

Molten Ventures plc Interim Results FY23

November 2022

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Molten

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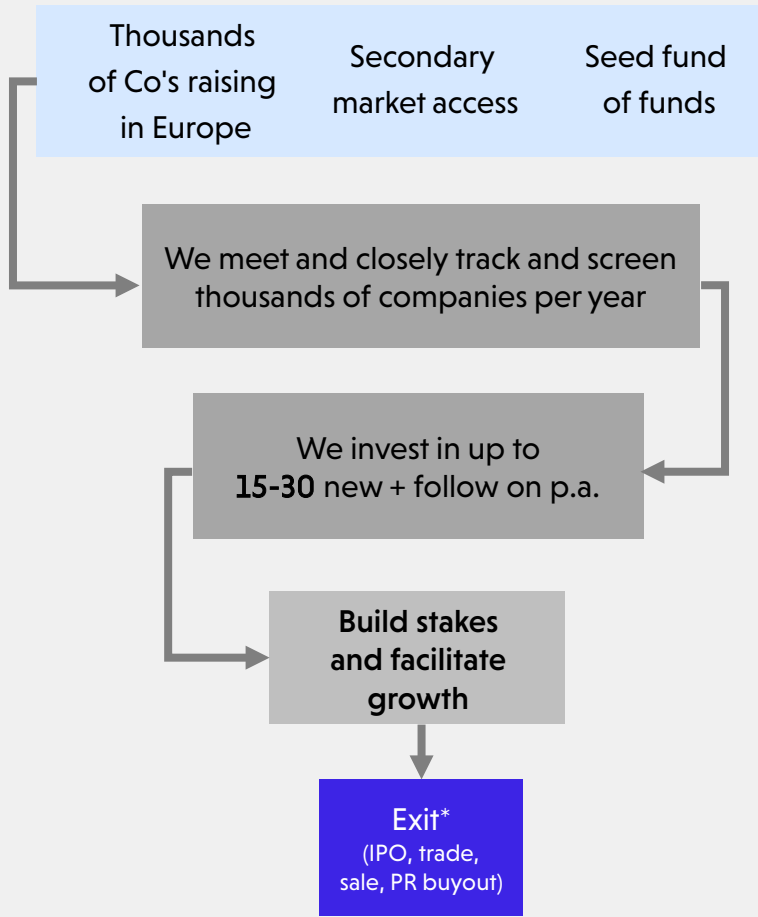
Introduction

H1 of FY23 saw the continued delivery of our strategy against the backdrop of a challenging market environment, with investment momentum slowing to reflect tougher economic conditions.

- Gross fair value reduction of 17% (constant currency) driven by the movement in valuations of core, late-stage assets. Net decline of 12% due to offsetting currency uplifts of 5%
- Valuations calibrated to reflect public market peers reducing EVs by an average of 35% in the Core, leading to fair value reductions (before currency movements) in the Core of 16%, with preference share protection limiting the downside
- Portfolio remains well-funded, more than 75% of the Core with 18 months+ of cash runway. Revenues in the Core forecast to grow at an average of over 60% for 2022, forecast average growth of over 70% for 2023
- Continue to build third party AUM in addition to EIS and VCT strategies
- New debt facility of £150m (£90m drawn), strong cash position of £28m, additional £23m of listed stock (at 30 Sept market price)
- £112m invested by the plc in H1 (including new, follow-on and FoF / EB investments), plus £17m invested by EIS/VCT
- Resilience driven by consistent approach to valuations, alongside diverse portfolio of over 70 companies across four sectors and investments at different stages of development
- Further progressed our ESG roadmap through our own operations and investment activities

A unique, resilient model

Investment Process



*Successful exit scenarios

Investments are made in accordance with our ESG Policy from pre-screening to exit.

Platform Team

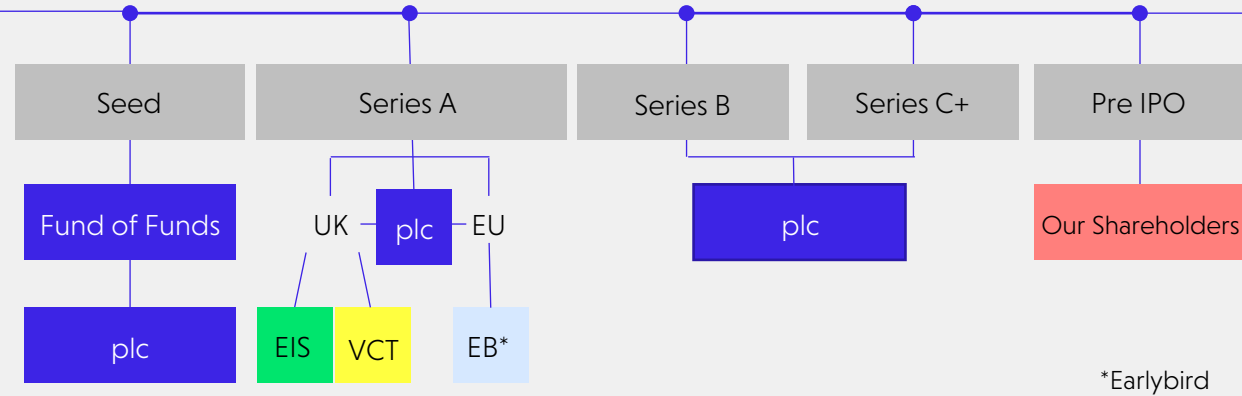
- Venture operations
- Deal execution
- Marketing
- Legal
- Compliance
- Finance
- ESG

Partnership Team

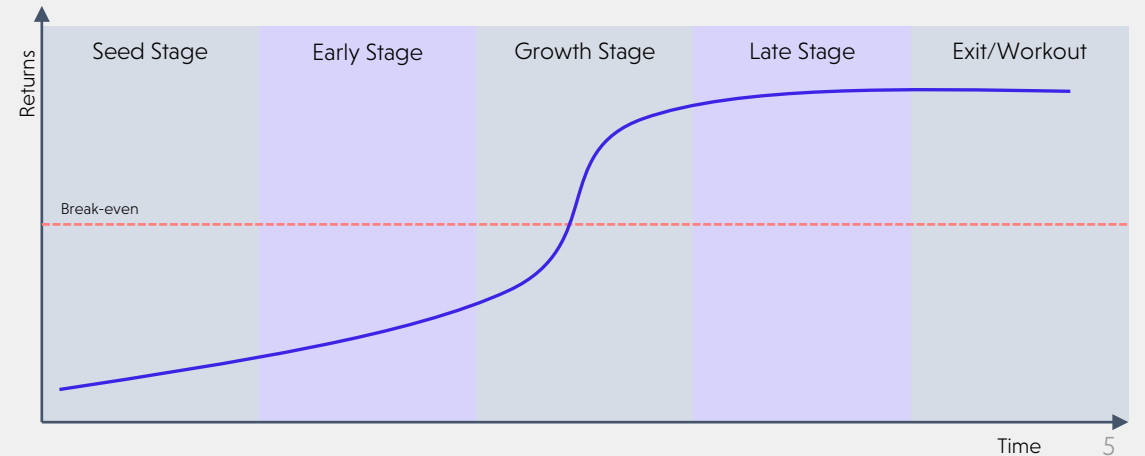
- Seasoned team of deal makers
- Team made up of entrepreneurs, founders, operators and investors

Stages

Our platform and deployment strategies allow us to invest from seed through to pre-IPO, supporting the best companies as they grow.



Venture Capital Cycle



2.

Interim Results

for the period ended 30 September 2022

Highlights at 30 September 2022

£1,450m*

Gross Portfolio Value
(31 March 2022: £1,532m)

£1,280m

Net Assets
(31 March 2022: £1,434m)

837p

NAV per share
(31 March 2022: 937p)

-12%*

Gross Portfolio fair value decrease
-17% gross of FX impact
(six months to 30 September 2021:
Gross fair value growth of 27%)

£112m

Cash invested in the period from plc
as well as 17m from the EIS/VCT funds
(six months to 30 September 2021:
£165m from plc and £4m from EIS/VCT)

£28m

Consolidated group cash
(31 March 2022: £78m plc cash, including
restricted cash), as well as £58m available
to invest in EIS/VCT (31 March 2022: £61m)

<1%

Operating costs (net of fee income)
continue to be substantially less than
the targeted 1% of period-end NAV

£13m

Cash proceeds from realisations
(Six months to 30 September 2021: £67m)

-£155m

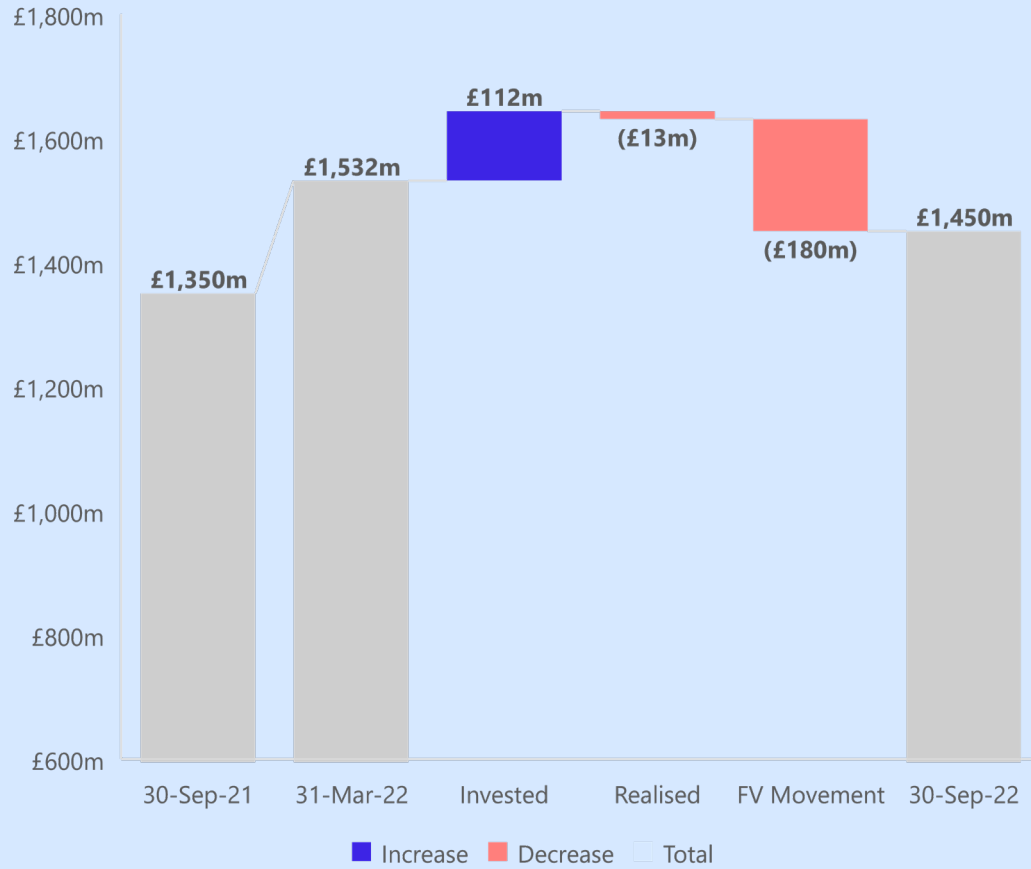
Loss after tax
(profit after tax for the six months
to 30 September 2021: £218m)

£150m

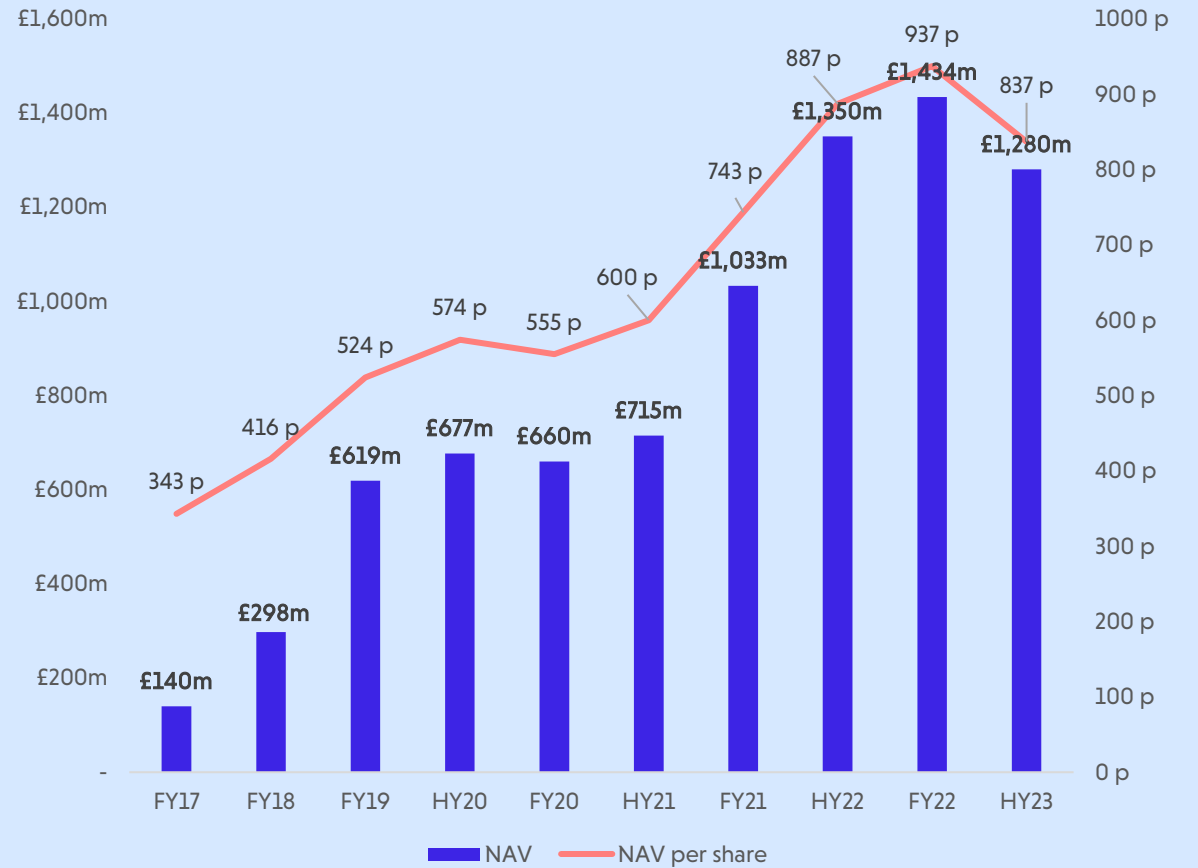
Expanded debt facility
(£90m drawn at 30 September 2022)

Gross Portfolio and NAV Progression

Gross Portfolio Value Progression

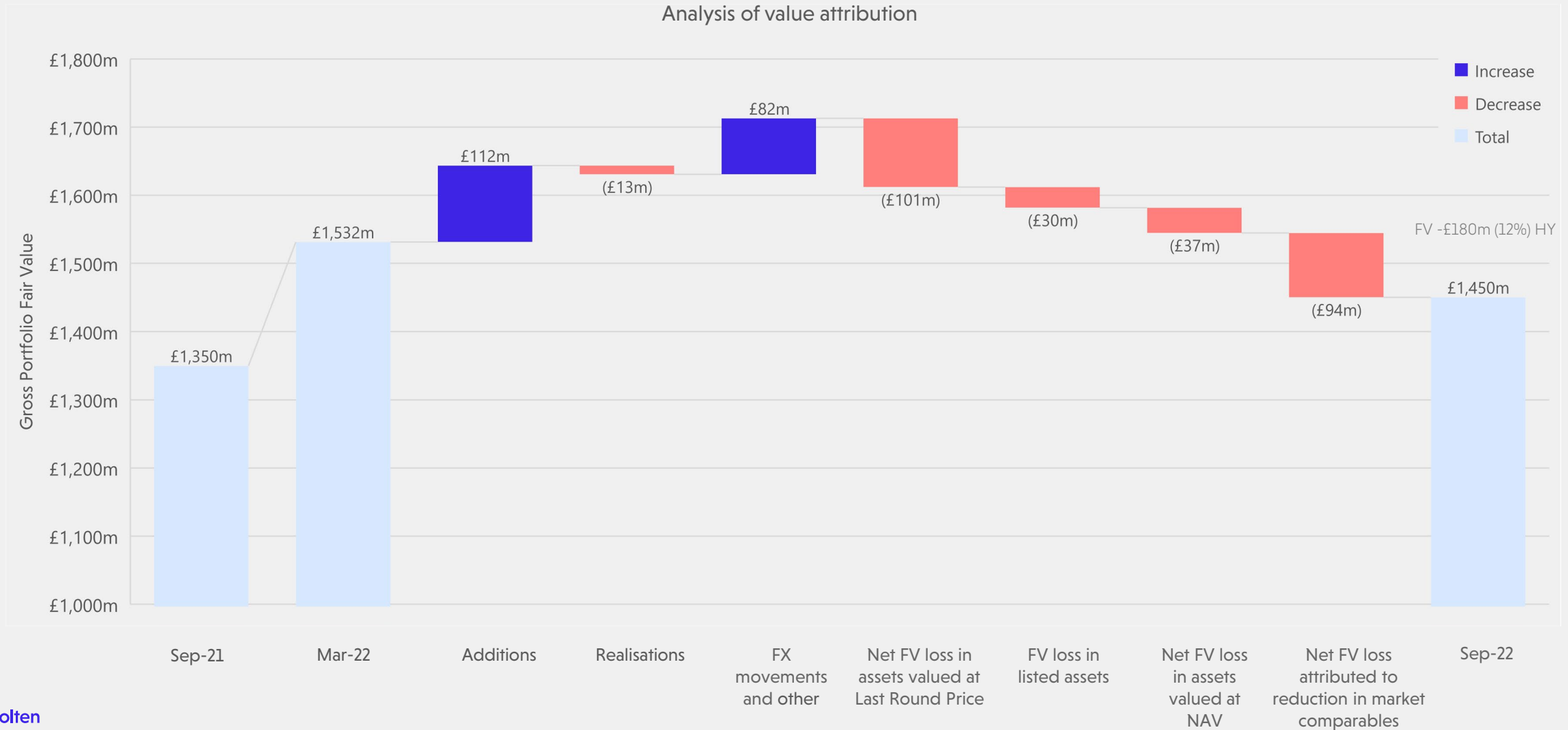


NAV Progression



Valuation Attribution

Attribution analysis of the valuation contributors of movements in the gross portfolio value between Mar-22 to Sep-22

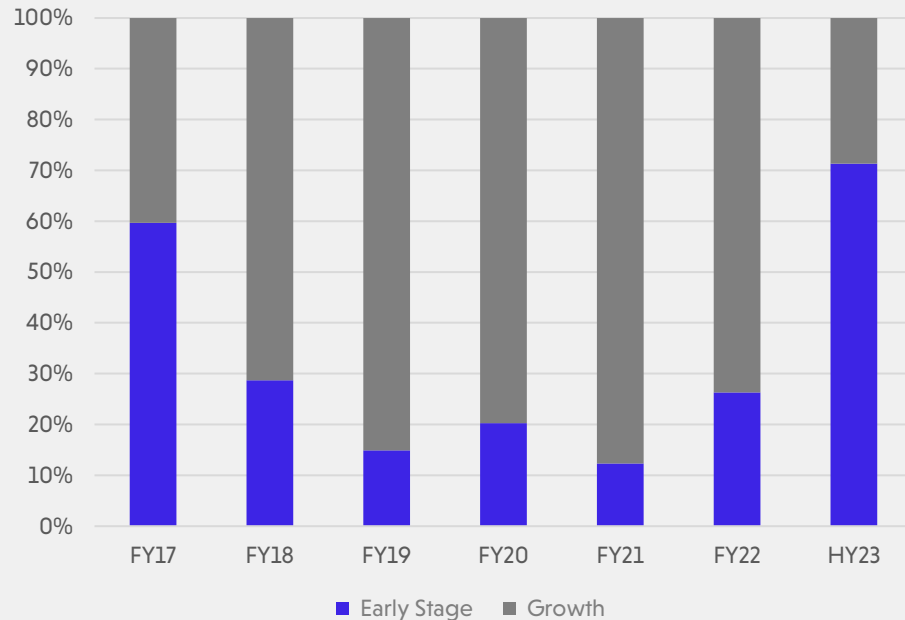


FY23 Interim Results

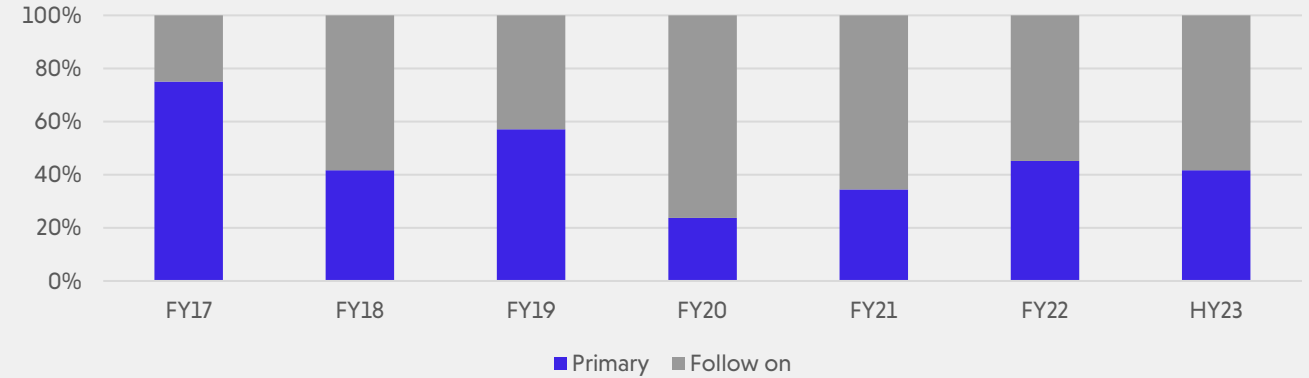
Deployment

- £112m deployed in HY23
- £56m into new companies
- £31m in follow-ons
- £25m into Fund of Funds (incl EB)
- Investment mix includes £56m of primary, principally closing investments agreed in the prior year, and more recently an increased focus on the existing portfolio

