Dublin, however the contract for this office is classified as a service contract and not a lease. The Molten Group leases IT equipment such as printers for use by staff. The Molten Group has elected to apply the recognition exemption for leases of low value to these leases.

The Molten Group recorded the following liabilities in respect of leases as at 31 March 2023, 2022 and 2021 and as at 30 September 2023.

# Lease liabilities included in the consolidated statement of financial position

	As at	As at	As at	As at
	31 March	31 March	31 March	30 September
	2021	2022	2023	2023
	£m	£m	£m	£m
Current	(0.3)	(0.4)	(0.3)	(0.1)
Non-current	(0.7)	(0.3)		
Total lease liabilities	(1.0)	(0.7)	(0.3)	(0.1)

The Molten Group makes commitments to seed funds (including funds invested in as part of its partnership with Earlybird) as part of its investment activity, which will be drawn down as required by the funds over their investment period. Contractual commitments for the following amounts have been made as at 31 March 2023 and 30 September 2023 but are not recognised as a liability on the consolidated statement of financial position:

	As at	As at
	31 March	30 September
	2023	2023
	£m	£m
Undrawn capital commitments	87.9	96.4
Total capital commitments	316.0	316.2

Undrawn commitments will be funded from the Molten Group's existing cash balances together with any future realisations.

### 8 DIVIDEND POLICY

It is the current intention of the Molten Directors to reinvest any income received from investee companies as well as the net proceeds of any realisations in the Molten Group's portfolio. However, the Molten Directors may consider the payment of dividends (or other methods of returning net proceeds to Molten Shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of and investment opportunities available to the Molten Group.

#### 9 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

The Molten Group holds investments through investment vehicles which are predominantly managed by Molten Group entities. The investments are predominantly in unlisted securities and are carried at fair value through the profit and loss. The table below sets out the movement in the balance sheet value of investments from the start to the end of the year, showing investments made, cash receipts and fair value movements.

	Year ended	Year ended	Year ended
	31 March	31 March	31 March
	2021	2022	2023
	£m	£m	£m
As at 1 April	657.3	867.1	1,410.8
Investments made in the period <sup>1</sup>	128.0	311.2	138.2
Loans repaid from underlying investment vehicles	(206.3)	(126.3)	(48.1)
Carry external	_	13.5	2.1
Non-investment cash movement	11.8	15.9	14.1
Unrealised gains on the revaluation of investments <sup>2</sup>	276.3	329.4	(240.1)
As at 31 March	867.1	1,410.8	1,277.0

<sup>1</sup> Investments and loans made in the year are amounts the Company has invested in underlying investment vehicles. This is not the equivalent to the total amount invested in investee companies as existing cash balances from the investment vehicles are reinvested.

<sup>2</sup> Unrealised gains on the revaluation of investments are as a result of movements measured at fair value through the profit and loss according to the Molten Group's valuation policy and the following fair value hierarchy: (a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; (b) Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and (c) Level 3: inputs are unobservable inputs for the asset or liability. All investments are held at fair value through the profit and loss are classified as Level 3 in the fair value hierarchy. Consequently, the values of investments at balance sheet date are considered to be entirely based on Level 3 inputs. Each portfolio company will be subject to individual assessment. Where the Molten Group invests in fund of fund investments, the value of the portfolio will be reported by the fund to the Molten Group. The Molten Group will ensure that the valuations comply with the Molten Group policy. The valuation multiple is the main assumption applied to valuation based on a revenue-multiple methodology. The multiple is derived from comparable listed companies or relevant market transaction multiples. Companies in the same industry and geography, and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. They are also adjusted to represent Molten's longer-term view of performance through the cycle or the Molten Group's existing assumption.

The table below sets out the movement in the balance sheet value of investments from the start to the end of the six month period ended 30 September 2022 and 30 September 2023, showing investments made, cash receipts and fair value movements.

	Six months	Six months
	ended	ended
	30 September	30 September
	2022	2023
	£m	£m
As at 1 April	1,410.8	1,277.0
Investments made in the period1	112.0	16.5
Loans repaid from underlying investment vehicles	(12.9)	(32.6)
Carry external	_	1.9
Non-investment cash movement	(1.0)	4.0
Unrealised gains on the revaluation of investments2	(115.9)	(63.2)
As at 30 September	1,353.0	1,203.6

- 1 Investments and loans made in the year are amounts the Company has invested in underlying investment vehicles. This is not the equivalent to the total amount invested in investee companies as existing cash balances from the investment vehicles are reinvested.
- 2 Unrealised gains on the revaluation of investments are as a result of movements measured at fair value through the profit and loss according to the Molten Group's valuation policy and the following fair value hierarchy: (a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; (b) Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and (c) Level 3: inputs are unobservable inputs for the asset or liability. All investments are held at fair value through the profit and loss are classified as Level 3 in the fair value hierarchy. Consequently, the values of investments at balance sheet date are considered to be entirely based on Level 3 inputs. Each portfolio company will be subject to individual assessment. Where the Molten Group invests in fund of fund investments, the value of the portfolio will be reported by the fund to the Molten Group. The Molten Group will ensure that the valuations comply with the Molten Group policy. The valuation multiple is the main assumption applied to valuation based on a revenue-multiple methodology. The multiple is derived from comparable listed companies or relevant market transaction multiples. Companies in the same industry and geography, and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. They are also adjusted to represent Molten's longer-term view of performance through the cycle or the Molten Group's existing assumption.

# 10 INTANGIBLE ASSETS

The tables below set out a summary of the intangible assets of the Molten Group for the periods indicated, which have been extracted without material adjustment from the audited financial statements of the Molten Group for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and the six months ended 30 September 2023 which have been incorporated into this document by reference as set out in Part 16 (Documents Incorporated by Reference) of this document.

31 March 2021	Goodwill	Customer contracts	Total £m
	£m	£m	£III
Cost Cost carried forward as at 1 April 2020 Additions during the year	9.7	0.8	10.5 1.0
Cost as at 31 March 2021	10.4	1.1	11.5
Accumulated amortisation  Amortisation carried forward as at 1 April 2020  Charge for the year	_ _	(0.4) (0.1)	(0.4) (0.1)
Accumulated amortisation as at 31 March 2021  Net book value:		(0.6)	(0.6)
As at 31 March 2021	10.4	0.6	10.9

31 March 2022	Goodwill £m	Customer contracts £m	Total £m
Cost Cost carried forward as at 1 April 2021 Additions during the year	10.4	1.1	11.5
Cost as at 31 March 2022	10.4	1.1	11.5
Accumulated amortisation  Amortisation carried forward as at 1 April 2021  Charge for the year		(0.6)	(0.6)
Accumulated amortisation as at 31 March 2022	_	(0.8)	(0.8)
Net book value: As at 31 March 2022	10.4	0.3	10.7
31 March 2023	Goodwill £m	Customer contracts £m	Total £m
Cost Cost carried forward as at 1 April 2022 Additions during the period	10.4	1.1	11.5
Cost as at 31 March 2023	10.4	1.1	11.5
Accumulated amortisation  Amortisation carried forward as at 1 April 2022  Charge for the period		(0.8) (0.2)	(0.8) (0.2)
Accumulated amortisation as at 31 March 2023	_	(1.0)	(1.0)
Net book value: As at 31 March 2023	10.4	0.1	10.5
30 September 2023  Cost Cost	Goodwill £m	Customer contracts £m	Total £m
Cost carried forward as at 1 April 2023 Additions during the period	10.4 -	1.1 -	11.5 -
Cost as at 30 September 2023	10.4	1.1	11.5
Accumulated amortisation  Amortisation carried forward as at 1 April 2023  Charge for the period		(1.0) (0.1)	(1.0) (0.1)
Accumulated amortisation as at 30 September 2023		(1.1)	(1.1)
Net book value: As at 30 September 2023	10.4		10.4

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceed the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Molten Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at

its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

#### 11 OFF BALANCE SHEET COMMITMENTS

Save for its undrawn commitments in the Earlybird funds and under the Fund of Funds Programme (see paragraph 7.3 of this Part 12 of this document for further details), the Molten Group did not have any material off-balance sheet liabilities or other off-balance sheet commitments as at 30 September 2023.

# 12 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET, LIQUIDITY AND CREDIT RISKS

The Molten Group typically groups financial risks by type: market, liquidity and credit.

# 12.1 Market risk - foreign currency

A significant portion of the Molten Group's investments and cash deposits are denominated in a currency other than Sterling. The principal currency exposure risk is due to changes in the exchange rate between GBP and USD/EUR. Presented below is an analysis of the theoretical impact of 10 per cent. volatility in the exchange rate on shareholder equity.

Theoretical impact of a change in the exchange rate of +/-10 per cent. between GBP and USD/EUR would be as follows:

	31 March	31 March	31 March	30 September
	2021	2022	2023	2023
Foreign currency exposures – Investments	£m	£m	£m	£m
Investment denominated in EUR	286.6	614.3	672.3	613.6
10% decrease in GBP	318.4	682.6	747.0	681.8
10% increase in GBP	260.5	558.5	611.2	557.8
Investments denominated in USD	477.8	484.5	303.1	296.9
10% decrease in GBP	530.8	538.3	336.7	329.8
10% increase in GBP	434.4	440.5	275.5	269.9

Certain cash deposits held by the Molten Group are denominated in EUR and USD. The theoretical impact of a change in the exchange rate of +/-10 per cent. between GBP and USD/EUR would be as follows:

	31 March	31 March	31 March	30 September
	2021	2022	2023	2023
Foreign currency exposures – Investments	£m	£m	£m	£m
Cash denominated in EUR	40.6	24.5	0.5	9.9
10% decrease in GBP	36.5	22.0	0.5	11.0
10% increase in GBP	44.6	26.9	0.6	9.0
Cash denominated in USD	26.3	32.5	0.9	1.6
10% decrease in GBP	23.6	29.3	0.8	1.8
10% increase in GBP	28.9	35.8	1.0	1.5

The combined theoretical impact on shareholders' equity of the changes to revenues, investments and cash and cash equivalents of a change in the exchange rate of +/-10 per cent. between GBP and USD/EUR would be as follows:

	31 March	31 March	31 March	30 September
	2021	2022	2023	2023
Foreign currency exposures – Investments	£m	£m	£m	£m
Shareholders' equity	1,033.1	1,433.8	1,194.1	1,124.2
10% decrease in EUR:GBP/USD:GBP	929.8	1,290.5	1,085.6	1,249.1
10% increase in EUR:GBP/USD:GBP	1,136.5	1,577.3	1,326.8	1,022.0

### 12.2 Market risk – price risk

Market price risk arises from the uncertainty about the future prices of financial instruments held in accordance with the Molten Group's investment objectives. It represents the potential loss that the Molten Group might suffer through holding market positions in the face of market movements. The valuation of unquoted equity investments at fair value through profit or loss is a critical accounting estimate and actuals may differ from estimates.

The Molten Group is exposed to equity price risk in respect of equity rights and investments held by the Molten Group and classified on the balance sheet as financial assets at fair value through profit or loss. These equity rights are held mostly in unquoted high-growth technology companies and are valued by reference to revenue or earnings multiples of quoted comparable companies (taken as at the period/year-end date), last round price (calibrated against market comparables) or net asset value of the underlying fund ("NAV of underlying fund"), and also in certain quoted high-growth technology companies. These valuations are subject to market movements.

The Molten Group seeks to manage this risk by routinely monitoring the performance of these investments and employing stringent investment appraisal processes.

The theoretical impact of a fluctuation in equity prices of +/-10 per cent. would be as follows:

valualiuli	methodology

						Calib	rated
				NA	V of	pri	ce
Qu	oted	Reve	enue-	unde	erlying	of re	cent
eq	juity	mu	ltiple	fu	nd	inves	tment
-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%
(0.1)	0.1	(44.4)	44.6	(22.0)	22.0	(46.8)	51.8
(1.2)	1.2	(43.6)	41.7	(22.8)	22.8	(54.4)	53.6
(6.4)	6.4	(39.8)	39.9	(24.1)	24.1	(67.2)	74.3
(8.6)	8.6	(32.6)	32.6	(11.8)	11.8	(45.1)	45.1
	(0.1) (1.2) (6.4)	(0.1) 0.1 (1.2) 1.2 (6.4) 6.4	equity mu -10% +10% -10% (0.1) 0.1 (44.4) (1.2) 1.2 (43.6) (6.4) 6.4 (39.8)	equity multiple -10% +10% -10% +10%  (0.1) 0.1 (44.4) 44.6 (1.2) 1.2 (43.6) 41.7 (6.4) 6.4 (39.8) 39.9	Quoted equity         Revenue-multiple         under full full full full full full full ful	equity multiple fund -10% +10% -10% +10% -10% +10%  (0.1) 0.1 (44.4) 44.6 (22.0) 22.0  (1.2) 1.2 (43.6) 41.7 (22.8) 22.8  (6.4) 6.4 (39.8) 39.9 (24.1) 24.1	Quoted equity         Revenue- multiple multiple         fund investor           -10% +10%         -10% +10%         -10% +10%         -10%           (0.1)         0.1         (44.4)         44.6         (22.0)         22.0         (46.8)           (1.2)         1.2         (43.6)         41.7         (22.8)         22.8         (54.4)           (6.4)         6.4         (39.8)         39.9         (24.1)         24.1         (67.2)

# 12.3 Liquidity risk

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of 3 months or less held in readily accessible bank accounts. The carrying amount of these assets is approximately equal to their fair value. Responsibility for liquidity risk management rests with the Board, who have established a framework for the management of the Molten Group's funding and liquidity management requirements. The Molten Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows. The utilisation of the Debt Facility and requirement for utilisation requests is monitored as part of this process.

Lease liabilities fall due over the term of the lease. The Debt Facility comprises a £90.0 million term loan and a revolving credit facility of up to £60.0 million. The Term Loan and the Revolving Credit Facility are each repayable in full (subject to any prior refinancing) by 6 September 2025 and the availability period of the Revolving Credit Facility expires on 6 September 2024 such that the Company may not make any further drawdowns under the Revolving Credit Facility during the last 12 months prior to the repayment date. The repayment dates for both the Term Loan and the Revolving Credit Facility, and

the availability period of the Revolving Credit Facility, may each be extended by two 12-month periods, subject to the Lenders' willingness to extend and the satisfaction of various conditions (including there being no existing event of default). Should the maximum extension periods be granted, the Term Loan and the Revolving Credit Facility will be repayable in full by 6 September 2027 and the availability period of the Revolving Credit Facility will expire on 6 September 2026. All other Molten Group payable balances at balance sheet date and prior periods fall due for payment within one year.

As part of the Fund of Funds Programme, the Molten Group makes commitments to funds to be drawn down over the life of the fund. Projected drawdowns are monitored as part of the monitoring process above.

#### 12.4 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. As part of its investments, Molten may invest in debt instruments such as bridging loans and convertible loan notes (included within the investments held at fair value to profit and loss). This is not included below as the risk is considered as part of the fair value measurement. The Molten Group's trade receivables are amounts due from the investment funds under management, or underlying portfolio companies. The Molten Group's maximum exposure to credit risk is limited to the carrying amount of trade receivables, cash and cash equivalents, and restricted cash at each period-end is summarised below:

	31 March 2021 £m	31 March 2022 £m	31 March 2023 £m	30 September 2023 £m
Trade and other receivables Cash at bank and in hand Restricted cash	3.7 158.4 2.3	2.8 75.8 2.3	5.0 22.9 	2.2 24.6
Total	164.4	80.9	27.9	26.8

The Directors consider that expected credit losses relating to the above financial assets are immaterial for each of the reporting dates under review as they are of good credit quality. In respect of trade and other receivables, the Molten Group is not exposed to significant risk as the principal customers are the investment funds managed by the Molten Group, and in these the Molten Group has control of the banking as part of its management responsibilities. Investments in unlisted securities are held within limited partnerships for which Esprit Capital Partners LLP acts as manager, and, consequently, the Molten Group has responsibility itself for collecting and distributing cash associated with these investments. The credit risk of amounts held on deposit is limited by the use of reputable banks with high-quality external credit ratings and, as such, is considered negligible. The Molten Group has an agreed list of authorised counterparties. Authorised counterparties and counterparty credit limits are established within the parameters of the Molten Group Treasury Policy to ensure that the Molten Group deals with creditworthy counterparties and that counterparty concentration risk is addressed. Any changes to the list of authorised counterparties are approved by the CFO after carrying out appropriate credit worthiness checks and any other appropriate information, and the changes require approval from the Board. Cash at 30 September 2023 is held with the following institutions (and their respective Moody's credit rating): (1) Barclays Bank plc (A1); (2) HSBC Innovation Bank Limited (A1); and at 31 March 2023 Investec Bank plc (Baa1).

### 12.5 Capital management

The Molten Group's objectives when managing capital are to: (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and (ii) maintain an optimal capital structure.

The Molten Group is funded through equity and debt at the balance sheet date. In order to maintain or adjust the capital structure, the Molten Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to manage cash.

#### 12.6 Interest rate risk

The Molten Group's interest rate risk arises from borrowings on the £150.0 million Debt Facility with the Lenders, which was entered into in September 2022, at which point £90.0 million term loan was drawn down (30 September 2023: £90.0 million drawn). The Molten Group's borrowings are denominated in GBP and are carried at amortised cost.

There were no additional drawdowns during the six-month period to 30 September 2023. On 14 November 2023, Molten drew an additional £38 million from the Debt Facility in order to further support Molten's investments and make future investments, which was repaid on 21 December 2023. Interest is charged at a rate of SONIA plus 5.50 per cent. on the loan facility with the Lenders. This balance remains outstanding at the period-end. The interest charged on future drawdowns will fluctuate with the movements on SONIA.

If the base rate (SONIA) had been 2.5 per cent. higher during the six-month period to 30 September 2023, the difference to the consolidated statement of comprehensive income would have been an increase in finance costs of  $\mathfrak{L}1.1$  million.

### 13 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Molten Directors have made judgements and estimates with respect to those items that have made the most significant effect on the carrying amounts of the assets and liabilities in the financial statements. The Molten Directors have concluded that the judgements and estimates in the Company financial statements are consistent with those applied in the audited financial statements of the Molten Group for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and the six month periods ended 30 September 2022 and 30 September 2023 which have been incorporated into this document by reference as set out in Part 16 (Documents Incorporated by Reference) of this document.

### **PART 13**

# **CAPITALISATION AND INDEBTEDNESS**

The following table, sourced without material adjustment from Molten's unaudited management accounts for the period ended 31 December 2023, sets out Molten's unaudited consolidated indebtedness and Molten's unaudited consolidated capitalisation, both as at 31 December 2023, being a date within 90 days of the date of this document:

	As at 31 December 2023 (unaudited) £m
Total current debt (including current portion of non-current debt): Guaranteed Secured¹ Unguaranteed/unsecured	0.0 (0.1) 0.0
Total current debt	(0.1)
Total non-current debt (excluding current portion of non-current debt): Guaranteed Secured <sup>2 3</sup> Unguaranteed/unsecured	0.0 (89.3) 0.0
Total non-current debt	(89.3)
Total indebtedness	(89.4)
Shareholder equity: Share capital <sup>4</sup> Share premium <sup>4</sup> Other reserves <sup>5</sup>	1.7 671.4 28.2
Total shareholder equity	701.3

## **Explanatory notes**

- 1 The Molten Group's long term lease commitment for office premises expired on 2 January 2024. This has been extended on a monthly basis until such time that a new long term lease is agreed.
- 2 Molten has a Debt Facility comprising: (i) a £90.0 million term loan; and (ii) a revolving credit facility of up to £60.0 million of which nil is drawn. This debt is shown net of unamortised debt issue costs.
- 3 There are no long term lease liabilities.
- 4 Share capital and share premium includes the impact of the Issue, which completed in December 2023. Pursuant to the Issue, the Company issued 21,261,548 Issue Shares and raised gross proceeds of £57.4 million.
- 5 Other reserves includes "merger relief reserve", "share-based payments reserve resulting from company share option scheme" and "share-based payments reserve resulting from acquisition of subsidiary" and excludes "retained earnings".

The following table, sourced without material adjustment from Molten's unaudited management accounts for the period ended 31 December 2023, shows Molten's unaudited consolidated net indebtedness as at 31 December 2023, being a date within 90 days of the date of this document:

		As at
		31 December 2023
		(unaudited)
		£m
A.	Cash	68.1
B.	Cash equivalents	_
C.	Other current financial assets	_
D.	Liquidity (A + B + C)	68.1
E.	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) <sup>1</sup>	(0.1)
F.	Current portion of non-current financial debt	
G.	Current financial indebtedness $(E + F)$	(0.1)
H.	Net current financial (indebtedness)/liquidity (G - D)	68.0
l.	Non-current financial debt (excluding current portion and debt instruments) <sup>2</sup>	_
J.	Debt instruments <sup>3</sup>	(89.3)
K.	Non-current trade and other payables	
L.	Non-current financial (indebtedness)/liquidity $(I + J + K)$	(89.3)
M.	Total financial (indebtedness)/liquidity $(H + L)$	(21.3)

#### Explanatory notes

- The Molten Group's long term lease commitment for office premises expired on 2 January 2024. This has been extended on a monthly basis until such time that a new long term lease is agreed.
- There are no long term lease liabilities.
- The Molten Group has a Debt Facility comprising: (i) a £90.0 million term loan; and (ii) a revolving credit facility of up to £60.0 million of which nil is drawn. This debt is shown net of unamortised debt issue costs.

The Molten Group has no indirect or contingent indebtedness.

There has been no material change in Molten's consolidated capitalisation and consolidated indebtedness position since 31 December 2023.

#### **PART 14**

#### ADDITIONAL INFORMATION

### 1 RESPONSIBILITY

The Company, whose registered office appears at Part 6 (Molten Directors and Advisers) and the Molten Directors accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Molten Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import. All of the Molten Directors accept responsibility accordingly.

