Tax Efficient
Review

Issue No
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Product

Molten Ventures VCT plc

Tax Status

Venture Capital Trust

Fund Group

Elderstreet Investments Limited (a wholly owned subsidiary of Molten Ventures PLC)

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GENERAL RISK WARNINGS

Your attention is drawn to the following risk warnings which identify some of the risks associated with the investments which are mentioned in the Review:

Fluctuations in value of investments
The value of investments and the income from them can go down as well as up and you may not get back the amount invested.

Suitability
The investments may not be suitable for all investors and you should only invest if you understand the nature of and risks inherent in such investments and, if in doubt, you should seek professional advice before effecting any such investment.

Past performance
Past performance is not a guide to future performance.

Legislation
Changes in legislation may adversely affect the value of the investments.

Taxation
The levels and the bases of the reliefs from taxation may change in the future. You should seek your own professional advice on the taxation consequences of any investment.

ADDITIONAL RISK WARNINGS

Venture capital trusts

1. An investment in a VCT carries a higher risk than many other forms of investment.
2. A VCT's shares, although listed, are likely to be difficult to realise.
3. You should regard an investment in a VCT as a long term investment, particularly as regards a VCT's investment objectives and policy and the five year period for which shareholders must hold their ordinary shares to retain their initial income tax reliefs.
4. The investments made by VCTs will normally be in companies whose securities are not publicly traded or freely marketable and may therefore be difficult to realise and investments in such companies are substantially riskier than those in larger companies.
5. If a VCT loses its Inland Revenue approval tax reliefs previously obtained may be lost.
6. No investment can made by the VCT in a company whose first commercial sale was more than 7 years prior to date of investment, except where previous State Aid Risk Finance was received by the company within 7 years (10 years for a 'knowledge intensive' company) or where a turnover test is satisfied; and
7. No funds received from an investment by the VCT into a company can be used to acquire another existing business or trade.

Factsheet

Molten Ventures VCT (formerly Draper Esprit VCT)	
Type	Generalist VCT with track record
Size	£117m AUM and is seeking up to £10m with this launch and a further £20 over-allotment facility giving a total of £30m
Manager	Elderstreet Investments Limited, a wholly owned subsidiary Molten Ventures plc ("Molten Ventures")
Sponsor	Spark Advisory Partners
Registrars	The City Partnership
Focus	To generate tax free capital gains and regular dividend income for its shareholders through a diversified portfolio of VCT qualifying unquoted investments across a broad range of sectors
Promoter	RAM Capital LLP
Funds initially invested	Cash deposits and Money Market instruments
Minimum investment	£6,000 per tax year, including initial adviser charges
Initial Closing Date	2nd April 2026 unless fully subscribed before for the 2025/26 tax year and 30th June 2026, unless fully subscribed before, for the 2026/27 tax year
Issue costs	3% of amount subscribed for advised investors
Annual costs	2% per annum (total annual charges are capped at 3.5% per annum)
Initial advisor charges	If charged, these may be facilitated by the VCT on subscription.

Summary

Table 1**: Tax Efficient Review summary of offering Pros and Cons**

PROs	CONs
The Molten Ventures VCT allows investors to access the deal flow of the Molten Ventures EIS in the more diverse structure of a VCT, as well as the potential benefits of dividends and better liquidity from the listed offer	The performance of the Molten Ventures VCT over the past 3, 5 and 10 years has been disappointing and they are one of the lowest in the VCT manager performance table. But Molten only took over managing this VCT seven years ago
There have been a run of profitable exits in 2024 and 2025, including Endomag (4x), Ravelin (2x) and HSL (a legacy Elderstreet company, 1.8x). Cash proceeds of £11m were generated during the last financial year and the current financial year started with the exit of Freetrade (1.9x) with proceeds of £1.1m	There have also been companies in the portfolio which have not performed well. Morressier GMBH was a £3.2m investment in 2023 which was sold for a nominal 1 euro in March 2025. Allplants Ltd was a £2.2m investment in December 2021 which is being held at a zero cost in the portfolio. Evonetix was a £3m investment in July 2018 which is currently valued at £165,000
The VCT Board have restored the dividend yield to minimum 5.0% of NAV. There is also an option for shareholders to have dividends reinvested. Distributable Reserves have increased substantially in April 2025	The share price is currently trading at a 10% discount to the NAV per share, which is wider than the target discount of 5% , however the Manager says that they are buying back shares at a 5% discount and have cleared the backlog of selling shareholders

Disclaimer

TER classification

TER classifies this VCT as a "Generalist VCT with track record" and Molten Ventures are experienced fund managers within the VCT and EIS market. The Molten Ventures VCT follows a similar investment strategy to the Molten Ventures EIS and can partake in each investment the EIS makes.

Review based upon

TER always meet with fund managers prior to a review. This review is based on those meetings, the prospectus for the offer, (Molten Ventures VCT reference 9 October 2025) and data provided by Molten Ventures. It should be noted that the Manager's unaudited valuation for July 2025 is the March 2025 valuation with any AIM stocks revalued at the 31 July bid price. The VCT will release the updated September interims post launch and adjusted for any new investments/ divestments post the period end.

Consumer Duty

The FCA's Consumer Duty comes into force from 31 July 2023 for existing products and services. One of the main purposes of this new legislation is that it seeks to ensure customers receive "fair value" and that fund management firms provide evidence that these outcomes are being met.

The assessment carried out by each firm is to ensure that its products provide fair value to retail customers in the target markets for those products; and that it has carried out a value assessment of its products which they review on a regular basis (appropriate to the nature and duration of the product).

Each firm being reviewed by TER has created their own "Confirmation of Value" assessment, which are available directly from the fund manager. Please note that in each TER report, there is a Fees section which compares the costs of the offer being reviewed against its peer group.

Table 2: **Funds under management as at 31 July 2025**

Product Name	Net assets £m	Annual Management fee	Still to be invested £m
	VCT funds		
Molten Ventures VCT PLC	117.7	2.00%	15.0
	NON VCT funds than can co-invest with VCT Funds		
Molten Ventures EIS funds	227.4	See Note	20.3
Molten Ventures PLC	1,367	n/a	n/a
TOTAL	£1712.1m		£35.3m

For fund closes up to an including Apr19: £nil - no further fees For fund closes from Jul19 onwards 2% (for initial years, then reducing)
EIS and PLc stats as at 31 March 25
Source: Elderstreet Investments Limited

The Offer

In previous reviews of the Molten Ventures VCT we have mentioned that this was previously the Elderstreet VCT and the Manager was taken over by Molten (at the time they were called Draper Esprit) in 2017. But so much time has passed and the VCT is now up to £117m of AUM, that this really does not need to be mentioned in anything other than passing.

Molten Ventures acquired the VCT Manager as a vehicle to sit alongside the long established Molten Ventures EIS offering. The VCT follows the same investment strategy and can participate in the available Molten Ventures EIS deals.

At the 5 April 2025 valuation and reporting point, Molten Ventures EIS and the prior EIS Funds had made investments in 68 companies. Out of these 68 companies there had been 27 realisations as at that date, comprising 15 that were profitable and 12 that were not. Of the profitable exits, two returned over 9.8x gross cash on cash. Of the investments exited at a loss, four returned between 0x and 1x, and there have been eight nil returns.

The VCT co-investments sit right alongside the Molten Ventures plc institutional investments and EIS fund investments. The split between these three is broadly based on the liquid funds available, the EIS/VCT qualifying status of each investment, the existing asset allocation within each pool of funds (i.e. conflict issues around investing in a potential competitor to an existing portfolio company), and for the VCT, the current percentage of VCT qualification in each of its pool of VCT funds. This co-investment right and allocation will be reviewed on a periodic basis and was increased after reaching the last fundraising target.

The VCT Board is independent of the Manager and Molten Ventures and the revised IMA gives the Manager discretion on investment up to £5m unless there is a conflict between the Molten entities, or in a down round scenario in which case VCT Board approval must be given.

The focus of the VCT is to continue to invest predominantly in a diversified portfolio of companies, with a particular emphasis on smaller unquoted companies, through investments which will usually have the following characteristics:

- Companies which meet the VCT criteria with proven sales and the ability to grow, which are seeking growth capital
- A strong, balanced and well-motivated management team
- High gross margin, high growth business with attractive exit upside potential via IPO or M&A
- Investments where Molten Ventures can typically act as lead investor and have an active involvement in the business through a board position

The VCT currently has a portfolio with a mix of sectors and, whilst its average deal size measured by initial investment cost has been approximately £1.2m having been as high as £2.2m, and is expected to rise with this larger fund raising. The VCT is able to syndicate deals by co-investment with other Molten funds, with typical deal participation for the group being between £5m-£25m+. This makes Molten Ventures VCT able to participate in some of the larger investments possible within the limits of the VCT legislation.

The Molten Ventures VCT can now be viewed as predominantly a technology-based investment portfolio. The Manager believes the ability to join a funding syndicate of Molten Ventures PLC and EIS will bring access to larger deals in companies that enjoy higher revenues and which operate in high growth sectors. These more developed companies can scale very quickly and have the potential to IPO, exit, or attract further funding rounds more quickly than lower revenue companies.

The “technology” label can be very broad, so Molten Ventures have given the following breakdown of where the investment strategy is focussed within the technology sector:

- **Enterprise Technology** – companies developing the software infrastructure, applications and services that drive productivity improvements, convenience and cost reduction for enterprises
- **Hardware and Deep Tech** – companies developing different technologies that underpin advances in computing, consumer electronics

and other industries

- **Healthtech and Wellness** – companies leveraging digital and other technologies to create new products and services for the health and wellness market

- **Consumer Technology** – companies with exceptional growth opportunities in international markets that are underpinned by new consumer facing products, innovative business models and proven execution capabilities

Examples of recent investments made by the team at Molten Ventures can better highlight some of these areas. Recent investments include:

- **IMU Biosciences** applies AI/Machine learning to data related to the immune system and has the world's largest dataset in this area. It is partnered with biopharma, research centres and UK Biobank

- **Modo Energy** is a software-as-a-service (SaaS) platform providing market data, insights and forecasts for energy transition assets such as battery storage and solar power generation

- **Anima** is a healthcare software-as-a-service (SaaS) business enabling doctors to increase time with patients by automating fact finding questions as patients arrive at the surgery

These three companies, as examples, represent £7.4 million, 6.3 % of NAV and Molten Ventures say they are all performing well and receiving significant inbound interest from third party investors to invest in future funding rounds.

In addition the portfolio contains three 'Deep Tech" assets with approximately £20m of Net Asset Value (NAV) which are developing fundamental new technologies that are not yet commercialised, or are in the early stages of revenue growth so are risk investments but have the potential for material gains in value over the longer term. For example Paragraf which is developing commercial scale production of graphene, Satelite Vu which is developing, launching and operating a constellation of satellites with unique thermal imaging capabilities, and Focal Point Positioning which is developing improvements to the accuracy of GPS location technology.

Dividend Policy
The board of the Molten Ventures VCT is targeting a return of 5% of NAV p.a in total dividends to shareholders. This is subject to liquidity and the availability of sufficient distributable profits, capital resources and VCT regulations.

Investors should note that in most instances the payment of a dividend will be a distribution of capital as it will be funded from a mix of proceeds from realisations and distributable reserves created by cancelling the share premium account. As at 31st July 2025, there was £22.1m in distributable reserves with £16m becoming available in April 2026, £16m in April 2027, and £14m in April 2028.

There is also a dividend reinvestment scheme (DRIS). Investors will have the option of receiving their dividends directly in cash to their specified bank account or can elect to have their dividend reinvested into the Company for additional Ordinary Shares.

There were dividends of 2.5p per share paid in the year ended 31 March 2025 which represented a yield of 5.2% on the 31 March 2024 NAV.

Dividends of 2.15p have been paid since the 31 March 2025, which represents a yield of 5.0% on the 31 March 2025 NAV. Since 2018 the average yield has been 5%

Dividends paid in the 12-month period to the 31 March	Molten Ventures VCT Dividends
2018	3.0p
2019	3.0p
2020	3.0p
2021	2.5p
2022	3.0p
2023	3.1p
2024	1.5p
2025	2.5p
2026*	2.15p*

* *paid since the 31 March 2025 consisting of the first interim dividend of 1.0p and final of 1.15p paid in September 2025*

It is good to see that the dividend target of 5% per annum has been restored recently after the drop in dividends recently.

Share Buyback Policy
In the last three years to August 2025 £6.2m of

shares have been bought back by the VCT (£4.7m in the last twelve months to July 2025). We are told that the Company intends to acquire its own Ordinary Shares in the market normally twice per year after year end and interim NAVs have been issued. The Company has entered into an agreement with a market maker to facilitate and manage the discount and buyback policy which is: *"The Company intends to continue to buy back its Ordinary Shares at a discount of approximately 5.0% to the last published NAV, subject to liquidity".*

In the past the Board was temporarily controlling the level of funds allocated for share buybacks to ensure that compliance with the VCT regulations was maintained. This constraint has been removed and in April 2025 100% of the stock 'overhang' was purchased by the Company at a 5% discount to NAV. With a maximum potential of £30m, fund raising TER are satisfied that with the potential deal flow originating from the Molten Ventures team, deployment of this cash should not be an issue.

Tax Efficient Review Strategy rating: 28 out of 30

Table 3: **Generalist VCT provider 3,5 & 10 year performance comparison**

VCT manager (alphabetical order)	VCT name	Data as at	Annual return over last 3 years	Annual return over last 5 years	Annual return over last 10 years
ALBION	Albion Technology & General VCT	30/06/2025	1.4%	5.3%	5.0%
	Albion Crown VCT	30/06/2025	1.4%	5.3%	6.9%
	Albion Enterprise VCT	30/06/2025	4.7%	9.0%	8.9%
	Albion Crown VCT C share	30/06/2025	-4.0%	1.4%	4.1%
BERINGEA	ProVen VCT	31/05/2025	0.5%	4.3%	3.2%
	ProVen Growth & Income New	31/05/2025	-1.8%	3.8%	1.7%
BLACKFINCH	Blackfinch Spring VCT	30/06/2025	4.8%	2.0%	
CALCULUS	Calculus VCT plc New Ord share	30/06/2025	1.2%	2.7%	
FORESIGHT	Foresight Enterprise VCT	30/06/2025	4.8%	10.7%	2.9%
	Foresight VCT	30/06/2025	6.3%	14.5%	5.6%
	Foresight Technology VCT FWT shares	30/06/2025	-1.5%	-1.1%	
GRESHAM HOUSE	Gresham House Income & Growth 2 VCT PLC	31/03/2025	-2.4%	12.8%	6.3%
	Gresham House Income & Growth VCT PLC	31/03/2025	-2.0%	13.9%	6.1%
	Baronsmead Second Venture Trust	31/07/2025	-1.5%	2.4%	1.9%
	Baronsmead Venture Trust	31/07/2025	-0.9%	2.2%	1.8%
MAVEN	Maven Income & Growth VCT 3	31/08/2025	0.5%	2.5%	2.5%
	Maven Income & Growth VCT 5	31/08/2025	0.9%	3.5%	4.1%
	Maven Income & Growth VCT	31/08/2025	1.5%	2.1%	2.6%
	Maven Income & Growth VCT 4	30/06/2025	-0.4%	3.4%	1.8%
MERCIA	Northern 2 VCT	30/06/2025	2.8%	8.7%	4.6%
	Northern Venture Trust VCT	30/06/2025	2.9%	8.4%	4.8%
	Northern 3 VCT	30/06/2025	2.8%	8.9%	5.1%
MOLTEN	Molten Ventures VCT	31/03/2025	-5.8%	4.2%	1.2%
OCTOPUS	Octopus Apollo VCT	31/07/2025	4.1%	9.2%	3.3%
	Octopus Titan VCT	31/12/2024	-13.3%	-3.3%	0.4%
PEMBROKE	Pembroke VCT B share	30/06/2025	-1.9%	3.5%	4.3%
PUMA	Puma Alpha VCT	31/05/2025	-2.7%	1.7%	
	Puma VCT 13	31/05/2025	-1.4%	8.3%	
SENECA	Seneca Growth Capital VCT B shares	31/03/2025	-13.1%	-3.7%	
TRIPLE POINT	Triple Point Venture VCT Venture shares	30/07/2025	-2.4%	3.7%	
YFM	British Smaller Companies VCT	30/06/2025	4.7%	13.2%	6.2%
	British Smaller Companies VCT 2	30/06/2025	3.9%	12.4%	6.1%

Source: Tax Efficient Review calculation based on dividend and Net Asset Value data from public accounts
Calculation: (Closing period NAV less Opening period NAV plus dividends paid in the period) divided by number of years in the period
Figures do not include tax relief
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Table 4: **Provider results comparison**