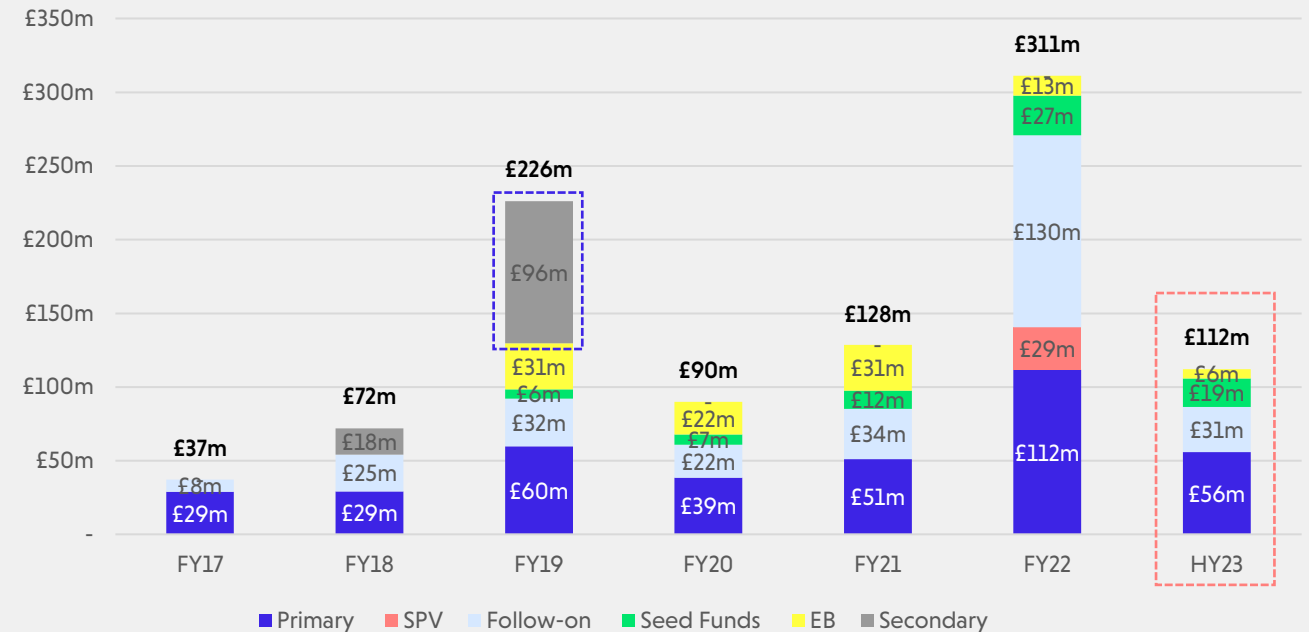
Stages of investment - % deployed by early stage vs growth (by capital deployed)*



Stages of investment - % primary vs follow-on (no. of deals)*^



Capital deployed by deal type



* Direct investments only (not including Earlybird / Fund of Funds)

^ Does not include certain round extensions / bridge loans

Note: Early stage = series A, growth = B+, noting that the concept of Series A and B rounds, including quantum involved, has evolved over the last decade.

▭ Investments made at the start of our strategic partnership with Earlybird (EB)

▭ Data shown from 1st April 2022 – 30th September 2022 period (half year)

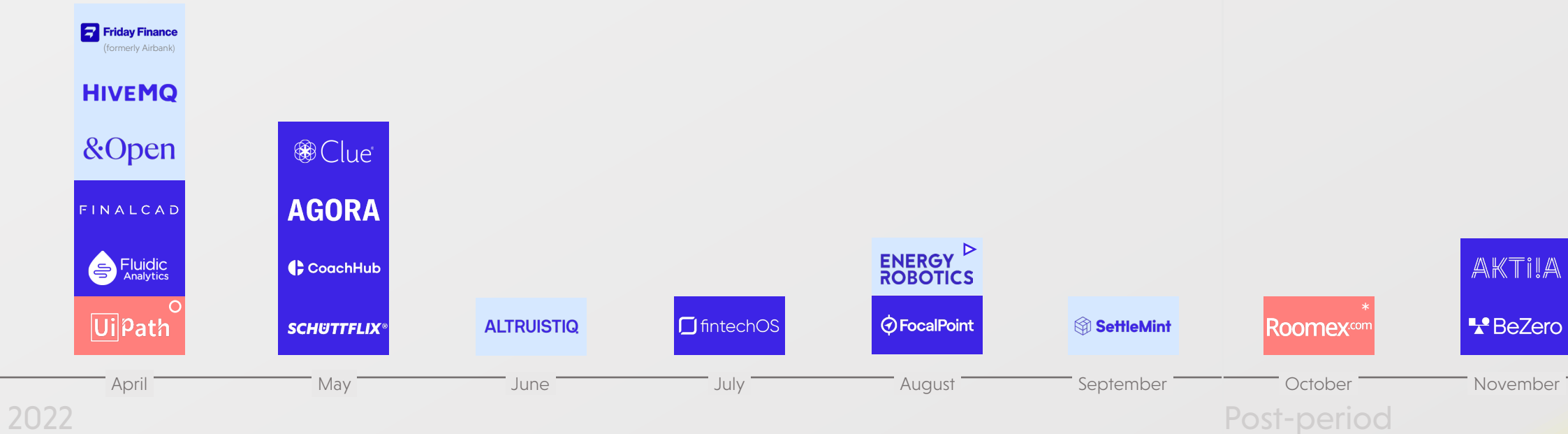
FY23 Interim Results

Investments and Exits during H1 FY23

- £112m invested, of which £87m into direct investments and £25m into Fund of Funds (incl EB)
- Target of £150m for the year (plc)
- £13m cash proceeds from realisations
- Further £17m in EIS/VCT fund investments

Timeline Key

- Primary Investment
- Follow-on investments
- Exit
- Partial sale of shares, remains a holding
- ▶ Via Earlybird



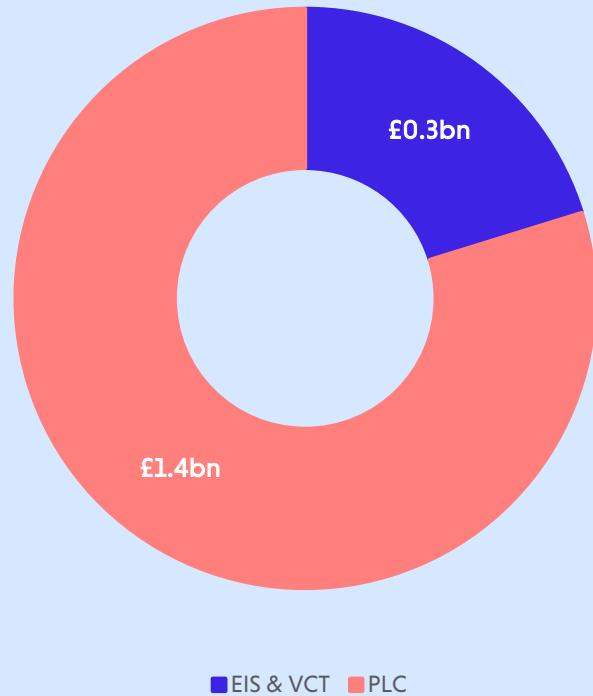
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Note: Activity in the year includes investments over £1.0 million to Molten (including via the Earlybird portfolio – proportion of the investment to Molten over £1m).

*£6m proceeds received by Molten Ventures plc post period-end relating to the acquisition of Roomex, as well as further proceeds held in escrow.

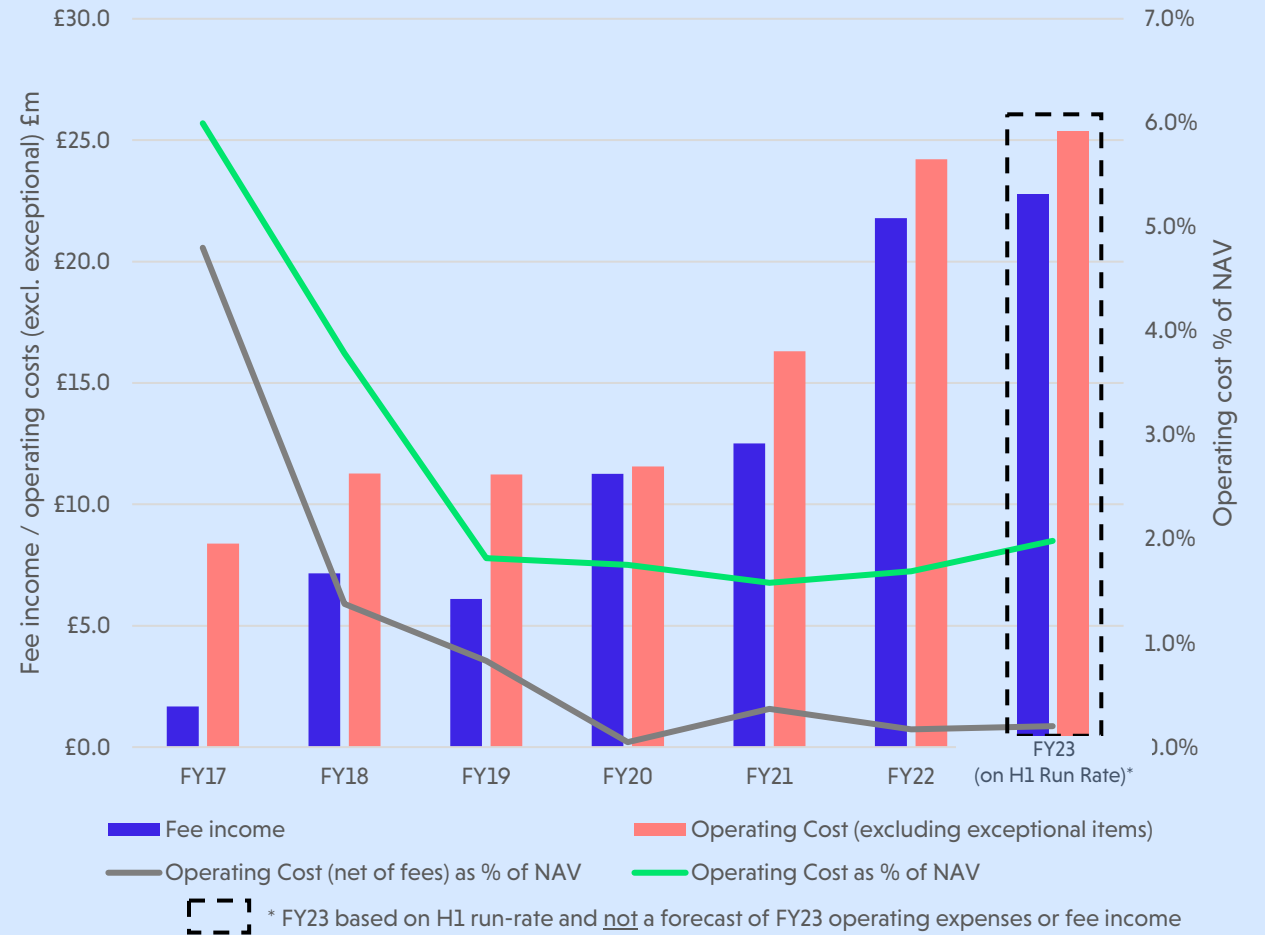
Income and cost progression as at 30 September 2022

Molten Ventures Group assets under management
(assets managed by managers within the Group)






AUM is calculated as fair value of investments and cash, less a working capital adjustment for Molten Ventures plc.