### 2 THE COMPANY AND THE MOLTEN GROUP

- 2.1 The Company was incorporated with the name Ingleby (1994) plc in England and Wales on 29 September 2015 with registered number 9799594 as a public company limited by shares under the Companies Act. The Company changed its name to 'Draper Esprit plc' on 9 June 2016, and subsequently changed its name to 'Molten Ventures plc' on 8 November 2021. The Company's LEI number is 213800IPCR3SAYJWSW10. The Company is domiciled in England and Wales.
- 2.2 The registered office and principal place of business of the Company is 20 Garrick Street, London, England, WC2E 9BT with telephone number +44 (0)20 7931 8800.
- 2.3 The principal legislation under which the Company operates is the Companies Act. The Company is not regulated as a collective investment scheme by the FCA but is an AIF under the UK AIFM Regime and the EU AIFM Directive. The Company has appointed Esprit Capital as its AIFM and details of the AIFM Agreement between the Company and Esprit Capital are set out at paragraph 16.1 of this Part 14 of this document. The Company is subject to the Prospectus Regulation Rules, the Irish Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Irish Transparency Rules, the Prospectus Regulation, the EU Prospectus Regulation, MAR, EU MAR, Irish MAR, the Listing Rules, the Irish Listing Rules and the rules of the London Stock Exchange.
- 2.4 The Company's accounting period ends on 31 March of each year. The current accounting period will end on 31 March 2024. The annual report and accounts will be prepared in Sterling according to accounting standards laid out under IFRS and UK IFRS.
- 2.5 On 20 November 2015, the Company was granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 2.6 Molten is the holding company of the Molten Group and has the following subsidiaries and subsidiary undertakings:

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation/ registration	Registered office	Ownership percentage
DFJ Europe X, L.P	Limited partnership pursuant to which the Molten Group makes certain investments	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	100%
Elderstreet Holdings Limited	Intermediate holding company	England & Wales	20 Garrick Street, London, England, EC2E 9BT	100%
Elderstreet Investments Limited	AIFM to Molten Ventures VCT and Molten SP I LLP	England & Wales	20 Garrick Street, London, England, EC2E 9BT	100%
Encore I Founder GP Limited	General partner	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	100%

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation/ registration	Registered office	Ownership percentage
Encore I GP Limited	Intermediate holding company	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	100%
Encore Ventures LLP	AIFM to the Encore Funds	England & Wales	20 Garrick Street, London, England, EC2E 9BT	100%
Esprit Capital Holdings Limited	Dormant	England & Wales	20 Garrick Street, London, England, EC2E 9BT	100%
Esprit Capital I (CIP) Limited	Dormant	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital I (GP) Limited	General partner and co-invest vehicle	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital I General Partner	General partner	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital II GP Limited	General partner	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	100%
Esprit Capital III (B), L.P.	Limited partnership pursuant to which the Molten Group makes certain investments	England & Wales	20 Garrick Street, London, England, EC2E 9BT	100%
Esprit Capital III Founder GP Limited	General partner	Scotland	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	100%
Esprit Capital III GP Limited	General partner (dormant)	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital III GP LP	General partner	Scotland	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	100%
Esprit Capital III, L.P.	Limited partnership pursuant to which the Molten Group makes certain investments	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital III MLP LLP	Intermediate holding company	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital IV LP	Limited partnership pursuant to which the Molten Group makes certain investments	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital II L.P.	Limited partnership pursuant to which the Molten Group previously made certain investments	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	100%
Esprit Capital Partners LLP (1) LP	AIFM to Molten, Molten Ventures FoF I LP, Molten Ventures Investments (Ireland) I LP and the Esprit Funds	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation/registration	Registered office	Ownership percentage
Esprit Investments (1) LP	Limited partnership pursuant to which the Molten Group makes certain investments	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Investments (2) (B) (i) LP	Dormant	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Investments (2) (B) (ii) LP	Limited partnership pursuant to which the Molten Group makes certain investments	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Investments (2) LP	Limited partnership pursuant to which the Molten Group makes certain investments	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Nominees Limited	Nominee company	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Grow Trustees Limited	Trustee of the Molten Group's employment benefit trust	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Ingleby (2023) plc	Dormant (in process of dissolution)	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Molten Ventures (Ireland) Limited	Investment entity	Republic of Ireland	32 Molesworth Street, Dublin, Ireland, DO2Y512	100%
Molten Ventures (Nominee) Limited	Dormant	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Molten Ventures Advisors Limited	Dormant	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Molten Ventures FoF	General partner	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Molten Ventures Growth Fund I GP S.a.r.I	Dormant	Luxembourg	c/o IQ-EQ, 412 F Route d'Esch 2086 Luxembourg	100%
Molten Ventures Growth Fund I SCSp	Dormant	Luxembourg	c/o IQ-EQ, 412 F Route d'Esch 2086 Luxembourg	100%
Molten Ventures Growth SP GP LLP	Dormant	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Molten Ventures Holdings Ltd	Intermediate company and Qualified Asset Holding Company (QAHC)	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Molten Ventures Investments GP LLP	General partner	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation/ registration	Registered office	Ownership percentage
Molten Ventures Investments (Ireland) I LP	Limited partnership under the Molten Group's management which makes Irish based investments	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Molten Ventures Ireland (GP) LLP	General partner	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Molten Ventures Investments LP	Limited partnership pursuant to which the Molten Group makes certain investments	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
SC_4_OF1 LP	Limited partnership pursuant to which the Molten Group holds certain investments	England & Wales	16 Great Queen Street, Covent Garden, London, England, WC2B 5AH	100%
Seedcamp Holdings LLP	Limited liability partnership pursuant to which the Molten Group holds Seedcamp Funds I and II	England & Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Seedcamp Investments II LLP	Limited liability partnership pursuant to which the Molten Group holds Seedcamp II portfolio	England & Wales	16 Great Queen Street, Covent Garden, London, England, WC2B 5AH	100%
Seedcamp Investments LLP	Limited liability partnership pursuant to which the Molten Group holds Seedcamp I portfolio	England & Wales	16 Great Queen Street, London, England, WC2B 5AH	100%
Esprit Investments (1) (B) LP	Limited partnership pursuant to which the Molten Group and Molten Ventures FoF I LP hold fund of fund investments	England & Wales	20 Garrick Street, London, England, WC2E 9BT	78%**
Esprit Investments (2) (B) LP	Limited partnership pursuant to which the Molten Group and Molten Ventures FoF I LP hold fund of fund investments	England & Wales	20 Garrick Street, London, England, WC2E 9BT	78%**
Earlybird DWES Fund VI GmbH & Co. KG	Limited partnership pursuant to which the Molten Group holds certain investments	Germany	c/o Earlybird Venture Capital, Maximilianstraße 14, 80539, München, Germany	56%
Molten Ventures FoF I LP	Limited partnership under the Molten Group's management which makes investments under the Fund of Funds Programme	England & Wales	20 Garrick Street, London, England, WC2E 9BT	50%

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation/ registration	Registered office	Ownership percentage
Encore I Founder 2014 LP*	Co-investment limited partnership	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	-
Encore I Founder 2014-A LP*	Co-investment limited partnership	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	-
Encore I Founder LP*	Co-investment limited partnership	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	-
Encore I GP LP*	General partner	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	-
Esprit Capital II Founder 2 LP*	Co-investment limited partnership	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	-
Esprit Capital II Founder LP*	Co-investment limited partnership	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1- 1104, Cayman Islands	-
Esprit Capital III (Carried Interest) LP*	Carry vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	-
Esprit Capital III Founder LP*	Co-investment limited partnership/carry partner	Scotland	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	-
Esprit Investments (1) (Carried Interest) LP*	Carry vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	-
Esprit Investments (2) (Carried Interest) LP*	Carry vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	-
Molten SP I LLP*	Co-investment limited liability partnership	England & Wales	20 Garrick Street, London, England, WC2E 9BT	-
Molten Ventures FoF (Special Partner) LP*	Carry vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	-
Molten Ventures Growth I Special Partner LP*	Carry vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	-
Molten Ventures Investments (Carried Interest) LP*	Carry vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	-

# Notes:

<sup>\*</sup> The Molten Group's general partners are members of these limited partnerships but they are not considered to be controlled by the Molten Group.

<sup>\*\*</sup> C.22 per cent. of ownership is held by Molten Ventures FoF I LP, of which Molten and a third party hold this interest 50/50 as limited partners.

See notes 4b and 17 to the audited financial statements of the Molten Group for the financial year ended 31 March 2023, notes 6, 7 and 16 of the audited financial statements of Molten for the financial year ended 31 March 2023, and notes 4 and 11 to the unaudited financial statements of the Molten Group for the six months ended 30 September 2023, which have been incorporated into this document by reference as set out in Part 16 (Documents Incorporated by Reference) of this document, which set out further details of Molten's subsidiaries and subsidiary undertakings and related undertakings.

2.7 On the assumption that the Acquisition completes, Molten will also be the holding company of the following subsidiaries and subsidiary undertakings:

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation/ registration	Registered office	Ownership percentage
Forward Partners Group plc	Parent company of Forward Group	England and Wales	124 City Road, London, EC1V 2NX	100%
Forward Partners Management	Fund management company	England and Wales	124 City Road, London, EC1V 2NX	100%
Forward Partners General Partner Limited	General partner	England and Wales	124 City Road, London, EC1V 2NX	100%
Forward Partners 1 L.P.	Limited partnership pursuant to which the Forward Group previously made certain investments	England and Wales	124 City Road, London, EC1V 2NX	100%
Forward Partners II L.P.	Limited partnership pursuant to which the Forward Group previously made certain investments	England and Wales	124 City Road, London, EC1V 2NX	100%
Forward Partners III L.P.	Limited partnership pursuant to which the Forward Group previously made certain investments	England and Wales	124 City Road, London, EC1V 2NX	100%
Forward Partners Carried Interest General Partner Limited	General partner	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ	100%
Forward Partners Carried Interest L.P.	Carry vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ	-
FPGP Nominees Limited	Nominee company	England and Wales	124 City Road, London, EC1V 2NX	100%
Forward Partners Venture Advance Ltd	Trading company	England and Wales	124 City Road, London, EC1V 2NX	100%

- 2.8 Esprit Capital is an FCA authorised and regulated fund manager under FSMA with reference number 451191. Esprit Capital has been entered onto the UK register of UK AIFMs as a 'full-scope UK AIFM'.
- 2.9 Encore Ventures is an FCA authorised and regulated fund manager under FSMA with reference number 510101. Encore Ventures has been entered onto the UK register of UK AIFMs as a Small Authorised UK AIFM.
- 2.10 Elderstreet Investments is an FCA authorised and regulated fund manager under FSMA with reference number 148527. Elderstreet Investments has been entered onto the UK register of UK AIFMs as a Small Authorised UK AIFM.
- 2.11 Forward Management, which on the assumption the Acquisition completes will be a subsidiary of Molten, is an FCA authorised and regulated fund manager under FSMA with reference number 737783. Forward Management has been entered onto the UK register of UK AIFMs as a Small Authorised UK AIFM.

### 3 SHARE CAPITAL

- 3.1 The principal legislation under which the Company operates, and under which the Molten Shares were created, is the Companies Act. The Molten Shares are denominated in Sterling.
- 3.2 The issued share capital of the Company as at 31 March 2020 was 118,918,124 Molten Shares.
- 3.3 The following changes in the issued share capital of the Company have taken place between 1 April 2020 and 31 March 2021:
  - 3.3.1 30,000 new Molten Shares were allotted and issued at £3.55 per share on 17 August 2020 pursuant to the exercise of certain options under the Molten Ventures 2016 CSOP;
  - 3.3.2 234,835 new Molten Shares were allotted and issued at £3.55 per share on 1 September 2020 pursuant to the exercise of certain options under the Molten Ventures 2016 CSOP;
  - 3.3.3 25,000 new Molten Shares were allotted and issued at £3.55 per share on 18 September 2020 pursuant to the exercise of certain options under the Molten Ventures 2016 CSOP;
  - 3.3.4 19,819,820 new Molten Shares were allotted and issued at £5.55 per share on 21 October 2020 pursuant to a placing; and
  - 3.3.5 69,296 new Molten Shares were allotted and issued at £3.55 per share on 26 March 2021 pursuant to the exercise of certain options under the Molten Ventures 2016 CSOP.
- 3.4 The issued share capital of the Company as at 31 March 2021 was 139,097,075 Molten Shares.
- 3.5 Between 1 April 2021 and 31 March 2022, 13,902,778 new Molten Shares were allotted and issued at £8.00 per share on 16 June 2021 pursuant to a placing and an offer via the PrimaryBid platform.
- 3.6 The issued share capital of the Company as at 31 March 2022 was 152,999,853 Molten Shares. No Molten Shares were issued between 1 April 2022 and 31 March 2023.
- 3.7 Between 1 April 2023 and the date of this document, 21,261,548 Issue Shares were allotted and issued at 270 per share on 15 December 2023 pursuant to the Issue.
- 3.8 As at the date of this document, Molten's issued share capital, all of which is fully paid, is 174,261,401 Existing Molten Shares.
- 3.9 Subject to the Scheme becoming Effective, up to 14,792,679 New Molten Shares will be issued (including as a result of the assumed maximum exercise of the Forward FY23 Options prior to the Scheme becoming Effective pursuant to the terms of the Forward LTIP Letters). If the Scheme becomes Effective, Molten Shareholders who are not also Scheme Shareholders, will suffer an immediate dilution as a result of the Acquisition. Assuming that the maximum number of New Molten Shares are issued to Scheme Shareholders, this will result in Molten's issued share capital increasing by approximately 8.5 per cent. and each Molten Shareholder who is not also a Scheme Shareholder will suffer a maximum dilution of approximately 7.8 per cent. to their ownership and voting interests in the Company and the New Molten Shares will represent approximately 7.8 per cent. of the Enlarged Share Capital.
- 3.10 By ordinary and special resolutions passed at the annual general meeting of the Company held on 26 July 2023:
  - 3.10.1 the Molten Directors were generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot shares or grant rights to subscribe for or convert any security into shares in the Company:
    - 3.10.1.1 up to an aggregate maximum nominal amount of £509,999.51; and
    - 3.10.1.2 comprising equity securities (as defined in section 560(1) of the Companies Act) up to a further aggregate nominal amount of £509,999.51 in connection with an offer by way of a rights issue,

such authorities to apply in substitution for all previous authorities pursuant to section 551 of the Companies Act and to expire at the end of the next annual general meeting of the Company or on 30 September 2024, whichever is the earlier, but in each case so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends;

- 3.10.2 the Molten Directors were also authorised to allot equity securities (as defined in the Companies Act) for cash under the authority given by the resolution set out at paragraph 3.9 above and/or to sell Molten Shares held by the Company as treasury shares for cash as if section 561 of the Companies Act did not apply to any such allotment or sale, such authority to be limited:
  - 3.10.2.1 to allotments for rights issues and other pre-emptive issues;
  - 3.10.2.2 to the allotment of equity securities or sale of treasury shares (otherwise than as set out at paragraph 3.10.2.1 above) up to a nominal amount of £152,999.85; and
  - 3.10.2.3 to allotment of equity securities or sale of treasury shares (otherwise than as set out at paragraph 3.10.2.1 or 3.10.2.2 above) up to a nominal amount equal to 20 per cent. of any allotment of equity securities or sale of treasury shares from time to time under the authority set out at paragraph 3.10.2.2 above, such authority to be used only for the purposes of making a follow-on offer which the Molten Directors determine to be of a kind contemplated by paragraph 3 of section 2B of the Statements of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to 16 June 2023 (being the date of the notice of the annual general meeting of the Company held on 26 July 2023),

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on 30 September 2024 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Molten Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired;

- 3.10.3 the Molten Directors were also authorised, in addition to the authority granted under the resolution set out at paragraph 3.10.2, to allot equity securities (as defined in the Companies Act) for cash under the authority given by the resolution set out at paragraph 3.10.1 and/or to sell Molten Shares held by the Company as treasury shares for cash as if section 561 did not apply to any such allotment or sale, such authority to be:
  - 3.10.3.1 limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £152,999.85; and
  - 3.10.3.2 limited to the allotment of equity securities or sale of treasury shares (otherwise than as set out at paragraph 3.10.3.1 above) up to a nominal amount equal to 20 per cent. of any allotment of equity securities or sale of treasury shares from time to time under the authority set out at paragraph 3.10.3.1 above, such authority to be used only for the purposes of making a follow-on offer which the Molten Directors determine to be of a kind contemplated by paragraph 3 of section 2B of the Statements of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to 16 June 2023 (being the date of the notice of the annual general meeting of the Company held on 26 July 2023),

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on 30 September 2024 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Molten Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired;

- 3.10.4 the Company was authorised unconditionally and generally for the purpose of section 701 of the Companies Act to make market purchases (as defined in section 693(4) of the Companies Act) of Molten Shares provided that:
  - 3.10.4.1 the maximum number of Molten Shares that may be purchased is 15,299,985;
  - 3.10.4.2 the minimum price which may be paid for a Molten Share is one penny; and
  - 3.10.4.3 the maximum price which may be paid for a Molten Share is an amount equal to the higher of:
    - (A) an amount equal to five per cent. above the average market value of a Molten Share for the five Business Days immediately preceding the day on which that Molten Share is contracted to be purchased; and
    - (B) the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venues where the purchase is carried out,

in each case, exclusive of expenses.

The authority conferred by this resolution will expire on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2024 save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Molten Shares which will or may be executed wholly or partly after the expiry of such authority.

- 3.11 The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Companies Act, confer on Molten Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent disapplied as mentioned in paragraph 3.10 above.
- 3.12 The Molten Shares are in registered form and, subject to the provisions of the CREST Regulation, the Molten Board may permit the holding of Molten Shares in uncertificated form and title to such Molten Shares may be transferred by means of a relevant system (as defined in the CREST Regulation). Where Molten Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where Molten Shares are held in CREST, the relevant CREST stock account of the registered member will be credited. Temporary documents of title will not be issued.
- 3.13 No convertible securities, exchangeable securities or securities with warrants have been issued by Molten and, save as disclosed at paragraph 4 of this Part 14 (Additional Information), no share or loan capital of Molten is under option or agreed conditionally or unconditional to be put under option.

As at the date of this document, Molten has no listed or unlisted securities not representing share capital.

#### 4 MOLTEN SHARE CAPITAL UNDER OPTION

As at the Latest Practicable Date, outstanding options over Molten Shares that had been granted by Molten to Molten Executive Directors and employees of the Molten Group pursuant to certain of Molten's current and legacy incentive schemes were as follows:

Plan/Scheme	Date of grant	Balance outstanding	Vesting period	Exercise price (pence)
Molten Ventures 2016 CSOP	28/11/2016 11/11/2017 28/11/2017 30/07/2018 12/02/2019	499,320 120,000 306,384 650,750 546,868	3 years 3 years 3 years 3 years 3 years	355 359 387 492 530
Molten Ventures 2020 LTIP	29/06/2020	270,755	3 years*	1
Molten Ventures 2021 CSOP	26/07/2021	36,364	1 year	1
Molten Ventures 2021 LTIP	16/07/2021 17/06/2022 17/06/2022 23/06/2023 23/06/2023	551,254 557,486 657,062 1,267,549 1,112,579	1 year 3 years 3 years** 3 years	1 1 1 1
Molten Ventures 2021 DBP	17/06/2022	255,168	2 years	1
Total		6,831,539		

<sup>\*</sup>This is a vesting period of three years and, for Molten Executive Directors, a further one-year holding period.

#### 5 THE ARTICLES

The Articles contain provisions, inter alia, to the following effect:

## 5.1 Objects/Purposes

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

# 5.2 **Voting rights**

- 5.2.1 Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time to time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member holding Molten Shares who is present in person (or, being a corporation, by representative) or by proxy shall, on a show of hands, have one vote and every member holding Molten Shares present in person (or, being a corporation, by representative) or by proxy shall, on a poll, have one vote for each Molten Share of which he/she is a holder. A member entitled to more than one vote need not, if he/she votes, use all his/her votes or vest all the votes he/she uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- 5.2.2 Unless the Molten Board otherwise determines, no member shall be entitled to be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of any share held by him/her:
  - 5.2.2.1 unless all calls presently payable by him/her in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him/her to the Company have been paid; or
  - 5.2.2.2 if he/she, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies

<sup>\*\*</sup>This is a vesting period of three years and, for Molten Executive Directors, a further two-year holding period.

Act requiring such person to provide information about his/her interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

### 5.3 **Dividends**

- 5.3.1 Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Molten Board.
- 5.3.2 Subject to the provisions of the Companies Act, the Molten Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Molten Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Molten Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Molten Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- 5.3.3 Except as otherwise provided by the rights attached to shares and the Articles, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but no amount paid up on a share in advance of the date on which a call is payable shall be treated for the purposes of the Articles as paid up on the share. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.
- 5.3.4 The Company may pay any dividend, interest or other sum payable in respect of a share by direct debit, bank transfer, cheque, dividend warrant, money order or any other method (including by electronic media) as the Molten Board may consider appropriate. In respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay any such dividend, interest or other money by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system).
- 5.3.5 All dividends, interest or other sums payable and unclaimed for a period of twelve months after having become payable may be invested or otherwise used by the Molten Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become payable shall, if the Molten Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- 5.3.6 The Molten Board may, with the authority of an ordinary resolution of the Company, or in the case of an interim dividend may without the authority of an ordinary resolution, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- 5.3.7 The Molten Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Molten Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Molten Board) of any dividend specified by the ordinary resolution.

5.3.8 Unless the Molten Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his/her interests in the Company's shares and have failed to supply the required information within 14 days. Furthermore, such a holder shall not be entitled to elect to receive shares instead of a dividend.

## 5.4 Winding-up

If the Company is wound up the liquidator may, with the authority of a special resolution and any other authority required by law, divide among the members in specie or kind the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he/she may with the like authority think fit, but no member shall be compelled to accept any shares or other property upon which there is a liability.

#### 5.5 Transfer of shares

- 5.5.1 Subject to any applicable restrictions in the Articles, each member may transfer all or any of his/her shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Molten Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the transferee's name is entered in the register of members.
- 5.5.2 The Molten Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
  - 5.5.2.1 it is in respect of a share which is fully paid up;
  - 5.5.2.2 it is in favour of a single transferee or not more than four joint transferees;
  - 5.5.2.3 it is duly stamped (if so required); and
  - 5.5.2.4 it is delivered for registration to the registered office for the time being of the Company or such other place as the Molten Board may from time to time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Molten Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him/her or, if the transfer or renunciation is executed by some other person on his/her behalf, the authority of that person to do so,

provided that the Molten Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading.

- 5.5.3 The Molten Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the CREST Regulation and the relevant electronic system provided that such refusal does not prevent dealings in shares from taking place on an open and proper basis.
- 5.5.4 Unless the Molten Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his/her interests in the Company's shares, have failed to supply the required information within 14 days and the shares in respect of

which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself/herself in default as regards supplying the information required and proves to the satisfaction of the Molten Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.

- 5.5.5 If the Molten Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which appropriate instructions were received by or on behalf of the Company in accordance with the facilities and requirements of the relevant electronic system.
- 5.5.6 No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- 5.5.7 If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Molten Directors (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act and/or U.S. Investment Advisers Act of 1940, as amended and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956, as amended or regulations or interpretations thereunder; or (vi) would cause the Company adverse consequences under the U.S. Foreign Account Tax Compliance Act of 2010 as amended from time to time or any similar legislation in any territory or jurisdiction (including the International Tax Compliance Regulation 2015), including the Company becoming subject to any withholding tax or reporting obligation or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the member concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations), then any shares which the Molten Directors decide are shares which are so held or beneficially owned ("Prohibited Shares") must be dealt with in accordance with paragraph 5.5.8 below. The Molten Directors may at any time give notice in writing to the holder of a share requiring him/her to make a declaration as to whether or not the share is a Prohibited Share.
- 5.5.8 The Molten Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him/her within 21 days (or such extended time as the Molten Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Molten Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the chair of any such meeting, who may exercise or refrain from exercising them entirely at his/her discretion. If the notice is not complied with within 21 days to the satisfaction of the Molten Directors, the Molten Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Molten Directors

- consider appropriate) shall be paid over by the Company to the former holder upon surrender by him/her of the relevant share certificate (if applicable).
- 5.5.9 Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of:

  (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

# 5.6 Variation of rights

- 5.6.1 If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time to time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Companies Act.
- 5.6.2 The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his/her proxy.

## 5.7 Alteration of share capital

The Company may, from time to time, by ordinary resolution:

- 5.7.1 authorise the Molten Directors to increase its share capital by allotting new shares;
- 5.7.2 consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- 5.7.3 subject to the provisions of the Companies Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
- 5.7.4 redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

# 5.8 General meetings

- 5.8.1 The Molten Board may convene a general meeting whenever and at such time and place, including partly (but not wholly) by means of electronic facility or facilities, as it thinks fit.
- 5.8.2 The Molten Board shall determine in relation to each general meeting the means of attendance at and participation in the meeting, including whether the persons entitled to attend and participate in the meeting shall be enabled to do so:
  - 5.8.2.1 by means of electronic facility or facilities; and/or
  - 5.8.2.2 by simultaneous attendance and participation at a satellite meeting place or places.
- 5.8.3 Where the Molten Board has determined that persons entitled to attend and participate in a general meeting may do so by means of electronic facility or facilities (as so determined by the Molten Board) and/or by attending at a satellite meeting place or places, members present in person or by proxy by such means will be counted in the quorum for, and be entitled to participate in, the general meeting in question.

- 5.8.4 A general meeting shall be convened by such notice as may be required by law from time to time.
- 5.8.5 The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
  - 5.8.5.1 whether the meeting is convened as an annual general meeting or any other general meeting;
  - 5.8.5.2 the place (including any satellite meeting place(s)), date and time of the meeting;
  - 5.8.5.3 if the meeting shall be held partly by means of electronic facility or facilities, a statement to that effect and details of the means of attendance and participation thereat, and any associated access, identification and security arrangements;
  - 5.8.5.4 the general nature of the business to be transacted at the meeting;
  - 5.8.5.5 if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such;
  - 5.8.5.6 with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member; and
  - 5.8.5.7 the address of the website on which the information required by the Companies Act is published.
- 5.8.6 The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Molten Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.
- 5.8.7 The right of a member to participate in the business of any general meeting (including, when so determined by the Molten Board, by means of electronic facility or facilities) shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting. Where the Molten Board has determined that persons may attend and participate in a general meeting by means of electronic facility or facilities, the Company shall ensure that any document required to be on display or to be available for inspection at the meeting is available in electronic form to persons entitled to inspect it for at least the required period of time.
- 5.8.8 A Molten Director shall, notwithstanding that he/she is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The chair of any general meeting may also invite any person to attend and speak at that meeting if he/she considers that this will assist in the deliberations of the meeting.
- 5.8.9 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum.
- 5.8.10 The chair of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or indefinitely)

and from place to place (or, in the case of a meeting held at a principal meeting place and one or more satellite meeting places, such other places) and/or from such electronic facility or facilities for attendance and participation to such other electronic facility or facilities as determined by the chair of the meeting (or, in default, the Molten Board).