PROVIDER	AVERAGE SCORE BASED ON PLACE IN PEER GROUP (lower is better)
YFM BSC VCTs	5
OCTOPUS Apollo VCT	9
MERCIA Northern VCTs	10
GRESHAM HOUSE Mobeus VCTs	11
ALBION	12
BERINGEA Proven VCTs	18
MAVEN	18
PEMBROKE	19
GRESHAM HOUSE Baronsmead VCTs	22
MOLTEN	23
OCTOPUS Titan VCT	29

Calculation as at 16/10/2025 and based on results in Table 3 for providers with ten year performance. In order to reduce the data down to one figure, each VCTs' position in the Table 3 results is scored from 1 (first in the year) to the total number of VCTs in the analysis for the period (lower numbers are better), added together and then averaged over the three periods being measured

Table 5: **Elderstreet Investments Limited VCT unquoted analysis of sector (% of original cost) as at 31 July 2025**

SECTORS	%
Enterprise Technology	35%
Hardware and Deeptech	20%
Healthtech and Wellness	5%
Consumer Technology	4%
Legacy	10%
Cash	26%
TOTAL	**100%**

Source: Elderstreet Investments Limited

Table 6: **Elderstreet Investments Limited VCT unquoted portfolio analysis of investment stage (% of original cost) as at 31 July 2025**

STAGES	
Early stage (revenue under £1m):	20%
Growth (revenue £1m-£5m):	45%
Scale up (revenue over £5m):	35%
TOTAL	100%

Source: Elderstreet Investments Limited

Table 7: **Realisation analysis including write-offs - last three years to 31 July 2025**

Company	Activity	Date of investment	Date of exit	Total invested	Total Proceeds	Multiple
Freetrade	Software	Mar-20	Apr-25	£600,000	£1,142,630	1.9
Morressier GMBH	Software	Jul-23	Mar-25	£3,162,375	£1	0.0
Ravelin	Software	Jun-20	Mar-25	£1,133,329	£2,324,980	2.1
Hampshire Sport & Leisure	Software	Aug-02	Oct-24	£187,500	£250,000	1.3
Endomag	Hardware	Jul-18	Jul-24	£2,147,141	£8,392,200	3.9
Roomex	Software	Oct-18	Nov-22	£1,080,999	£1,356,623	1.3
Cervest	Software	Oct-21	Oct-22	£1,312,230	£1	0.0
Servoca	Services	Jun-07	Jul-22	£333,334	£359,827	1.1
TOTAL				**£9,956,908**	**£13,826,261**	**1.4**

Source: Elderstreet Investments Limited

Track Record

Our approach to comparing track records between providers is to use 3, 5 & 10 year measures of the annual increase in total return (calculated as closing net asset value less opening net asset value plus dividends paid during the period).

The results are in Table 3 above. The 10 year track record is not totally relevant as they do not fully reflect the involvement of Molten Ventures. The manager of Elderstreet VCT was acquired by Molten Ventures in 2017, so the 5 year figures are showing more relevance to the impact of Molten Ventures on the portfolio as it started to co-invest with the Molten Ventures EIS.

The 3 year figures run from 2022 to 2025, so they start from a peak period in the valuations of startup technology companies at the end of 2021 and show a decline from that starting point. This is reflected in the disappointing performance of a drop in 5.8 % over three years.

But this figure also does not really reflect the profitable exits which the Molten Ventures VCT has seen over 2025.

Table 4 shows how the Molten Ventures VCT compares to their peer group and they are one place above the bottom of the table. This is disappointing for a venture capital firm as highly regarded as Molten Ventures. But despite the profitable exits, there have also been a number of poor performing investments which we detail later in this section, many of which were made around the end of 2021 and early 2022.

Table 5 shows the current breakdown of the different technology sectors within the investee portfolio. Table 6 shows that the Molten Ventures VCT focuses on the larger and more established investment companies permitted within the VCT rules.

When the Elderstreet VCT was taken over by Molten Ventures (which were called Draper Esprit at the time they took over the Elderstreet VCT), there was a rump of legacy holdings in the existing portfolio. Over time these were realised or written off, so that ultimately today there are only 2 meaningful holdings remaining of the older “Elderstreet” portfolio. At 31 March 25 these two were valued at £11.4 million and combined 2.2 times cost

These remaining legacy holdings represent only 10% of the portfolio and all new investments since Molten Ventures took over the Elderstreet VCT have been co-investments with the Molten

Ventures EIS.

Overall of the 42 companies invested by the Molten Ventures team and held in the VCT at 31 July 2025, 17 are showing uplifts of a total of £22.5m, 7 are held at cost, and 18 are showing write-downs of £19.2m.

Within the portfolio, (at 31 March 2025) the Manager states, by value (NAV excluding cash), 70% of the portfolio is performing, or emerging as performing broadly as they might expect. A further 12% are at an early stage of their commercial journey with reasonable prospects, and the balance require further help to get on to a viable growth path or exit.

Molten Ventures say that using management data for the calendar year ending 31 December 2024, 10 companies representing 36% of the portfolio NAV (excluding cash) has generated revenues or Annual Recurring Revenue ("ARR") above £5 million. Of these, 5 companies representing 13% of the portfolio NAV have revenues/ARR above £10 million and 3 companies representing 21% of the portfolio NAV have revenues above £20 million.

Yet there have been some significant underperformance of companies within the Molten Ventures portfolio detailed in Table 8 in the appendix.