Fee Income and Costs as % of NAV (FY23 on H1 Run Rate)



Returns Track Record since 2016 IPO

Key

-  Fully realised
-  Partially realised
-  Accessed via strategic relationships with Earlybird or Seedcamp

Returns Multiple*	No return/valued at 0x	< 1x	1x < 3x	3x+
				
% of Invested Capital**	8%	18%	29%	45%
Return Proceeds	-***	£11m	£81m	£348m

Molten *Return Multiple defined as Multiple of Invested Capital for fully realised assets or Valuation Multiple on Exit for partially realised assets

**Pertains to "Returns" deals only as appear on this slide and includes exits and interest payments on debt

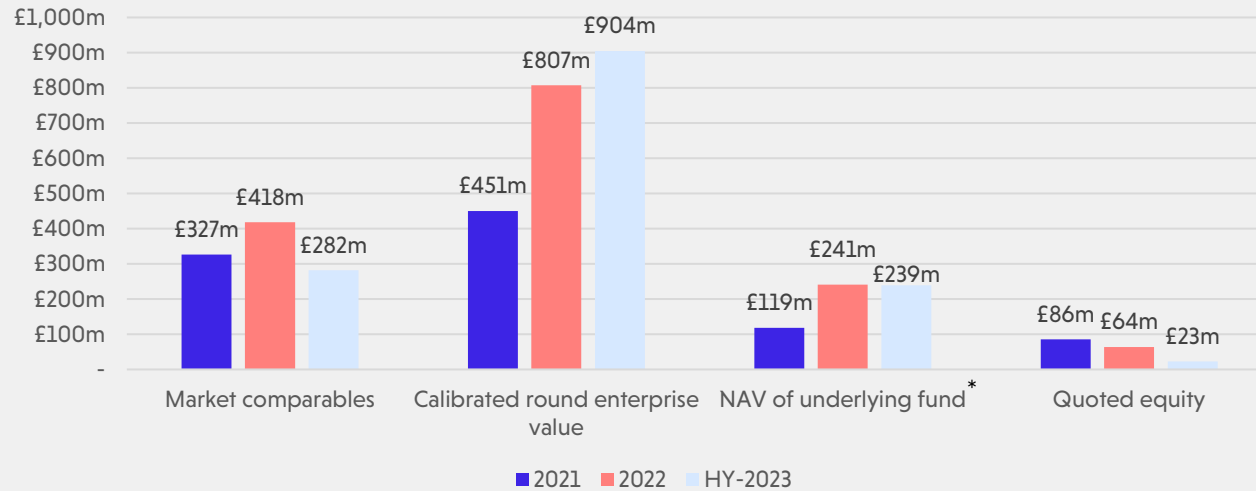
*** Loss ratio as a percentage of Invested capital is 3.6%

3.

Portfolio Update

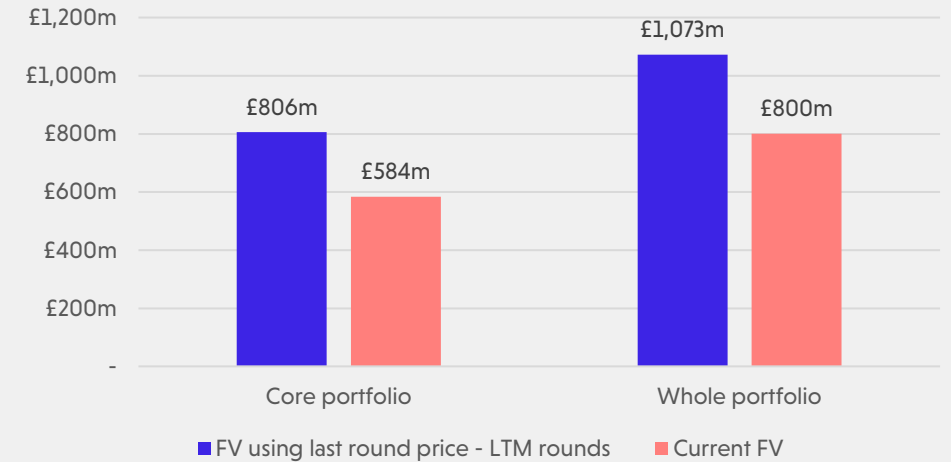
Portfolio Resilience

Portfolio fair value totals for each valuation technique



* Underlying fund refers to seed and early-stage funds in which Molten holds an LP interests via our Fund of Funds programme (including some of the holdings via Earlybird)

Current FV vs Last round value (rounds within last twelve months (LTM))



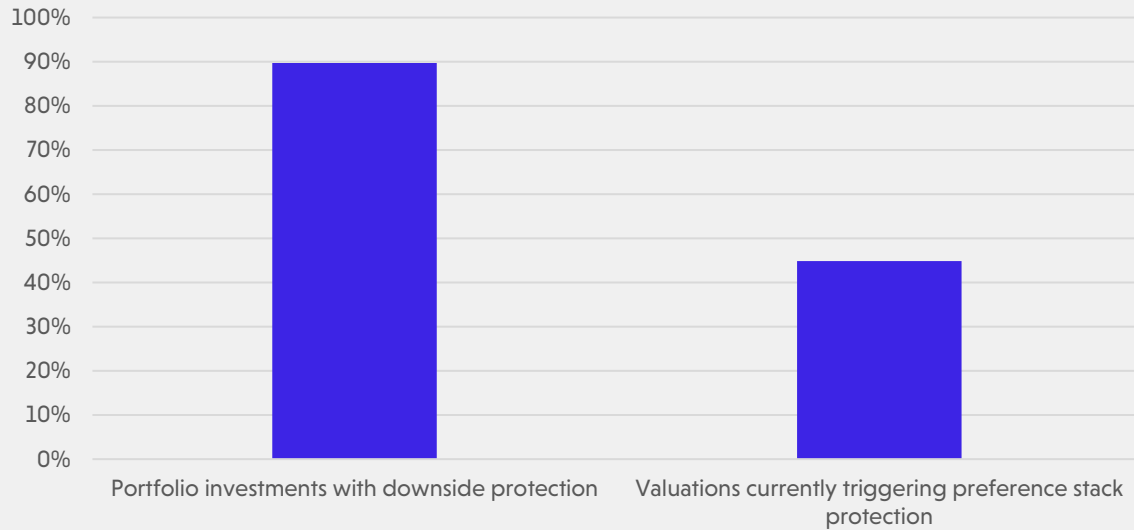
- For investments valued using revenue market multiples the multiple range for these investments were between 0.7x – 11x and a weighted average multiple of 6.9x.
- For investments calibrated to the price of recent investment, the range of discounts used in our valuations were 4%-82% and a weighted average discount of 27%. 79% of the rounds were completed in the last 12 months
- Quoted equity valuations are based on their share price on 30 September 2022. The value of our holdings in Trustpilot, UiPath, and Cazoo using their closing share price on 16 November 2022 was £29.2 million (+6.0 million)

FY23 Interim Results

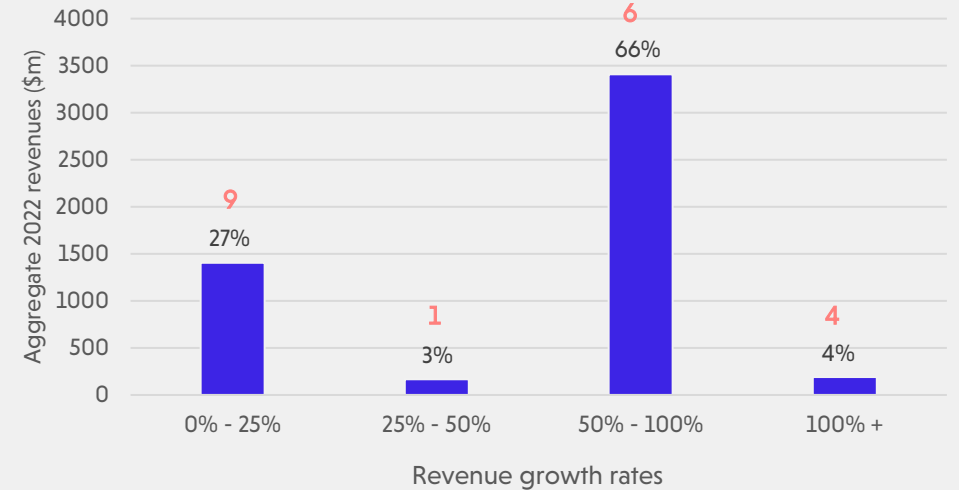
Portfolio resilience (cont.)

- Revenues have grown at an average for the Core of over 60% (forecast for 2022) with forecast growth of over 70% for 2023
- Well-funded portfolio - over 75% of the Core portfolio have over 18 months cash runway on current projections*
- Currently 81% of the portfolio fair value is protected by favorable preference stack structures**

Percentage of portfolio with downside protection



Core Portfolio Revenue Growth (2021 v 2022)




**Forecast CY22
Core Revenue
Growth:
>60%**

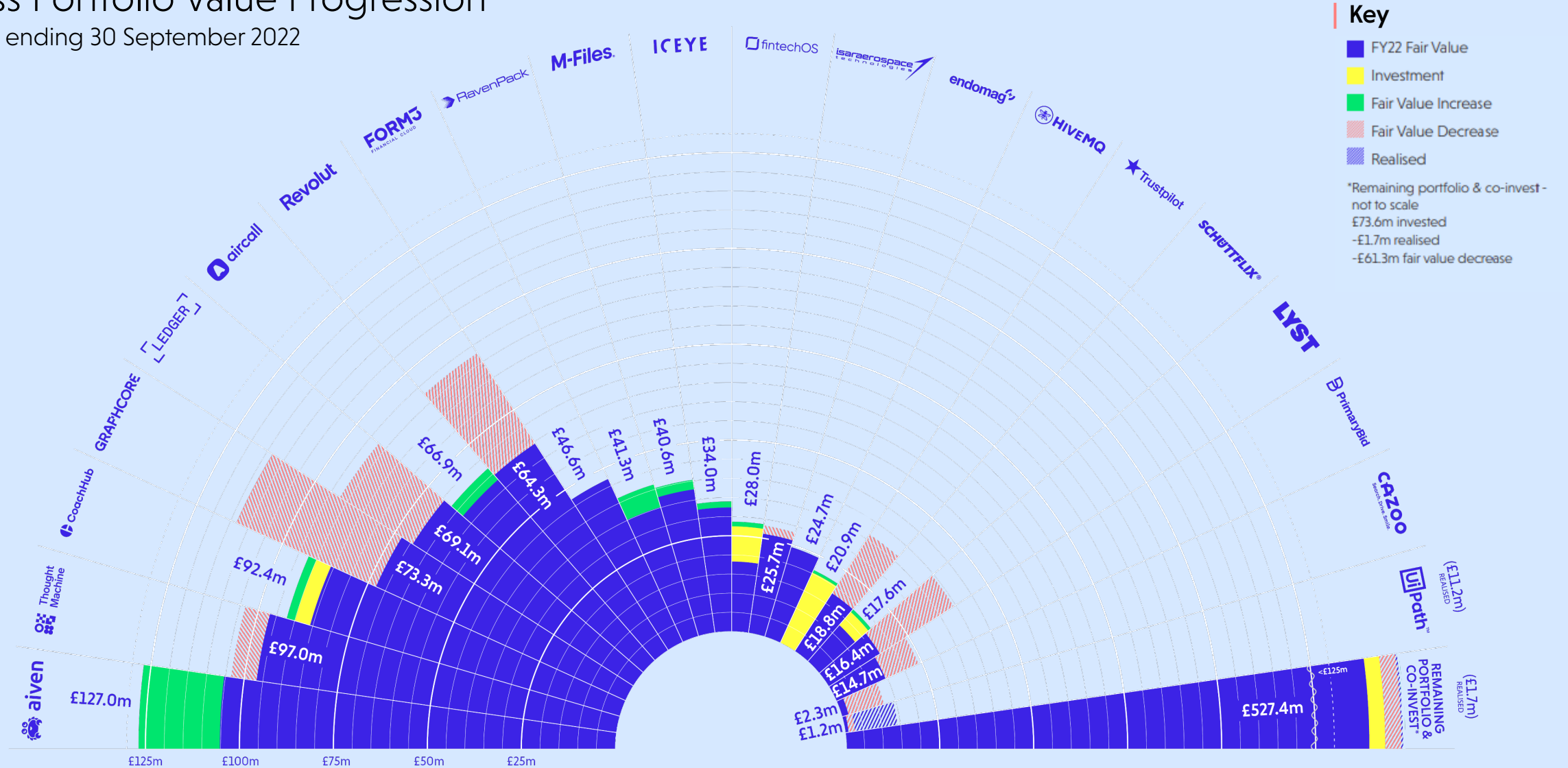

**Forecast CY23
Core Revenue
Growth:
>70%**

*Note: Analysis excluded companies with limited information rights (Revolut)

**Preference shares provide downside protection without limiting the upside, share rights reflected in the legal documents and do not have additional cost associated with them

Gross Portfolio Value Progression

period ending 30 September 2022



4.