- 5.8.11 The chair of the meeting may also, without the need for the consent of the meeting, interrupt or adjourn any meeting (whether or not it has commenced or a quorum is present) from time to time (or indefinitely) and from place to place (or, in the case of a meeting held at a principal meeting place and one or more satellite meeting places, such other places) or from electronic facility to electronic facility, if he/she is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.
- 5.8.12 Any adjournment may, subject to the Companies Act, be for such time and with such means of attendance and participation (including at such place or places and/or by means of such electronic facility or facilities) as the meeting chair (or, in default, the Molten Board) may determine. Whenever a meeting is adjourned for 30 days or more or indefinitely, at least seven clear days' notice, specifying the place or places, the date and time of the adjourned meeting and the means of attendance and participation (including by means of electronic facility or facilities if applicable) as the meeting chair (or, in default, the Molten Board) may in his/her/its discretion determine, and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- 5.8.13 A resolution put to a vote at a general meeting held partly by means of electronic facility or facilities shall be decided on a poll, which poll votes may be cast by such electronic means as the Molten Board deems appropriate for the purposes of the meeting. Subject thereto, at any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
  - 5.8.13.1 the chair of the meeting;
  - 5.8.13.2 at least five members having the right to vote on the resolution;
  - 5.8.13.3 a member or members representing not less than ten per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
  - 5.8.13.4 a member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

# 5.9 **Borrowing powers**

Subject to the provisions of the Companies Act, the Molten Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

## 5.10 Issue of shares

5.10.1 Subject to the provisions of the Companies Act, and to any relevant authority of the Company required by the Companies Act, the Molten Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares, to such persons (including the Molten Directors themselves) at such times and generally on such terms and conditions as the Molten Board may decide, provided that no share shall be issued at a discount to its nominal value.

5.10.2 Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Molten Board may determine and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Molten Directors may determine.

#### 5.11 Powers of the Molten Board

The business of the Company shall be managed by the Molten Directors who, subject to the provisions of the Companies Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Molten Director may appoint any other Molten Director, or any other person approved by resolution of the Molten Directors and willing to act and permitted by law to do so, to be an alternate Molten Director.

### 5.12 Molten Directors' fees

- 5.12.1 The Molten Directors (other than alternate Molten Directors) shall be entitled to receive by way of fees for their services as Molten Directors such sum as the Molten Board may from time to time determine (not exceeding in aggregate £1,000,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Molten Director pursuant to any other provision of the Articles or otherwise and shall accrue from day to day.
- 5.12.2 The Molten Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Molten Directors.

## 5.13 Molten Directors' interests

- 5.13.1 The Molten Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Molten Director of his/her duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Molten Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Molten Director in question or any other interested Molten Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Molten Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.
- 5.13.2 Subject to having, where required, obtained authorisation of the conflict from the Molten Board, a Molten Director shall be under no duty to the Company with respect to any information which he/she obtains or has obtained otherwise than as a Molten Director and in respect of which he/she has a duty of confidentiality to another person. In particular, a Molten Director shall not be in breach of the general duties he/she owes to the Company under the Companies Act because he/she fails to disclose any such information to the Molten Board or to use or apply any such information in performing his/her duties as a Molten Director, or because he/she absents himself/herself from meetings of the Molten Board at which any matter relating to a conflict of interest, or possible conflict of interest, is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

- 5.13.3 Provided that his/her interest is disclosed at a meeting of the Molten Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Molten Director, notwithstanding his/her office:
  - 5.13.3.1 may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - 5.13.3.2 may hold any other office or place of profit under the Company (except that of auditor of the Company or any of its subsidiaries);
  - 5.13.3.3 may act by himself/herself or through his/her firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Molten Board may arrange;
  - 5.13.3.4 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
  - 5.13.3.5 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction or arrangement or from any interest in any body corporate. No such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his/her duty under the Companies Act or under the law not to accept benefits from third parties.
- 5.13.4 A Molten Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Molten Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his/her service contract that have been or are to be considered at a meeting of the Molten Directors or if the interest consists of him/her being a director, officer or employee of a company in which the Company is interested.

## 5.14 Restrictions on Molten Directors voting

- 5.14.1 A Molten Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Molten Board or of a committee of the Molten Board concerning any transaction or arrangement in which he/she has an interest which is to his/her knowledge a material interest and, if he/she purports to do so, his/her vote shall not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
  - 5.14.1.1 any transaction or arrangement in which he/she is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
  - 5.14.1.2 the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him/her or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings:
  - 5.14.1.3 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself/she herself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - 5.14.1.4 the giving of any other indemnity where all other Molten Directors are also being offered indemnities on substantially the same terms;
  - 5.14.1.5 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he/she is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he/she is to participate;
  - 5.14.1.6 any proposal concerning any other body corporate in which he/she does not to his/her knowledge have an interest (as the term is used in Part 22 of the Companies Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (calculated exclusively of any shares of that class in

that company held as treasury shares) nor to his/her knowledge holds one per cent. or more of the voting rights which he/she holds as shareholder or through his/her direct or indirect holding of financial instruments (within the meaning of the Disclosure Guidance and Transparency Rules) in such body corporate;

- 5.14.1.7 any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him/her any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- 5.14.1.8 any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Molten Directors or for the benefit of persons who include Molten Directors;
- 5.14.1.9 any proposal concerning the funding of expenditure by one or more Molten Directors on defending proceedings against him/her or them, or doing anything to enable such Molten Director(s) to avoid incurring such expenditure; or
- 5.14.1.10 any transaction or arrangement in respect of which his/her interest, or the interest of Molten Directors generally, has been authorised by ordinary resolution.
- 5.14.2 A Molten Director shall not vote or be counted in the quorum on any resolution of the Molten Board or committee of the Molten Board concerning his/her own appointment (including fixing or varying the terms of his/her appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

### 5.15 Number of Molten Directors

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Molten Directors (other than alternate Molten Directors) shall be not less than two and the number is not subject to a maximum.

## 5.16 Molten Directors' appointment and retirement

- 5.16.1 Molten Directors may be appointed by the Company by ordinary resolution or by the Molten Board. If appointed by the Molten Board, a Molten Director shall hold office only until the next annual general meeting, except as provided in paragraph 5.16.2 below.
- 5.16.2 At each annual general meeting of the Company, all of the Molten Directors will retire from office except any Molten Director appointed by the Molten Board after the notice of that annual general meeting has been given and before that annual general meeting has been held. A retiring Molten Director may offer himself/herself for re-appointment by the members.

## 5.17 Notice requiring disclosure of interest in shares

- 5.17.1 The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Molten Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him/her, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his/her own interest subsisted to give (so far as is within his/her knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his/her knowledge) like particulars for the person who held that interest immediately upon his/her ceasing to hold it.
- 5.17.2 If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Molten Directors may determine, the Molten Directors in their absolute discretion may serve a direction notice on the member. The direction notice may

direct that in respect of the shares in respect of which the default has occurred (the "**default shares**") the member shall not be entitled to vote in general meetings or class meetings and, where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

### 5.18 Untraced shareholders

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for twelve years who fails to communicate with the Company following the Company, having first used reasonable efforts to trace the member, giving notice of its intention to sell such shares to the member at his/her address on the register or other last known address. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Molten Board. The proceeds will not carry interest.

## 5.19 Indemnity of officers

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he/she may otherwise be entitled, every past or present Molten Director (including an alternate Molten Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Molten Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him/her for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act). In addition, the Molten Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him/her against any liability or expenditure incurred by him/her for acts or omissions as a Molten Director or officer of the Company (or of an associated company).

## **6 UK TAKEOVER CODE**

Other than as provided by the UK Takeover Code and Chapter 28 of the Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze out and sell out rules relating to the Company. The Irish Takeover Rules do not apply to the Company.

# 6.1 **Mandatory bid**

The UK Takeover Code applies to the Company. Under Rule 9 of the UK Takeover Code, if:

- a person acquires an interest in shares which, when taken together with shares already held by him/her or persons acting in concert with him/her, carry 30 per cent. or more of the voting rights in the Company; or
- a person who, together with persons acting in concert with him/her, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the UK Takeover Panel) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

## 6.2 Squeeze-out

Under the Companies Act, if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90 per cent. of the shares to which such offer related it could then compulsorily acquire the remaining 10 per cent. The offeror would do so by

sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration to the Company which would hold the consideration on trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

### 6.3 **Sell-out**

The Companies Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

#### 7 MOLTEN SHAREHOLDER NOTIFICATION AND DISCLOSURE REQUIREMENTS

- 7.1 Molten Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Molten Shareholder is required pursuant to Rule 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Molten Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, 3 per cent. of the nominal value of the Company's share capital or any 1 per cent. threshold above that.
- 7.2 The Company has notified the Central Bank of Ireland that the Republic of Ireland is its home Member State for the purposes of the EU Transparency Directive and the Irish Transparency Regulations. Accordingly, the provisions of Part 5 of the Irish Transparency Regulations and the IMC Rules apply to the Company. As such, in addition to the DTR disclosure obligations set out at paragraph 7.1 above, a person is also required to notify the Company and the Central Bank of Ireland of the percentage of voting rights it holds as a holder of Molten Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within the EU Transparency Directive and the Irish Transparency Regulations, or a combination of such holdings, if, as a result of an acquisition or disposal of Molten Shares (or financial instruments) or events changing the breakdown of voting rights on the basis of information disclosed by the Company in accordance with Regulation 20 of the Irish Transparency Regulations, the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of the Company, 5 per cent., 10 per cent. 15 per cent., 20 per cent., 30 per cent., 50 per cent. and 75 per cent.
- 7.3 Molten Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make a required disclosure to the Company may result in disenfranchisement.

## 8 REMUNERATION POLICY

- 8.1 The Molten Directors' Remuneration Policy (the "**Remuneration Policy**") was approved by Molten Shareholders at the annual general meeting of the Company held on 3 August 2022. The Remuneration Policy is intended to apply for a period of three years from that date unless a new policy is approved by Molten Shareholders prior to the end of that period. The rationale underlying the Remuneration Policy and its main features are described below.
- 8.2 The Company's remuneration strategy is to provide pay packages that attract, retain and motivate high-calibre talent to help ensure its continued growth and success. It aims to: encourage and support a high performance culture of reward for achievement of the Molten Group's corporate strategy and

delivery of sustainable growth; and align the interests of the Molten Executive Directors, senior management and employees to the long-term interests of Molten Shareholders, whilst ensuring that remuneration and incentives adhere to the principles of good corporate governance and support good risk management practice and sustainable Company performance grounded in the principles of ESG and responsible investment.

- 8.3 Consistent with this remuneration strategy, the Remuneration Committee has agreed a structure for remuneration arrangements for the Molten Executive Directors and senior management taking into account evolving market and best practices. Remuneration will be set at a level that is considered by the Remuneration Committee to be appropriate for the size and nature of the business and commensurate to their experience and the scope of their role. Performance-related pay will be based on stretching targets and will form an important part of the overall remuneration package. There will be an appropriate balance between short and longer-term performance targets set by reference to the internal strategic plan and the historical and projected performance of the Company and its sector. Annual incentive targets are disclosed respectively in the next year's annual report on remuneration.
- 8.4 Molten Executive Directors will each be remunerated through a combination of fixed pay and variable pay. Fixed pay will comprise: (a) base salary; (b) benefits; and (c) pension. Variable pay will comprise (i) an annual bonus; (ii) a deferred bonus plan; and (iii) the long-term incentive plan. Material terms of the Molten Executive Directors' service agreements with the Company are described in paragraph 14 of this Part 14 of this document.

### 8.5 **Base salary**

The base salaries for Molten Executive Directors and senior management will depend on their experience and the scope of their role as well as having regard to practices at peer companies of equivalent size and complexity. In considering the base salary (and other elements of remuneration) of Molten Executive Directors and senior management, due regard will be taken of the pay and conditions of the workforce generally. Base salaries will typically be reviewed on an annual basis. With effect from 1 April 2023, Martin Davis receives an annual basic salary of £517,390, Stuart Chapman receives an annual basic salary of £355,638 and Ben Wilkinson receives an annual basic salary of £348,140.

### 8.6 Pension and benefits

The Molten Executive Directors are eligible to receive contributions to a pension plan and/or a cash supplement in lieu of pension contributions (equal to 15 per cent. of basic salary) as each Molten Executive Director may direct. The contribution rate for Molten Executive Directors is the same as the rate provided to the wider workforce. The Molten Executive Directors will be able to participate in the same benefits as available to other UK employees, including but not limited to life insurance, private health insurance and income protection insurance. Each Molten Executive Director is entitled to reimbursement of reasonable expenses incurred in the performance of such Molten Executive Director's duties in accordance with the Company's Travel & Entertainment policy.

#### 8.7 Annual bonus

The Molten Executive Directors are eligible for an annual bonus rewarding the year-on-year achievement of demanding annual performance metrics. The maximum bonus opportunity is 200 per cent. of salary. The target bonus opportunity will be no greater than 60 per cent. of the maximum annual bonus and the threshold bonus opportunity will be no greater than 40 per cent. of the maximum annual bonus.

The award of any bonus is discretionary and subject to the achievement of challenging performance conditions, which will be set by the Remuneration Committee and are expected to be linked to the Company's financial performance. Performance measures will also include an element linked to ESG measures. Any bonus awarded to a Molten Executive Director in excess of 100 per cent. of basic salary earned will be deferred in Molten Shares under the Molten Ventures 2021 DPB for two years and then will vest provided that the Molten Executive Director is then in employment with the Company. Further details of the Molten Ventures 2021 DPB are set out in paragraph 10.6 of this Part 14.

### 8.8 Long-term incentive plan

In accordance with the rules of the Molten Ventures 2021 LTIP (details of which are set out at paragraph 10.5 of this Part 14 below), annual awards of options over Molten Shares are made with vesting dependent on the achievement of stretching performance conditions over a three-year period. The maximum value of annual awards made under the Molten Ventures 2021 LTIP is 250 per cent. of basic salary for each of the Molten Executive Directors, with any awards above 200 per cent. of salary only being made for exceptional performance. A two year holding period will apply at the end of each relevant performance period. The performance conditions will be reviewed annually by the Remuneration Committee for each new award. Targets take into account the internal strategic plan and external market expectations for the Company and the sector to ensure that such targets remain stretching yet achievable, and may change from time to time.

LTIP awards are normally based on financial measures which may include, but are not limited to, relative total shareholder return (TSR) compared to the FTSE 250 – with a normal weighting between 50 per cent. to 100 per cent.; and assets under management (AUM) with a normal weighting between 0 per cent. to 50 per cent.

The Remuneration Committee can adjust the weighting of the performance conditions and, if considered appropriate, may introduce alternative performance conditions from time to time aligned to the Company's strategy, or remove a performance condition. No more than 50 per cent. of the award will vest for achieving threshold performance, increasing to 100 per cent. vesting for achievement of stretching performance targets.

# 8.9 Molten Executive Director share ownership guidelines

In order to encourage alignment with shareholders, individual shareholding guidelines have been adopted for Molten Executive Directors. Under such guidelines, Molten Executive Directors are encouraged to build and maintain over time a shareholding in the Company. Each Molten Executive Director is expected to achieve a shareholding with a value of equivalent to at least 250 per cent. of the relevant Molten Executive Director's annual basic salary.

To the extent the shareholding guideline has not been reached by the relevant vesting dates, the Molten Executive Directors have each agreed to retain 50 per cent. of the Molten Shares that may be delivered to each of them pursuant to the Molten Ventures 2021 LTIP and the Molten Ventures 2021 DBP (save to permit the sale of such number of Molten Shares as may be required to meet any tax liability arising on the vesting of such awards).

The share ownership requirements will remain in place until the second anniversary of termination of employment of any Molten Executive Director and will apply to the lower of 250 per cent. of such Molten Executive Director's basic salary or the number of Molten Shares held by the Molten Executive Director at the date of termination of employment.

# 8.10 Remuneration policy on recruitment

When determining a remuneration package for a new executive director, the Remuneration Committee will consider the relevant skills and experience of the individual as well as the internal and external market conditions. Incentive opportunities will be consistent with the Remuneration Policy set out above. The Remuneration Committee will have the ability to buy out any entitlements lost at their previous employer on similar terms to the entitlements foregone.

The Remuneration Committee may exercise its discretion to make sign-on payments to new hires if it considers that the circumstances make such payments necessary. However, such payments shall be subject to vesting requirements and deferment into shares to ensure that the longer term interests of Molten Shareholders are served. Malus and clawback provisions will apply to such awards.

In the event of an internal hire who is promoted to the Molten Board, any existing entitlements will be honoured, retained and paid out on their original terms for the relevant proportion of the financial year in which they are appointed provided that the basic salary will be adjusted to the appropriate level for the role being assumed from the date of appointment. If they are appointed prior to the granting of

LTIP awards for that year, they will participate in the new grants on similar terms as the other Molten Executive Directors.

## 8.11 Remuneration policy on termination

In the event of termination, any payments will be in accordance with the terms of the Molten Executive Directors' service contracts with the Company, which are described at paragraph 14 of this Part 14 (and the rules of the new share plans, which are described at paragraphs 10.4 to 10.6 (inclusive) of this Part 14), having regard to all of the relevant facts and circumstances available at that time.

## 8.12 Recovery provisions and Remuneration Committee discretion

The Remuneration Committee may exercise its discretion to adjust annual bonus outcomes or levels of vesting under the Molten Ventures 2020 LTIP or the Molten Ventures 2021 LTIP where it believes that it is appropriate, including (but not limited to) where outcomes are not reflective of the underlying performance of the business or the experience of Molten Shareholders, employees or other stakeholders. The Remuneration Committee may exercise malus on unvested awards and may also claw back bonus payments or vested share awards up to three years from the date of payment/vesting (in part or in full) in the event of gross misconduct, material misstatement in the Company's annual financial statements, material failure of risk management, serious reputational damage to a member of the Molten Group or relevant business unit, the insolvency of the Molten Group and/or an error in the calculation of any performance conditions resulting in an overpayment.

#### 8.13 Molten Non-Executive Directors' fees

Non-executive director fees are set at a level to attract and retain non-executive directors of a high calibre with relevant commercial and other experience.

Molten Non-Executive Directors receive a basic annual fee in respect of their Molten Board duties, and additional fees may be paid to Committee chairs and to the Senior Independent Molten Director to reflect the additional responsibilities associated with such roles. The Chair receives a fixed annual fee.

Fees are typically reviewed annually, taking into account the time commitment requirements and responsibility of the individual roles, and after reviewing practice in other comparable companies.

The fee paid to the Chair is determined by the Remuneration Committee, while the fees for other Molten Non-Executive Directors are determined by the Molten Board as a whole.

# 8.14 **Other items**

In line with the Corporate Governance Code, Gervaise Slowey acts as the designated non-executive director to engage with the Company's employees and act as a conduit between employees and the Molten Board.

The details of the Company's Molten Executive Director remuneration arrangements, including the operation of the Company's incentive plans and payments made under them, are set out each year in a remuneration report contained in the Company's annual report.

### 9 MOLTEN GROUP EMPLOYEE BENEFIT TRUST

Molten operates an onshore employee benefit trust (the "**EBT**") which is constituted by a trust deed entered into on 27 November 2020 by Molten and Grow Trustees Limited (a wholly-owned Molten subsidiary performing the function of EBT trustee). The EBT can be used to benefit employees and former employees of the Molten Group and certain of their dependants. The trustee has the power to acquire Molten Shares, and to use them for the purposes of equity incentive arrangements established by the Molten Group from time to time. To date the EBT has been used to satisfy awards under equity incentive plans operated by the Molten. The EBT is funded by way of loans or other contributions from Molten. As at the Latest Practicable Date, the trustee of the EBT holds 1,091,336 unallocated Molten Shares. The trustee of the EBT will not acquire Molten Shares which would cause its holding at any one time to exceed five per cent. of the Molten Shares in issue (other than as a nominee for a beneficiary) without prior Molten Shareholder approval.

#### 10 MOLTEN GROUP EMPLOYEE INCENTIVE SCHEMES

#### 10.1 Overview

The objective of Molten's remuneration policy is to attract, motivate and retain high calibre, qualified executives with the necessary skills and experience in order for Molten to achieve its strategic objectives. The Molten Directors also recognise the importance of ensuring that employees are incentivised and identify closely with the success of Molten's strategy.

Molten has historically made awards under the Molten Ventures 2016 CSOP and the Molten Ventures 2020 LTIP which were closed and replaced with the Molten Ventures 2021 CSOP and the Molten Ventures 2021 LTIP shortly before Initial Main Market Admission. Molten adopted the Molten Ventures 2021 DBP at the same time. The Molten Executive Directors have not participated in any new carried interest arrangements since Initial Main Market Admission.

### 10.2 Molten Ventures 2016 CSOP

### 10.2.1 Adoption and termination

Molten adopted the Molten Ventures 2016 CSOP on 1 August 2016 and it was subsequently amended in June 2020. Part 1 of the Molten Ventures 2016 CSOP satisfied the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 so that options granted under it were subject to favourable tax treatment. Part 2 of the Molten Ventures 2016 CSOP was used to grant options which could not be granted within the limit prescribed by the applicable tax legislation and which would not, therefore, benefit from favourable tax treatment. The Molten Ventures 2016 CSOP was terminated and replaced by the Molten Ventures 2021 CSOP in July 2021.

#### 10.2.2 Eligibility

All Molten Executive Directors and employees of the Molten Group employed at the time of award were eligible to participate in the Molten Ventures 2016 CSOP ("eligible employees") at the discretion of the Remuneration Committee (or the Remuneration and Nomination Committee as then was).

### 10.2.3 Grant of options

The Molten Ventures 2016 CSOP provided that options could be granted to eligible employees selected by the Remuneration Committee during the period of 42 days following: (i) the date on which the Molten Ventures 2016 CSOP or any amendment to it took effect; (ii) the announcement of Molten's final or interim results for any financial period; (iii) the occurrence of an event which the Molten Board considered to be an exceptional event; (iv) any changes to relevant legislation; or (v) an eligible employee commencing employment with the Molten Group. If any of the above periods was a 'close period' or otherwise a restricted period under Molten's internal share dealing code, then options could be granted within 42 days of the end of such period.

The Molten Ventures 2016 CSOP provided that options could be granted (at the discretion of the Remuneration Committee) on terms that their exercise was subject to the satisfaction of performance conditions. No options could be granted more than ten years after the adoption date of the Molten Ventures 2016 CSOP.

### 10.2.4 Exercise price

The price at which an option holder could acquire Molten Shares on the exercise of an option was the market value of a Molten Share at the time of grant.

## 10.2.5 Vesting

The Molten Ventures 2016 CSOP provided for options to vest and become exercisable on a date determined by the Remuneration Committee, which would not usually be earlier than the third anniversary of the date of grant.

### 10.2.6 Lapse

Options would normally lapse on cessation of employment. However, exercise was permitted for a limited period following cessation of employment for specified reasons such as redundancy, retirement or ill health and in other circumstances at the discretion of the Remuneration Committee.

In the event of an amalgamation, takeover or winding up of Molten, options may be exercised within certain time limits. There are also provisions for the exchange of options in limited circumstances. Options immediately lapse on the tenth anniversary of the date of grant and in the event of the participant's bankruptcy.

# 10.2.7 Adjustments

The number of shares comprised in an option and/or the exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction or consolidation of Molten's share capital occurs, provided the legislative requirements are met.