- Morressier GMBH was a £3.2m investment in 2023 which was sold for a nominal 1 euro in March 2025. This was a company which produced software for academic peer reviews and has been written off by Molten Ventures

- Allplants Ltd was a £2.2m investment in December 2021 which is being held at a zero cost in the portfolio. This company produced direct to consumer vegetarian frozen meals

- Evonetix was a £3m investment in July 2018 which is currently valued at £165,000

But there have also been changes in direction for some of the portfolio companies which has resulted in a drop in the valuations whilst the companies are still trading:

- IESO provided mental health therapy with the NHS as a large client. That business was sold and the proceeds reinvested in a software platform which uses the data gathered from clinical sessions over the years enhanced by AI to help treat patients

- Persuit Global (Apperio) has seen as reduction from £1.6m cost to £1m holding value as a result of M&A activity in which Apperio was acquired by Persuit and with the potential for further escrow shares to be awarded and the potential for value growth in Persuit shares prior to its own exit.

- Gardin produces sensors to optimise the growth of plants in commercial greenhouses and whilst new investors have come in to grow the business, Molten Ventures decided not to reinvest in that round and have therefore been pushed further down the waterfall of shareholders

Turning to the companies which are helping the performance of the Molten Ventures VCT portfolio, three companies here highlight this area:

- Thought Machine provides modern, 'cloud native' core banking software to replace existing, decades-old legacy systems and modernise financial institutions globally. Its clients include J. P. Morgan, Lloyds and Standard Chartered. The company has raised over $500m in funding to date from Molten Ventures, Temasek, NYCA, J P Morgan, Lloyds, plus others

- Form3 was founded by industry veterans to revolutionise the handling of payments within the financial system via a real-time 'account to account' payment platform. Its customers include Barclays, Nationwide, Klarna, Lloyds and Mastercard. The company has raised over $200m in funding to date from Molten Ventures, Visa, Mastercard, Goldman Sachs plus others

- Riverlane is developing a key technology of "Error Correction" within the field of quantum computing to apply new approaches to tackle problems that are intractable for today's computers. Quantum computing is a nascent market but is forecast to be one the biggest ever transformations in computing. The company has raised over $100m in funding to date from Molten Ventures, Cambridge Innovation Capital, Planet First and Amadeus.

These three companies currently represent £20.7 million, 17.4% of NAV by value. This could make the investment portfolio of the Molten Venture VCT quite dependent upon these companies for future performance.

For the year to end March 2025 there were 3 profitable exits from the Molten Ventures portfolio– Endomag (4x), Ravelin (2x) and HSL (a legacy Elderstreet company, 1.8x) and cash proceeds of £11.0 million were generated during the last financial year. The current financial year started with the exit of Freetrade (1.9x).

- **Endomagnetics** - £2.14m invested in July 2018 and exited to NASDAQ-listed Hologic in July 2024 for £8.3m (at a 3.9x multiple of cost) with the prospect of a further £0.8m of escrow subject to certain conditions
- **Ravelin** - In 2025 Ravelin, a 'card not present' fraud detection fintech business was sold to Worldpay. The investment yielded proceeds of £2.3 million and a multiple of 2.0 times cost
- **Freetrade** - In 2025 Freetrade, a consumer stock trading platform, was sold to IG Group Holdings PLC yielding proceeds of £1.1 million and a multiple of 1.9 times cost

Table 7 gives details of the exits in the last three years.

Table 8 at the back of this review shows a complete breakdown of the investee companies within the Molten Ventures VCT. It is encouraging to to be told by Molten that the majority of the uplifts in value are accompanied by an external 3rd party investor.

At 31 July 2025 the Company held £30.6 million of cash and debtors. This represents 26% of NAV. The Manager has entered into further binding commitments to invest c.£3 million into three new deals (which are dependent on HMRC Advanced Assurance), one of which has completed at the time of writing.

If all of these were to complete the adjusted cash would be equal to 27% of the July unaudited NAV with further investments then anticipated by the Manager before shares are allotted in this current offer. The Manager projects cash of c £18m (16% of NAV) just prior to allotment in April 26.

Given the rise in interest rates the VCT has opened money market accounts with two large funds which are producing qualifying VCT income and are paying higher rates of interest than are currently available through the VCT bank accounts.

With a maximum potential of £30m, fund raising TER are satisfied that with the potential deal flow originating from the Molten Ventures team, deployment of this cash should not be an issue.

In summary, the track record for the Molten Ventures VCT is, on the face of it, disappointing in Table 3 when compared to the wider generalist VCT peer group. Certainly the write-off and exits for zero or small considerations detailed above have not helpedand this is despite a good run of profitable exits in 2024 and 2025 at a time when it's been difficult for many VCT managers to secure profitable exits.

Tax Efficient Review Track Record rating: 33 out of 40

Manager

Molten Ventures plc is one of the most active venture capital firms in Europe, investing in high growth technology companies with global ambitions. Molten Ventures plc IPO'd on the AIM market in June 2016 and became a constituent of the FTSE 250 following a move to the main market of the London Stock Exchange (LSE) in 2021.

Molten Ventures has a well established and long track record of securing exits which is a major benefit to the Molten Ventures VCT. Molten say that in calendar year 2024 Molten, across its Plc, EIS and VCT funds, that they achieved 4 out of the Top 20 exits in the year across the entirety of all EU, venture capital backed businesses.

In the year ending March 2025, Molten Ventures plc have deployed circa £73 million into fast growing technology companies and have realised over £135 million. Molten Ventures plc is actively involved with its investments, taking non-executive positions where appropriate, and has the ability and experience to add value to the investments.

The Investment Team consists of fourteen executives and four Venture Partners, backed up by ten further deal process and deal origination support staff.

On 30 October 2024, CFO Ben Wilkinson succeeded Martin Davis as CEO, and in January 2025 Finance Director Andrew Zimmermann stepped up to CFO from interim CFO.

Taking into account these changes there have been a number of senior management changes within the wider Molten PLC team of late, which can be cause for concern.

