

# Key Information Document

**DISCLAIMER:** Molten Ventures plc (“the Company”) is required to produce and publish this document by the UK version of Regulation (EU) 1286/2014 of the European Parliament and the Council on key information documents for packaged retail and insurance-based investment products which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019 (the “Regulation”). The Company is required to follow the Regulation’s prescribed methodology in preparing the document, including for the determination of the Summary Risk Indicator and calculation of the Performance Scenarios.

The Company believes that the methodology prescribed by the Regulation for the preparation of the information in this document and, in particular, the Performance Scenarios, is primarily designed for packaged retail investment products rather than shares in a listed company such as the Company and, in the Company’s case, produces results which, in the Company’s view, could be misleading. Shares in the Company are suitable only for investors that are capable of evaluating the merits and risks of such an investment, who understand the potential risk of capital loss, for whom an investment in the Company constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company, who understand the limitations of the scenarios set out in the Summary Risk Indicator and Performance Scenarios and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that could result from such an investment in the Company’s shares. Past performance is not a guide to future performance.

**PURPOSE:** This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products. You are about to purchase a product that is not simple and may be difficult to understand.

**PRODUCT:** The name of the Product is Molten Ventures plc, which is a Packaged Retail and Insurance-based Investment Products (PRIIP). The name of the PRIIP Manufacturer is Esprit Capital Partners LLP. ISIN: GB00BY7QYJ50. Website: [www.moltenventures.com](http://www.moltenventures.com). Or call +44 (0)20 7931 8800 for more information. The Financial Conduct Authority is responsible for the supervision of Esprit Capital Partners LLP in relation to this document. **Date document updated: 23 July 2021.**

## WHAT IS THIS PRODUCT?

**Type.** Ordinary Shares of Molten Ventures plc, a closed-ended investment public limited company incorporated in England and Wales whose shares are admitted to trading on the London Stock Exchange’s Main Market and the Irish Stock Exchange’s Euronext Dublin Market. The Company has an unlimited life and there is no maturity date for the ordinary shares. There is no recommended holding period for the ordinary shares (although a holding period of 5 years has been used for the purposes of the calculations in this document).

**Objectives:** The investment objective of the Company is to generate capital growth for shareholders by the creation, funding, incubation and development of high-growth technology businesses. The Company 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.

The Company seeks 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 Company will primarily seek exposure to developing companies in, but not limited to, the following sectors of the digital economy: consumer technology, enterprise technology, hardware and deeptech and digital health and wellness. The Group’s main focus is on making investments in the UK and Europe. No investment will be made if its costs exceed 15% 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% of the Gross Portfolio Value.

**Borrowing:** The Company has a revolving £65m credit facility with Silicon Valley Bank and Investec which provides financial flexibility to fund the future growth plans of the Company’s portfolio companies. Draw downs and pay downs are driven by portfolio investments and realisations. The level of the Company’s borrowing may serve to magnify any gains or losses made by the Company. The Company seeks to maintain a conservative level of gearing and limit its borrowings to a maximum of 25% of the Group’s net asset value at the time of investment.

**Dividends:** The Company intends to reinvest any income received from investee companies as well as the net proceeds of any realisations in the group’s portfolio. The directors may consider paying dividends in the future.

**Term:** The product has no maturity date, though the shares of the Company trade continuously on the London Stock Exchange and the Irish Euronext Dublin and are not bound by any prescribed redemption or sale restrictions.

**Intended retail investor:** Whilst shares in the Company can be freely acquired or traded on the Main Market and the Euronext Dublin Market, the Company is not specifically intended for retail investors. It is the Company’s view that an investment in the Company is best suited to investors that are capable of evaluating the merits and risks of such an investment, who understand the potential risk of capital loss, for whom an investment in the ordinary shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may

result from such an investment. Accordingly, typical investors in the Company are expected to be experienced investors, institutional investors, high net worth investors and other investors who have taken appropriate professional advice and understand the risks involved in investing in the Company.

**WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?**

**Risk Indicator**



Whilst there is no specific recommended holding period for shares in the Company, this risk indicator assumes you keep the product for five years. You may not be able to sell your product easily or you may have to sell at a price that is below the price that you paid, or below the prevailing net asset value, or that otherwise significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Company is not able to pay out. We have classified this product as 6 out of 7, which is a higher risk class.

This rates the potential losses from future performance at a higher\* level, and poor market conditions may impact the capacity to pay you.

Other risks materially relevant to the ordinary shares that are not included in the summary risk indicator include:

- the risk that the Company's portfolio fails to perform in line with the Company's objectives due to investment decisions or adverse changes to market conditions.
- the risk that Company shares may be traded at a discount to net asset value in the secondary market.
- the risks arising from any failure in the Company's systems and controls or of those of its service providers.

Further details of the risks relevant to the Company are set out in its admission document which is available at [www.moltenventures.com](http://www.moltenventures.com).

This product does not include any protection from future market performance so you could lose some or all of your investment.