#### 10.2.8 Amendments

The Remuneration Committee may, at any time, amend the Molten Ventures 2016 CSOP provided that the prior approval of Molten Shareholders in general meeting is obtained for amendments to the material advantage of participants relating to eligibility, the overall limitations on the issue of new Molten Shares and the variation or adjustment of options. However, such prior approval will not be required in relation to any amendment which is made to comply with the provision of any existing or proposed legislation or to obtain or maintain favourable taxation treatment of any participating company or participant.

## 10.2.9 Scheme limit

The number of Molten Shares over which options may be granted under the Molten Ventures 2016 CSOP on any date was limited so that the total number of Molten Shares issued and issuable pursuant to rights granted under any employee share scheme operated by Molten in any ten year period is restricted to 5 per cent. of the issued Molten Shares from time to time.

No option could be granted to an eligible employee under the Molten Ventures 2016 CSOP which would result in the aggregate exercise price of options granted to that person in respect of any calendar year exceeding 200 per cent. of their annual salary. The Remuneration Committee had the discretion to waive this limit for one or more specific awards if it believed such waiver(s) was/were merited in the particular circumstances. No option could be granted to an eligible employee under Part 1 of the Molten Ventures 2016 CSOP which would result in the aggregate exercise prices of outstanding options granted to them under Part 1 and under any other share option scheme which satisfies the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 exceeding £30,000 (or such other limit as specified by the relevant tax legislation from time to time).

#### 10.3 Molten Ventures 2020 LTIP

# 10.3.1 Adoption and termination

Molten adopted the Molten Ventures 2020 LTIP in June 2020 for the grant of options granted under Part 2 of the Molten Ventures 2016 CSOP which do not benefit from favourable tax treatment. The Molten Ventures 2020 LTIP was terminated and replaced by the Molten Ventures 2021 LTIP in July 2021.

### 10.3.2 Eligibility

All Molten Executive Directors and employees of the Molten Group employed at the time of award were eligible to participate in the Molten Ventures 2020 LTIP ("eligible employees") at the discretion of the Remuneration Committee (or the Remuneration and Nomination Committee as then was).

### 10.3.3 Grant of options

The Molten Ventures 2020 LTIP provided that options may be granted to eligible employees on the same basis as the Molten Ventures 2016 CSOP.

# 10.3.4 Exercise price

The price at which an option holder could acquire Molten Shares on the exercise of an option was determined by the Remuneration Committee as nominal value (being £0.01 per Molten Share).

### 10.3.5 Vesting

The Molten Ventures 2020 LTIP provided for options to vest and become exercisable on a date determined by the Remuneration Committee, which would not usually be earlier than the third anniversary of the date of grant.

## 10.3.6 Lock-up

Once exercised, option holders who are Molten Executive Directors must hold, until the fourth anniversary of the date of grant of the relevant option, the legal and beneficial title free from all encumbrances, in not less than such number of Molten Shares as equals the number of Molten Shares issued from the exercise of the option. For example, the one year lock-up period would be the period from, and including, 1 April 2023 to, and including, 31 March 2024 following a performance period that commenced on 1 April 2020 and expired on 31 March 2023.

### 10.3.7 Lapse

Options would normally lapse under the Molten Ventures 2020 LTIP on the same basis as the Molten Ventures 2016 CSOP.

# 10.3.8 Adjustments

The number of Molten Shares comprised in an option and/or the exercise price may be adjusted under the Molten Ventures 2020 LTIP on the same basis as the Molten Ventures 2016 CSOP.

### 10.3.9 Amendments

The Remuneration Committee may, at any time, amend the Molten Ventures 2020 LTIP on the same basis as the Molten Ventures 2016 CSOP.

### 10.3.10 Scheme limit

The number of Molten Shares over which options may be granted under the Molten Ventures 2020 LTIP on any date was limited so that the total number of Molten Shares issued and issuable pursuant to rights granted under any employee share scheme operated by Molten in any ten year period is restricted to 5 per cent. of the issued Molten Shares from time to time.

### 10.4 Molten Ventures 2021 CSOP

# 10.4.1 Adoption

The Molten Ventures 2021 CSOP was adopted by the Molten Board in July 2021 and satisfies the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 so that options granted under it are subject to favourable tax treatment ("**Tax Advantaged Options**").

A standalone schedule to the Molten Ventures 2021 CSOP provided for the one off-grant of nil cost unapproved options to all employees (other than the Chief Executive Officer) on Initial Main Market Admission. The value of the award was £15,000 per employee and the award

vested on the first anniversary of the award date. No further awards will be made under the terms of the schedule.

## 10.4.2 Eligibility

All employees of the Molten Group are eligible to participate in the Molten Ventures 2021 CSOP at the discretion of the Remuneration Committee.

## 10.4.3 Grant of options

Options may be granted during the period of 42 days following: (i) adoption of the plan rules or the date on which any amendment takes effect or following any changes to relevant legislation; (ii) the announcement of Molten's final or interim results for any financial period; or (iii) the occurrence of an event which the Molten Board considers to be an exceptional event including but not limited to an eligible employee commencing employment with the Molten Group. If any of the above periods is a 'close period' or otherwise restricted under Molten's internal share dealing code, then options may be granted within 42 days of the end of such period.

The Molten Ventures 2021 CSOP provides that options may be granted (at the discretion of the Remuneration Committee) on terms that their exercise is subject to the satisfaction of performance conditions. No options may be granted more than ten years after the adoption date of the Molten Ventures 2021 CSOP.

# 10.4.4 Exercise price

The price at which an option holder may acquire Molten Shares on the exercise of an option was determined by the Remuneration Committee as nominal value (being  $\mathfrak{L}0.01$  per Molten Share).

#### 10.4.5 Vesting

The Molten Ventures 2021 CSOP provides for options to vest and become exercisable on a date determined by the Remuneration Committee, which will not usually be earlier than the third anniversary of the date of grant.

# 10.4.6 *Lapse*

Options will normally lapse on cessation of employment. However, exercise is permitted for a limited period following cessation of employment for specified reasons such as redundancy, retirement or ill health and in other circumstances at the discretion of the Remuneration Committee.

In the event of an amalgamation, takeover or winding up of Molten, options may be exercised within certain time limits. There are also provisions for the exchange of options in limited circumstances. Options immediately lapse on the tenth anniversary of the date of grant and in the event of the participant's bankruptcy.

### 10.4.7 Non-transferable and non-pensionable

Options and awards are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

## 10.4.8 Individual limits

No Tax Advantaged Option may be granted to an eligible employee under the main terms of the Molten Ventures 2021 CSOP which would result in the aggregate exercise prices of outstanding options granted to that employee under Part 1 of the Molten Ventures 2021 CSOP and/or under any other share option scheme which satisfies the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 exceeding £30,000 (or such other limit as may be specified by the relevant tax legislation from time to time).

A nil-cost option granted under the schedule to the Molten Ventures 2021 CSOP was limited to Molten Shares with an aggregate value of £15,000 per employee, measured at the date of grant. Such option was unapproved under Part 2 of the Molten Ventures 2021 CSOP.

#### 10.4.9 Plan limits

Molten Shares may be newly issued, transferred from treasury or market purchased for the purposes of the Molten Ventures 2021 CSOP.

Options or awards may not be granted under the Molten Ventures 2021 CSOP on terms capable of being satisfied by newly issued Molten Shares where to do so would cause the number of Molten Shares which may be issued pursuant to outstanding awards or options granted within the previous 10 years under the Molten Ventures 2021 CSOP and any other employees' share scheme adopted by Molten, when added to the number of Molten Shares issued for the purpose of any such awards and options, to exceed 10 per cent. of Molten's ordinary share capital in issue immediately prior to the proposed date of grant.

These limits do not include rights to Molten Shares which have been released, lapsed or otherwise become incapable of exercise or vesting.

Treasury shares will count as new issue Molten Shares for the purpose of these limits for so long as institutional investor bodies consider that they should be so counted.

### 10.4.10 Variation of capital

The number of Molten Shares subject to options and awards and, where applicable, any option exercise price may be adjusted, in such manner as the Molten Board or the Remuneration Committee, as applicable, may determine, following any variation of share capital of Molten or, except for Tax Advantaged Options, a demerger of a substantial part of the Molten Group's business, a special dividend or a similar event affecting the value of Molten Shares to a material extent.

### 10.4.11 Alterations

The Molten Board may amend the rules of the Molten Ventures 2021 CSOP as it considers appropriate, subject to any relevant legislation, provided that no modification may be made which confers any additional advantage on participants relating to eligibility, plan limits, the basis of individual entitlement, the price payable for the acquisition of Molten Shares and the provisions for the adjustment of options and awards without prior Molten Shareholder approval, except in relation to performance conditions or for amendments which are minor amendments to benefit the administration of the Molten Ventures 2021 CSOP to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or Molten (or other members of the Molten Group).

# 10.5 Molten Ventures 2021 LTIP

### 10.5.1 Adoption

The Molten Ventures 2021 LTIP was adopted by the Molten Board in July 2021.

# 10.5.2 Administration

Awards may be granted, and the Molten Ventures 2021 LTIP is administered, by the Remuneration Committee.

## 10.5.3 Eligibility

Awards may be granted to any of the employees of Molten or any member of the Molten Group, including the Molten Executive Directors.

### 10.5.4 Form of awards

Under the Molten Ventures 2021 LTIP, awards will take the form of either:

- a conditional right to receive Molten Shares which will be automatically transferred to the participant following vesting;
- a nil or nominal-cost option, exercisable by the participant following vesting during a permitted exercise period (extending not later than the tenth anniversary of the date of award) (an "Option"); or
- such other form of award (including restricted shares) as the Remuneration Committee may from time to time determine.

#### 10.5.5 Individual limit

The maximum market value of the Molten Shares over which an eligible employee may be granted an award under the Molten Ventures 2021 LTIP in any financial year cannot exceed an amount equal to 250 per cent. of that eligible employee's gross annual basic salary as at the date of grant. The Molten Ventures 2021 LTIP may, in addition, be used to facilitate "buyout" awards granted on the recruitment of an eligible employee in excess of this limit.

### 10.5.6 Performance conditions

The Remuneration Committee may (and in the case of Molten Executive Directors, must) determine the performance conditions which will apply to awards and which will be measured over a period (the "**performance period**") of not less than three years. The Remuneration Committee may specify a shorter performance period for example where an award is granted in connection with the recruitment of an eligible employee. There will be no provision for retesting performance targets.

The Remuneration Committee may alter the performance conditions attaching to an award if events happen after the date of grant that cause the Remuneration Committee to consider that any element of the performance conditions is no longer a fair measure of Molten's performance, provided that the revised target is not considered to be materially less challenging than was intended in setting the original conditions. Where an award vests prior to the normal vesting date, the Remuneration Committee will assess performance using such information as it determines to be appropriate.

Performance measures for Molten Executive Directors are set in line with the Remuneration Policy, and performance targets are set out in the annual report on directors' remuneration.

## 10.5.7 Vesting

Awards will normally vest on the third anniversary of the date of grant. The Remuneration Committee may specify a shorter vesting period only where an award is granted in connection with the recruitment of an eligible employee. In relation to the Molten Executive Directors (and other participants at the discretion of the Remuneration Committee), awards will be subject to a two year holding period after the end of the performance period during which the Molten Shares cannot be disposed of (other than to cover tax liabilities).

Awards will vest to the extent that the relevant performance conditions have been met provided that the Remuneration Committee may adjust (negatively or positively) the vesting level where it considers it appropriate to do so to reflect Molten's broader financial performance and such other factors as it considers to be relevant.

If the Remuneration Committee so determines, an award may be satisfied in whole or in part by a cash payment as an alternative to the issue or transfer of Molten Shares.

# 10.5.8 Retention period

The Remuneration Committee may (and in the case of Molten Executive Directors, must) determine awards will be subject to a retention period of two years following the vesting of

an award during which a participant will not be permitted to dispose of the Molten Shares (other than to cover tax liabilities or in the event of a corporate action).

#### 10.5.9 Leavers

Unexercised awards under the Molten Ventures 2021 LTIP will lapse where the participant ceases to hold office or employment with the Molten Group and is not determined to be a 'Good Leaver' (as defined below). If a participant ceases to hold office or employment because of: death, injury, disability, sale of their employing company or business unit, or other circumstances as determined at the discretion of the Remuneration Committee ("Good Leaver" reasons), their award will remain outstanding and capable of vesting on its normal vesting date or such earlier date to the extent that the Remuneration Committee may determine. The extent to which an award will vest in a Good Leaver situation will depend upon:

- the extent to which the performance conditions have, in the opinion of the Remuneration Committee, been satisfied over the performance period; and
- unless the Remuneration Committee decides in its absolute discretion that it is inappropriate to do so, such reduction in the size of award as the Remuneration Committee determines appropriate having regard to time served in the normal vesting period, and such other factors as it considers appropriate.

An Option will typically be exercisable during a period of six months from the date of cessation as a Good Leaver (or such longer period as the Remuneration Committee may permit) or typically twelve months in the case of death.

## 10.6 Molten Ventures 2021 DBP

### 10.6.1 Adoption

The Molten Ventures 2021 DBP was adopted by the Molten Board in July 2021.

# 10.6.2 Eligibility

Awards of bonus payments may be granted to any of the employees of Molten or any member of the Molten Group, including the Molten Executive Directors. The Molten Executive Directors are the only recipients of the Molten Ventures 2021 DBP as at the date of this document and are anticipated to remain the only participants in the Molten Ventures 2021 DBP.

# 10.6.3 Bonus deferral

Before or after the amount of an eligible employee's or Molten Executive Director's annual bonus is determined, the Remuneration Committee may specify that a proportion of the eligible individual's annual bonus shall be deferred. To the extent that a bonus awarded to a Molten Executive Director's bonus exceeds 100 per cent. of salary, the balance shall be deferred under the Molten Ventures 2021 DBP. An eligible employee has no entitlement to receive the proportion of the annual bonus that is deferred until the end of the deferral period.

The Remuneration Committee will grant a Molten Ventures 2021 DBP award to an eligible employee whose bonus is subject to deferral over the number of Molten Shares which have a value (taken at the time the bonus is determined) equivalent to the proportion of the eligible employee's bonus which is deferred.

### 10.6.4 Form of awards

Under the Molten Ventures 2021 DBP, where the Remuneration Committee has specified that a proportion of annual bonus shall be deferred, awards will take the form of either:

• a conditional right to receive Molten Shares which will be automatically transferred to the participant following vesting; or

a nil or nominal cost option, exercisable by the participant following vesting during a
permitted exercise period (extending not later than the tenth anniversary of the date of
award) (an "Option").

# 10.6.5 Vesting

Except as otherwise provided for in the rules of the Molten Ventures 2021 DBP, an award will vest on its normal vesting date provided that the participant is then employed, or holds office in Molten or the Molten Group. For these purposes, the "normal vesting date" will be specified at the time an award is granted and will not normally be before the first anniversary of the date of grant.

### 10.6.6 Leavers/disciplinary

An award holder may not exercise/vest a Molten Ventures 2021 DBP award at any time: (i) while subject to ongoing disciplinary proceedings; (ii) while any member of the Molten Group is investigating the award holder's conduct and may as a result begin disciplinary proceedings; (iii) while there is a breach of the award holder's employment contract that is a potentially fair reason for dismissal; (iv) after the award holder giving notice of termination of their employment unless or until the Remuneration Committee determines that a Molten Ventures 2021 DBP award can be exercised/vest; or (v) while in breach of a fiduciary duty or after ceasing to be an employee, if there was a breach of the employment contract or fiduciary duties that (in the reasonable opinion of the Remuneration Committee) would have prevented exercise/vesting of the Molten Ventures 2021 DBP award had Molten been aware (or fully aware) of that breach. Following the conclusion of any disciplinary proceedings or investigation, the Remuneration Committee will determine whether the Molten Ventures 2021 DBP award is exercisable/vests, any time period for doing so (if any) and the date that the Molten Ventures 2021 DBP award lapses.

### 10.7 Terms common to the Molten Ventures 2021 LTIP and the Molten Ventures 2021 DBP

### 10.7.1 Molten Executive Directors

Participation by the Molten Executive Directors shall, unless and until approved otherwise by Molten Shareholders, be in accordance with the terms of the Remuneration Policy.

# 10.7.2 Timing of awards

Awards may be granted during the period of 42 days following (i) adoption of the plan rules or the date on which any amendment takes effect or following any changes to relevant legislation; (ii) the announcement of Molten's final or interim results for any financial period; or (iii) the occurrence of an event which the Molten Board considers to be an exceptional event including but not limited to an eligible employee commencing employment with the Molten Group. If any of the above periods is a 'close period' or otherwise restricted under Molten's internal share dealing code, then awards may be granted within 42 days of the end of such period.

#### 10.7.3 Dividend equivalents

Participants may receive an additional payment (or Molten Shares of equivalent value) equal to the dividends which would have been paid during the vesting period on the number of Molten Shares that vest. Any dividend equivalent payable to Molten Executive Directors will be made in the same form as applicable for other participants.

# 10.7.4 Dilution limits

Options or awards may not be granted under the Molten Ventures 2021 LTIP and Molten Ventures 2021 DBP on terms capable of being satisfied by newly issued shares where to do so would cause the number of Molten Shares which may be issued pursuant to outstanding awards or options granted within the previous ten years under the Molten Ventures 2021 LTIP and Molten Ventures 2021 DBP and any other discretionary employees' share scheme adopted by Molten, when added to the number of Molten Shares issued for the purpose of

any such awards and options, to exceed 5 per cent. of Molten's ordinary share capital in issue immediately prior to the proposed date of grant.

## 10.7.5 Corporate actions

In the event of a takeover or winding up of Molten (not being an internal corporate reorganisation) all awards will vest early subject to the Remuneration Committee's discretion to determine:

- the extent that the performance conditions have been satisfied at that time;
- such reduction in the size of award, if any, as the Remuneration Committee determines appropriate having regard to time elapsed of the normal vesting period; and
- such other factors as it considers appropriate.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company unless the Remuneration Committee decides that awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Remuneration Committee, would affect the market price of shares to a material extent, then the Remuneration Committee may decide that awards will vest on the basis which would apply in the case of a takeover.

#### 10.7.6 Transfer overseas

If a participant transfers from one tax jurisdiction to another and continues, or will continue to hold an office or employment with a member of the Molten Group as a result of that transfer, there will ordinarily be no change to the awards. The Remuneration Committee may exercise discretion to vest or replace on its original terms all or a portion of the awards in the event that the Remuneration Committee considers it is appropriate to do so.

#### 10.7.7 Malus and claw-back

The Remuneration Committee may apply malus or claw-back where at any time before or within up to three years of vesting it determines that the financial results of Molten were misstated, an error was made in any calculation or in assessing performance, which resulted in the number of Molten Shares in respect of which the option or award was granted or vested being more than it should have been. The Remuneration Committee may also apply claw-back where it determines that, at any time prior to the later of the vesting of an award (or exercise of an option) or the expiry of any retention period:

- the participant committed misconduct that justified, or could have justified, dismissal;
- the participant's action or omission has contributed to reputational damage to any member of the Molten Group;
- the participant's activity or conduct was contrary to the requirements of the financial services regulators;
- in circumstances of corporate failure of any member of the Molten Group; or
- in circumstances of failures of risk management.

A claw-back may be satisfied in a number of ways, including by reducing the amount of any future bonus, by reducing the vesting of any subsisting or future options or awards (other than Tax-Advantaged Options or awards), by reducing the number of Molten Shares under any vested but unexercised option and/or by either one or both of a requirement to make a cash payment or transfer of Molten Shares to Molten.

The claw-back provisions will not apply following the occurrence of a takeover or similar corporate event.

### 10.7.8 Non-transferable and non-pensionable

Options and awards are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

# 10.8 The carried interest plans

# 10.8.1 Initial portfolio at AIM Admission

Certain ex-employees of the Molten Group and DFJ Network Affiliate IX, LLC are entitled to receive carried interest arising from future realisations from Esprit Fund 3, which held Molten's interests in its initial portfolio when the Molten Shares then in issue were admitted to trading on AIM (the "Initial AIM Portfolio"). In accordance with their existing entitlements, they will receive, in aggregate, 8.7 per cent. of the net realised cash profits from the Initial AIM Portfolio once the Molten Group has received an aggregate annualised 6 per cent. realised return from the Initial AIM Portfolio (by reference to the date such investments were made rather than acquired by the Molten Group at the time of AIM Admission).

There is also a co-investment plan for the Initial AIM Portfolio for the benefit of the Molten Group and certain ex-employees. The entitlements to such co-investment plan as at the date of this document are as follows:

	Percentage co-investment
The Molten Group Ex-employees	71.1 28.9
Total	100.0

### 10.8.2 Carried interest plans since AIM Admission

Molten has established carried interest plans for the Molten Executive Directors (for periods prior to 1 April 2022), other members of the investment team and certain other employees (the "**Plan Participants**") in respect of any investments and follow-on investments made since AIM Admission. Each carried interest plan operates in respect of investments made during a 24 month period and related follow-on investments made for a further 36 month period save that: (i) there are separate carried interest plans for the Initial AIM Portfolio and related follow-on investments; and (ii) the first such carried interest plan after AIM Admission was for the period from AIM Admission to 31 March 2018.

Subject to certain exceptions, Plan Participants will receive, in aggregate, 15 per cent. of the net realised cash profits from the investments and follow-on investments made over the relevant period once Molten has received an aggregate annualised 10 per cent. realised return on investments and follow-on investments made during the relevant period save that the hurdle for the carried interest plan established on 1 April 2020 and subsequent carried interest plans has an aggregate annualised 8 per cent. realised return on investments and follow-on investments made during the relevant period. The Plan Participants' return is subject to a "catch-up" in their favour. Plan Participants' carried interests vest over five years for each carried interest plan and are subject to good and bad leaver provisions. Any unvested carried interest resulting from a Plan Participant becoming a leaver can be reallocated by an adjudication committee formed by Esprit Capital in its capacity as appointed AIFM of Molten.

From April 2020 onwards, the Molten Executive Directors have not been eligible to participate in new carried interest plans, and instead, from Initial Main Market Admission, the Molten Executive Directors participate in the Molten Ventures 2021 LTIP. No carry entitlement previously awarded to any of the Molten Executive Directors will lapse (including any entitlement that may not yet have vested).

### 11 FORWARD GROUP INCENTIVE SCHEMES

See paragraphs 8 and 9 of Part 9 (Information on Forward) of this document respectively for summaries of the Forward carried interest plan and the Forward LTIP.

## 12 MOLTEN DIRECTORS' INTERESTS

12.1 The table below sets out: (i) the interests in Molten Shares of the Molten Directors (all of which, unless otherwise stated, are beneficial and include interests of persons connected with them) at the Latest Practicable Date; (ii) the percentage of ordinary share capital that holding represents at the Latest Practicable Date; (iii) the number of New Molten Shares expected to be held by each Molten Director (and persons connected with them) immediately following completion of the Acquisition; and (iv) the percentage of the Enlarged Share Capital their respective aggregate holdings are expected to represent (assuming that 14,792,679 New Molten Shares are issued pursuant to the Acquisition):

	No. of	Percentage of		
	Existing Molten	issued share		
	Shares held as	capital as	Number	
	at the Latest	at the Latest	of New	Percentage
	Practicable	Practicable	Molten	of Enlarged
Molten Director	Date	Date	Shares	Share Capital
Laurence Hollingworth	20,000	0.01%	_	0.01%
Martin Davis	91,836*	0.05%	_	0.05%
Ben Wilkinson	48,022	0.03%	_	0.03%
Stuart Chapman	1,054,756	0.61%	_	0.56%
Grahame Cook	55,548	0.03%	_	0.03%
Sarah Gentleman	4,444	0.00%	_	0.00%
Gervaise Slowey	10,000**	0.01%	_	0.01%
Lara Naqushbandi				
Total	1,284,606	0.74%		0.68%

<sup>\*</sup>Of which 16,279 are beneficially owned by Jane Davis, the wife of Martin Davis.