Key Molten Ventures team members include:

- **Richard Marsh (Chief Portfolio Officer, Molten Ventures PLC**) has over 18 years of experience in venture capital and investing through the EIS scheme. He was a co-founder of the Molten Ventures EIS funds, is a director of Molten Ventures VCT and leads the oversight of the portfolio companies within Molten Ventures. He is a successful entrepreneur and was Founder of software company Datanomic that was sold to Oracle. He holds an MBA from IMD, Switzerland

- **Stuart Chapman (Director, Molten Ventures PLC)** has 20+ years of experience in venture capital in UK and US (Silicon Valley) and also started his VC career at 3i. Stuart was a previously a Board member of the British Venture Capital Association (BVCA) and was co-founder of Molten Ventures

- **William Horlick (Head of VCT)** worked at Elderstreet Investments Limited from 1998 to its acquisition by Molten Ventures plc in 2021. He has worked on over 70 venture capital investments. William has held several board seats in the past on portfolio companies. William graduated from RMA Sandhurst in 1980. Prior to joining the Manager, he spent seven years in investment banking and stockbroking. and was managing director of a mail order company

- **Nic Brisbourne (Senior Partner and Chair of the Investment Committee)** originally joined Molten in 2006 before leaving to set up his own firm, Forward Partners, in 2013. Forward raised two funds and listed on the London Stock Exchange in 2021 before being acquired by Molten in 2024. Nic's career in venture capital started in 1999 when he joined Reuters Venture Capital and prior to that he was a management consultant

The Board of Molten Ventures VCT comprises:

- **David Brock** as Chairman (formerly a main board member of MFI Furniture Group plc),

- **Hugh Aldous** (ex-partner of Grant Thornton UK LLP)

- **Sally Duckworth** (chair of StorMagic Limited, software data storage company)

- **Steven Clarke** (30 years of technology investing experience starting with 3i, and current NXDs QV Systems, Reactive Technologies, Paperchase and Planixs. NXD of Thames Ventures 2 VCT plc until February 2025)

- **Richard Marsh** is the Molten Ventures representative.

Nicholas Lewis of Downing was previously a director of the Molten Ventures VCT, but as part of the board succession planning was replaced with Steven Clarke.

The Board and Investment Management Team, former executives, and their families have invested in excess of £1,000,000 in the Company to date, and participated in the last fund raise in April 2025.

Molten Ventures VCT has a co-investment arrangement alongside the Molten Ventures institutional and EIS funds. This will be broadly based on the liquid funds available, the EIS/VCT qualifying status of each investment, the existing asset allocation within each pool of funds (i.e. conflict issues around investing in a potential competitor to an existing portfolio company), and for the VCT, the current percentage of VCT qualification in each of its pool of VCT funds. This co-investment right and allocation will be reviewed on a periodic basis and the VCT Directors believe that this co-investment arrangement will provide Shareholders with a number of advantages, particularly in relation to deal flow and the opportunity for the Company to participate in larger deals, and, therefore, later stage companies.

The Manager has delegated authority to make investments under £5million and the board must approve investments above this level, or in the case of a down round.

In the event of a conflict of interest between the funds (which includes where an investment is proposed in a company in which another fund already has an interest), or where co-investments are proposed to be made other than on the above basis, such an investment by the VCT will require the approval of those members of the VCT's board who are independent of the Manager.

All three potential investors (the VCT, the EIS manager and the Molten Ventures institutional manager) have independent investment committees who will sign off an investment for their pool of funds. So it is possible that not all funds will participate in all deals but if a deal is VCT & EIS qualifying then the principle is that both would participate. If not, for example certain (but not all) non-UK deals, or secondaries, then VCT & EIS would not participate.

Tax Efficient Review Team rating: 18 out of 20

Costs

- **Initial costs** are capped at 5.5% (variable 3%-5.5%) including commission of 2.5%.

  For advised sales the effective cost is 3.0% (assuming the IFA waives 2.5% commission)

- **Annual management fee:** 2% of net assets per annum

  The administration fee charged by the new administration manager ISCA Administration Services Limited was set in January 2024 at £85,000 plus vat per annum, increasing by RPI each year. Elderstreet inform us that for the year ended 31 March 2025 the Ongoing Charges Fee (OCF) was 2.5% (using a weighted OCF). The Manager expects the OCF to reduce over time as the Company scales its NAV.

  The VCT (the company) is responsible for paying trail commission covering execution-only (non-advised) investors. Regretfully, this fee is paid by the VCT and not out of any fee received by the promoter/manager. Thus it falls on all the VCT shareholders and not just the execution-only investors. While TER disapprove of this the amount payable is de-minimis at £37,000 in this current year to 31 March 2025.

- **Performance fee:** 20% of a realised gain (there is no performance fee unless a realised gain is made on an investment) providing that the following 2 hurdles have been met:

  1. An IRR hurdle requiring the achievement of at least 7% IRR annually in respect of investments made within a five-year pool, the first such period starting on 1 April 2021

  2. A NAV per share hurdle requiring the NAV per share at the end of the year in which the gain is made to be higher than the NAV per share at the commencement of the five year pool period in which the investment was made

To the extent a performance fee is not paid due to failure to meet either hurdle, it may be paid at a later date if the hurdles are then achieved.

Arrangement and Monitoring Fees:

It is not Molten's policy to charge fees to investee companies.The Manager may in theory charge an arrangement fee to each portfolio company in which the Company invests, as many other VCTs do. This fee is restricted to 3% of the gross amount invested by the Company. However, the Manager views fees of this nature to be non-market standard in the tier of the market in which it operates, and that they present an impediment to securing competitive deals so does not do this. No arrangement fees have been charged by the Manager for any of the Molten Ventures deals completed to date.

The Manager may also charge portfolio companies for its monitoring services and non-executive director fees but has not done so in recent years.

Tax Efficient Review Cost rating: 8 out of 10

Conclusion

This latest fund raising for the Molten Ventures VCT is for £30m for a VCT and the VCT itself has reached £117m in AUM. The Molten Ventures VCT allows investors to replicate the investment strategy of the popular Molten Ventures EIS but in the more diverse and (after the 5 year holding period) potentially more liquid structure of a VCT.

Molten Ventures acquired the manager of the Elderstreet VCT in 2017 and from that point it started to co-invest with the Molten Ventures EIS. So it is now a fully signed up part of the Molten Ventures funds, with only a small rump of legacy holdings. The investment strategy for both the VCT and EIS has always been to target the larger investments permissible within the VCT/EIS legislation, and the funds (along with Molten PLC) with combine to make larger investments than is usually seen in this area.

If we look at the track record of the Molten Ventures VCT, Table 3 in the review shows one of the largest negative performances against the peer group of -5.8% over the past three years. The five years figure fairs better at 4.2% but the ten year figure is poor at 1.2%. All of which combine to give Molten Ventures one of the lowest figures in the comparison of VCT manager's performance in Table 4.

Whilst this makes for disappointing reading for one of the largest venture capital managers in the UK, it does not tell the full story. The ten year figure is not at all relevant as this was when it was the small Elderstreet VCT and Molten Ventures were not involved. The five year figure is more relevant as Molten acquired the manager of the VCT in 2017. But the three year figure is disappointing despite a good run of profitable exits in 2024 and 2025. For the year ending March 2025 there were three profitable exits from the Molten Ventures portfolio – Endomag (4x), Ravelin (2x) and HSL (a legacy Elderstreet company, 1.8x). Cash proceeds of £11m were generated during the last financial year and the current financial year started with the exit of Freetrade (1.9x).

There have of course been companies in the portfolio which have been written down or exited for no value. Morressier GMBH was a £3.2m investment in 2023 which was sold for a nominal 1 euro in March 2025. Allplants Ltd was a £2.2m investment in December 2021 which is being held at a zero cost in the portfolio. Evonetix was a £3m investment in July 2018 which is currently valued at £165,000.

But there are companies in the portfolio which are performing well, such as ThoughtMachine, Form3 and Riverlane. These three companies currently represent £20.7m, which is 17.4% of NAV by value. Whilst this is encouraging to see, it could make the investment portfolio of the Molten Venture VCT dependent upon these companies for future performance.

In summary, the Molten Ventures VCT is now a fully-fledged member of the funds managed by Molten Ventures and it stands alongside the Molten Ventures EIS. We have no doubt that it has taken Molten Ventures longer to get to this point than they would have liked, but soon after taking over this VCT the introduction of the COVID-19 years certainly did not help. But it is now over £100m of AUM and there is a diverse range of 42 companies within it. Molten is a house with a rich history of being able to generate profitable exits from investee companies, as can be seen with the recent exits achieved in 2024 and 2025. They have recently restored the 5% dividend and have cleared the market of secondary sellers to help the discount to the NAV per share. But they need to continue on the trajectory they started on in 2024 in order to move up the VCT performance table.

Tax Efficient Review rating: 87 out of 100 (for a Generalist VCT with track record)

Table 8: **Molten VCT holdings (quoted & unquoted) analysis for Tax Efficient Review as at 31 July 2025 (sorted by multiple of cost)**