Market Update

Maturing VC Market in Europe

34%

The European VC market has experienced growth at a rate of 34% CAGR over the past 6 years (2015-2021)

\$119bn

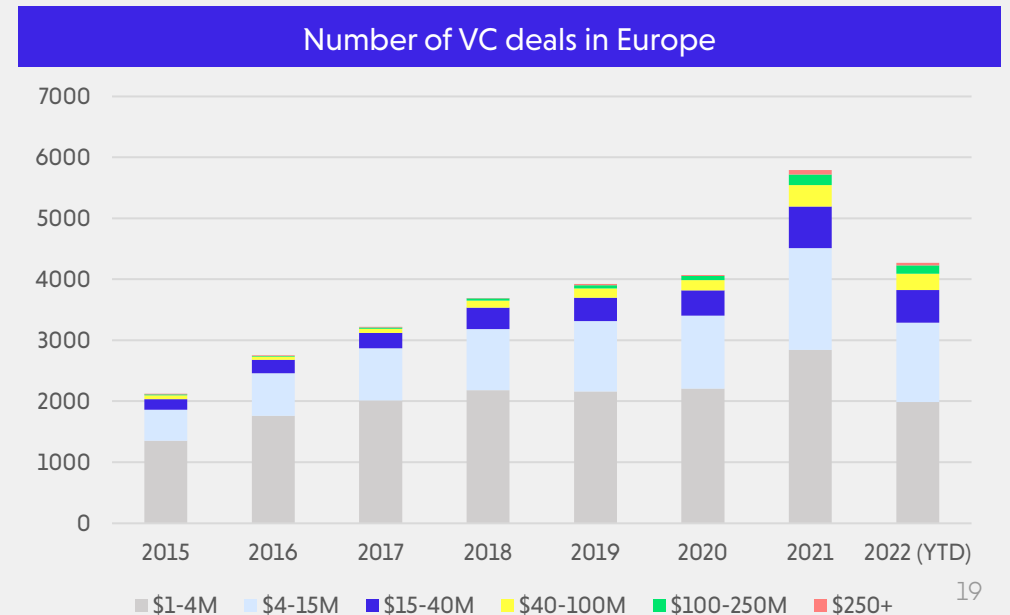
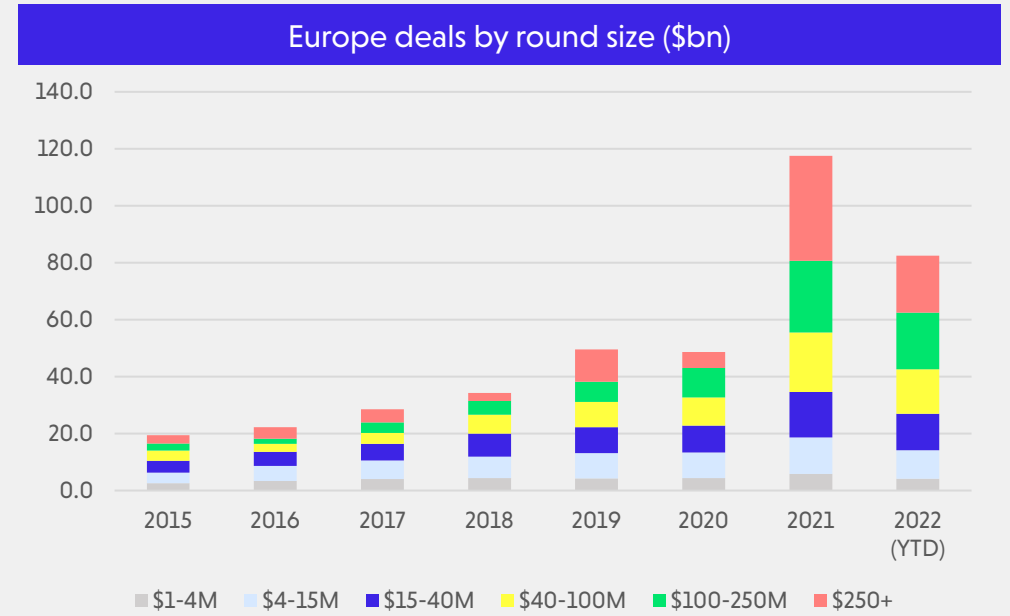
The European VC market is estimated at \$119.0bn (2021), with YTD 2022 outpacing historic growth trend prior to 2021's bumper performance

410

Europe has created 410 unicorns to date

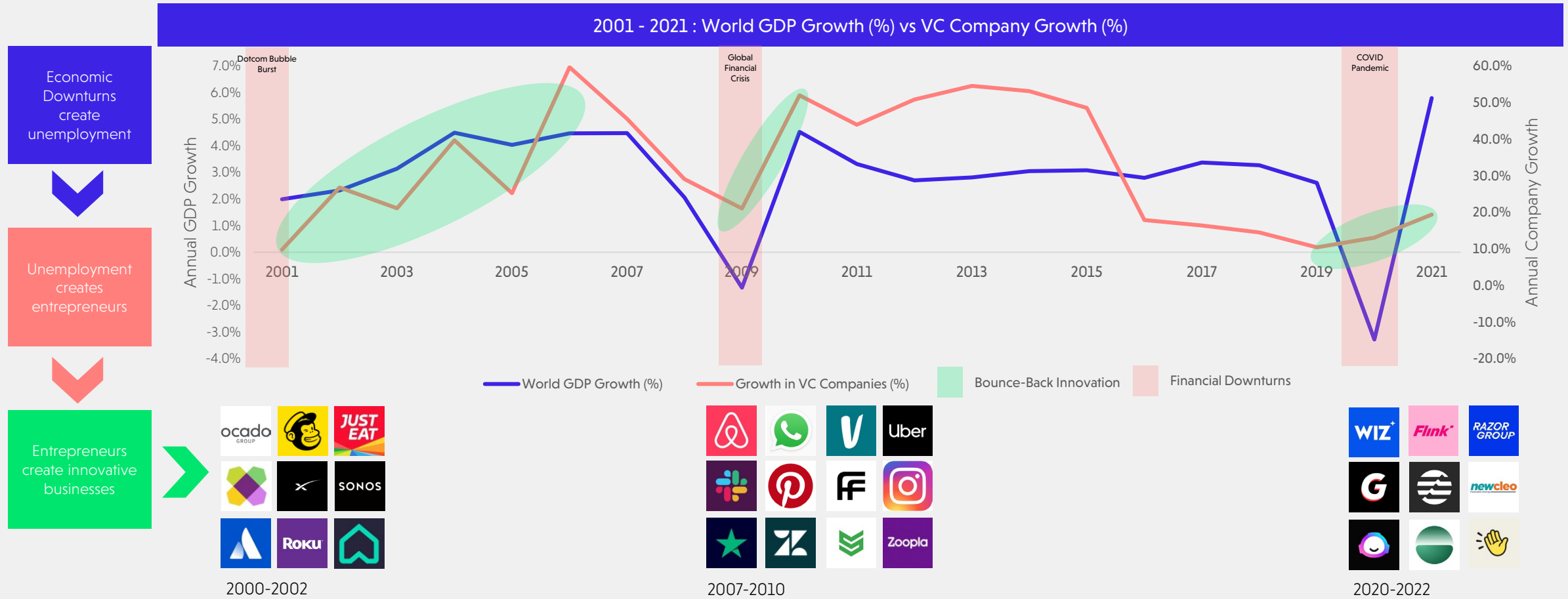
39%

The size of European VC market is 39% of the US (YTD 2022), further closing the gap



Economic Downturns Create Innovation

Since 2001, we have experienced 3 global downturns which have dramatically shifted the valuation environment, the DotCom Bubble, Global Financial Crisis and the COVID Pandemic. In each downturn, category leading businesses have been born to create efficiencies where the economy has left a vacuum.



5.

Outlook

Outlook

Looking forward to the second half of the year; we expect uncertainty will continue in the medium term and that macroeconomic factors and current geopolitical tensions are unlikely to change significantly before our year end.

- Remain on track for £150m deployment (deployed £117m in FY23 to date), and expect a lower deployment in H2
- Preserve capital and continue to look for realisations in H2
- Work closely with our portfolio; ensuring they continue to extend their cash runway and support them as they grow
- Continue to build 3rd party assets and income
- Find the best companies to invest in as the current enterprise technology trends that make up the basis of our portfolio show no signs of abating
- Leverage early-stage investing, through the Fund of Funds programme, allowing us to take a risk-adjusted approach to building a portfolio by investing small amounts at the earliest stages and investing more capital once those companies are demonstrating traction and commercial proof points

While no investor is immune from the recent steep compression in valuations, our model has significant inbuilt downside protection through holding many of our investments through preference share structures. We remain confident that the high-growth tech companies that will invent tomorrow will be founded and developed here in Europe and that the technological advances we have seen over the past 3-5 years will continue to transform the way we live, work, build and deliver products and services.

Thank you

6.

Appendix

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Gross Portfolio Value Table

As at 30 September 2022

	Fair Value of Investments 31-Mar-22		Realisations	Molten Ventures (Ireland) Limited	Movement in Foreign Exchange	Fair value movement	Fair value movement 30-Sep-22	Fair Value of Investments 30-Sep-22	Ownership interest range*
Investments	£m	Investments £m	£m	£m	£m	£m	£m *	£m	
Aiven	105.3	-	-	-	4.9	16.8	21.7	127.0	B
Thought Machine	103.5	-	-	-	-	(6.5)	(6.5)	97.0	B
Coachhub	85.7	4.3	-	-	3.5	(1.1)	2.4	92.4	C
Graphcore	113.5	-	-	-	11.1	(51.3)	(40.2)	73.3	A
Ledger	91.9	-	-	-	2.6	(25.4)	(22.8)	69.1	B
Aircall	62.9	-	-	-	10.2	(6.2)	4.0	66.9	B
Revolut	91.3	-	-	-	9.8	(36.8)	(27.0)	64.3	A
Form3	46.6	-	-	-	-	-	-	46.6	C
Ravenpack	35.1	-	-	-	6.2	-	6.2	41.3	D
M-Files	37.3	-	-	-	1.6	1.7	3.3	40.6	B
ICEYE	32.1	-	-	-	5.2	(3.3)	1.9	34.0	B
FintechOS	17.4	9.6	-	-	1.1	(0.1)	1.0	28.0	C
ISAR AeroSpace	27.9	-	-	-	1.0	(3.2)	(2.2)	25.7	A
Endomag	24.7	-	-	-	-	-	-	24.7	C
Hive MQ	-	20.2	-	-	0.7	-	0.7	20.9	B
Trustpilot Plc	36.5	-	-	-	-	(17.7)	(17.7)	18.8	B
Schüttflifx	12.7	4.3	-	-	0.7	(0.1)	0.6	17.6	B
Lyst	39.7	-	-	-	2.5	(25.8)	(23.3)	16.4	C
PrimaryBid	24.6	-	-	-	-	(9.9)	(9.9)	14.7	B
Cazoo (Ajax SPAC)	12.0	-	-	-	0.4	(10.1)	(9.7)	2.3	A
UiPath Inc.	14.0	-	(11.2)	-	0.2	(1.8)	(1.6)	1.2	A
Remaining	515.0	73.6	(1.7)	-	21.1	(81.9)	(60.8)	526.1	
Total	1,529.7	112.0	(12.9)	-	82.8	(262.7)	(179.9)	1,448.9	
Co-Invest	1.8	-	-	-	-	(0.5)	(0.5)	1.3	
Gross Portfolio Value	1,531.5	112.0	(12.9)	-	82.8	(263.2)	(180.4)	1,450.2	
Carry External	(121.5)	-	-	-	-	23.7	23.7	(97.8)	
Portfolio Deferred tax	0.5	-	-	-	-	(0.2)	(0.2)	0.3	
Trading carry & co-invest	0.3	-	-	-	-	-	-	0.3	
Non-investment cash movement	-	-	-	(1.0)	-	1.0	1.0	-	
Net Portfolio Value	1,410.8	112.0	(12.9)	(1.0)	82.8	(238.7)	(155.9)	1,353.0	

Condensed Consolidated Interim Statement of Comprehensive Income

For the period ended 30 September 2022

	Notes	Unaudited Period Ended 30 Sep 2022 £'m	Unaudited Period Ended 30 Sep 2021 £'m
Change in (losses)/gains on investments held at fair value through profit or loss	6	(155.9)	252.0
Fee income		11.4	10.0
Total investment income		(144.5)	262.0
Operating expenses			
General administrative expenses*		(10.1)	(11.2)
Depreciation and amortisation		(0.4)	(0.4)
Share based payments – resulting from Company share option scheme		(2.1)	(1.6)
Investment and acquisition costs		(0.1)	(0.1)
Exceptional items	25	-	(2.4)
Total operating costs		(12.7)	(15.7)
(Loss) / Profit from operations		(157.2)	246.3
Finance income	7	1.9	1.5
Finance expense	7	(2.7)	(0.4)
Operating (loss) / profit before tax		(158.0)	247.4
Income taxes		2.7	(29.4)
(Loss) / Profit for the period		(155.3)	218.0
Other comprehensive income		-	-
Total comprehensive (expense) / income for the period		(155.3)	218.0
(Loss) / Earnings per share attributable to owners of the parent:			
Basic (loss) / earnings per weighted average shares (pence)	8	(102)	148
Diluted (loss) / earnings per weighted average shares (pence)	8	(101)	146

*Professional fees related to the new debt facility of £0.3m have been included within General administrative expenses.

See Note 16(b) for further details. The Notes on pages 26 to 46 in the FY23 Interim report are an integral part of these condensed consolidated interim financial statements.

References to notes in the above table are to those in our Interim Report for the period ended 30 September 2022

Condensed Consolidated Interim Statement of Financial Position

As at 30 September 2022

	Notes	Unaudited 30 Sep 2022 £'m	Audited 31 Mar 2022 £'m
Non-current assets			
Intangible assets	9	10.6	10.7
Financial assets held at fair value through profit or loss	11	1,353.0	1,410.8
Deferred tax		-	1.6
Property, plant and equipment		0.6	0.9
Total non-current assets		1,364.2	1,424.0
Current assets			
Trade and other receivables		7.8	2.8
Cash and cash equivalents		28.5	75.8
Restricted cash		-	2.3
Total current assets		36.3	80.9
Current liabilities			
Trade and other payables		(7.9)	(14.3)
Financial liabilities	16	(0.4)	(0.4)
Total current liabilities		(8.3)	(14.7)
Non-current liabilities			
Deferred tax	13	(23.2)	(26.1)
Provisions		(0.3)	(0.3)
Financial liabilities	16	(88.8)	(30.0)
Total non-current liabilities		(112.3)	(56.4)
Net assets			
		1,279.9	1,433.8
Equity			
Share capital	14	1.5	1.5
Share premium account	14	615.9	615.9
Own shares reserve	17(i)	(8.9)	(8.2)
Other reserves	17(ii)	31.0	28.9
Retained earnings		640.4	795.7
Total equity		1,279.9	1,433.80
Net assets per share (pence)	8	837	937

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The Notes on pages 26 to 46 in the FY23 Interim report are an integral part of these condensed consolidated interim financial statements.

References to notes in the above table are to those in our Interim Report for the period ended 30 September 2022

Valuations process

Governance

The Audit, Risk and Valuations Committee is responsible for ensuring that the financial performance of the Group is properly reported on and monitored. In addition to continuous portfolio monitoring through the Board positions held in portfolio companies and the Investment Committee, a bi-annual strategy day is held every six months to discuss the investment performance and valuations of the portfolio companies. The investment team leads discussions focused on business performances and valuation metrics of listed peers. Valuations are prepared every six months by the finance team during each reporting period, with direct involvement and oversight from the CFO. Challenge and approvals of valuations are led by the Audit, Risk and Valuations Committee every six months, in line with the Group's half-yearly reporting periods. Subsequent to the introduction of the new debt facility, the value of the portfolio is also subject to periodic independent third-party valuation, the first of which was conducted for the outset of the facility with valuations as at the end of June 2022.

Methodology

The Group invests in early-stage and growth technology companies, through predominantly unlisted securities.

For investments in quoted companies, we use the closing bid-price on the stock exchange at the measurement date for the FV assessment.

The fair value of unlisted securities is established with reference to the IPEV Guidelines. In line with the IPEV Guidelines, the Group may base valuations on earnings or revenues where applicable, market comparables, calibrated price of recent investment in the investee companies, or on net asset values of underlying funds ("NAV of underlying funds"). An assessment will be made at each measurement date as to the most appropriate valuation methodology (on an asset-by-asset basis for direct investments).

Please refer to our Interim Report Note 19 for further details.

Debt Facility

On 6 September 2022, the Company entered into a facility agreement relating to a new debt facility (the "Debt Facility") with J.P. Morgan Chase Bank N.A., London Branch ("JPM") and Silicon Valley Bank UK Limited ("SVB"), with a JPM affiliate acting as the appointed agent. The Debt Facility comprises a £90.0 million term loan ("Term Loan") and a revolving credit facility ("RCF") of up to £60.0 million on three-and two-year availability periods respectively. Repayment dates for both may be extended by two 12-month periods subject to the lenders' willingness to extend and satisfaction of various conditions.

- The Debt Facility replaced the Company's existing revolving credit facility with Silicon Valley Bank plc and Investec Bank plc of £65.0 million, which was repaid in full. In addition to repaying the existing facility, the Debt Facility can be used for general working capital purposes and to finance the purchase of portfolio companies but excludes share buybacks
- The headline interest rate applied on both the Term Loan and RCF includes a 'margin' of 5.50% per annum plus SONIA
- The Debt Facility is secured against various Group assets, including bank accounts; listed shares; and LP interests, with a number of entities within the Group acceding as guarantors
- The Company's ability to borrow under the Debt Facility and satisfy its financial and non-financial covenants is dependent on the value of the investment portfolio (excluding third party funds under management), with drawdowns being subject to a maximum loan to value ratio of 10% (1.10:1.00). The lenders may commission quarterly independent valuations of the investment portfolio
- On execution of the Debt Facility Agreement, the Group drew down £90.0 million of the Term Loan, with the RCF (£60.0 million, currently undrawn) being available for two years to September 2024 subject to any extension. After expiry of the availability period, a cash sweep on realisations will apply. Both the RCF and Term Loan must be fully repaid by the third anniversary of the date of the Debt Facility Agreement, subject to any extension

Financial covenants

The Debt Facility contains financial and non-financial covenants which the Company and certain members of the Group must comply with throughout the term of the Debt Facility:

- Maintain a value to cost ratio of investments of at least 10% (1.10:1.00)
- Total financial indebtedness not to exceed 20% (10% on each utilisation) of the value of investments in the portfolio with adjustments for concentration limits (see below) together with the value of all amounts held in specified bank accounts subject to the security package
- Total aggregate financial indebtedness of the Company and certain members of the Group is not to exceed 35% (25% on each utilisation) of the value of secured investments in the portfolio with adjustments for concentration limits calculated by reference to specified assets and bank accounts subject to the security package
- The Company and certain members of its Group must maintain a minimum number of investments subject to concentration limits connected to sector, geography, joint or collective value, and/or listed status