12.2 In addition to the interests in Molten Shares of the Molten Directors described at paragraph 12.1 of this Part 14, as at the Latest Practicable Date, the Molten Executive Directors have the following interests in options to acquire Molten Shares:

Number

Director	Incentive plan	of Molten Shares under option	Type of option	Grant date	Vest date*	Exercise price
Martin Davis	Molten Ventures 2020 LTIP	56,125	Nominal cost option	29/06/2020	29/06/2023	£0.01
	Molten Ventures 2021 LTIP	135,979	Nominal cost option	16/07/2021	16/07/2024	£0.01
	Molten Ventures 2021 LTIP	230,319	Nominal cost option	17/06/2022	17/06/2025	£0.01
	Molten Ventures 2021 DBP	89,444	Nominal cost option	17/06/2022	17/06/2024	£0.01
	Molten Ventures 2021 LTIP	48,068	Nominal cost option	22/06/2023	17/06/2025	£0.01
	Molten Ventures 2021 DBP	18,667	Nominal cost option	22/06/2023	17/06/2024	£0.01
	Molten Ventures 2021 LTIP	471,383	Nominal cost option	23/06/2023	23/06/2026	£0.01

<sup>\*\*</sup> Beneficially owned by Kevin Maher, the husband of Gervaise Slowey.

Director	Incentive plan	Number of Molten Shares under option	Type of option	Grant date	Vest date*	Exercise price
Ben Wilkinson	Molten Ventures 2016 CSOP	178,100	Option at market value on grant date	30/07/2018	30/07/2021	£4.92
	Molten Ventures 2016 CSOP	178,434	Option at market value on grant date	12/02/2019	12/02/2022	£5.30
	Molten Ventures 2020 LTIP	36,615	Nominal cost option	29/06/2020	29/06/2023	£0.01
	Molten Ventures 2021 LTIP	91,497	Nominal cost option	16/07/2021	16/07/2024	£0.01
	Molten Ventures 2021 LTIP	154,976	Nominal cost option	17/06/2022	17/06/2025	£0.01
	Molten Ventures 2021 DBP	60,185	Nominal cost option	17/06/2022	17/06/2024	£0.01
	Molten Ventures 2021 LTIP	32,344	Nominal cost option	22/06/2023	17/06/2025	£0.01
	Molten Ventures 2021 DBP	12,560	Nominal cost option	22/06/2023	17/06/2024	£0.01
	Molten Ventures 2021 LTIP	317,182	Nominal cost option	23/06/2023	23/06/2026	£0.01
Stuart Chapman	Molten Ventures 2016 CSOP	226,385	Option at market value on grant date	28/11/2016	28/11/2019	£3.55
	Molten Ventures 2016 CSOP	234,835	Option at market value on grant date	28/11/2017	28/11/2020	£3.87
	Molten Ventures 2016 CSOP	178,100	Option at market value on grant date	30/07/2018	30/07/2021	£4.92
	Molten Ventures 2016 CSOP	178,434	Option at market value on grant date	12/02/2019	12/02/2022	£5.30
	Molten Ventures 2016 CSOP	1,522	Nominal cost option	26/07/2021	26/07/2022	£0.01
	Molten Ventures 2020 LTIP	38,619	Nominal cost option	29/06/2020	29/06/2023	£0.01
	Molten Ventures 2021 LTIP	93,468	Nominal cost option	16/07/2021	16/07/2024	£0.01
	Molten Ventures 2021 LTIP	158,314	Nominal cost option	17/06/2022	17/06/2025	£0.01
	Molten Ventures 2021 DBP	61,481	Nominal cost option	17/06/2022	17/06/2024	£0.01
	Molten Ventures 2021 LTIP	33,041	Nominal cost option	22/06/2023	17/06/2025	£0.01
	Molten Ventures 2021 DBP	12,831	Nominal cost option	22/06/2023	17/06/2024	£0.01
	Molten Ventures 2021 LTIP	324,014	Nominal cost option	23/06/2023	23/06/2026	£0.01

<sup>\*</sup>The options will expire if any performance conditions to which they are subject have not been met by the vest date and otherwise if they have not been exercised by the tenth anniversary of the grant date.

#### 13 MAJOR MOLTEN SHAREHOLDERS

13.1 In so far as is known to the Company, as at the Latest Practicable Date, each of the following persons held, directly or indirectly, a percentage of the Company's voting rights that is notifiable pursuant to the DTRs. The table below sets out: (i) the number of voting rights in Molten held by each such person at the Latest Practicable Date; (ii) the percentage of voting rights in Molten that holding represents at the Latest Practicable Date; and (iii) the percentage of the voting rights in Molten that their holding is expected to represent immediately following Admission:

Name	No. of voting rights as at the Latest Practicable Date	Percentage of voting rights as at the Latest Practicable Date	Percentage of voting rights immediately following Admission*
BlackRock, Inc.	17,760,166	10.19%	14.96%**
Baillie Gifford	15,556,320	8.93%	8.23%
National Treasury Management Agency	14,004,502	8.04%	7.41%
Cazenove Capital Management	10,858,460	6.23%	5.74%
British Business Bank	10,846,560	6.22%	5.74%
Border to Coast Pensions Partnership	8,742,378	5.02%	4.62%
Liontrust Sustainable Investments	7,555,489	4.34%	4.00%
Asset Value Investors	7,452,166	4.28%	3.94%
Vanguard Group	6,364,395	3.65%	3.37%
Ticketridge	6,405,685	3.68%	3.39%
Interactive Investor (EO)	5,546,482	3.18%	2.93%

<sup>\*</sup>Assuming that the interest of the relevant Molten Shareholder as at the Latest Practicable Date does not change, the maximum number of New Molten Shares (being 14,792,679) are issued pursuant to the Acquisition (including as a result of the assumed maximum exercise of the Forward FY23 Options prior to the Scheme becoming Effective pursuant to the terms of the Forward LTIP Letters) and, unless otherwise stated, not taking into account any holdings of Forward Shares.

- 13.2 Save as disclosed above, in so far as is known to the Molten Directors, there is no other person who is or will be immediately following completion of the Acquisition, directly or indirectly, interested in 3 per cent. or more of the issued share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company. The Molten Directors have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. None of the Company's major shareholders have or will have different voting rights attached to the Molten Shares they hold in the Company.
- 13.3 None of the Molten Directors has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Molten Group or any of its subsidiaries or subsidiary undertakings and which were effected by the Company or any of its subsidiaries or subsidiary undertakings during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.
- 13.4 There are no outstanding loans or guarantees granted or provided by any member of the Molten Group to or for the benefit of any of the Molten Directors.

## 14 MOLTEN DIRECTORS' TERMS OF EMPLOYMENT AND ENGAGEMENT

# 14.1 Molten Executive Directors

The following service contracts have been entered into by the Company with the Molten Executive Directors:

 Martin Davis was first appointed as a director of Molten on 4 November 2019 and is currently employed by Molten in the post of Chief Executive Officer under a service contract dated 19 July 2021. Martin's current annual base salary is £517,390 (effective from 1 April 2023);

<sup>\*\*</sup> BlackRock holds 94,748,939 Forward Shares and, as such, is expected to be issued 10,527,659 New Molten Shares pursuant to the Acquisition. The percentage shown here is inclusive of the 17,760,166 Existing Molten Shares held by certain funds and accounts managed by members of the BlackRock, Inc. group, and the 10,527,659 New Molten Shares expected to be issued thereto pursuant to the Acquisition.

- Stuart Chapman was first appointed as a director of Molten on 20 November 2015 and is currently employed by Molten as a Molten Executive Director under a service contract dated 19 July 2021. Stuart's current annual base salary is £355,638 (effective from 1 April 2023); and
- Ben Wilkinson was first appointed as a director of Molten on 4 June 2019 and is currently employed by Molten in the post of Chief Financial Officer under a service contract dated 19 July 2021. Ben's current annual base salary is £348,140 (effective from 1 April 2023).

There is no expiration of the current term of office relating to any of the Executive Directors' appointment. Pursuant to their respective service contracts, each Molten Executive Director is also entitled to a pension contribution into a personal pension scheme of an amount equal to 15 per cent. of their base salary per annum. They may also be awarded a bonus of up to 200 per cent. of their base salary per annum, with any bonus above 100 per cent. of salary being deferred in Molten Shares for two years pursuant to the Molten Ventures 2021 DBP. Furthermore, the Molten Executive Directors' service contracts provide that they may also be granted options under the Molten Ventures 2021 LTIP of up to 250 per cent. of their base salary. Each Molten Executive Director's service contract is terminable on six months' notice by either party. None of the service contracts provide for benefits upon termination of employment.

The annual salary paid to each Molten Executive Director under each of their respective service contracts in respect of the financial year ended 31 March 2023 is set out in the table at paragraph 14.3 below.

#### 14.2 Molten Non-Executive Directors

The following appointment letters have been entered into by the Company with the Molten Non-Executive Directors:

- Laurence Hollingworth was initially appointed as a Molten Non-Executive Director and Chair on 2 January 2024 and his appointment is currently governed by a letter of appointment dated 14 November 2023. Laurence is currently entitled to an aggregate fee of £160,000 per annum (effective from 2 January 2024) in respect of his role as Chair and chair of the Nomination Committee;
- Grahame Cook was initially appointed as a Molten Non-Executive Director on 20 November 2015 and his appointment is currently governed by a letter of appointment dated 15 June 2016, which was amended and restated on 19 July 2021. Grahame is currently entitled to an aggregate fee of £80,000 per annum (effective from 2 January 2024) in respect of his role as Senior Independent Director and chair of the Audit, Risk and Valuations Committee;
- Gervaise Slowey was initially appointed as a Molten Non-Executive Director on 23 July 2021 and her appointment is currently governed by a letter of appointment dated 19 July 2021. Gervaise is currently entitled to an aggregate fee of £70,000 per annum (effective from 1 April 2023) in respect of her role as an Independent Non-Executive Director and chair of the ESG Committee; and
- Sarah Gentleman was initially appointed as a Molten Non-Executive Director on 8 September 2021 and her appointment is currently governed by a letter of appointment dated 8 September 2021. Sarah is currently entitled to an aggregate fee of £70,000 per annum (effective from 1 April 2023) in respect of her role as an Independent Non-Executive Director and chair of the Remuneration Committee; and
- Lara Naqushbandi was appointed as a Molten Non-Executive Director on 11 September 2023 and her appointment is currently governed by a letter of appointment of the same date. Lara is currently entitled to an aggregate fee of £60,000 per annum (effective from 11 September 2023) in respect of her role as an Independent Non-Executive Director.

Each Molten Non-Executive Director's appointment letter is terminable in accordance with the Articles and, in respect of the appointment letters of Grahame Cook, Gervaise Slowey and Sarah Gentleman on three months' written notice by either party, in each case without any benefit upon termination. There is no expiration of the current term of office relating to any of the Non-Executive Directors' appointment. In addition, each Molten Non-Executive Director is subject to re-election by Molten Shareholders at each annual general meeting of Molten. Each Molten Non-Executive Director's fees

are subject to annual review. In addition to their fees, the Molten Non-Executive Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. Details of the fees paid to each serving Molten Non-Executive Director in respect of the financial year ended 31 March 2023 are set out in the table at paragraph 14.3 below.

## 14.3 Molten Directors' remuneration

The gross aggregate remuneration paid and benefits in kind granted to the serving Molten Directors by Molten in respect of the financial year ended 31 March 2023 was approximately £4,353,000 and was made up as follows:

					Pension-			
	Basic	Taxable	Annual	Long term	related	Total		
	salary/fees	benefits	bonus	incentive	benefits	remuneration	Carried	Total
	£'000	£'000²	£'000	£'000	£'000	£'000	interest³	£'000
Executive								
Directors								
Martin Davis	4971	8	379	203	75	1,162	_	1,162
Ben Wilkinson	3351	5	255	132	50	777	110	887
Stuart								
Chapman	3421	6	261	140	51	800	1,119	1,919
Non-								
Executive								
Chair								
Karen Slatford <sup>4</sup>	100	_	_	_	_	100	_	100
Non-Executive	<b>;</b>							
Directors								
Grahame Cook5	95	_	_	_	_	95	_	95
Richard Pelly	60	_	_	_	_	60	_	60
Gervaise								
Slowey	60 <sup>6</sup> -	_	_	_	60	_	60	
Sarah								
Gentleman	70	_	_	_	_	70	_	70

<sup>&</sup>lt;sup>1</sup> The Remuneration Committee has approved a pay increase of 4.0 per cent. of base salary for the Molten Executive Directors, effective from 1 April 2023.

# 14.4 Molten Directors' current and past directorships and partnerships

Set out below are the directorships and partnerships held by the Molten Directors (other than, where applicable, directorships held in the Company and its subsidiaries and the subsidiaries of the companies listed below) in the five years prior to the date of this document:

Name	Current directorships/partnerships	Past directorships/partnerships
Laurence Hollingworth	ABM Communications Limited Atom Bank plc Atom Holdco Limited Clarkson PLC Colburn East Limited Inside Track 1 LLP Inside Track 2 LLP The Keyholding Company Limited	Recycling Technologies Group PLC Recycling Technologies Ltd
Martin Davis	_	_
Ben Wilkinson	-	-

<sup>&</sup>lt;sup>2</sup> Benefits include private medical and critical illness cover.

<sup>&</sup>lt;sup>3</sup> The carried interest amounts are legacy award payments during the year in respect of awards no longer available to Molten Executive Directors – these carried interest plan awards were made in prior years.

<sup>&</sup>lt;sup>4</sup> Karen Slatford resigned as Non-Executive Chair on 17 January 2023.

<sup>&</sup>lt;sup>5</sup> Grahame Cook assumed responsibility as Interim Chair following the resignation of Karen Slatford on 17 January 2023; Grahame's fees include additional fees approved as remuneration for these additional responsibilities during the financial year ended 31 March 2023.

<sup>&</sup>lt;sup>6</sup> This is converted from Euros at the year-end exchange rate of 1:1.1816.

Name Current directorships/partnerships Past directorships/partnerships

Stuart Chapman Crate Technology GmbH Kiadis Pharma

Netronome Limited Aircall.io

Realeyes (Holdings) Limited Conversocial Limited
Riverlane Limited Displaydata Limited

Resolver Group Limited
Resolving Limited
Freetrade Limited

Grahame Cook Advanced Medical Solutions Attract Group Limited

Group plc Horizon Discovery Group plc

IPSCO Limited KS Halkins LLP Minoan Group plc Pirtsemit Limited

Sapience Communications Ltd

Sarah Gentleman Engine B Limited -

Rathbones Group plc

Lara Naqushbandi Speedandscale Limited Voluntary Service Overseas

Speedandscalel Limited

Syndimoz LLP ETFuels Limited ETFuels Spain SL ETFuels US Inc

ETF Original Pioneers Limited

Gervaise Slowey Wells Fargo Bank International Institute of Directors Ireland

Eason PLC Ulster Bank Ireland DAC

Dalata Hotel Group

Save that: (i) Laurence Hollingworth was formerly a director of Recycling Technologies Ltd, which was dissolved on 4 January 2024 following completion of an administration process on 4 October 2023; and (ii) Stuart Chapman is a director of Resolving Limited, which is in an administration process, within the period of five years preceding the date of this document, none of the Molten Directors:

- 14.4.1 has had any convictions in relation to fraudulent offences;
- 14.4.2 has been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company or the administration of such company; or
- 14.4.3 has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of a company.

None of the Molten Directors have any family relationship with any of the other Molten Directors.

As at the date of this document, none of the Molten Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.

# 15 PENSIONS

The Molten Group operates a 15 per cent. employer non-contributory workplace pension scheme (the "Scheme"). Any employees who have opted out of the Scheme receive contributions directly into self-invested personal pensions. The Molten Group has no interest in the assets of these schemes and there are no liabilities arising from them beyond the agreed monthly contribution for each employee or member that is included in employment costs in the profit and loss account as appropriate.

### 16 MATERIAL CONTRACTS

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Company for the two years immediately preceding the date of this document and which the Molten Directors consider are, or may be, material to the Molten Group or which have been entered into by a member of the Molten Group at any time and contain any provision under which the Company has any obligation or entitlement which the Molten Directors consider is, or may be, material to the Molten Group as at the date of this document:

# 16.1 Receiving Agent Agreement

A Receiving Agent Agreement dated 19 December 2023 between the Company, Forward and Equiniti, pursuant to which Equiniti has been appointed to provide receiving agent services to the Company and Forward in connection with the Acquisition. In its role as receiving agent, Equiniti will, among other things: (i) validate and process the forms of proxy received in relation to each of the Forward Meetings; and (ii) calculate the number of New Molten Shares due to Scheme Shareholders and arrange for their issue (subject to Admission).

Under the terms of the Receiving Agent Agreement, Equiniti is entitled to customary fees. Equiniti is also entitled to reimbursement of reasonable out of pocket expenses properly incurred by it in connection with its duties under the Receiving Agent Agreement.

Equiniti's liability under the Receiving Agent Agreement is limited to four times the fees payable for the services provided under the Receiving Agent Agreement. The Receiving Agent Agreement also contains an indemnity in favour of Equiniti in a form which is customary for an agreement of this nature.

The Receiving Agent Agreement is governed by the laws of England.

## 16.2 **Sponsor Agreement**

On 8 February 2024, the Company, Deutsche Numis and Goodbody entered into a sponsor agreement pursuant to which each of Deutsche Numis and Goodbody have agreed to act jointly with the other as the Company's sponsor for the purposes of the Listing Rules in relation to the UK Admission. The Company is providing Deutsche Numis and Goodbody with: (a) certain undertakings which will require the Company to obtain the prior consent of Deutsche Numis and Goodbody before it can take a particular action; and (b) certain representations and warranties in relation to the Molten Group which are unlimited in time and are not subject to any financial limit. In addition, pursuant to the Sponsor Agreement, the Company is providing Deutsche Numis and Goodbody with the benefit of certain indemnities standard for a document of this nature. The obligations of Deutsche Numis and Goodbody under the Sponsor Agreement are subject to certain conditions, including but not limited to the UK Admission and the Irish Admission occurring by a certain time. Deutsche Numis and/or Goodbody may also terminate the Sponsor Agreement in certain customary circumstances.

The Sponsor Agreement is governed by the laws of England and Wales.

## 16.3 Irish Sponsor Agreement

On 8 February 2024, the Company and Goodbody entered into a sponsor agreement pursuant to which Goodbody has agreed to act as the Company's sponsor for the purposes of the Irish Listing Rules in relation to the Irish Admission. The Company is providing Goodbody with: (a) certain undertakings which will require the Company to obtain the prior consent of Goodbody before it can take a particular action; and (b) certain representations and warranties in relation to the Molten Group which are unlimited in time and are not subject to any financial limit. In addition, pursuant to the Irish Sponsor Agreement, the Company is providing Goodbody with the benefit of certain indemnities standard for a document of this nature. The obligations of Goodbody under the Irish Sponsor Agreement are subject to certain conditions, including but not limited to the UK Admission and the Irish Admission occurring by a certain time. Goodbody may also terminate the Irish Sponsor Agreement in certain customary circumstances, including where the Sponsor Agreement has been terminated.

The Irish Sponsor Agreement is governed by the laws of Ireland.

## 16.4 Placing Agreement

On 27 November 2023, the Company, Deutsche Numis and Goodbody entered into a placing agreement pursuant to which Deutsche Numis and Goodbody each agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for new Molten Shares at 270 pence per Molten Share in connection with the Placing. Deutsche Numis and Goodbody were paid commissions based on the aggregate value of the Issue Shares issued pursuant to the Issue (other than the Retail Offer Shares). The Company gave warranties and indemnities to Deutsche Numis and Goodbody which were standard for an agreement of this nature.

The Placing Agreement is governed by the laws of England and Wales.

## 16.5 PrimaryBid Engagement Letter

On 27 November 2023, the Company entered into the PrimaryBid Engagement Letter with PrimaryBid appointing PrimaryBid as a financial intermediary in connection with the procurement of subscribers for new Molten Shares at 270 pence per share in connection with the Retail Offer. PrimaryBid is a portfolio company of the Molten Group.

Under the PrimaryBid Engagement Letter, the Company paid PrimaryBid a broker fee calculated by reference to the aggregate value of the new Molten Shares issued to PrimaryBid in its capacity as nominee for the subscribers procured by PrimaryBid and its network of retail brokers, wealth managers and investment platforms.

Pursuant to the PrimaryBid Engagement Letter, the Company gave certain customary warranties and indemnities to PrimaryBid, including for liabilities under applicable securities laws and PrimaryBid agreed to act on the basis of certain terms and conditions, including customary US securities law representations and warranties.

The PrimaryBid Engagement Letter is governed by the laws of England.

# 16.6 Cooperation Agreement

On 27 November 2023, the Company and Forward entered into the Cooperation Agreement in relation to the Acquisition, pursuant to which the Company and Forward have, among other things, each agreed to cooperate in relation to obtaining any consents, clearances, permissions, waivers and/or approvals as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Acquisition. The Company and Forward have also agreed to take actions necessary to implement certain proposals in relation to the Forward LTIP and the Forward bonus arrangements. In particular, the Company and Forward have acknowledged and agreed pursuant to the Cooperation Agreement that, for the purpose of protecting the business to be acquired pursuant to the Acquisition, Forward may make cash retention awards to one or more employees whose retention is considered critical for the successful completion of the Acquisition up to a maximum aggregate amount of £100,000. Pursuant to the Cooperation Agreement, the Company has also agreed to certain provisions if the Scheme should switch to a Takeover Offer.

The Cooperation Agreement will terminate in certain circumstances, including if: (i) the Acquisition is withdrawn, terminated or lapses; (ii) a competing offer completes, becomes effective or is declared unconditional; (iii) prior to the Long Stop Date any Condition has been invoked by the Company; (iv) the Forward Directors withdraw their recommendation of the Acquisition; (v) the Scheme does not become effective in accordance with its terms by the Long Stop Date; or (vi) otherwise as agreed between the Company and Forward. Pursuant to the terms of the Cooperation Agreement, the Company has undertaken that it will deliver a notice in writing to Forward on the last Business Day prior to the Scheme Sanction Hearing confirming either: (A) the satisfaction or waiver of the Conditions (other than the Scheme Sanction Condition); or (B) to the extent permitted by the UK Takeover Panel, that it intends to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions.

The Cooperation Agreement is governed by the laws of England.

# 16.7 **Confidentiality Agreement**

On 2 October 2023, Molten and Forward entered into the Confidentiality Agreement in relation to the Acquisition, pursuant to which, among other things, Molten and Forward gave certain mutual undertakings to: (a) subject to certain exceptions, keep information relating to each other and the Acquisition confidential and not to disclose it to third parties; and (b) use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of 24 months from 2 October 2023, completion of the Acquisition and the date on which the Confidentiality Agreement is superseded by a legally binding agreement governing the disclosure of and dealing with the confidential information.

The Confidentiality Agreement is governed by the laws of England and Wales.

# 16.8 AIFM Agreement

On 19 July 2021 Molten and Esprit Capital entered into an amended and restated AIFM agreement pursuant to which Esprit Capital agreed to act as Molten's AIFM for the purposes of the UK AIFM Regime and the EU AIFM Directive.

Under the AIFM Agreement, Esprit Capital provides all of the usual and necessary services of an AIFM of an investment company including such management, risk management, portfolio management, accounting, administrative, consultancy, advisory and general management services as are necessary for this purpose and to enable Molten to comply with the requirements of the Companies Act and any other applicable legislation and regulations (including the Listing Rules, the Prospectus Regulation Rules, the DTRs and MAR) and otherwise as may be agreed between Esprit Capital and Molten from time to time.

Under the terms of the AIFM Agreement, Esprit Capital is entitled to be paid an annual management fee of such amount as to be agreed between Molten and Esprit Capital from time to time. At the date of this document, Molten pays Esprit Capital a management fee based on a 2 per cent. or less priority profit share of the capital calls (less original cost of realisations) of the subsidiary undertakings under the management of Esprit Capital in which Molten, Molten Ventures (Ireland) Limited, Molten Ventures Holdings Limited or another member of the Molten Group is a limited partner. Esprit Capital is also entitled to reimbursement of all out of pocket costs and expenses reasonably and properly incurred by it in providing its services under the agreement.

The AIFM Agreement is terminable by either Molten or Esprit Capital giving to the other not less than three months' written notice. The AIFM Agreement may be terminated with immediate effect on the occurrence of certain events, including the insolvency of either party or in the event of a material breach which fails to be remedied within 30 days of receipt of notice, or if Esprit Capital is required to do so by the FCA or any other governmental or regulatory body.

Molten has agreed to indemnify Esprit Capital against all claims by third parties which may be made against Esprit Capital in connection with its services under the agreement, except to the extent that the claim is due to the negligence, wilful default or fraud of Esprit Capital or any of its employees or any such person or any person to whom Esprit Capital may have delegated any of its obligations and/or functions under the agreement, or any employee of any such person.

The AIFM Agreement is governed by the laws of England and Wales.

### 16.9 **Depositary Agreement**

On 30 May 2023 Molten, Molten Ventures FOF I LP (a limited partnership under Molten Group management which makes investments under the Fund of Funds Programme), Molten Ventures Investments (Ireland) I LP (a limited partnership under Molten Group management which makes Irish-based investments) (each an "AIF" and together, the "AIFs"), Esprit Capital (AIFM to, among other entities, the AIFs) and the Depositary entered into an agreement pursuant to which the Depositary was appointed as depositary for the AIFs. The Depositary is entitled to annual depositary fees for acting as depositary to each AIF and is also entitled to be reimbursed by the relevant AIF for

expenses properly incurred in the performance of its functions under the Depositary Agreement and applicable law.

The Depositary Agreement includes customary indemnity provisions in favour of the Depositary in connection with liabilities incurred or losses suffered in the performance of its functions, which are given, jointly and severally, by Esprit Capital and each of the AIFs, subject to certain customary exceptions. The Depositary Agreement allows the Depositary to delegate its safe-keeping functions in relation to the financial instruments and other assets of the AIFs.

The Depositary Agreement is terminable by any AIF and/or Esprit Capital on three months' written notice and at any time by notice in writing if the Depositary: (i) is subject to certain specified insolvency events; (ii) ceases to be qualified to be appointed as a Depositary; or (iii) commits a material breach of the Depositary Agreement (and, where relevant, fails to remedy such breach within the requisite period). The Depositary Agreement is terminable by the Depositary giving an AIF or Esprit Capital not less than six months' written notice and at any time by notice in writing to Esprit Capital if: (i) Esprit Capital is subject to certain specified insolvency events; (ii) Esprit Capital ceases to be the AIFM of all of the AIFs without the consent of the Depositary; or (iii) an AIF or the AIFM has committed a material breach of the Depositary Agreement (and, where relevant, fails to remedy such breach within the requisite period).

The Depositary Agreement is governed by the laws of England and Wales.

## 16.10 Elderstreet Investment Management Agreement

On 9 February 2021, Elderstreet Investments and Molten Ventures VCT entered into an investment management agreement pursuant to which Elderstreet Investments is appointed to act as Molten Ventures VCT's alternative investment fund manager for the purposes of the UK AIFM Regime. Accordingly, under the Molten Ventures VCT Investment Management Agreement, Elderstreet Investments is responsible for providing transaction services and portfolio management services to Molten Ventures VCT.

Pursuant to the terms of the Molten Ventures VCT Investment Management Agreement, Elderstreet Investments is entitled to receive an annual fee (the "**Annual Fee**") of 2.0 per cent. of the net assets of Molten Ventures VCT, provided that should Molten Ventures VCT's annual expenses (with certain exclusions) exceed 3.5 per cent. of its net asset value, any excess shall be refunded by Elderstreet Investments by way of a reduction in the Annual Fee for the relevant period. The Annual Fee is calculated twice a year on 31 March and 30 September and payable quarterly in advance.

Elderstreet Investments is also entitled to charge transaction and monitoring fees in connection with the management of Molten Ventures VCT's investment portfolio provided that, unless otherwise agreed with Molten Ventures VCT:

- aggregate transaction fees relating to any investee company are capped at 3.0 per cent. of the amount invested by Molten Ventures VCT in such company; and
- aggregate annual monitoring and non-executive directors' fees in respect of any investee company are capped at 1.0 per cent. of the amount invested by Molten Ventures VCT in such company.

Elderstreet Investments is also entitled to reimbursement for all costs and expenses properly incurred by Elderstreet Investments in the performance of its duties under the Molten Ventures VCT Investment Management Agreement, save in respect of costs incurred on abortive investment proposals.

A performance fee ("**Performance Fee**") equal to 20 per cent. of the realised gain shall be payable to Elderstreet Investments where a realised gain is made on the disposal of an investment subject to:

- an IRR hurdle requiring the achievement of at least 7 per cent. per annum in respect of investments made within a five-year investment pool period, the first such period starting on 1 April 2021; and
- a net asset value share hurdle requiring the net asset value per share at the end of the year in which the gain is made (adjusted for dividends paid) to be higher than the net asset value per

share at the commencement of the five-year investment pool period in which the investment was made.

To the extent a Performance Fee is not paid on a realised gain due to failure to meet either hurdle, Elderstreet Investments shall be entitled to receive a Performance Fee in respect of such realised gain at a later date if the hurdles are subsequently achieved, provided that no further Performance Fees will be paid in respect of an investment pool after the expiry of 15 years from the day which is one day before the relevant investment pool commencement date.

The Molten Ventures VCT Investment Management Agreement may be terminated by either party on not less than 12 months' notice to the other party, such notice not to expire prior to the third anniversary of the date of the Molten Ventures VCT Investment Management Agreement. It may also be terminated at any time by notice with immediate effect on the occurrence of certain events, including insolvency, material breach not remedied within 30 days of receipt of notice, Molten Ventures VCT ceasing to be a venture capital trust and Elderstreet Investments ceasing to be authorised by the FCA.

Elderstreet Investments has given an indemnity in favour of Molten Ventures VCT in respect of all costs incurred on abortive investment proposals and Molten Ventures VCT has given an indemnity in favour of Elderstreet Investments (subject to customary exceptions) in respect of Elderstreet Investments' potential losses in carrying out its responsibilities under the Molten Ventures VCT Investment Management Agreement.

The Molten Ventures VCT Investment Management Agreement is governed by the laws of England.

### 16.11 Facilities Agreement

Molten and various members of the Molten Group entered into a facilities agreement on 6 September 2022 (amended and restated on 23 December 2022 and 31 May 2023 and further amended by way of an amendment agreement on 29 November 2023) with the Lenders. The debt facility comprises a £90.0 million term loan and a revolving credit facility of up to £60.0 million. The Term Loan and the Revolving Credit Facility are each repayable in full (subject to any prior refinancing) by 6 September 2025 and the availability period of the Revolving Credit Facility expires on 6 September 2024 such that the Company may not make any further drawdowns under the Revolving Credit Facility during the last 12 months prior to the repayment date. The repayment dates for both the Term Loan and the Revolving Credit Facility, and the availability period of the Revolving Credit Facility, may each be extended by two 12-month periods, subject to the Lenders' willingness to extend and the satisfaction of various conditions (including there being no existing event of default). Should the maximum extension periods be granted, the Term Loan and the Revolving Credit Facility will be repayable in full by 6 September 2027 and the availability period of the Revolving Credit Facility will expire on 6 September 2026.

The Debt Facility replaced Molten's previous £65.0 million revolving credit facility with HSBC Innovation Bank Limited (previously Silicon Valley Bank UK Limited) and Investec Bank plc, which was repaid in full out of the Term Loan. In addition to repaying the previous facility, the Debt Facility may be used for general working capital purposes and to finance the purchase of portfolio companies, but cannot be used to fund share buybacks.

The headline interest rate applied on both the Term Loan and the Revolving Credit Facility includes a 'margin' of 5.50 per cent. per annum plus SONIA. The Facilities Agreement also provides for the Lenders to receive a commitment fee of 0.75 per cent. on any unused amount under the Revolving Credit Facility. Molten also paid an arrangement fee of 1.0 per cent. on new funds; a 0.35 per cent. fee on existing funds; an agency fee to the agent, J.P. Morgan SE; and a modest security agent fee to the security agent.

The Lenders have first priority security interests over certain Molten Group assets, including bank accounts, listed shares, and limited partner interests, with a number of entities within the Molten Group acceding as guarantors.

The availability of the Debt Facility is subject to financial and non-financial covenants which Molten and certain members of the Molten Group must comply with throughout the term of the Debt Facility, including:

- value test: maintaining a value to cost ratio of investments of at least 1.10:1.00;
- LTV ratio: total aggregate financial indebtedness not exceeding 20 per cent. (10 per cent. on each utilisation) of the value of investments in the portfolio (with adjustments for concentration limits connected to, inter alia, sector, geography, joint or collective value and/or listed status) together with the value of all amounts held in specified bank accounts subject to the security package;
- secured LTV ratio: total aggregate financial indebtedness not exceeding 35 per cent. (25 per cent. on each utilisation) of the value of secured investments in the portfolio (with adjustments for concentration limits connected to, inter alia, sector, geography, joint or collective value and/or listed status) calculated by reference to specified assets and bank accounts subject to the security package;
- minimum eligible investments: maintaining a minimum of 50 investments and 20 secured investments (in each case, subject to certain eligibility criteria), with each such investment comprising not less than £2.5 million of the aggregate gross asset value of all such investments (with adjustments for concentration limits connected to, inter alia, sector, geography, joint or collective value and/or listed status); and
- **secured perimeter:** ensuring that at least 70 per cent. of the eligible investments in the portfolio are comprised of secured eligible investments and cash amounts held in specified bank accounts subject to the security package.

Failure to satisfy these covenants may limit Molten's ability to borrow and/or also trigger events of default, which in some instances could trigger a cash sweep on realisations and/or require Molten to cure those breaches by repaying the Debt Facility (either partially or in full). The Lenders may commission quarterly independent valuations of the investment portfolio.

Molten may make voluntary prepayments of loans advanced under the Facilities Agreement which may be subject to break costs. Molten may not re-borrow any of the Term Loan once prepayment has been made, however it is entitled to re-borrow under the Revolving Credit Facility.

Molten has given certain customary representations, warranties and undertakings under the Facilities Agreement, including negative pledges in regards to creation of security over any of Molten's assets (with limited exceptions), the entry into debt financing arrangements, and the disposal of assets over which the Lenders have security. Molten has also given certain customary indemnities in connection with the Facilities Agreement.

The Facilities Agreement is governed by the laws of England.

## 16.12 Broker Agreements

On 7 July 2021 and 14 July 2021 Molten entered into agreements with Deutsche Numis and Goodbody respectively pursuant to which each of Deutsche Numis and Goodbody has agreed to provide corporate broking services to Molten. Molten has provided certain market standard indemnities to each of Deutsche Numis and Goodbody in respect of the provision of their respective services. Either Molten or Deutsche Numis may terminate its agreement with immediate effect at any time without liability. Either Molten or Goodbody may terminate its agreement with immediate effect at any time without liability.

The broker agreement with Deutsche Numis is governed by the laws of England and Wales. The broker agreement with Goodbody is governed by the laws of the Republic of Ireland.

#### 17 UK TAXATION

The following is a summary of certain United Kingdom tax considerations relating to the Molten Shares. The statements set out below are based on current United Kingdom tax law as applied in England and Wales and HMRC published practice (which may not be binding on HMRC) as of the date of this document, all of which may be subject to change, possibly with retrospective effect. They are intended as a general guide, not as professional advice, and apply only to Molten Shareholders resident and, in the case of an individual, domiciled or deemed domiciled for UK tax purposes solely in the United Kingdom and to whom "split year" treatment does not apply (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold Molten Shares as an investment and who are the absolute beneficial owners thereof. This summary does not address all possible tax consequences relating to acquiring, holding and disposing of Molten Shares. Certain categories of Molten Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs or exemptions, those connected with the Company or the Molten Group, those for whom there are arrangements involving trusts, and those for whom the Molten Shares are employment related securities may be subject to special rules and this summary does not apply to such Molten Shareholders.

Molten Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately. Each Molten Shareholder should be aware that, without limitation, the tax legislation of the jurisdiction in which the Molten Shareholder is tax resident and/or the tax legislation of the United Kingdom may, amongst other things, have an impact on any income received, or deemed to be received, from Molten Shares.

### 17.1 Taxation of dividends

The Company will not be required to withhold amounts on account of United Kingdom tax at source when paying a dividend in respect of Molten Shares. Liability to tax on dividends will depend on the individual circumstances of a Molten Shareholder.

#### Individual Molten Shareholders

A United Kingdom tax resident individual Molten Shareholder will not be subject to income tax on a dividend such individual Molten Shareholder receives from the Company if the total amount of dividend income received by the individual (including the dividend from the Company) does not exceed the dividend allowance of £1,000 in the tax year 2023/2024, which will be taxed at a nil rate (the "Nil Rate Amount"). For these purposes, "dividend income" includes UK and non-UK source dividends and certain other distributions in respect of Molten Shares except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividend from tax.

In determining the income tax rate or rates applicable to a United Kingdom resident individual Molten Shareholder's taxable income, dividend income is treated as the highest part of such individual Molten Shareholder's income. Dividend income that falls within the Nil Rate Amount will count towards the basic or higher rate limits (as applicable) which may affect the rate of tax due on any dividend income in excess of the Nil Rate Amount.

To the extent that a United Kingdom resident individual Molten Shareholder's dividend income for the tax year exceeds the Nil Rate Amount and, when treated as the top slice of such individual Molten Shareholder's income, falls:

- (a) above such individual Molten Shareholder's personal allowance but below the basic rate limit, such an individual Molten Shareholder will be subject to tax on that dividend income at the dividend basic rate of 8.75 per cent.;
- (b) above the basic rate limit but below the higher rate limit, such an individual Molten Shareholder will be subject to tax on that dividend income at the dividend higher rate of 33.75 per cent.; and
- (c) above the higher rate limit, such an individual Molten Shareholder will be subject to tax on that dividend income at the dividend additional rate of 39.35 per cent.

An individual UK Molten Shareholder who has been resident for tax purposes in the UK but who ceases to be so resident or becomes treated as resident outside the UK for the purposes of a double

tax treaty (treaty non-resident) for a period of five years or less and who receives or becomes entitled to dividends from the Company during that period of temporary non-residence may, if the Company is treated as a close company for UK tax purposes and certain other conditions are met, be liable for income tax on those dividends on his or her return to the UK.

# Corporate Molten Shareholders

Molten Shareholders within the charge to UK corporation tax which are "small companies" for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 ("CTA 2009") will generally not be subject to UK corporation tax on dividends received from the Company, provided certain conditions are met (including an anti-avoidance condition).

Molten Shareholders within the charge to UK corporation tax which are not "small companies" for the purposes of the UK taxation of dividends legislation (Part 9A of the CTA 2009) will generally not be subject to UK corporation tax on dividends received from the Company, provided the dividends fall within one of the exempt classes set out in Chapter 3 of Part 9A and certain conditions are met. Examples of exempt classes (of the CTA 2009) include dividends paid on shares that are "ordinary shares" (that is shares that do not carry any present or future preferential right to dividends or to the Company's assets on its winding up) and which are not "redeemable" (that is shares which are redeemable as a result of their terms of issue (or any collateral arrangements) (i) requiring redemption, (ii) entitling the holder to require redemption or (iii) entitling the Company to redeem them), and dividends paid to a person holding *inter alia* less than 10 per cent. of (i) the issued share capital of the payer or (ii), where there is more than one class of share, the class of share capital in respect of which the distribution is made. However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

# Non-UK Molten Shareholders

A Molten Shareholder resident or otherwise subject to tax outside the United Kingdom (whether an individual or a body corporate) may be subject to foreign taxation on dividend income under local law. Molten Shareholders to whom this may apply should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

# 17.2 **Taxation of capital gains**

For the purposes of UK tax on chargeable gains, the amounts paid by a Molten Shareholder for Molten Shares will generally constitute the base cost of their holdings in those Molten Shares.

A disposal or deemed disposal of Molten Shares by a Molten Shareholder who is resident in the UK for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains depending upon the Molten Shareholder's circumstances and subject to any available exemption or relief.

Molten Shareholders who are resident in the United Kingdom, or, in the case of individuals, who cease to be resident in the United Kingdom for a period of five years or less, may depending on their circumstances (including the availability of exemptions or reliefs), be liable to United Kingdom taxation on chargeable gains in respect of gains arising from a sale or other disposal of Molten Shares.

For individual shareholders within the charge to UK capital gains tax, a disposal (or deemed disposal) of Molten Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. UK capital gains tax may be payable at a rate of 10 per cent. (for the tax year 2023/2024) to the extent that individuals are subject to income tax at the basic rate and any chargeable gain does not exceed the unused part of their basic rate income tax band. Where an individual is subject to income tax at the basic rate but any chargeable gain exceeds the unused part of their basic rate income tax band, the rate of capital gains tax on the excess is 20 per cent. (for the tax year 2023/2024). The rate of capital gains tax for individuals who are higher or additional rate taxpayers is 20 per cent. (for the tax year 2023/2024). Individual Molten Shareholders may be entitled to an annual exemption from capital gains tax (£6,000 for the tax year 2023/2024).

For a corporate Molten Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Molten Shares may give rise to a chargeable gain at the rate of corporation tax applicable

to that Molten Shareholder (as at the date of this document, the main rate of corporation tax is 25 per cent.) or an allowable loss for the purposes of UK corporation tax.

## 17.3 Inheritance and gift taxes

Molten Shares will be assets situated in the United Kingdom for the purposes of United Kingdom inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to United Kingdom inheritance tax, if the holder is domiciled in the United Kingdom or deemed to be domiciled there for the purpose of UK inheritance tax. Generally, United Kingdom inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor.

For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit (where the assets may be treated as part of the transferor's estate).

Special rules also apply to participators in a close company and to trustees of settlements who hold Molten Shares. Molten Shareholders should consult an appropriate professional adviser if they make a gift or a transfer at an undervalue of any kind or intend to hold any Molten Shares directly or indirectly through a close company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to United Kingdom inheritance tax and an equivalent tax in another country or if they are in any doubt about their United Kingdom inheritance tax position.

## 17.4 Stamp duty and stamp duty reserve tax ("SDRT")

The statements in this section are intended as a general guide to the current United Kingdom stamp duty and SDRT position. Investors should note that stamp duty and SDRT charges may apply irrespective of the residence of a Molten Shareholder. Investors should also note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

## Issue

No stamp duty or SDRT will arise on the issue of Molten Shares in registered form by the Company. In the case of SDRT in respect of shares issued to a clearance service or depositary receipt system, this is as a result of EU case law which has been accepted by HMRC. The effect of this EU case law will continue to be recognised and followed in the UK pursuant to the provisions of the EUWA, even though the UK is no longer part of the EU, unless there is a subsequent change in law. With effect from 1 January 2024, the saving legislation in the EUWA will be repealed by the Retained EU Law (Revocation and Reform) Act 2023; however, in the Autumn Statement 2023, the UK government confirmed that, with effect from 1 January 2024, the Finance Bill 2024 will contain provisions that ensure that no stamp duty and SDRT charges arise on such share issues that were an integral part of a capital raising.

Subsequent transfers of shares registered on the principal share register and transfers outside of depositary receipt systems and clearance services

An unconditional agreement to transfer Molten Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser.

Transfers of Molten Shares which are held in certificated form will generally be subject to stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer (rounded up to the next  $\mathfrak{L}5$ ). The purchaser normally pays the stamp duty. An exemption from stamp duty is available on an instrument transferring Molten Shares where the amount or value of the consideration is  $\mathfrak{L}1,000$  or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds  $\mathfrak{L}1,000$ .

If a duly stamped transfer completing an agreement to transfer Molten Shares is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT already paid is generally repayable, normally with interest, and any SDRT charge yet to be paid is cancelled.

Where the transferee is a company connected with the transferor (or a nominee of such a company), stamp duty or SDRT (as appropriate) may be chargeable on the higher of (i) the amount or value of the consideration and (ii) the market value of the Molten Shares acquired.

### Transfers within CREST

Paperless transfers of Molten Shares within the CREST system are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. The charge is generally borne by the purchaser. Deposits of Molten Shares into CREST will not generally be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise. If the transferee is a company connected with the transferor (or a nominee of such a company), stamp duty or SDRT (as appropriate) may be chargeable on the higher of (i) the amount or value of the consideration and (ii) the market value of the Molten Shares acquired.

# Transfers to and within depositary receipt systems and clearance services

Where Molten Shares are transferred (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT may be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration given or, in certain circumstances, the value of the Molten Shares. Under current UK legislation, where new Molten Shares are issued or transferred: (i) to (or to a nominee or agent for) a person whose business is or includes the provision of clearance services, or (ii) to (or to a nominee or agent for) a person whose business is or includes issuing depositary receipts, stamp duty or SDRT would generally be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration paid for the new Molten Shares or in certain circumstances, the value of the new Molten Shares (rounded up to the next multiple of £5 in the case of stamp duty).

As noted above, HMRC has accepted that the 1.5 per cent. charge is in breach of EU law so far as it applied to transfers that were an integral part of a capital raising and has confirmed that, pursuant to the EUWA, it will continue to recognise and follow the effect of this EU law and will not seek to collect the 1.5 per cent. charge in these circumstances. With effect from 1 January 2024, the saving legislation in the EUWA is being repealed by the Retained EU Law (Revocation and Reform) Act 2023; however, in the Autumn Statement 2023, the UK government confirmed that, with effect from 1 January 2024, the Finance Bill 2024 will contain provisions that ensure that no stamp duty and SDRT charges arise on such share transfers that were an integral part of a capital raising.

HMRC's published view is that the 1.5 per cent. SDRT or stamp duty charge continues to apply to transfers of shares into a clearance service or depositary receipt arrangement that are not an integral part of the raising of share capital. In view of the continuing uncertainty, specific professional tax advisers should be engaged before transfers of Molten Shares are made into depositary receipt systems or clearance services.

Except in relation to clearance service businesses that have made and maintained an election under section 97A(1) of the Finance Act 1986 (to which the special rules outlined below apply), no stamp duty or SDRT is payable in respect of paperless transfers within clearance services.

There is an exception from the 1.5 per cent. charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HMRC. In these circumstances, SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer will arise on any transfer of Molten Shares into the clearance service and on subsequent agreements to transfer such Molten Shares within the clearance service.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such a service, which does arise will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system.

# 17.5 Individual Savings Accounts ("ISAs")

The Molten Shares will be qualifying investments for the stocks and shares component under the current ISA regulations. No taxation will be chargeable on an account investor on any dividends, distributions or chargeable gains received in respect of the Molten Shares held through an ISA.

The opportunity to invest in shares through an ISA is restricted to individuals. Individuals wishing to invest in shares through an ISA should contact their professional advisers regarding their eligibility. Individual investors contemplating investing in shares through an ISA should note that there is always a risk that their current rights to hold such shares through an ISA may be prejudiced by future changes to the regulations which govern ISAs.

### 17.6 The Encore Funds

Encore Ventures manages the Encore Funds, EIS funds which co-invest with the Company on UK investments. The Enterprise Investment Scheme (EIS) is designed to encourage investment in qualifying companies when certain conditions are met. For qualifying investments, individuals may obtain income tax relief at 30 per cent. of the amount invested up to a maximum limit in each tax year (in the tax year 2023-2024, the limit is  $\mathfrak L1$  million, increased to a maximum of  $\mathfrak L2$  million if the excess over  $\mathfrak L1$  million is invested in knowledge intensive companies), subject to certain criteria being satisfied. In certain circumstances, income tax relief may be carried back to a prior tax year. Income tax relief may be clawed back if the EIS qualifying shares are disposed of within three years.

Investors who are individuals can also benefit from disposal relief, whereby gains realised on the disposal of EIS qualifying shares are exempt from capital gains tax, as long as the shares have been held for at least three years and income tax relief has been claimed on the cost of the shares and has not been withdrawn. If an investor realises a loss on the disposal, it can offset this loss (less any income tax relief claimed) against its chargeable gains or, in some cases, against income from the current or preceding tax year.

In addition, where a gain realised on the disposal of any asset is reinvested in EIS qualifying shares, this gain can be deferred until the disposal of the EIS qualifying shares.