Investee name	Shae class	Amount invested £m	Current Value £m	Date of this invest-ment	Syndicated	Lead investor	Structure of invest-ment	Industry sector	Financing stage	Multiple of cost
Form3 UK Limited		1.42	7.98	Feb-19	Y	Y	Soft non participating	Technology	Scaleup	5.62
Fords Packaging TopCo Ltd		2.43	8.09	Dec-13	N	Y	Ords and loan	Manufacturing	Scaleup	3.33
Thought Machine Group Limited		2.40	6.59	May-20	Y	Y	Soft non participating	Technology	Scaleup	2.75
RiverLane Ltd		2.66	6.09	Mar-21	Y	Y	Soft non participating	Technology	Growth	2.29
Cashfac plc		0.26	0.53	Jul-99	N	Y	Ordinary	Technology	Scaleup	2.02
Koru Kids Limited		1.50	3.00	Jan-25	Y	Y	Hard participating	Technology	Growth	2.00
Binalyze OU		2.16	4.08	Aug-23	Y	Y	Hard participating	Technology	Growth	1.89
Crowdcube Limited		0.40	0.69	Jan-19	N	Y	Hard participating	Technology	Scaleup	1.71
Focal Point Positioning Limited		3.80	6.00	Apr-21	Y	Y	Hard participating	Technology	Early Stage	1.58
Melio Healthcare Limited		2.52	3.07	Sep-23	Y	Y	Soft non participating	Technology	Early Stage	1.22
Pulsar PLC		2.59	3.08	Oct-08	N	Y	Ordinary	Technology	Scaleup	1.19
Paragraf Limited		1.33	1.57	Feb-22	Y	Y	Soft non participating	Technology	Early Stage	1.18
BeZero Carbon Ltd		1.57	1.77	Aug-22	Y	Y	Soft non participating	Technology	Growth	1.13
Hadean Supercomputing Limited		1.77	1.89	Apr-19	N	Y	Soft non participating	Technology	Growth	1.07
Global Satellite Vu Limited		4.69	4.83	Nov-21	Y	Y	Soft non participating	Technology	Growth	1.03
Expanding Circle Ltd (AltruistIQ)		5.41	5.56	Aug-22	Y	Y	Soft non participating	Technology	Growth	1.03
Dines App Limited		0.30	0.30	Jul-24	N	Y	Soft non participating	Technology	Growth	1.00
Modo Energy Limited		1.89	1.89	Dec-24	Y	Y	Soft non participating	Technology	Growth	1.00
Juliand Digital Limited (t/a Zaptic)		2.44	2.44	Mar-23	Y	Y	Soft non participating	Technology	Growth	1.00
Duel Holdings Limited		1.80	1.80	Jul-25	Y	Y	Soft non participating	Technology	Growth	1.00
Xmos Limited		0.89	0.89	May-24	N	Y	Soft non participating	Technology	Scaleup	1.00
Impulse Innovations Limited (t/a Causalens)		2.08	2.08	Feb-22	Y	Y	Soft non participating	Technology	Growth	1.00
Nationwide Engineering Research & Development Ltd (Concretene)		0.80	0.80	May-24	Y	Y	Soft non participating	Technology	Early Stage	1.00
FintechOS Holding B.V.		1.49	1.48	Jul-24	Y	Y	Soft non participating	Technology	Scaleup	0.99
Sweepr Technologies Limited		0.51	0.50	Dec-19	Y	Y	Soft non participating	Technology	Growth	0.98
Oliva Health Holdings Inc		2.14	2.06	Apr-23	Y	Y	Soft non participating	Technology	Growth	0.96
Anima Group Inc	AMolten declined to provide this data	2.65	2.47	Oct-23	Y	Y	Soft non participating	Technology	Early Stage	0.93
Valerian Technologies Limited		1.70	1.47	Nov-22	Y	Y	Soft non participating	Technology	Early Stage	0.87
PERSUIT Global Holdings Pty. Ltd (see Apperio)		1.60	1.08	Jul-25	N	Y	Ordinary	Technology	Growth	0.68
IESO Digital Health Limited		4.83	1.76	Nov-17	Y	Y	Soft non participating	Technology	Early Stage	0.36
RealEyes (Holding) Limited		0.43	0.14	Jan-20	Y	Y	Soft non participating	Technology	Growth	0.32
Macranet Ltd T/A Sentiment Metrics		1.19	0.23	Jan-14	Y	Y	Soft non participating	Technology	Early Stage	0.20
Evonetix Limited		3.00	0.17	Jun-18	Y	Y	Soft non participating	Technology	Early Stage	0.06
Fulcrum Utility Services Limited		0.39	0.00	Jul-10	Y	Y	Ordinary	Technology	Scaleup	0.01
Gardin Limited (Note 1)		1.48	0.00	Feb-22	N	Y	Ordinary	Technology	Early Stage	0.00
PrimaryBid Limited		0.95	0.00	Jan-21	Y	Y	Soft non participating	Technology	Early Stage	0.00
Sorted Group Holdings PLC (was: Location Sciences Group Plc (was Proxama plc))		0.86	0.00	Dec-14	Y	N	Ordinary	Technology	Growth	0.00
Guybrush Limited (Agora)		0.27	0.00	Apr-21	N	Y	Soft non participating	Technology	Early Stage	0.00
Allplants Limited		2.20	0.00	Dec-21	Y	Y	Soft non participating	Technology	Scaleup	0.00
United Authors Publishing Limited (Unbound)		0.54	0.00	Nov-19	N	Y	Soft non participating	Technology	Early Stage	0.00
Escrow from prior sale		0	0.77	Jul-18	N	Y	Soft non participating	Technology	Scaleup	-!
Those Beyond Limited (was Cauldron Entertainment)		0	0.03	Aug-21	N	Y	Soft non participating	Technology	Early Stage	-
Fluidic Analytics Limited		1.25	0.00							
Infoserve Group plc		0.13	0.00							
Push Dr Limited		1.87	0.00							
Resolving Ltd		0.80	0.00							
Sift Ltd		0.13	0.00							
StreetTeam Software Limited		2.82	0.00							
The Kellan Group Limited		0.66	0.00							
The National Solicitors Network Ltd		0.50	0.00							
The QSS Group Limited		0.27	0.00							
Uvenco UK Plc (Snacktime plc)		1.33	0.00							
Appux Limited (Droplet)		0.33	0.00							
TOTALS		**£83.4m**	**£87.2m**							**1.05**

Valuations are based on 31 March 2025 year end valuations, updated for publicly quoted AIM stocks at 31 July 2025.

Note 1 : The investment in Gardin was converted from top ranking Preference shares to Ordinary shares as the VCT declined to participate in further funding of the company which was backed by new investors. At this point the NAV in these shares has been written down by the VCT. The company continues to trade.

Source: Elderstreet Investments Limited

Table 9: **Matrix of individual responsibilities Molten Ventures PLC (MV) 31 July 2025**

NAMES	William Horlick	Richard Marsh	Stuart Chapman	Nic Brisbourne	Luke Smith	Nicola Mcclaferty	Vinoth Jayakumar	Christoph Hornung
	VCT & EIS WORK	Chief Portfolio Officer	MV Investment team	MV Investment team	MV Investment team	MV Investment team	MV Investment team	MV Investment team
Deal origination %	10%		5%	45%	30%	40%	40%	45%
VCT General enquiries %	10%							
New deal doing %	5%	5%	5%	15%	25%	20%	20%	15%
VCT Fund raising %	35%							
Internal VCT issues %	30%	5%						
Boards and monitoring	5%	35%	20%	10%	15%	10%	10%	10%
Exits %	5%	5%		5%	5%	5%	5%	5%
NON VCT WORK								
Non VCT work		50%	70%	25%	25%	25%	25%	25%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Years in venture capital	24	20+	20+	20+	20+	12	9	8
Years involved with VCTs	24	13	16	1	1	10	9	5
Years with current team	7	13	16	1	1	10	9	5

Source: Elderstreet Investments Limited