**Performance Scenarios**

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Investment of £10,000				
Scenarios		1 year	3 years	5 years
Stress scenario	<b>What you might get back after costs</b>	<b>£418</b>	<b>£2,118</b>	<b>£1,211</b>
	Average return each year	-95.8%	-40.4%	-34.4%
Unfavourable scenario	<b>What you might get back after costs</b>	<b>£7,442</b>	<b>£7,176</b>	<b>£7,647</b>
	Average return each year	-25.6%	-14.1%	-9.0%
Moderate scenario	<b>What you might get back after costs</b>	<b>£11,126</b>	<b>£13,679</b>	<b>£16,818</b>
	Average return each year	11.3%	11.0%	11.0%
Favourable scenario	<b>What you might get back after costs</b>	<b>£17,177</b>	<b>£29,178</b>	<b>£44,808</b>
	Average return each year	71.8%	42.9%	35.0%

This table shows the money you could get back over the next five years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the Company's underlying investments perform, how the overall market performs and how long you keep the investment.

The stress scenarios shows what you might get back in extreme market circumstances, and it does not take into account the situation where the Company is not able to pay you on its liquidation.

Shares in the Company cannot be cashed in. The figures shown include all the costs of the product itself, but may not include all costs that you pay to your advisor/distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

**WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?**

The Company is not required to make any payment to you in respect of your investment. If the Company were liquidated, you would be entitled to receive a distribution equal to your share of the Company's assets, after payment of all of its creditors.

As a shareholder of the Company, you would not be able to make a claim to the Financial Services Compensation Scheme 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, if you invest in the Company, you should be prepared to assume the risk that you could lose all of your investment.

**WHAT ARE THE COSTS?**

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future. You should note that these costs are paid by the Company whereas the return that you may receive will depend on the Company's share price performance.

There is no direct link between the Company's share price and the costs that it pays and the share price already takes into account the costs borne by the Company time. If you sell your shares, you would pay your bank or stockbroker's dealing charges and be selling at the then available market offer price that is likely to be lower than the bid price at which others could buy shares at that time. In addition, the cost information below does not reflect any stamp duty payable by a retail investor.

**Table 1: Costs over Time**

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

<b>Investment £10,000</b>			
<b>Scenarios</b>	<b>If you cash in after 1 year</b>	<b>If you cash in after 3 years</b>	<b>If you cash in after 5 years</b>
Total costs	£246	£613	£1,087
Impact on return (RIY) per year	2.46%	1.77%	1.61%

**Table 2: Composition of Costs**

The table below shows the impact each year of the different types of costs on the investment return you might get, and the meaning of the different cost categories.

<b>One-off costs</b>	<b>Entry costs</b>	0.5%	The impact of the costs you pay when entering your investment comprised of likely brokerage fees. The amount shown represents the estimated highest brokerage fee that is likely to be payable and the actual amount may vary. You may additionally be required to pay other fees, commissions, or stamp duty.
	<b>Exit costs</b>	0.5%	The impact of the costs of exiting your investment when it matures comprised of estimated brokerage fees. The amount shown represents the estimated highest brokerage fee that is likely to be payable and the actual amount may vary. You may additionally be required to pay other fees, commissions, or stamp duty.
<b>On-going costs</b>	<b>Portfolio transaction costs</b>	N/A	No portfolio transaction costs apply to this product.
	<b>Other on-going costs</b>	1.46%	The impact of the Company's operating costs, which include, among others, staff costs and the fees and expenses of its service providers. These costs are paid by the Company and may vary from year to year.
<b>Incidental costs</b>	<b>Performance fees</b>	N/A	No performance fees apply to this product.
	<b>Carried interests</b>	N/A	The impact of any estimated carried interest within the underlying funds is taken into account in the calculation of the fair value of investments held.

**HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?**

There is no required minimum holding period and this product has no maturity. There are no restrictions on the transferability of the shares. The shares of the Company trade continuously on the London Stock Exchange and the Irish Stock Exchange and are not bound by any prescribed redemption or sale restrictions. Typically, on any given day, the price you pay for a share will be higher than the price at which you could sell it.

**HOW CAN I COMPLAIN?**

As a shareholder of the Company, you do not have the right to complain to the Financial Ombudsman Service about the management of the Company. Complaints about the Company or this key information document should be sent to the Company Secretary at Prism Cossec Limited (website: [www.prismcossec.com](http://www.prismcossec.com), email: [enquiries@prismcossec.com](mailto:enquiries@prismcossec.com) and address: Highdown House, Yeoma Way, Worthing, West Sussex, United Kingdom, BN99 3HH).

**OTHER RELEVANT INFORMATION**

Further documentation, including the Company's prospectus, annual and semi-annual reports, regulatory disclosures and disclaimers, is available on the Company's website at [www.moltenventures.com](http://www.moltenventures.com). This documentation is made available in accordance with the Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and the Alternative Investment Fund Managers Directive (2011/61/EU) as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2019 as amended by the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019. The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules.