

Molten
VCT

Molten Ventures VCT plc Half-yearly report

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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Shareholder information

Recent performance summary

	30 September 2024 Pence	31 March 2024 Pence	30 September 2023 Pence
Net asset value per share ('NAV')*	43.2	48.2	49.9
Cumulative dividends paid since launch*	117.6	115.1	115.1
Total Return (NAV plus cumulative dividends paid per share)*	160.8	163.3	165.0

*Key Performance Indicator.

Dividends

Recent	Amount per Share	Date of payment	Ex-div date	Record date
2024 Interim	1.0p	5 April 2024	22 February 2024	23 February 2024
2024 Final	1.5p	26 September 2024	22 August 2024	23 August 2024

A full dividend history for the Company can be found at investors.moltenventures.com/investor-relations/vct

Shareholder information CONTINUED...

Dividends continued...

Dividends will be paid by the Company's registrar, The City Partnership, on behalf of the Company. The Board has previously decided the Company will pay all cash dividends by bank transfer rather than by cheque. Shareholders will have the following options available for future dividends:

- Complete a bank mandate form and receive dividends via direct credit to a UK domiciled bank account.
- Reinvest the dividends for additional shares in the Company through the Dividend Reinvestment Scheme (DRIS).

For those Shareholders who previously received their dividend by cheque, and who have not provided their bank details to the Registrar, you can update your details through the Investor Hub: molten-ventures-vct.cityhub.uk.com.

A Dividend Mandate Form is also available from this site that can be completed and emailed to registrars@city.uk.com or sent to:

The City Partnership (UK) Limited
The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

If Shareholders have any questions regarding the completion of the form they are advised to contact the City Partnership on +44 (0)1484 240 910 (lines are open between 9.00 am and 5.30 pm Monday to Friday or by email: registrars@city.uk.com).

Dividend Reinvestment Scheme

The Company has a Dividend Reinvestment Scheme to allow Shareholders to reinvest their dividends in new shares and obtain income tax relief on that new investment. Shareholders can opt-in to the Dividend Reinvestment Scheme through the Molten Ventures VCT plc Investor Hub using the details shown above.

Share price

The share price for Molten Ventures VCT plc ("Company" or "VCT") can be found on various financial websites with the TIDM/EPIC code "MVCT". A link to the share price is also available on the VCT's website: moltenventures.com.

LATEST
SHARE PRICE

38.50 pence per
Ordinary Share

as at 10 December 2024

Selling shares

The Company's shares are listed on the London Stock Exchange and can be bought or sold like any other listed shares using a stockbroker. **Shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Panmure Liberum Limited, by telephoning 020 7886 2716 or 2717 before agreeing a price with their stockbroker.**

The Company targets several share buybacks a year but these are not guaranteed and availability varies depending on market conditions and VCT rules. Any Shareholder considering selling some or all of their shareholding should ensure that they are fully aware of any tax consequences, especially if they purchased shares within the last five years. If you are in any doubt, please contact your financial adviser.

SHARE SCAM WARNING

We are aware that a significant number of Shareholders of VCTs continue to receive unsolicited telephone calls from a company purporting to be acting on behalf of a client who is looking to acquire their VCT shares at an attractive price. We believe these calls to be part of a "Boiler Room Scam". Shareholders are warned to be very suspicious if they receive any similar type of telephone call.

Further information can be found on the Company's website. If you have any concerns, please contact ISCA Administration Services Limited on 01392 487056.

Notification of change of address

Communications with Shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment, this should be notified to the Company's registrar, The City Partnership, under the signature of the registered holder.

Other information for Shareholders

Up-to-date Company information (including financial statements, share price and dividend history) may be obtained from the VCT's website at moltenventures.com. If you have any queries regarding your shareholding in Molten Ventures VCT plc, please contact the Registrar using the details above.

Chairman's statement

I am pleased to present the Half-Yearly Report for the Company for the six months ended 30 September 2024.

I would like to welcome Shareholders who joined us as a result of the recent offers for subscription and express our gratitude to both new and the existing Shareholders who continue to support the Company despite the difficult markets we continue to face.

Despite market conditions for deals remaining difficult, we have seen a steady level of new investment activity, utilising some of the funds raised from the successful offer for subscription earlier this year. It is our view that the market is improving but cyclical.

Net Asset Value and results

At 30 September 2024, the Company's Net Asset Value per share ("NAV") stood at 43.2p, a decrease of 2.5p since 31 March 2024 (after adding back the dividends paid during the period).

The loss on ordinary activities after taxation for the period was £6.9 million, comprising a revenue gain of £276,000 and a capital loss, arising almost entirely on 30 September 2024 valuations, of £7.2 million.

Dividends

In 2024, the Company paid dividends totalling 2.5p in April and September. As explained in the 2024 Annual Report, VCT regulations limit dividend payments from reserves associated with funds raised in the last three to four years. Following several successful fundraisings, the Board must manage reserves carefully to ensure compliance with these regulations.

While the Board targets annual dividends of 5% of net asset value, due to a lack of available reserves for the accounting period ending 31 March 2025 no further dividends are proposed for this period. Significant additional reserves will become available after 1 April 2025 and the Board remains committed to its dividend policy and intends to resume dividend payments once reserves are accessible under the VCT rules.

Shareholders are reminded that the Company operates a Dividend Reinvestment Scheme, which allows Shareholders

to reinvest their dividends automatically into new shares in the Company and obtain further income tax relief on that investment. Further details about how to opt-in can be found in the "Shareholder Information" section on page 3 of this report.

Venture capital investments

During the period, the Company made 3 new and 1 follow-on investments, at a total cost of £3.3 million.

New investments were made in Dines App Limited, FintechOS Holding B.V. and XMOS Limited. A follow-on investment was made in Global Satellite Vu Limited.

At the period end, the Company held a portfolio of 48 venture capital investments, valued at £75.6 million, a loan note valued at £0.5 million, and held net cash for investment of £38.2 million.

As usual, the Board has reviewed the valuations of the unquoted investments as at 30 September 2024 and a number of adjustments to their carrying values have been made. This has resulted in a net valuation downturn of £6.2 million for the period across the whole portfolio.

The Company holds an AIM-quoted investment, Pulsar plc valued at its share price as at 30 September 2024 which saw an increase of £0.4 million over the period and was valued at £4.6 million.

Fundraising

As noted in the last Annual Report, the Company launched another successful offer for subscription in October 2023 which closed in August 2024 having raised £15.7 million net of costs.

In October 2024, the Company continued its practice of a new offer and launched a limited subscription for new shares.

Shareholders can find full details of the offer, including the prospectus, and online application at:

investors.moltenventures.com/investor-relations/vct

Investors are recommended to consult their financial adviser before making any investment decisions.

Chairman's statement CONTINUED...

Share buybacks

The Company continues to operate a policy of buying in its shares that become available in the market at approximately a 5% discount to the latest published NAV, subject to regulatory and liquidity constraints.

In line with this policy, during the period, the Company purchased 1,047,051 shares for cancellation at an average price of 44.91p per share.

As noted above in respect of the dividend, the Board is currently monitoring the Company's distributable reserves to ensure continued compliance with the VCT regulations and it is not expected that any further share buybacks will be made prior to the end of March 2025. However, the Board confidently expects to resume buybacks, subject to the above, from 1 April 2025 onwards.

Any Shareholders considering selling their shares will need to use a stockbroker, whom you should ask to contact Panmure Liberum Limited, who acts as the Company's corporate broker, and maintains a list of potential sellers to be contacted when the next buyback is undertaken by the Company.

Outlook

Although we have seen a fall in NAV over the period, the Board is satisfied with the approach taken by the manager in supporting existing portfolio companies, working on realisations and continuing to identify suitable new opportunities.

We are hopeful that conditions will begin to improve in 2025 and that we may now be approaching a point in the cycle when excellent investment opportunities in the sectors in which your Company operates are available at attractive prices which can drive strong performance in future.

I look forward to updating Shareholders on progress in my statement in the Annual Report to 31 March 2025, which will be published in the summer.

David Brock

Chairman

11 December 2024

Investment Manager's report

The backdrop for technology companies and those who invest in them remains mixed with a number of portfolio companies performing well and some challenges which have constrained the overall VCT portfolio performance.

Our focus within this context has been on what we can control. We have maintained discipline around our own investment process and worked closely with our portfolio companies to extend cash runways, control costs, and retain talent. The entrepreneurs we have backed continue to transform the industries in which they operate.

The valuation movements in the first half of the year showed a NAV Total Return decrease of 5.2% (NAVTR - adding back dividends paid in the period).

In the period 2.5p of dividends were paid equivalent to just over a 5% yield on the starting year NAV of 48.2p (31 March 2024). This is a welcome return to meeting the VCTs target 5% annual yield.

In the period three new investments were made totalling £2.7 million and one follow-on investment of £0.6 million. One portfolio exit was achieved as outlined below.

Exit Highlight

Endomag Ltd ('Endomag') returned £8.3 million to the VCT a multiple of 3.9x cost.

In July we were delighted that portfolio company Endomag was acquired by NASDAQ listed Hologic Inc. The acquisition valued Endomag at approximately \$310 million. There is the potential of further escrow proceeds of c. £0.8 million.

The VCT first invested in Endomag in 2018 and since then the company has grown its revenue fourfold. The acquisition demonstrates our ability to support innovative businesses as they scale and create value for our Shareholders through the cycle. Endomag's platform has been installed in over 1,350 hospitals in over 45 countries globally, and more than 500,000 women have received a better standard of breast cancer surgery with Endomag's technologies. The Company received many accolades on its journey and more recently was awarded the King's Award for Enterprise.

To assist with its future wider portfolio exit strategy Molten has a relationship with a leading investment bank advising international technology and climate companies, developing

and executing growth financings and strategic sell-side M&A. Its CEO is well known to the Molten team having worked on many exits with Molten partners in the past.

Portfolio

At the period end, Molten technology companies represented 53.6% of the portfolio and pre-Molten legacy companies 13.0%. The net asset valuation of £118.9 million was split 67.9% in investments, and 32.1% in cash and cash equivalents.

All investments have investor directors or observers on their boards, apart from a very few limited cases.

Molten Ventures takes an active role in building businesses and typically has board representation on investee companies as a director or observer.

Valuation movements

Within the period 10 companies had positive valuation uplifts totalling £6.7 million and 14 companies had negative valuation movements totalling £12.9 million.

Positive meaningful movements (movements above £0.25 million) within the portfolio include Riverlane, Melio Healthcare, Freetrade and Pulsar Group.

Riverlane is the largest uplift where a major new investment round of \$75 million increased the valuation by £3.9 million. This \$75 million in Series C funding will allow Riverlane to deliver its groundbreaking quantum error correction (QEC) roadmap, and to expand operations to meet surging global market demand for QEC technology, with the goal of achieving one million error-free quantum computer operations by 2026.

Post the period end proceeds of £0.3 million were received from the sale of Hampshire Sport and Leisure, a legacy portfolio company, that was previously valued at nil.

Valuation reductions have been recorded in some companies with sound prospects where market valuation multiples have declined. This includes Thought Machine where the valuation declined by £3.8 million as market multiples have fallen; and Macranet, a legacy business where a new investment round has subordinated the VCT returns position where the VCT was unable to invest due to the non-qualifying nature of the business. The valuation has been reduced by £0.9 million.

Investment Manager's report CONTINUED...

Another company in this category is IESO where a further provision of £0.9 million was taken. Here the technology build and commercial roll out has taken longer than expected. While disappointing, the revenue potential from IESO's technology is very large and if the company can commercialise its new AI-enabled digital mental health platform it could prove to be a very valuable technology. There is scope from this for the value of the holding to increase again in the future. The encouraging news was a very successful clinical trial that completed on the new digital product and demonstrated performance on a par with human therapists. IESO's other service-based business, utilising its unique database, grew its revenue in the year from single digit to double digit millions.

Regrettably there have been a number of other write-downs including:

Evonetix (write down of £1.3 million) and Gardin (write down of £1.3 million). These deep tech companies are both struggling to find commercial market fit. Morressier (write down of £3.2 million) has failed to convert its projected customer pipeline into realised revenues; and Allplants (write down of £0.8 million) has entered into administration post-period end.

New investments

New investments alongside the Molten EIS and Molten Ventures plc funds were made during the period into the following qualifying companies:

XMOS Limited	
IOT semiconductor designer	£888,704
FintechOS Holding B.V.	
Banking application software	£1,493,874
Dines App Limited	
Hospitality point of sales solutions	£300,000
Total	£2,682,578

Deal Flow

At the time of publication, five further new investments and three follow-on investments have completed post the period end.

Outlook

The aggregate portfolio performance in first half of the year has been disappointing however we maintain the belief that investing in cutting edge technology companies can yield returns over the long term. The exit of VCT company Endomag is a good example of this.

We are actively working on a pipeline of further exits and expect to be able to report on successful, profitable outcomes as transactions complete.

With the ongoing expectation of a more normalised realisations market we remain cautiously optimistic for the portfolio as the technology markets continue to stabilise.

Elderstreet Investments Limited

Part of the Molten Ventures Group

11 December 2024

Summary of investment portfolio

Portfolio of investments

The following investments were held at 30 September 2024. All companies are registered in England and Wales, with the exception of Fulcrum Utility Services Limited, which is registered in the Cayman Islands, and Anima, which is incorporated in Delaware with a UK establishment.

	Cost £'000	Valuation £'000	Valuation movement in the period £'000	% of investment by value
Top ten venture capital investments (by value)				
Riverlane Limited ¹	2,661	8,030	3,916	6.8
Form3 UK Limited (formerly Back Office Technology Ltd) ¹	1,420	7,981	25	6.7
Fords Packaging Topco Limited	2,433	7,101	–	6.0
Focal Point Positioning Limited ¹	3,800	6,150	(268)	5.2
Thought Machine Group Limited ¹	2,400	5,928	(3,760)	5.0
Global Satellite Vu Limited ¹	4,689	4,689	(290)	3.9
Pulsar plc (formerly Access Intelligence plc)*	2,586	4,571	415	3.8
Melio Healthcare Limited ¹	2,520	3,283	763	2.8
Expanding Circle Limited ¹	2,931	2,931	–	2.5
Anima Group Inc ¹	2,653	2,653	–	2.2
	28,093	53,317	801	44.9
Other venture capital investments	50,162	27,374	(13,167)	23.0
Cash and cash equivalents	38,169	38,169	–	32.1
Total investments	116,424	118,860	(12,366)	100.0

All venture capital investments are unquoted unless otherwise stated.

* Quoted on AIM.

¹ These companies have also received investment from other funds managed by the Molten Ventures Group (Molten Ventures plc and Molten Ventures EIS funds) as at 30 September 2024.

Summary of investment portfolio CONTINUED...

Investment movements for the six months ended 30 September 2024

Additions

	Cost £'000
Venture capital investments	
FintechOS Holdings B.V. ¹	1,494
XMOS Limited ¹	889
Global Satellite Vu Limited ¹	600
Dines App Limited ¹	300
	3,283

Disposals

	Cost £'000	Value at 1 April 2024 £'000	Proceeds £'000	Gain vs cost £'000
Venture capital investments				
Endomagnetics Limited ¹	2,147	8,819	8,305	6,158
	2,147	8,819	8,305	6,158

This investment was revalued over time and until sold with any unrealised gain included in the fair value of the investments.

¹ These companies have also received investment from other funds managed by the Molten Ventures Group (Molten Ventures plc and Molten Ventures EIS funds) as at 30 September 2024.

Unaudited income statement

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

		Six months ended 30 September 2024 (unaudited)			Six months ended 30 September 2023 (unaudited)			Year ended 31 March 2024 (audited)
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income		908	–	908	348	–	348	980
Gains/(losses) on investments								
Realised		–	6,158	6,158	–	–	–	(4,523)
Unrealised		–	(12,366)	(12,366)	–	(2,611)	(2,611)	(1,460)
		908	(6,208)	(5,300)	348	(2,611)	(2,263)	(5,003)
Investment management fees		(319)	(958)	(1,277)	(324)	(973)	(1,297)	(2,537)
Other expenses		(313)	–	(313)	(233)	–	(233)	(514)
Gain/(loss) on ordinary activities before tax		276	(7,166)	(6,890)	(209)	(3,584)	(3,793)	(8,054)
Tax on gain/(loss)		–	–	–	–	–	–	–
Gain/(loss) attributable to equity Shareholders, being total comprehensive income for the period	4	276	(7,166)	(6,890)	(209)	(3,584)	(3,793)	(8,054)
		Pence	Pence	Pence	Pence	Pence	Pence	Pence
Basic and diluted return per share	4	0.1	(2.6)	(2.5)	(0.1)	(1.6)	(1.7)	(3.3)

All Revenue and Capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The financial statements for the six months ended 30 September 2024 and 30 September 2023 have not been audited.

Unaudited balance sheet

AS AT 30 SEPTEMBER 2024

		30 September 2024 (unaudited) £'000	30 September 2023 (unaudited) £'000	31 March 2024 (audited) £'000
	Note			
Fixed assets				
Investments	9	80,691	92,168	91,921
Current assets				
Debtors		167	143	213
Cash at bank and in hand		316	2,885	3,226
Money market funds		37,853	26,219	21,876
		38,336	29,247	25,315
Creditors: amounts falling due within one year		(158)	(101)	(182)
Net current assets		38,178	29,146	25,133
Net assets		118,869	121,314	117,054
Capital and reserves				
Called up share capital	7	13,758	12,146	12,146
Capital redemption reserve		114	62	62
Share premium account		39,572	25,510	25,510
Special reserve	8	54,211	63,602	62,190
Capital reserve – unrealised		13,520	24,735	25,886
Capital reserve – realised	8	(313)	(2,431)	(6,471)
Revenue reserve	8	(1,993)	(2,310)	(2,269)
Total equity shareholders' funds	6	118,869	121,314	117,054
Basic and diluted net asset value per share	6	Pence 43.2	Pence 49.9	Pence 48.2

The accompanying notes form part of the half-yearly financial statements.

Unaudited statement of changes in equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Special reserve £'000	Capital reserve – unrealised £'000	Capital reserve – realised £'000	Revenue reserve £'000	Total £'000
At 1 April 2023	10,347	–	8,689	65,178	27,346	853	(2,101)	110,312
Total comprehensive income	–	–	–	–	(5,529)	(2,357)	(168)	(8,054)
Transfer between reserves*	–	–	–	(2,385)	4,069	(1,684)	–	–
Transactions with owners								
Issue of new shares	1,861	–	17,837	–	–	–	–	19,698
Share issue costs	–	–	(1,016)	–	–	–	–	(1,016)
Purchase of own shares	(62)	62	–	(603)	–	–	–	(603)
Dividends paid	–	–	–	–	–	(3,283)	–	(3,283)
At 31 March 2024	12,146	62	25,510	62,190	25,886	(6,471)	(2,269)	117,054
Total comprehensive income	–	–	–	–	(12,366)	5,200	276	(6,890)
Transfer between reserves*	–	–	–	(958)	–	958	–	–
Transactions with owners								
Issue of new shares	1,664	–	14,659	–	–	–	–	16,323
Share issue costs	–	–	(597)	–	–	–	–	(597)
Purchase of own shares	(52)	52	–	(473)	–	–	–	(473)
Dividends paid	–	–	–	(6,548)	–	–	–	(6,548)
At 30 September 2024	13,758	114	39,572	54,211	13,520	(313)	(1,993)	118,869

* A transfer of £1.0 million, representing realised losses on investment disposals plus capital expenses in the period, has been made from Capital Reserve – realised to the Special reserve.

Unaudited statement of cash flows

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Note	Six months ended 30 September 2024 (unaudited) £'000	Six months ended 30 September 2023 (unaudited) £'000	Year ended 31 March 2024 (audited) £'000
Cash flow from operating activities				
Investment income received		857	220	876
Investment management fees paid		(1,304)	(1,308)	(2,554)
Other cash payments		(290)	(223)	(463)
Net cash outflow utilised in operating activities		(737)	(1,311)	(2,141)
Cash flow from investing activities				
Purchase of investments		(3,283)	(13,223)	(16,376)
Sale of investments		8,305	–	29
Net cash inflow generated from/(outflow utilised in) investing activities		5,022	(13,223)	(16,347)
Cash flow from financing activities				
Equity dividends paid	5	(6,133)	(3,284)	(3,098)
Proceeds from share issue		15,909	19,699	19,513
Share issue costs		(521)	(1,019)	(1,067)
Purchase of own shares		(473)	(603)	(603)
Net cash inflow generated from financing activities		8,782	14,793	14,745
Increase/(decrease) in cash and cash equivalents		13,067	259	(3,743)
Cash and cash equivalents at start of period		25,102	28,845	28,845
Cash and cash equivalents at end of period		38,169	29,104	25,102
Total cash and cash equivalents		38,169	29,104	25,102
Cash and cash equivalents comprise of				
Cash at bank		316	2,885	3,226
Money market funds		37,853	26,219	21,876
		38,169	29,104	25,102

The accompanying notes form part of the half-yearly financial statements.

Notes to the financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Note 1.

The unaudited Half-yearly Report covers the six months to 30 September 2024 and has been prepared in accordance with the accounting policies set out in the statutory accounts for the period ended 31 March 2024, which were prepared in accordance with the Financial Reporting Standard 102 ('FRS 102') and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' issued in July 2022 ('SORP').

Note 2.

The Company has only one class of business and derives its income from investments made in shares, securities and money market funds.

Note 3.

The comparative figures are in respect of the six months ended 30 September 2023 and the year ended 31 March 2024, respectively.

Note 4. Basic and diluted return per share

	Six months ended 30 September 2024 (unaudited)	Six months ended 30 September 2023 (unaudited)	Year ended 31 March 2024 (audited)
Income from investments			
Basic and diluted loss per share (pence)	(2.5)	(1.7)	(3.3)
Return per share based on:			
Net revenue gain/(loss) for the period (£'000)	276	(209)	(168)
Net capital loss for the period (£'000)	(7,166)	(3,584)	(7,886)
Total losses for the period (£'000)	(6,890)	(3,793)	(8,054)
Weighted average number of shares in issue	270,395,470	224,828,251	242,863,047

As the Company has not issued any convertible securities or share options, there is no dilutive effect on return per share. The return per share disclosed, therefore, represents both basic and diluted return per share.

Notes to the unaudited financial statements CONTINUED...

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Note 5. Dividends

		Six months ended 30 September 2024 (unaudited)			Year ended 31 March 2024 (audited)
		Revenue £'000	Capital £'000	Total £'000	Total £'000
Dividends paid in the period					
2024 Final (paid 26 September 2024)	1.5p	–	4,119	4,119	–
2024 Interim (paid 5 April 2024)	1.0p	–	2,429	2,429	–
2023 Final (paid 29 September 2023)	0.5p	–	–	–	1,214
2023 Interim (paid 6 April 2023)	1.0p	–	–	–	2,069
		–	6,548	6,548	3,283

Including £415,000 of DRIS allotments.

Note 6. Basic and diluted net asset value per share

	At 30 September 2024 (unaudited)	At 30 September 2023 (unaudited)	At 31 March 2024 (audited)
Net asset value per share based on			
Net assets (£'000)	118,869	121,314	117,054
Number of shares in issue at period end	275,165,959	242,913,196	242,913,196
Net Asset Value per share (pence)	43.2	49.9	48.2

As the Company has not issued any convertible securities or share options, there is no dilutive effect on net asset value per share. The net asset value per share disclosed therefore represents both basic and diluted net asset value per share.

Notes to the unaudited financial statements CONTINUED...

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Note 7. Called up share capital

	At 30 September 2024 (unaudited)	At 30 September 2023 (unaudited)	At 31 March 2024 (audited)
Ordinary Shares of 5p each			
Number of Shares in issue at period end	275,165,959	242,913,196	242,913,196
Nominal value (£'000)	13,758	12,146	12,146

During the period the Company issued a total of 32,427,788 Ordinary Shares of 5p each ("Ordinary Shares") at an average price of 49.06p per share, under the offer that launched in October 2023. The gross proceeds of the Offer were £15.9 million, with issue costs in respect of the Offer amounting to £0.6 million.

Following the payment of a dividend on 5 April 2024, 300,379 Ordinary Shares at an average price of 47.27p were allotted under the Dividend Reinvestment Scheme ("DRIS"). The amount re-invested totalled £142,000.

Following the payment of a dividend on 26 September 2024, 571,647 Ordinary Shares at an average price of 47.71p were allotted under the DRIS. The amount re-invested totalled £273,000.

During the period, the Company purchased 1,047,051 Ordinary Shares for cancellation for an aggregate consideration of £473,000, equating to an average price of 44.91p per share (approximately equal to a 5% discount to the most recently published NAV at the time of purchase) and representing 0.4% of the issued share capital in issue at 31 March 2024.

Note 8. Reserves

Distributable reserves are calculated as follows:

	30 September 2024 (unaudited) £'000	30 September 2023 (unaudited) £'000	31 March 2024 (audited) £'000
Special reserve	54,211	63,602	62,190
Special reserve – restricted amounts transferred from share premium*	(43,407)	(54,886)	(54,886)
Capital reserve – realised	(313)	(2,431)	(6,471)
Revenue reserve	(1,993)	(2,310)	(2,269)
Capital reserve – unrealised: excluding unrealised unquoted gains	(13,219)	(6,149)	(5,387)
	(4,721)	(2,174)	(6,823)

*The Special Reserve was created following the cancellation of the Share Premium Account. The VCT regulations restrict the distribution of this Special Reserve until a date at least three years after the year end in which the funds were originally raised. On 1 April 2023 £6.2 million of the Special Reserve became unrestricted and on 1 April 2024 a further £11.5 million became unrestricted. A further £36.0 million of the Special Reserve will become unrestricted on 1 April 2025.

Notes to the unaudited financial statements CONTINUED...

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Note 9. Investments

The fair value of investments is determined using the detailed accounting policy as set out in Note 1 of the Annual Report.

The Company has categorised its financial instruments using the fair value hierarchy as follows:

Level 1 Reflects financial instruments quoted in an active market (fixed interest investments, and investments in shares quoted on either the Main Market or AIM);

Level 2 Reflects financial instruments that have prices that are observable either directly or indirectly; and

Level 3 Reflects financial instruments that use valuation techniques that are not based on observable market data (unquoted equity investments and loan note investments).

	30 September 2024 (unaudited)				30 September 2023 (unaudited)				31 March 2024 (audited)			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
AIM quoted shares	4,207	368	–	4,575	4,135	356	–	4,491	3,851	309	–	4,160
Loan notes	–	–	508	508	–	–	508	508	–	–	508	508
Unquoted shares	–	–	75,608	75,608	–	–	87,169	87,169	–	–	87,253	87,253
	4,207	368	76,116	80,691	4,135	356	87,677	92,168	3,851	309	87,761	91,921

Note 10. Risks and uncertainties

Under the Disclosure and Transparency Directive, the Board is required in the Company's half-yearly results to report on principal risks and uncertainties facing the Company over the remainder of the financial year.

The Board has concluded that the key risks facing the Company over the remainder of the financial period are as follows:

- investment risk associated with investing in small and immature businesses;
- liquidity risk arising from investing mainly in unquoted businesses; and
- failure to maintain approval as a VCT.

In all cases the Board is satisfied with the Company's approach to these risks. As a VCT, the Company is forced to have significant exposure to relatively immature businesses. This risk is mitigated to some extent by holding a well-diversified portfolio.

With a reasonably illiquid venture capital investment portfolio, the Board ensures that it maintains an appropriate proportion of its assets in cash and liquid instruments.

The Company's compliance with the VCT regulations is continually monitored by the Administrator and Investment Manager, who regularly report to the Board on the current position. The Company also retains Philip Hare and Associates LLP to provide regular reviews and advice in this area. The Board considers that this approach reduces the risk of a breach of the VCT regulations to a minimal level.

The Company has considerable financial resources at the period end and holds a diversified portfolio of investments. As a result, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the unaudited financial statements CONTINUED...

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Note 11.

The Directors confirm that, to the best of their knowledge, the Half-Yearly financial statements have been prepared in accordance with the "Statement: Half-Yearly Financial Reports" issued by the UK Accounting Standards Board as well as in accordance with FRS 104 Interim Financial Reporting and the Half-Yearly financial report includes a fair review of the information required by:

- a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
- b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last Annual Report that could do so.

Note 12.

The unaudited financial statements set out herein do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The figures for the period ended 31 March 2024 have been extracted from the financial statements for that period, which have been delivered to the Registrar of Companies; the Auditor's report on those financial statements was unqualified.

Note 13.

Copies of the unaudited Half-Yearly Report can be downloaded from: investors.moltenventures.com/investor-relations/vct.

Company information

Directors (all non-executive)

David Brock (Chairman) (appointed 27 January 1998)

Hugh Aldous (Senior Independent Director) (appointed 1 March 2007)

Sally Duckworth (appointed 22 January 2024)

Nicholas Lewis (appointed 27 January 1998)

Richard Marsh (appointed 11 August 2021)

Company number

03424984

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Website of the Investment Manager hosted on behalf of the VCT

investors.moltenventures.com/investor-relations/vct

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Telephone: 01392 487056

Email: molten@iscaadmin.co.uk

Investment Manager

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Molten Ventures Group

20 Garrick Street

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T: 020 7831 5088

Independent Auditor

BDO LLP

55 Baker Street

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Notes



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