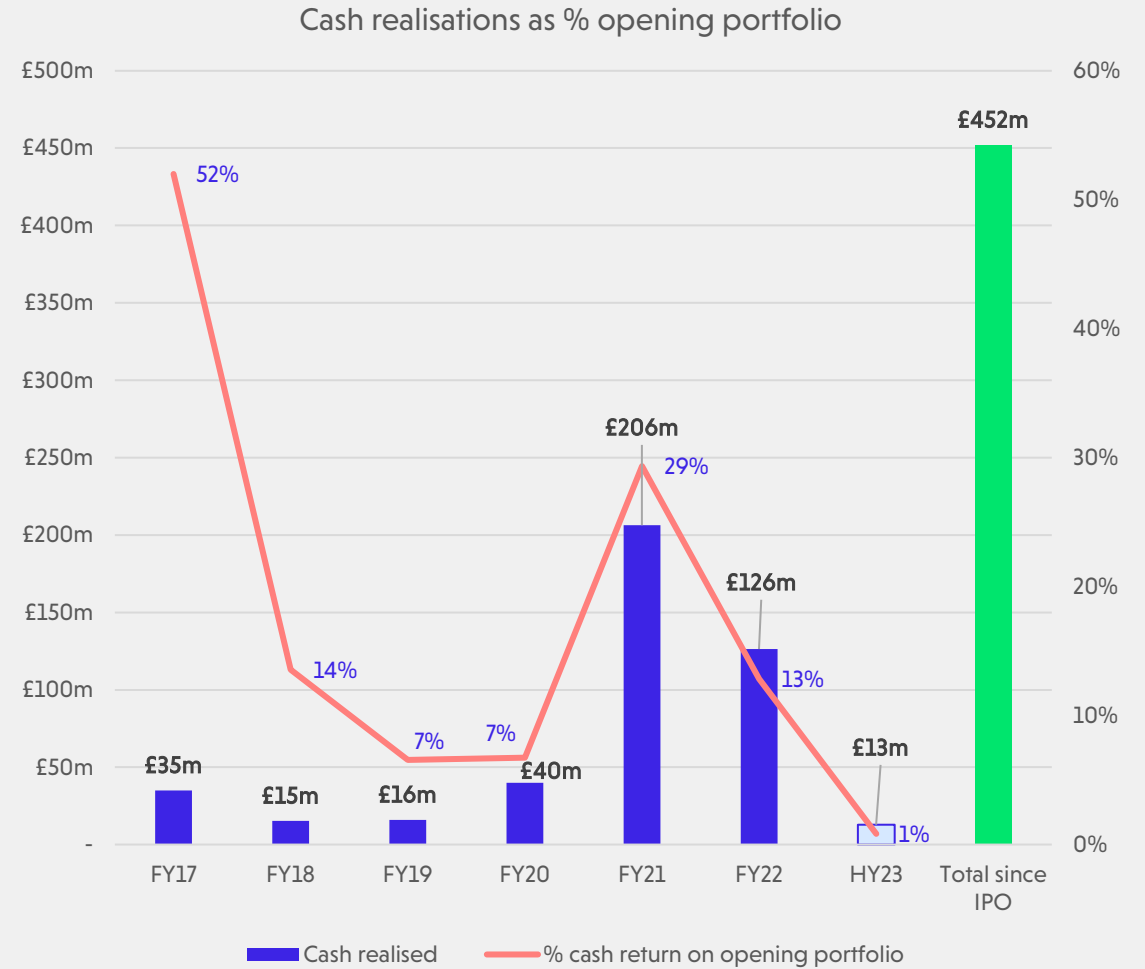
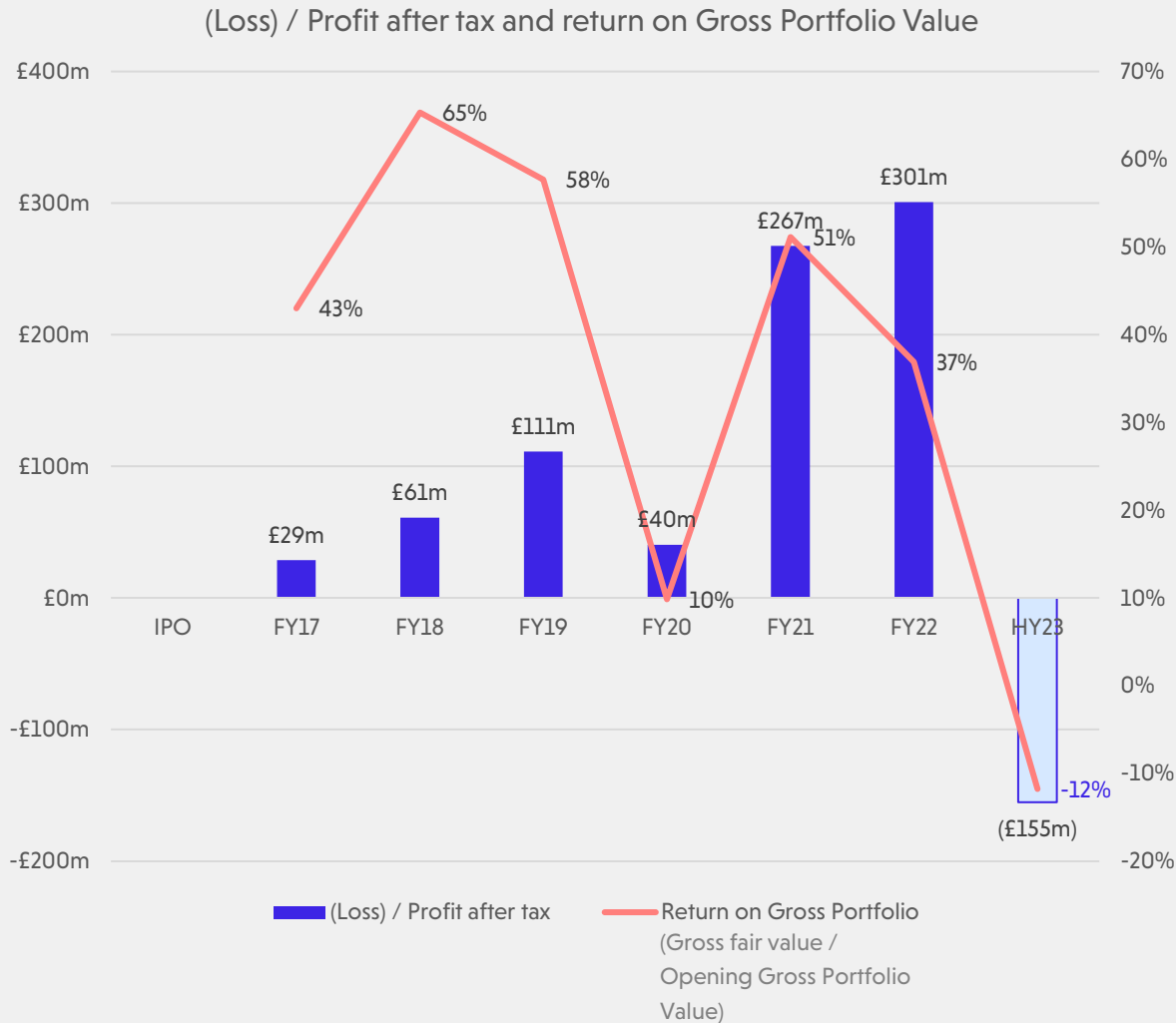
Failure to satisfy financial covenants may limit the Company's ability to borrow and/or also trigger events of default which in some instances could trigger a cash sweep on realisations and/or require the Company to cure those breaches by repaying the Debt Facility (either in part or full).

6.a

Our Portfolio (cont.)

FY23 Interim Results

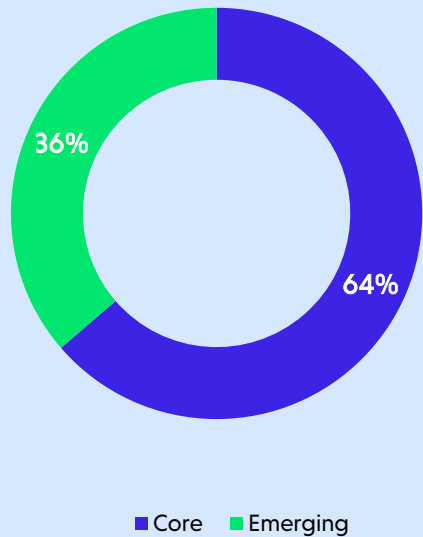
Cash realisations and returns on the portfolio



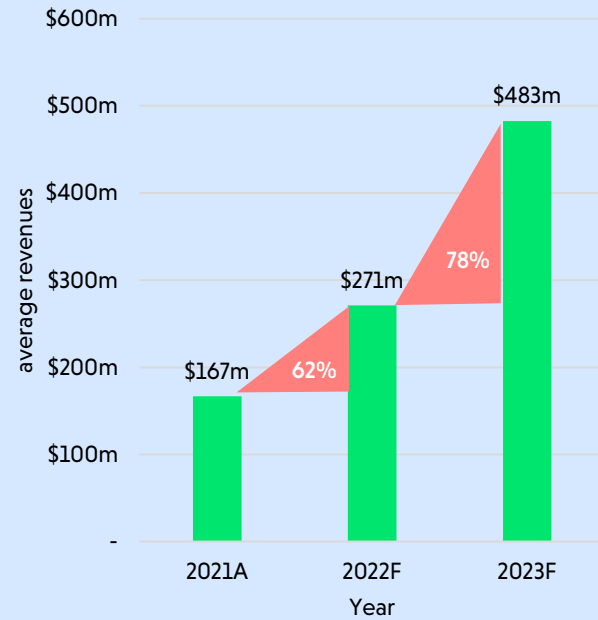
Strength in diversified approach

Balanced portfolio underpinned by strong revenue growth

Core holdings as % of GPV
(by value as at 30 September 2022)



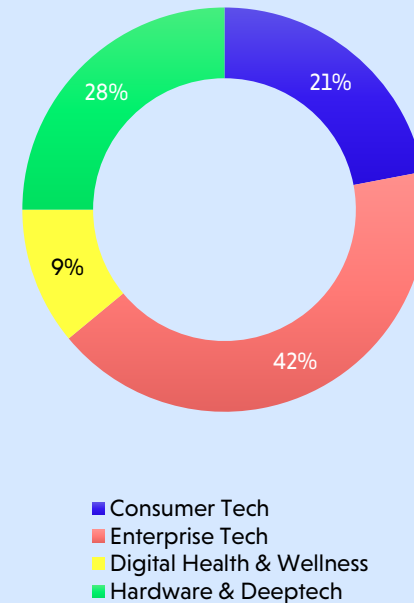
Average core revenues



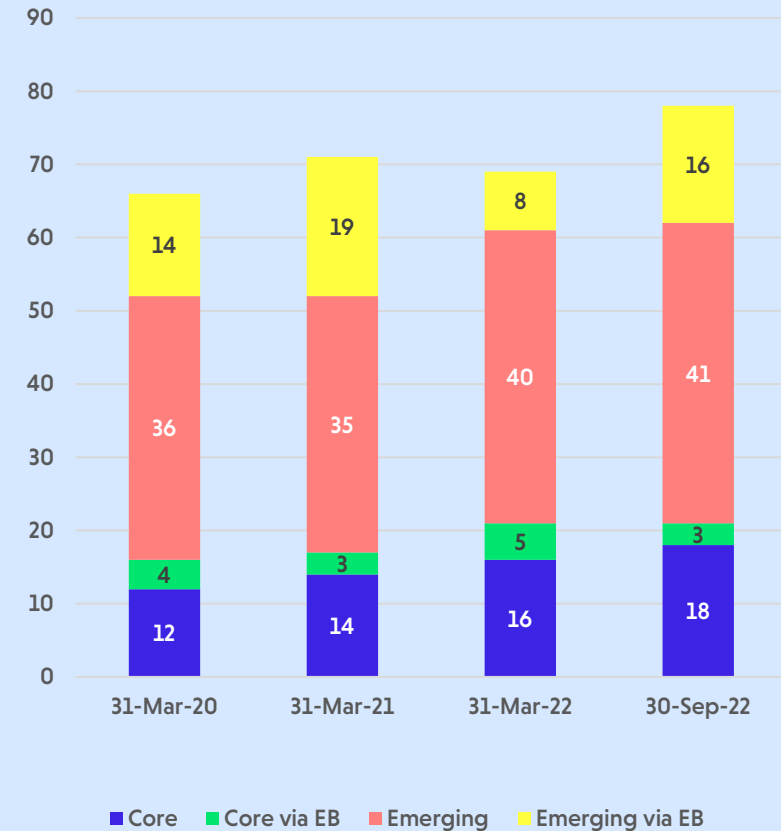
Graph showing the growth in average revenues of our Core Portfolio.

A – actuals
F - forecast

Number of portfolio companies split by sector



Number of portfolio companies*



*Where an investment is held both via Earlybird and directly, it is categorized as a direct investment

FY23 Interim Results

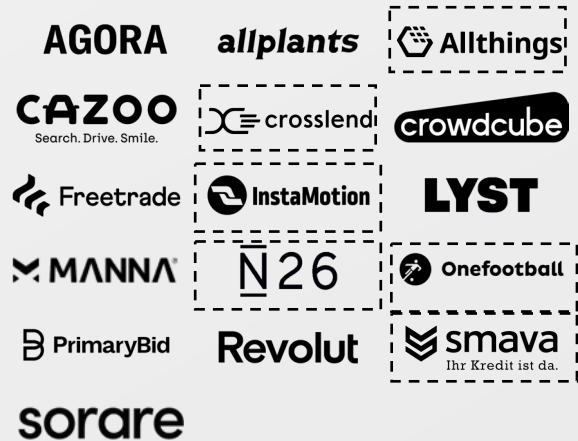
Our Portfolio

as at 30 September 2022

Consumer technology

14% by value **16** by number of companies

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



Enterprise technology

51% by value **33** by number of companies

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



Hardware & DeepTech

30% by value **22** by number of companies

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



Digital health & wellness

5% by value **7** by number of companies

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



FY23 Interim Results

Fund of funds, your first backers backed

67

Funds committed since 2017

10

Seed funds committed to in FY23

~1500

Portfolio companies across all funds

£132.3m


Total commitments, £71.8m drawn down to 30 Sep 2022

£50k



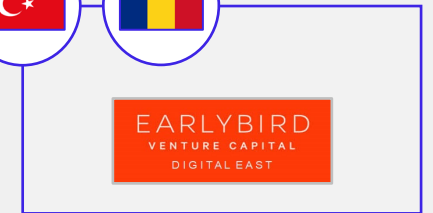
Average investment per seed company, Average equity stake of 0.4%