# 17.7 Molten Ventures VCT

Molten Ventures VCT is a venture capital trust. VCTs provide individual investors with certain UK tax reliefs in respect of qualifying investments into VCT shares. The principal tax reliefs are:

- (a) Income tax relief: individual investors subscribing for newly issued VCT shares in the 2023-2024 tax year should receive income tax relief at 30 per cent. of the amount subscribed against their income tax liability in the tax year of subscription (up to a maximum investment of £200,000 in the tax year), provided that such shares are held for at least five years.
- (b) Dividend tax exemptions: individual investors should be exempt from income tax on dividends received in respect of VCT shares, provided that the investor does not acquire VCT shares with a market value in excess of the £200,000 annual limit in any tax year. If the annual limit is exceeded, the excess VCT shares would not qualify for dividend tax exemption.
- (c) Capital gains tax exemption: capital gains realised by individual investors on disposal of VCT shares should be exempt from capital gains tax provided that the investor does not acquire VCT shares with a market value in excess of the £200,000 annual limit in any tax year. If the annual limit is exceeded, the excess VCT shares would not qualify for capital gains tax exemption. There is no tax relief for a loss realised on disposal.

Any person who is in any doubt as to his or her taxation position or who is liable to taxation in any jurisdiction other than the UK should consult his or her professional advisers.

#### 18 IRISH TAXATION

#### 18.1 Introduction

The following statements are intended only as a general guide to certain Irish tax considerations, not as professional advice, and do not purport to be a complete analysis of all the potential Irish tax consequences of acquiring, holding or disposing of Molten Shares. They are based on current Irish legislation and what is understood to be the current practice of Irish Revenue Commissioners as at the date of this document, both of which may change, possibly with retrospective effect. They apply only to Molten Shareholders who are resident, and in the case of individual Molten Shareholders, domiciled for tax purposes in (and only in) Ireland (except insofar as express reference is made to the treatment of non-Irish residents, who for the purposes of this guide will be deemed non-domiciled), who hold their Molten Shares as an investment (other than under a pension scheme), who are the absolute beneficial owner of both the Molten Shares and any dividends paid on them. The comments may not apply to certain Molten Shareholders, such as dealers in securities, close companies, insurance companies and collective investment schemes, Molten Shareholders who are exempt from taxation and Molten Shareholders who have (or are deemed to have) acquired their Molten Shares by virtue of an office or employment. Such persons may be subject to special rules and should seek advice in this respect. This section is not intended to be, and should not be construed to be, legal or taxation advice to any particular Molten Shareholder. All Molten Shareholders are advised to consult their professional advisors on their tax position, based on their own particular circumstances, before taking any action in respect of Molten Shares.

This section is prepared on the basis that Molten is not resident in Ireland for tax purposes.

## 18.2 Dividend withholding tax

No Irish dividend withholding tax is imposed on dividends paid by non-Irish resident companies.

# 18.3 Encashment tax

Irish tax will be required to be withheld at the rate of 25 per cent. from dividends on any Molten Shares, where such dividends are collected or realised by a bank or encashment agent in Ireland on behalf of any Molten Shareholder. There is an exemption from encashment tax where the beneficial owner of the dividend is not resident in Ireland and has made a declaration to the effect in the prescribed form (Form 1 FD) to the encashment agent or bank.

## 18.4 Taxation of dividends

Individuals

Irish tax resident individual Molten Shareholders (i.e. an individual who is either resident or ordinarily resident in Ireland for tax purposes) will generally be subject to Irish income tax at the standard rate of 20 per cent. or the higher rate of 40 per cent. (plus Universal Social Charge ("**USC**") and pay-related-social-insurance ("**PRSI**"), if applicable).

A Molten Shareholder who is not resident or ordinarily resident in Ireland generally has no liability to Irish income tax, USC or PRSI on a dividend from a non-Irish resident company.

# Companies

A corporate Molten Shareholder which is resident in Ireland will be subject (with some exceptions) to Irish corporation tax on any dividends received from Molten.

A corporate Molten Shareholder which is not resident in Ireland will generally not be liable to Irish corporation tax on any dividends received from Molten.

### 18.5 Capital gains tax on a subsequent disposal of Molten Shares

For the purposes of taxation of capital gains and corporation tax on capital gains (as appropriate) ("**Irish CGT**"), where a Molten Shareholder disposes of some or all of their Molten Shares they should be treated as having made a disposal of those Molten Shares for Irish tax purposes. This may, subject to the Molten Shareholder's circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of Irish CGT (currently at a rate of 33 per cent.).

#### 18.5.1 Individuals

An individual Molten Shareholder who is not resident or ordinarily resident in Ireland will generally have no liability to Irish CGT on a disposal of their Molten Shares so long as they remain listed on a stock exchange.

In the event that Molten Shares cease to be listed on a stock exchange, Irish CGT may arise for a non-resident Molten Shareholder if the shares derive the greater part of their value from certain Irish assets including land and buildings, and mineral rights.

Individuals who have ceased to be resident for tax purposes in Ireland for a period of less than five years and who dispose of their Molten Shares during that period may, in certain circumstances (which may be limited by the availability of exemptions, reliefs and/or available losses), be subject to tax on their return to Ireland in respect of gains realised whilst they are not resident in Ireland.

# 18.5.2 Companies

Non-Irish tax resident corporate Molten Shareholders (who do not hold their Molten Shares in connection with a trade carried on by them in Ireland) will not be subject to Irish CGT on a disposal of their Molten Shares so long as they remain listed on a stock exchange.

Where the Molten Shares are not listed on a stock exchange then Irish CGT may arise for a non-resident Molten Shareholder if the shares derive the greater part of their value from certain Irish assets including land and buildings, and mineral rights.

An exemption may be available to certain Irish resident corporate Molten Shareholders on the disposal of shares where they may otherwise be subject to corporation tax on a capital gain. Assuming the business of the Molten Group, taken as a whole, consists wholly or mainly of the carrying on of a trade of trades, gains arising on disposal of Molten Shares will generally (subject to exceptions) be exempt from Irish corporation tax where a consecutive period of 12 months ending not more than two years before the date of disposal the Irish-resident corporate Molten Shareholder, either directly or indirectly, holds at least 5 per cent. of the Company's ordinary share capital, is beneficially entitled to at least 5 per cent. of the profits available for distribution to equity holders of the Company and would be beneficially entitled to at least 5 per cent. of the assets available for distribution to equity holders on a winding up. Further detailed advice should be sought in advance of any disposal where these rules might apply.

### 18.6 Stamp duty

No Irish stamp duty should be payable on the issue of Molten Shares.

## 18.6.1 Subsequent transfers

No Irish stamp duty will generally be payable on any subsequent transfer of Molten Shares provided that Molten Shares do not derive their value or the greater part of their value, directly or indirectly, from immoveable property in Ireland and the transfer does not relate to any immoveable property situated in Ireland or any right over or interest in such property, or any stocks or marketable securities of a company registered in Ireland.

# 18.7 Capital acquisitions tax

A gift or inheritance of Molten Shares will be within the charge to capital acquisitions tax (which, subject to available exemptions and reliefs, is currently levied at 33 per cent.) if either (i) the disponer

or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland on the date of the gift or inheritance; or (ii) if the Molten Shares are regarded as property situated in Ireland, which is unlikely unless the share register is kept in Ireland.

Gifts and inheritances between spouses are exempt from capital acquisitions tax.

# 19 LITIGATION

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company and of the Molten Group.

# 20 RELATED PARTY TRANSACTIONS

Save as described in note 30 to the Molten Group's annual reports for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and in notes 20 and 21 to the Molten Group's interim reports for the six months ended 30 September 2022 and 30 September 2023 respectively, which form part of the Historical Financial Information incorporated into this document by reference as set out in Part 16 (Documents Incorporated by Reference) of this document, there are no 'related party transactions' (within the meaning of IFRS and/or UK IFRS (as relevant)) required to be disclosed under the accounting standards applicable to the Company, to which the Company was a party during the period of the Historical Financial Information and up to the date of this document.

#### 21 WORKING CAPITAL

The Company is of the opinion that, taking into account the drawings available under the Debt Facility, the working capital available to the Molten Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

# 22 NO SIGNIFICANT CHANGE

Save for the Company raising net proceeds of c.£55.4 million by way of the Issue of Issue Shares at the Issue Price in December 2023, there has been no significant change in the financial position or financial performance of the Molten Group which has occurred since 30 September 2023, being the end of the last financial period for which unaudited financial statements have been published.

### 23 EMPLOYEES

The average number of employees of the Molten Group (including Molten Executive Directors but excluding venture partners who are treated as contractors rather than employees) for each financial year covered by the Historical Financial Information up to the date of this document is as follows:

# Employees by function

	Financia			
				As at the
				date of this
	2021	2022	2023	document
Executive Directors	4	3	3	3
Investment and platform teams:				
Investment team (Esprit Capital)	9	9	10	11
Investment team (Encore Ventures)	4	4	4	4
Investment team (Elderstreet Investments)	3	3	2	2
Platform team	7	13	13	11
Governance, administration and support:				
Administration	3	4	3	4
Marketing	3	4	4	4
Legal	1	2	4	3
IT	1	1	1	1
HR	3	2	1	1
Finance	7	10	9	7
Investor relations	_	1	1	1
ESG		1	1	1
Total	45	57	56	53
Employees by location	[in a n a i a	l vaar anding	o. 01 Marah*	
	FIFIAFICIA	ı year eridiriç	g 31 March*	As at the
				date of this
	2021	2022	2023	document
United Kingdom	43	55	54	51
Republic of Ireland	2	2	2	2

<sup>\*</sup>Monthly average over the course of each financial year.

## 24 PREMISES

**Total** 

The Molten Group leases office buildings in London for use by its staff. The Molten Group also has an office in Dublin, however the contract for this office is classified as a service contract and not a lease.

45

57

56

53

## **25 ENVIRONMENT**

Molten's immediate operational business generally does not have a significant environmental impact. The Molten Directors believe that it is in substantial compliance with all applicable environmental and health and safety laws and regulations.

#### 26 INSURANCE

Molten maintains insurance policies covering a range of risks including director and officer cover, fund and fund manager professional liability cover and cover related to employment practices, loss of property, cyber crime and business interruption and a number of other risks related to its business. Molten engages an insurance broker to advise on the necessary types and levels of coverage, and reviews its coverage with its broker annually. Molten renews most of its insurance policies annually.

#### 27 INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The current investment objective and investment policy of the Company is set out at paragraph 6 of Part 7 (Business Description) of this document.

### 28 SERVICE PROVIDERS

# 28.1 **Esprit Capital**

The Company and Esprit Capital have entered into the AIFM Agreement (a summary of which is set out at paragraph 16.8 of this Part 14 of this document) pursuant to which Esprit Capital has been appointed as the Company's AIFM for the purposes of the UK AIFM Regime. Esprit Capital is responsible for the portfolio and risk management functions of the Company. Esprit Capital carries out the on-going oversight functions and supervision and ensures compliance with the applicable requirements of the AIFM Regime. Esprit Capital is also responsible for the day-to-day administration functions of the Company (including but not limited to the maintenance of the Company's accounting records, the calculation and publication of the Net Asset Value and the production of the Company's annual and interim reports). Esprit Capital is also responsible for monitoring the Company's regulatory compliance so far as this is outside of the purview of the Molten Board and/or the Company Secretary.

# 28.2 The Depositary

The Company and the Depositary have entered into the Depositary Agreement (a summary of which is set out at paragraph 16.9 of this Part 14 of this document) pursuant to which the Depositary provides the Company with depositary services which include safekeeping of the assets of the Company, oversight (for example monitoring continuing compliance with the Company's investment policy and ensuring that the Company's cashflows are properly monitored, and that all payments made by or on behalf of investors upon the subscription for shares are received) and reporting any breaches, anomalies and discrepancies. The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.

# 28.3 The Registrar

The Company utilises the services of Equiniti Limited as registrar in relation to the transfer and settlement of Molten Shares.

#### 28.4 The Auditor

PricewaterhouseCoopers LLP provides audit services to the Company. The annual report and accounts are prepared according to the accounting standards laid out under IFRS and UK IFRS. The fees charged by the Auditor depend on the services provided and on the time spent by the Auditor on the affairs of the Company. There is therefore no maximum amount payable under the Auditor's engagement letter.

## 28.5 Regulatory consultants

The Molten Group utilises the services of IQ EQ Compliance Services (UK) Ltd in relation to certain on-going regulatory obligations of the Molten Group.

# 28.6 Legal advisers

The Molten Group utilises the services of a number of law firms in relation to the operation of its business.

#### 29 GENERAL

- 29.1 Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 29.2 The auditors of the Company are PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT. PricewaterhouseCoopers LLP is a member firm of the Institute of Chartered Accountants in England and Wales.
- 29.3 Deutsche Numis and Goodbody have each given and not withdrawn their written consent to the inclusion in this document of references to their respective names in the form and context in which they appear.
- 29.4 Esprit Capital, whose registered office is located at 20 Garrick Street, London WC2E 9BT (telephone number +44 (0)20 7931 8800) acts as the investment manager of the Company and the Esprit Funds. Esprit Capital was incorporated in England and Wales as a limited liability partnership on 1 March 2006 under the Limited Liability Partnerships Act 2000 (registration number OC318087). Esprit Capital is an FCA authorised and regulated fund manager under FSMA with reference number 451191. Esprit Capital has been entered onto the UK register of UK AIFMs as a 'full-scope UK AIFM'. and is authorised by the FCA to manage an unauthorised AIF and safeguarding and administrating assets (without arranging). Esprit Capital does not have a separate website but detail of Esprit Capital can be found at Molten's website at https://www.moltenventures.com. Without limitation, neither the contents of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of this document unless that information is incorporated by reference into this document. Esprit Capital has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 29.5 Encore Ventures, whose registered office is located at 20 Garrick Street, London WC2E 9BT (telephone number +44 (0)20 7931 8800) acts as the investment manager of the Encore Funds. Encore Ventures was incorporated in England and Wales as a limited liability partnership on 31 July 2009 under the Limited Liability Partnerships Act 2000 (registration number OC347590). Encore Ventures is an FCA authorised and regulated fund manager under FSMA with reference number 510101. Encore Ventures has been entered onto the UK register of UK AIFMs as a Small Authorised UK AIFM. Encore Ventures has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 29.6 Elderstreet Investments, whose registered office is located at 20 Garrick Street, London WC2E 9BT (telephone number +44 (0)20 7931 8800) acts as the investment manager of Molten Ventures VCT. Elderstreet Investments was incorporated in England and Wales as a private company limited by shares on 18 June 1984 under the Companies Acts 1948 to 1981 (registration number 1825358). Elderstreet Investments is an FCA authorised and regulated fund manager under FSMA with reference number 148527. Elderstreet Investments has been entered onto the UK register of UK AIFMs as a Small Authorised UK AIFM. Elderstreet Investments has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 29.7 Forward Management, which on the assumption the Acquisition completes will be a subsidiary of Molten, whose registered office is located at 124 City Road, London EC1V 2NX (telephone number +44 (0)207 379 5151) acts as the investment manager of Forward. Forward Management was incorporated in England and Wales as a private company limited by shares on 18 December 2013 under the Companies Act (registration number 08819822). Forward Management is an FCA authorised and regulated fund manager under FSMA with reference number 737783. Forward Management has been entered onto the UK register of UK AIFMs as a Small Authorised UK AIFM. Forward Management has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

- 29.8 Esprit Nominees Limited, whose registered office is located at 20 Garrick Street, London WC2E 9BT (telephone number +44 (0)20 7931 8800) is a wholly owned subsidiary of the Company and acts as the nominee company on behalf of the Esprit Funds. Esprit Nominees Limited was incorporated in England and Wales as a private limited company on 15 June 2006 under the Companies Act (registration number 05847353). Esprit Nominees Limited has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 29.9 Langham Hall UK Depositary LLP, whose registered office is located at 1 Fleet Place, 8th Floor, London EC4M 7RA (telephone number +44 (0)20 3597 7900), acts as Molten's depositary. The Depositary was incorporated in England and Wales as a limited liability partnership on 20 September 2013 under the Limited Liability Partnerships Act 2000 (registration number OC388007). The Depositary maintains its registered office and place of central administration in the United Kingdom. The Depositary is authorised and regulated by the FCA and is authorised to act as a trustee or depositary of an unauthorised AIF. The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of Molten and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document. The Depositary will not hold Molten's investment assets in custody. The Depositary's asset ownership and verification duties with respect to non-custodial assets of Molten apply on a lookthrough basis to underlying assets held by financial or legal structures established by Molten. The Depositary's website is at https://www.langhamhall.com. Without limitation, the contents of the Depositary's website nor the content of any website accessible from hyperlinks on the Depositary's website is incorporated into, or forms part of this document. The Depositary has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 29.10 From time-to-time the Company and the Depositary engage third party custodians to hold the Company's listed investments in uncertificated form. Such custodians hold the Company's listed investments as client assets. Furthermore, any risk is limited by the use of reputable banks with high-quality external credit ratings. The Group has an agreed list of authorised counterparties. Authorised counterparties are established within the parameters of the Group Treasury Policy to ensure that the Group deals with creditworthy counterparties and that counterparty concentration risk is addressed.
- 29.11 On 31 December 2020, EU-adopted IFRS at that date was brought into UK law and became UK-adopted International Accounting Standards. The Historical Financial Information for the financial year ended 31 March 2021 for the Group has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act rather than in accordance with International Financial Reporting Standards as endorsed in the EU based on Regulation (EC) NO 1606/2002. The Historical Financial Information with respect to subsequent periods applied UK-adopted international accounting standards and also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the EU.
- 29.12 Note 8 to the Consolidated Financial Statements for the financial year ended 31 March 2023 (which is incorporated into this document by reference) sets out details of all material fees payable directly or indirectly by the Molten Group for any services provided under arrangements entered into on or prior to 31 March 2023.
- 29.13 The Company is reliant on the performance of the AIFM and third-party service providers including the registrar and the Depositary. Without prejudice to any potential right of action in tort that a Molten Shareholder may have to bring a claim against a service provider, each Molten Shareholder's contractual relationship in respect of its investment in Molten Shares is with the Company only. Accordingly, no Molten Shareholder will have any contractual claim against any service provider with respect to such service provider's default. The above is without prejudice to any right a Molten Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious or contractual cause of action. As a shareholder of the Company, Molten Shareholders do not have the right to complain to the Financial Ombudsman Service (FOS) about Esprit Capital. As a shareholder of the Company, Molten Shareholders are not able to make a claim to the Financial

Services Compensation Scheme (FSCS) about the Company in the event that the Company is unable to pay out. There is no compensation or guarantee scheme in place that applies to the Company and Molten Shareholders should be prepared to assume the risk that they could lose all of their investment.

# 30 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available on the Company's website (https://investors.moltenventures.com/investor-relations/plc/documents) and for inspection at the registered office of the Company during normal business hours on any Business Day from the date of this document until Admission:

- the Memorandum and Articles of the Company;
- the Historical Financial Information; and
- this document.

Dated: 8 February 2024

#### **PART 15**

### **DEFINITIONS**

The following definitions apply throughout this document unless the context requires otherwise:

**Acquisition** the proposed acquisition by Molten of the entire issued and to be

issued ordinary share capital of Forward (other than the Excluded Shares), to be implemented by way of the Scheme or, should Molten so elect (with the consent of the UK Takeover Panel) by way of a Takeover Offer) and, where the context requires, any subsequent

revision, variation, extension or renewal thereof

**Admission** the UK Admission and the Irish Admission

**Admission and Disclosure** 

**Standards** 

the Admission and Disclosure Standards published by the London

Stock Exchange

Al artificial intelligence

AIF an alternative investment fund within the meaning of the EU AIFM

Directive and the UK AIFM Regime (as appropriate)

AIFM an alternative investment fund manager within the meaning of the

EU AIFM Directive and the UK AIFM Regime (as appropriate)

**AIM** the market of that name operated by the London Stock Exchange

**AIM Admission** the Company's admission to AIM on 15 June 2016

approved options options to subscribe for Molten Shares at an agreed price in the

future pursuant to a share scheme which are UK income tax efficient for the recipient of the award of approved options when compared

to unapproved options

**Articles** the articles of association of the Company

**Audit, Risk and Valuations** 

Committee

the audit, risk and valuations committee of the Molten Board

**Auditor** PricewaterhouseCoopers LLP

**AUM** assets under management

BlackRock certain funds and accounts managed by BlackRock Investment

Management (UK) Limited

**breakeven** the point at which cost and income are equal and there is neither

profit nor loss

**Business Day** a day (other than Saturdays, Sundays and public holidays in England

and Wales or the Republic of Ireland (as applicable)) on which banks are generally open for normal business in the City of London or in

Dublin (as applicable)

cash runway a representation of the amount of time a business can operate until

it runs out of cash (based on existing budgets and forecasts) and

assuming no additional cash inflows

CDP a not-for-profit charity that runs the global disclosure system for

investors, companies, cities, states and regions to manage their

environmental impacts

certificated or in certificated form

not in uncertificated form

**Chair** the chair of the Molten Board, being as at the date of this document

Laurence Hollingworth

Closing Price the closing middle market price of a Forward Share as derived from

the AIM appendix to the Daily Official List on any particular date or the closing middle market price of a Moten Share as derived from

the Daily Official List on any particular date

**Companies Act** the UK Companies Act 2006, as amended from time to time

**Company** or **Molten** Molten Ventures plc

Company Secretary the appointed company secretary of Molten, being as at the date of

this document Gareth Michael Faith

**Conditions** the conditions to the Acquisition as set out in full in Part A of Part 3

(Conditions to and Further Terms of the Scheme and the Acquisition) of the Scheme Document and "Condition" shall mean any one of

them

Confidentiality Agreement the confidentiality agreement entered into between the Company

and Forward dated 2 October 2023 in respect of the Acquisition, a summary of which is set out in paragraph 16.7 of Part 14 (Additional

Information) of this document

**Cooperation Agreement** the cooperation agreement entered into between the Company and

Forward dated 27 November 2023 relating to, amongst other things, the implementation of the Acquisition, a summary of which is set out in paragraph 16.6 of Part 14 (Additional Information) of this

document

Core Portfolio or Core Portfolio Companies

the companies that generally represent highest fair value to Molten

**Court** the High Court of Justice in England and Wales

**CREST** the system for the paperless settlement of trades in securities and

the holding of uncertificated securities operated by Euroclear in

accordance with the CREST Regulation

CREST Regulation the Uncertificated Securities Regulations 2001 (SI 2001 No.

2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the EUWA), as amended from time to time

**CSOP** a company share option plan

**C-suite** executive-level managers within a company or business

CTA 2009 Corporation Tax Act 2009 and any statutory modification or re-

enactment thereof for the time being in force

Daily Official List the daily official list of the London Stock Exchange

Deal Team the Molten deal team, forming part of the Investment Team

**Debt Facility** the debt facility made available to Molten pursuant to the Facilities

Agreement, comprising the Term Loan and the Revolving Credit

Facility

**Depositary**Langham Hall UK Depositary LLP

**Depositary Agreement** the depositary agreement dated 30 May 2023 between Molten,

Esprit Capital, Molten Ventures FOF I LP, Molten Ventures Investments (Ireland) I LP and the Depositary, a summary of which is set out in paragraph 16.9 of Part 14 (Additional Information) of this

document

**Deutsche Numis**Numis Securities Limited (which is trading for these purposes as

Deutsche Numis)

**Disclosure Guidance and Transparency Rules or DTRs** 

the disclosure guidance and transparency rules made by the FCA

under Part VI of FSMA, as amended from time to time

**Draper Venture Network** the self-governed network of ten independent growth and venture

funds, of which Esprit Capital was formerly a member

Earlybird VC Management GmbH & Co. KG and any other

subsidiaries and subsidiary undertakings in Earlybird VC

Management GmbH & Co. KG 's group from time to time

**Earlybird DEF** Digital East Fund 2013 SCA SICAR

Earlybird Fund IV Earlybird GmbH & Co. Beteiligungs-KG IV, being the fourth fund

managed by Earlybird

**EBT** employee benefit trust

**EEA** European Economic Area

**Effective** in the context of the Acquisition: (i) if the Acquisition is implemented

by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having become unconditional in all respects in accordance with the requirements of the UK

Takeover Code

**Effective Date** the date on which the Scheme becomes Effective

**EIS** Enterprise Investment Scheme

EIS fund a fund that invests in investments that meet the relevant EIS

investment conditions

**Elderstreet Investments** Elderstreet Investments Limited

**Encore Funds** funds managed by Encore Ventures from time to time including DFJ

Esprit Angels' EIS Co-Investment Fund, DFJ Esprit Angels' EIS Co-Investment II, DFJ Esprit EIS III, DFJ Esprit EIS IV, Draper Esprit EIS 5, Molten Ventures EIS, Molten Ventures Approved KI EIS 23/24 and

any other EIS related funds, each an "Encore Fund"

**Encore Ventures** Encore Ventures LLP

**Enlarged Molten Group** the Company and all of its subsidiaries and subsidiary undertakings

(including Forward and its subsidiaries and subsidiary undertakings) following completion of the Acquisition and, where the context

permits, each of them

Enlarged Share Capital the issued ordinary share capital of the Company immediately

following Admission

**ERISA** the U.S. Employee Retirement Income Security Act of 1974, as

amended

**ESG** environmental, social and governance

**ESG Committee** the ESG Committee of Molten

**ESG Policy** the Molten Ventures Group Responsible Investment & Sustainability

Policy

**Esprit Capital** Esprit Capital Partners LLP

Esprit Fund 1 Esprit Capital I Fund No.1 Limited Partnership and Esprit Capital I

Fund No. 2 Limited Partnership

Esprit Fund 3 Esprit Capital III L.P. and Esprit Capital III B L.P.

Esprit Fund 3(i) Esprit Capital Fund III(i) LP and Esprit Capital Fund III(i) A LP

Fund"

**EU AIFM Directive** Directive 2011/61/EU of the European Parliament and of the Council

on Alternative Investment Fund Managers, as amended from time

to time

**EU MAR**Regulation (EU) No 596/2014 of the European Parliament and of the

Council of 16 April 2014 on market abuse, as amended from time

to time

**EU Prospectus Regulation**Regulation (EU) 2017/1129 of the European Parliament and of the

Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a

regulated market

**EU Transparency Directive** Directive 2004/109/EC of the European Parliament and of the

Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and

amending Directive 2001/34/EC

**Euroclear** Euroclear UK & International Limited

**Euronext Dublin** or **Irish Stock Exchange** 

The Irish Stock Exchange plc (trading as Euronext Dublin)

**Euronext Dublin Daily** 

Official List

the daily official list maintained by Euronext Dublin

**Euronext Dublin Market** the regulated market of Euronext Dublin

**Euronext Growth Market** 

the Euronext Growth market operated and regulated by Euronext

Dublin (formerly the Enterprise Securities Market)

European Union or EU

the economic and political confederation of European nations which share a common foreign and security policy and co-operate on institution and home efficient requirements the European Union

justice and home affairs known as the European Union

Euros or EUR or €

the lawful currency of participating member states of the European

Union

**EUWA** 

the European Union (Withdrawal) Act 2018

**Exchange Ratio** 

1 New Molten Share for 9 Scheme Shares

**Excluded Shares** 

any Forward Shares:

(a) registered in the name of, or beneficially owned by, Molten or any member of the Molten Group or their respective nominees;

or

(b) held as treasury shares,

in each case, at the relevant time;

**Existing Molten Shares** 

the 174,261,401 Molten Shares in issue as at the date of this

document

**Facilities Agreement** 

the facilities agreement dated 6 September 2022 (amended and restated on 23 December 2022 and 31 May 2023 and further amended by way of an amendment agreement on 29 November 2023) between Molten (as borrower) and, among others, the Lenders (as lenders), a summary of which is set out in paragraph

16.11 of Part 14 (Additional Information) of this document

**FATCA** 

the US Foreign Account Tax Compliance Act

**FCA** 

the Financial Conduct Authority of the United Kingdom or its successor from time to time

**FCA Handbook** 

the FCA handbook of rules and guidance as amended from time to ...

time

follow-on investment

an investment in an investee company where a primary investment

has already been made

**Forward** 

Forward Partners Group plc

**Forward Articles** 

the articles of association of Forward as amended from time to time

**Forward Board** 

the board of directors of Forward or any duly constituted committee

thereof

**Forward Court Meeting** 

**Forward Directors** 

the meeting of the Scheme Voting Shareholders convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof, which took place at 1.30 p.m. on 17 January 2024

the directors of Forward as at the date of this document or, where

the context so requires, the directors of Forward from time to time

and "Forward Director" is to be construed accordingly

Forward FY23 Options options granted under the Forward LTIP in the financial year ending

31 December 2023

Forward General Meeting the general meeting of Forward Shareholders convened in

connection with the Scheme to consider and, if thought fit, to approve the Forward Resolution (with or without amendment), which

took place at 1.45 p.m. on 17 January 2024

**Forward Group** Forward and all of its subsidiaries and subsidiary undertakings from

time to time and, where the context permits, each of them

Forward LTIP the LTIP adopted by Forward on 23 December 2021 as amended

on 13 June 2023

Forward LTIP Letters the letters sent to participants in the Forward LTIP regarding the

effect of the Scheme on their rights under the Forward LTIP and with

details of the arrangements applicable to them

Forward Management Forward Partners Management Company Limited, the AIFM of

Forward

Forward Meetings the Forward Court Meeting and the Forward General Meeting

**Forward Remuneration** 

Committee

the remuneration committee of Forward

Forward Resolution the special resolution to, amongst other things: (i) authorise the

Forward Directors (or a duly authorised committee thereof) to take all such action as they may consider necessary or appropriate to give effect to the Scheme; and (ii) amending the Forward Articles by the adoption and inclusion of a new article under which any Forward Shares issued or transferred after the Scheme Record Time (other than to Molten and/or its nominees) shall be automatically transferred to Molten (and, where applicable, for consideration to be paid to the transferred or to the original recipient of the Forward Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities), which was duly passed at

the Forward General Meeting

**Forward Shareholder** a registered holder of Forward Shares from time to time

**Forward Shares** the ordinary shares of £0.01 each in the capital of Forward from time

to time

Forward Ventures the division of the Forward Group focused on providing capital to

high growth, early-stage technology businesses in exchange for an

equity stake in such businesses

**FSMA** the Financial Services and Markets Act 2000, as amended from time

to time

Fund of Funds Programme the fund of funds programme pursuant to which the Molten Group

invests in seed and early stage funds

Fundraise the Placing, the Subscription and the Retail Offer but not, for the

avoidance of doubt, the Offer for Subscription

**Goodbody** Goodbody Stockbrokers UC, trading as Goodbody

Gross Portfolio Value the gross value of the portfolio of investee companies/funds held by

funds controlled by the Company before accounting for deferred tax,

external carried interest and amounts co-invested

**Group** the Molten Group or, following the Acquisition, the Enlarged Molten

Group

Historical Financial Information has the meaning given to it at Part 16 (Documents Incorporated by

Reference) of this document

**HMRC** His Majesty's Revenue and Customs

IFRS international financial reporting standards as issued by the

International Accounting Standards Board as adopted by the

European Union

IMC Rules the Central Bank (Investment Market Conduct) Rules 2019

Initial Main Market Admission the admission of the Molten Shares then in issue to the premium

listing segment of the Official List and to a secondary listing on the Euronext Dublin Daily Official List and to trading on the Main Market and the Euronext Dublin Market, which took place on 23 July 2021

**Investment Committee** the investment committee of the Company

**Investment Team** the Molten Group's investment team, consisting of the Deal Team

and the Platform Team

IPEV Guidelines International Private Equity and Venture Capital Valuation Guidelines

**IPO** initial public offering

Irish Admission the admission of the New Molten Shares to a secondary listing on

the Euronext Dublin Daily Official List and to trading on the Euronext Dublin Market becoming effective in accordance with the Irish Listing

Rules

**Irish Corporate Governance** 

Annex

the Irish Corporate Governance Annex published in December 2010 by the Irish Stock Exchange as appended to the Irish Listing Rules

Irish Listing Rules Rule Book II of Euronext Dublin relating to admission to the Euronext

Dublin Daily Official List and the applicable sections of Rule Book I (Harmonised Rules) of Euronext, as each may be amended from

time to time

Irish MAR the European Union (Market Abuse) Regulations 2016, the IMC

Rules and any rules issued by the Central Bank of Ireland under section 1370 of the Companies Act 2014 of Ireland as each may be

amended from time to time

Irish Prospectus Rules the European Union (Prospectus) Regulations 2019 of Ireland (as

amended), the IMC Rules and any rules issued by the Central Bank of Ireland under section 1363 of the Companies Act 2014 of Ireland

as each may be amended from time to time

**Irish Sponsor Agreement** the sponsor agreement dated 8 February 2024 entered into between

Molten and Goodbody in connection with the Irish Admission, a summary of which is set out in paragraph 16.3 of Part 14 (Additional

Information) of this document

Irish Takeover Rules the Irish Takeover Panel Act, 1997 Takeover Rules

Irish Transparency Regulations the Transparency (Directive 2004/109/EC) Regulations 2007 (as

amended)

Irish Transparency Rules the Irish Transparency Regulations, the IMC Rules, and any rules

issued by the Central Bank of Ireland under Section 1383 of the Irish Companies Act 2014 as each may be amended from time to time

**IRR** internal rate of return

ISA an individual savings account maintained in accordance with the UK

Individual Savings Account Regulations 1998 (as amended from time

to time)

**ISIN** International Securities Identification Number

**Issue** the Placing, the Subscription, the Retail Offer and the Offer for

Subscription

**Issue Price** 270 pence per Molten Share

Issue Shares the Placing Shares, the Subscription Shares, the Retail Offer Shares

and the Offer for Subscription Shares

**Key Information Document(s)** the key information document(s) relating to the Molten Shares and/or

any other class of shares issued by the Company from time to time (as the context requires), produced pursuant to the PRIIPs

Regulation, as amended and updated from time to time

**KPI(s)** key performance indicator(s)

**Latest Practicable Date** 6 February 2024, being the latest practicable date prior to the date

of this document for ascertaining certain information contained

herein

**LEI** Legal Entity Identifier

Lenders J.P. Morgan Chase Bank N.A., London Branch and HSBC

Innovation Bank Limited (formerly Silicon Valley Bank UK Limited)

**Listing Rules** the listing rules made by the FCA under section 73A of FSMA, as

amended from time to time

London Stock Exchange or LSE London Stock Exchange plc

**Long Stop Date** 30 June 2024, or such later date (if any) as Molten and Forward may

(with the consent of the UK Takeover Panel) agree and (if required)

the Court may allow

**LTIP** a long term incentive plan

**LTV** loan to value

**MAR** 

**M&A** mergers and acquisitions

Main Market the London Stock Exchange's main market for listed securities

the UK version of EU Regulation No. 596/2014, which has effect in English law by virtue of the EUWA, as amended by the Market Abuse

(Amendment) (EU Exit) Regulations 2019

MiFID II Directive 2014/65/EU of the European Parliament and of the Council

of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFID") and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("MiFIR", and together with

MiFID, "MiFID II"), as amended from time to time

Molten Board the board of directors of the Company or any duly constituted

committee thereof

**Molten Directors** the directors of the Company as at the date of this document or,

where the context so requires, the directors of the Company from time to time and "Molten Director" is to be construed accordingly

**Molten Executive Directors** any Molten Directors who hold executive office, being as at the date

of this document Martin Davis, Ben Wilkinson and Stuart Chapman

Molten Group the Company and all of its subsidiaries and subsidiary undertakings

as at the date of this document

Molten Non-Executive Directors any Molten Directors who do not hold executive office, being as at

the date of this document Laurence Hollingworth (Chair), Grahame Cook (Senior Independent Non-Executive Director), Sarah Gentleman (Non-Executive Director), Gervaise Slowey (Non-Executive Director) and Lara Naqushbandi (Non-Executive Director)

**Molten Shareholders** the registered holders of Molten Shares from time to time

Molten Shares ordinary shares of £0.01 each in the capital of the Company and,

as the context may require, may include Existing Molten Shares and New Molten Shares and "Molten Share" shall be construed

accordingly

Molten Ventures 2016 CSOP the CSOP adopted by Molten on 1 August 2016 (as subsequently

amended in June 2020) which was terminated and replaced by the

Molten Ventures 2021 CSOP in July 2021

Molten Ventures 2020 LTIP the LTIP adopted by Molten in June 2020 which was terminated and

replaced by the Molten Ventures 2021 LTIP in July 2021

Molten Ventures 2021 CSOP the CSOP adopted by Molten on 16 July 2021

Molten Ventures 2021 DBP the deferred bonus plan adopted by Molten on 16 July 2021

Molten Ventures 2021 LTIP the LTIP adopted by Molten on 16 July 2021

Molten Ventures VCT plc, which sits outside of the Molten Group

Molten Ventures VCT Investment Management Agreement

Molten Ventures VCT Investment the investment management agreement entered into between

Molten Ventures VCT and Elderstreet Investments dated 9 February 2021 pursuant to which Elderstreet Investments was appointed as

Molten Ventures VCT's AIFM

**Net Asset Value** or **NAV** the net value, as at any date, of the assets of the Molten or Forward

(as relevant) after deduction of all liabilities determined in accordance with the accounting policies adopted by Molten or Forward (as

relevant) from time to time

**Net Asset Value per Forward Share or NAV per Forward Share**  at any time, the Net Asset Value attributable to the Forward Shares divided by the number of Forward Shares in issue (other than Forward Shares held in treasury) at the date of calculation

**Net Asset Value per Molten Share or NAV per Molten Share**  at any time, the Net Asset Value attributable to the Molten Shares divided by the number of Molten Shares in issue (other than Molten Shares held in treasury) at the date of calculation

**New Molten Shares** 

the Molten Shares proposed to be allotted and issued to Scheme

**Nomination Committee** 

the nomination committee of the Molten Board

Shareholders in connection with the Scheme

Offer for Subscription

the offer for subscription of Offer for Subscription Shares at the Issue Price which completed on 15 December 2023

Offer for Subscription

**Record Date** 

24 November 2023, being the record date of the Offer for Subscription

Offer for Subscription Shares

the 2,290 Molten Shares which were issued pursuant to the Offer for Subscription to Qualifying Forward Shareholders in accordance with the terms and conditions of the Offer for Subscription

**Official List** 

the official list maintained by the FCA pursuant to Part VI of FSMA

**Placing** 

the placing of Placing Shares at the Issue Price which completed on 15 December 2023

**Placing Agreement** 

the placing agreement dated 27 November 2023 entered into between Molten, Deutsche Numis and Goodbody in connection with the Placing, a summary of which is set out in paragraph 16.4 of Part 14 (Additional Information) of this document

**Placing Shares** 

the 16,666,667 Molten Shares which were issued pursuant to the Placing to placees in accordance with the terms and conditions of the Placing

**Platform Team** 

the Molten Group's platform team, forming part of the Investment Team

**Prelude Ventures** 

Prelude Ventures Limited, the management contract of which the Molten Group acquired in 2006

**PRIIPs Regulation** 

the UK version of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products and its implementing and delegated acts which is part of UK law by virtue of the EUWA, as amended by The Packaged Retail and Insurance-based Investment Products

(Amendment) (EU Exit) Regulations 2019

primary investment

a new investment in an investee company

**PrimaryBid** 

PrimaryBid Limited

**PrimaryBid Engagement Letter** 

the engagement letter dated 27 November 2023 entered into between Molten and PrimaryBid, a summary of which is set out in paragraph 16.5 of Part 14 (Additional Information) of this document

profitable

producing a profit

**Prospectus Regulation** 

the UK version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the EUWA, as amended by The Prospectus (Amendment, etc) (EU Exit) Regulations 2019

**Prospectus Regulation Rules** 

the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time

Qualifying Forward Shareholders

Forward Shareholders on the register of members of Forward on the Offer for Subscription Record Date who were not afforded the opportunity to participate in the Fundraise, with the exception of Forward Shareholders resident in, or a citizen of, certain restricted jurisdictions

**Receiving Agent Agreement** 

the receiving agent agreement dated December 2023 between the Company, Forward and Equiniti, a summary of which is set out in paragraph 16.1 of Part 14 (Additional Information) of this document

**Register** the register of Molten Shareholders of the Company

**Registrar** or **Equiniti** Equiniti Limited

Registrar of Companies the Registrar of Companies in England and Wales

**Regulation S** Regulation S promulgated under the U.S. Securities Act, as

amended from time to time

Regulatory Information Service any information service approved by the London Stock Exchange

for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange's website

**Remuneration Committee** the remuneration committee of the Molten Board

**Remuneration Policy** the directors' remuneration policy of Molten as in force from time to

time

Retail Offer the offer made by Molten on the PrimaryBid platform of the Retail

Offer Shares at the Issue Price which completed on 15 December

2023

Retail Offer Shares the 888,888 Molten Shares which were issued pursuant to the Retail

Offer to retail investors in accordance with the terms and conditions

of the Retail Offer

**Revolving Credit Facility** the revolving credit facility of up to £60.0 million forming part of the

Debt Facility

Rule 2.7 Announcement the joint announcement made by Molten and Forward in relation to

the Acquisition on 27 November 2023

run-off the period in the life cycle of a venture capital fund when it has

deployed all of its available cash committed to that fund, including any recycled cash, and is in the process of managing and realising

its existing investments

**Scheme** 

the proposed scheme of arrangement under Part 26 of the Companies Act between Forward and Scheme Shareholders to implement the Acquisition, as set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Forward and Molten

Scheme Court Order

the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;

**Scheme Document** 

the document sent to Forward Shareholders on 21 December 2023 containing, among other things, the particulars required by section 897 of the Companies Act

**Scheme Record Time** 

the time and date specified in the Scheme Document by reference to which the entitlements of Scheme Shareholders under the Scheme will be determined, being 6.00 p.m. on the Business Day immediately prior to the Effective Date, or such later time as Molten and Forward may agree

**Scheme Sanction Condition** 

the Condition set out in paragraph 2(c)(i) of Part A of Part 3 (Conditions to and Further Terms of the Scheme and the Acquisition) of the Scheme Document

**Scheme Sanction Hearing** 

the hearing of the Court to sanction the Scheme, including any adjournment thereof

Scheme Shareholder

a holder of Scheme Shares from time to time

**Scheme Shares** 

all Forward Shares:

- (a) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time:
- (b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time and which remain in issue at the Scheme Record Time; and
- (c) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme and which remain in issue at the Scheme Record Time,

but excluding any Excluded Shares

**Scheme Voting Shareholders** 

holders of Scheme Voting Shares from time to time

**Scheme Voting Shares** 

the 132,834,117 Scheme Shares other than the 221,000 Forward Shares held by funds (or their nominees) managed by members of the Molten Group that are not Excluded Shares

**SDGs** 

the United Nations Sustainable Development Goals

secondary investment

an investment in already established third party funds, whereby a new investor acquires an interest from an existing investor seeking liquidity

**SEDOL** 

the Stock Exchange Daily Official List

Series A

a first round of financing (following seed capital) in the early stage financing cycle of a new business

Series A+ a first or subsequent round of financing in the early stage financing

cycle of a new business, made in relation to primary investments

Series B a second round of financing in the early stage financing cycle of a

new business, made in relation to primary investments

Series B+ a second or subsequent round of financing in the early stage

financing cycle of a new business, made in relation to primary

investments

**Series C** a third round of financing in the financing cycle of a new business,

made in relation to primary investments

Series C+ a third or subsequent round of financing in the early stage financing

cycle of a new business, made in relation to primary investments

Small Authorised UK AIFM an authorised sub-threshold UK AIFM that is required to comply with

the requirements set out in Article 3 of the EU AIFM Directive as amended by the Alternative Investment Fund Managers

(Amendment) (EU Exit) Regulations 2019

**SONIA** the Sterling Overnight Index Average, an interest benchmark

administered by the Bank of England

**Sponsor Agreement** the sponsor agreement dated 8 February 2024 entered into between

Molten, Deutsche Numis and Goodbody in connection with the UK Admission, a summary of which is set out in paragraph 16.2 of Part

14 (Additional Information) of this document

**Sterling** or **GBP** or **£** or **pence** the lawful currency of the United Kingdom

**Subscription** the subscription of the Subscription Shares by British Patient Capital

Limited, a subsidiary of British Business Bank plc which completed

on 15 December 2023

Subscription Shares the 3,703,703 Molten Shares issued by the Company under the

terms and conditions of the Subscription

**Takeover Offer** if (with the consent of the UK Takeover Panel as applicable) Molten

elects to implement the Acquisition by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Molten to acquire the entire issued and to be issued ordinary share capital of Forward, including, where the context requires, any subsequent revision, variation, extension or

renewal of such offer

**Target Market Assessment** has the meaning given to it on page 26 of this document

Tax Efficient Review an independent UK based organisation which reviews the tax

efficient investment market for UK based independent financial

advisers

**Term Loan** the £90.0 million term loan forming part of the Debt Facility

term sheet a legal document that outlines the principal terms made between an

investor and an investee company

**TSR** total shareholder return

**U.S. Investment Company Act** the U.S. Investment Company Act of 1940, as amended from time

to time

**U.S. Person** any person who is a U.S. person within the meaning of Regulation

S adopted under the U.S. Securities Act

**U.S. Securities Act** the U.S. Securities Act of 1933, as amended from time to time

**U.S. Tax Code** the U.S. Internal Revenue Code of 1986, as amended from time to

time

**UK** or **United Kingdom** the United Kingdom of Great Britain and Northern Ireland

**UK Admission** the admission of the New Molten Shares to the premium listing

> segment of the Official List and to trading on the Main Market becoming effective in accordance with, respectively, the Listing Rules

and the Admission and Disclosure Standards

**UK AIFM Regime** together, The Alternative Investment Fund Managers Regulations

> 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment

Funds Sourcebook forming part of the FCA Handbook

**UK Corporate Governance Code** the UK Corporate Governance Code as published by the Financial

Reporting Council from time to time

**UK IFRS** international accounting standards in conformity with the

requirements of the Companies Act

**UK Takeover Code** the UK City Code on Takeovers and Mergers, as amended from time

to time

**UK Takeover Panel** the UK Panel on Takeovers and Mergers

unapproved options options to subscribe for Molten Shares at an agreed price in the

> future pursuant to a share scheme which are not UK income tax efficient for the recipient of the award of unapproved options when

compared to approved options

uncertificated or in a share recorded on the Register as being held in uncertificated form

uncertificated form in CREST and title to which, by virtue of the CREST Regulation, may

be transferred by means of CREST

**United States of America,** 

the United States of America, its territories and possessions, any United States or U.S. state of the United States of America, the District of Columbia and

all other areas subject to its jurisdiction and any political sub-division

thereof

**USD** or **US\$** U.S. dollars, being the lawful currency of the United States of

America

**VAT** value added tax

VC venture capital

**VCT** venture capital trust

**VCT** fund a fund that invests in investments that meet the relevant VCT

investment conditions

# **Voting Record Time**

6.30 p.m. on the day which is two days (excluding non-working days) before the date of the Forward Court Meeting and the Forward General Meeting or, if the Forward Court Meeting and/or the Forward General Meeting is adjourned, 6.30 p.m. on the day which is two days (excluding any non-working days) before the date of such adjourned meeting

# Web3

the next evolution of the World Wide Web, the user interface that provides access to documents, applications and multimedia on the internet, incorporating concepts such as decentralisation, blockchain technologies and Al

# **PART 16**

# **DOCUMENTS INCORPORATED BY REFERENCE**

Molten's annual reports for each of the three financial years ended 31 March 2021, 31 March 2022 and 31 March 2023 and Molten's interim reports for each of the six months ended 30 September 2022 and 2023 (together, the "**Historical Financial Information**") contain information which is relevant to Admission and the publication of this document. These documents are available on Molten's website at https://investors.moltenventures.com/investor-relations/plc/reports.

The table below sets out the information from the Historical Financial Information which is incorporated by reference into, and forms part of, this document and which is available for inspection as set out in paragraph 30 of Part 14 (Additional Information) of this document.

Any non-incorporated parts of the Historical Financial Information are either not relevant for investors in the context of the matters to which this document relates or are covered elsewhere in this document. Any documents themselves incorporated by reference or referred or cross-referred to in the Historical Financial Information shall not form part of this document.

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