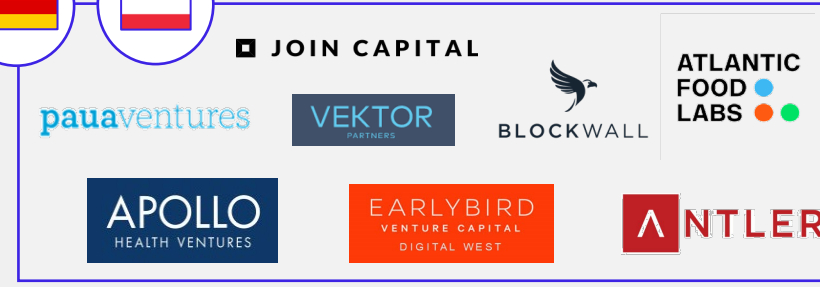




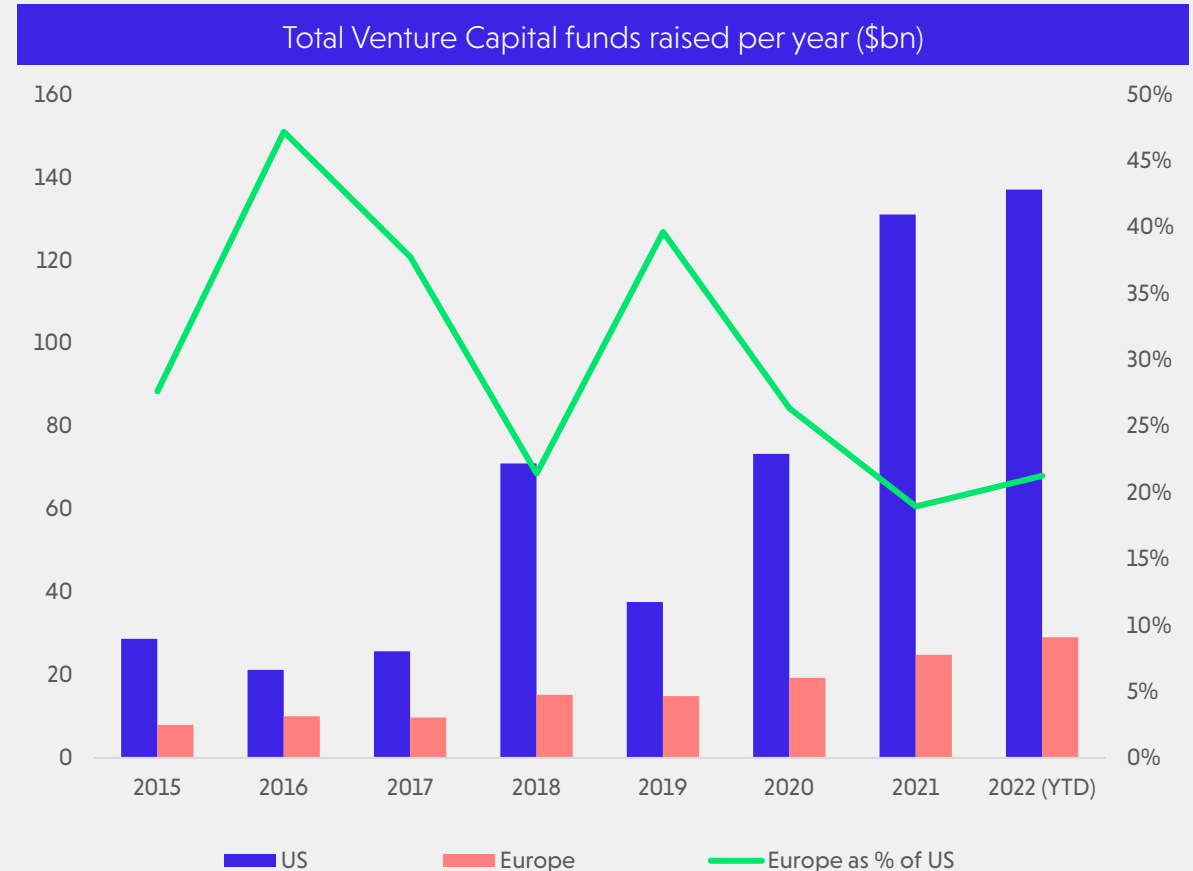
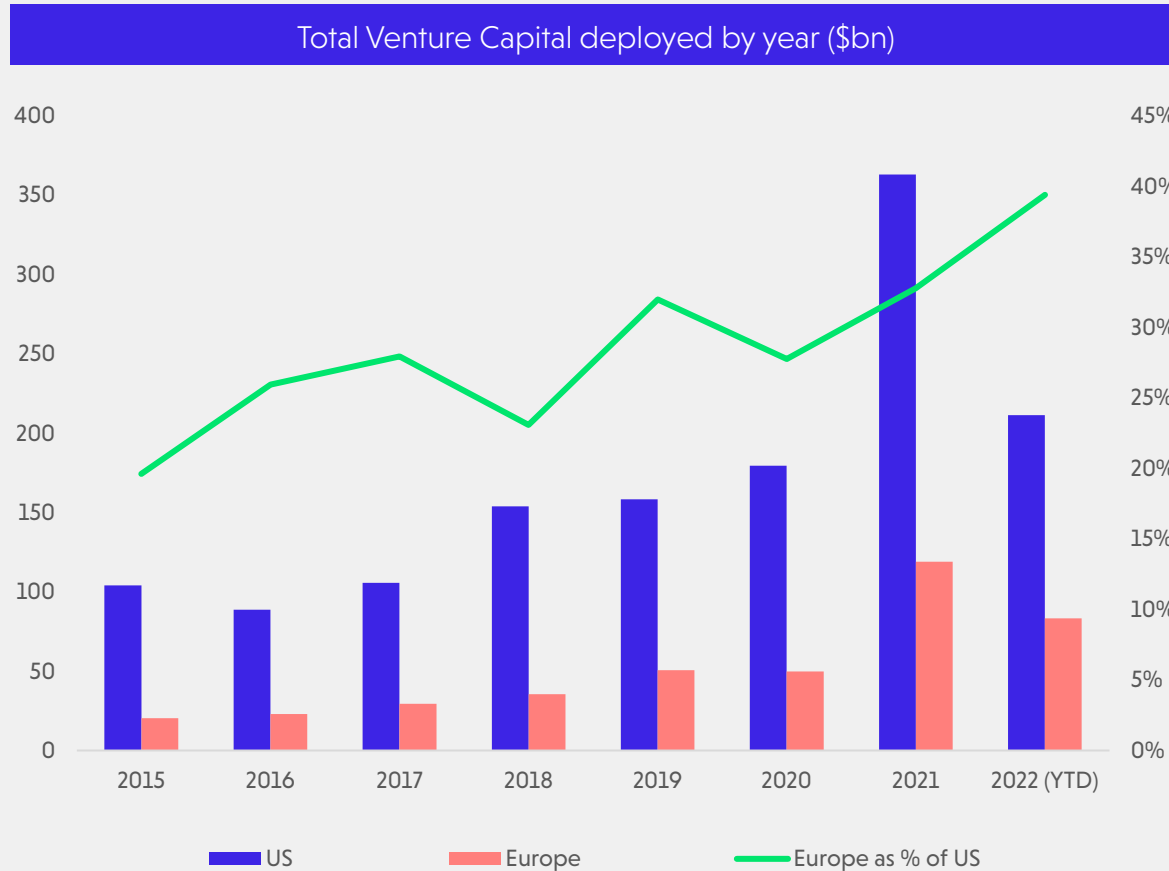




Ecosystem Activity

Significant growth in the market continues as European VC scales into the size of US VC, however US VC Funds continue to be better capitalised.



6.b

ESG

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Responsible investment

Integration of ESG in our investment strategy

We are committed to a policy of responsible investment through the life cycle of our investments, from pre-screening to exit. We believe that ESG integration across our portfolio is not only the right thing to do but also creates value for our shareholders and makes our portfolio companies more attractive for investment.

Investment Team ESG training

In line with our ESG KPI to provide a training programme for the investment team applying our ESG policy to our investment process, in January 2022 external consultants ITP Energised delivered a tailored training session to our investment team designed to improve integration of ESG considerations across the whole investment process, from pre-screening to exit, in alignment with our ESG Policy.

External benchmarking

- We are signatories of UN Principles for Responsible investment and Investing in Women Code
- We currently report against Task Force on Climate-Related Financial Disclosures (TCFD), Streamlined Energy and Carbon Reporting (SECR), UN Principles for Responsible Investment
- We are aligned with UN Sustainable Development Goals
- We plan to report against CDP, a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts

1. Pre-screening

We are mindful of the general themes surrounding ESG and our role as a responsible investor when considering potential investments

2. Screening

We screen all prospective portfolio companies against our Exclusion List which contains various assets we will not invest into

3. Due diligence

We distribute our ESG Framework to identify risks as part of the diligence process
The output of this Framework informs the investment decision
Significant ESG risks are flagged and escalated to General Counsel

4. Investment Committee

We outline ESG risks and opportunities as part of qualitative assessment in the IC paper
Relevant ESG topics are explored as part of the Investment Committee discussion and decision-making process

5. Ownership

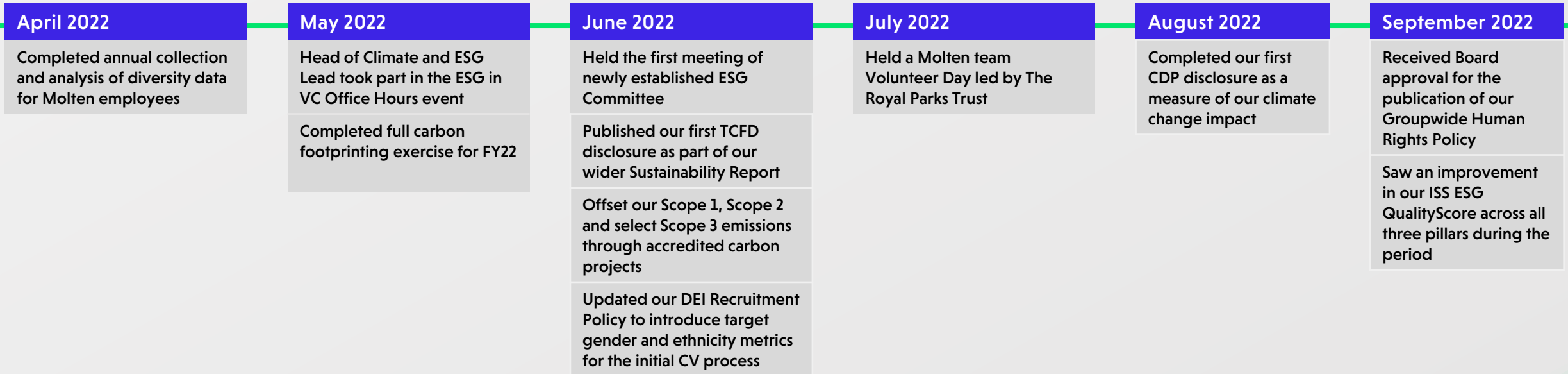
We monitor portfolio companies' performance through annual distribution of our ESG Framework and deliver bespoke ESG events to help with integration of ESG strategies

6. Exit

We collate historic ESG data through the lifetime of the investment to produce a summary of ESG progress

Our ESG progress in FY23

ESG has been a continued focus during the year. 'Make more possible' is not just about capital investment, it is also about the positive transformation that Molten can drive through its actions.



Thank you

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