

Key Information Document

DISCLAIMER: Molten Ventures plc (the “Company”) is not required to produce and publish this document under the Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019 (the “Regulation”) following publication of the Packaged Retail and Insurance-based Investment Products (Retail Disclosure) (Amendment) Regulations 2024. Nonetheless, the Company has opted to prepare this Key Information Document on a best-efforts basis to allow financial advisors and execution only platforms to assimilate information in a familiar and comparable manner, noting the Company’s continued belief that the methodology suggested by the Regulation for the preparation of the information in this document 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 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: THERE IS NO REQUIREMENT FOR INVESTORS TO RECEIVE A UK KEY INFORMATION DOCUMENT BEFORE BUYING THESE SHARES. This document provides you with certain key information about this investment product on a best-efforts basis. It is not marketing material. The information is intended 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.

COMPANY DETAILS: Molten Ventures plc is managed by Esprit Capital Partners LLP. Esprit Capital Partners LLP is authorised and regulated by the Financial Conduct Authority (FCA). Company ISIN: GB00BY7QYJ50. Company Website: www.moltenventures.com or call +44 (0)20 7931 8800 for more information.

This Key Information Document was updated on 30 October 2024.

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.

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 through the Molten fund of funds programme; (ii) making larger series B+ and later series C+ primary investments and co-investments for scaling technology companies; and (iii) undertaking secondary transactions (including through the acquisition of limited partner interests in investment funds (private and/ or public). 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 £180m net asset value facility with J.P. Morgan Chase Bank, N.A. and HSBC Innovation Bank Limited. The facility, which was refinanced in July 2024, comprises of a £120m term loan and a revolving credit facility of up to £60m on three year tenors secured against various assets and LP interests in the Group. Draw downs and pay downs are driven by portfolio performance. 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. The facility’s headline interest rate is SONIA (Sterling Overnight Index Average) plus a margin of 5.5% per annum.

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.

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

Risk Indicator



There is no specific recommended holding period for shares in the Company. 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 (and as at the date of publication do trade) 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 most recent Prospectus, which is available at www.moltenventures.com.

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

Investment performance information

What are the risks and what could I get in return?

As a publicly traded vehicle investing in early-stage high growth unlisted assets, the Company is positioned to take advantage of both the public and private markets but is also exposed to the inherent risks associated with both. Public and private markets are closely linked but operate differently with respect to funding cycles, valuation periods and the nature of returns. The performance of the Company and the Company's investments may not therefore correlate to the Company's own share price, which may trade at a discount or at a premium to net asset value and may be dictated by factors outside of the Company's control including prevailing macroeconomic conditions as well as broader geopolitical instability, including (but not limited to) a slowdown in economic growth, weakening confidence, inflation, interest rates, and volatility in currency markets. Returns and timings for potential exits are unpredictable, likewise, there is no relevant index or benchmark for Venture Capital investments and so valuations are uncertain, subject to change and may be influenced by a number of different factors that are outside of the Company's control including industry comparables. You should therefore be prepared to lose your entire investment.

What could affect my return positively?

The Company stands to benefit from a positive macro-economic environment and buoyant financial markets in which high-performing investments made by the Company are likely to be attractive to later stage investors or potential acquirers. The early-stage companies in which the Company invests are high-risk but also come with the potential for outsized returns based on valuation multiples which typically increase net asset value and grow share price. Returns are not necessarily tied to economic cycles, however a buoyant M&A or IPO market is likely to increase the value of investee companies that are realisable on exit. The upside for successful outcomes is potentially uncapped and unlimited and could provide a pathway to increased share value.

What could affect my return negatively?

The performance of the Company and its share price are susceptible to slowdowns and corrections in the technology-focused capital markets and/or to wider public market volatility, which may be reflected in the daily trading price of its shares and may not be correlated to underlying performance of investee companies held by the Company. The early-stage business in which the Company invests are high-risk due to their early stage of development and may fail, which could negatively affect the Company's position in the market or its share price. It may not be possible to sell investments, particularly in negative economic cycles as highlighted above. Poor investment decisions and poor management of portfolio companies could negatively affect returns. Capital is at risk, and it is possible that you could lose your entire investment. Please refer to the Risk Factors Section of the Company's prospectus and latest financial statements for further details.

Under extreme market conditions, there is a risk that the price of the Company's shares could reduce significantly, potentially down to zero.

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 (FSCS) about the Company in the event that the Company is unable to pay out.

There is no compensation or guarantee scheme in place that applies to the Company and, 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?

Prescribed cost disclosures are no longer required for shares in the Company. The information provided below has been amended to help consumer understanding. It now recognises that there is no additional cost to the investor charged by the Company. 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.

The table below includes a breakdown of the core component costs and expenses which are incurred by the Company. We have calculated the figures below as percentage of net asset value and as an average over the prior 3 financial years:

One-off costs	Entry costs	N/A	No entry costs are payable when you acquire ordinary shares, although you may be required to pay brokerage fees or commissions, or stamp duty.
	Exit costs	N/A	No exit costs are payable when you dispose of ordinary shares, although you may be required to pay brokerage fees or commissions.
On-going costs	Portfolio transaction costs	N/A	No portfolio transaction costs apply to this product.
	Other on-going costs	N/A Netted off NAV	Over the last 3 years, the Company has incurred average operating and financing related costs of 2.57% per annum. These costs are paid by the Company and equate to less than 0.1% when including fee income earned by the broader Molten Ventures group. The Company also incurs a management fee of 1.11% as an average which is netted off the net asset value. More information on the costs and expenses can be found in the Company's latest financial statements.
Incidental costs	Performance fees	N/A	No performance fees apply to this product.
	Carried interest	N/A Netted off NAV	The impact of carried interest within the underlying funds is taken into account in the calculation of the fair value of investments held. The Company has incurred carried interest costs of 0.45% per annum. More information on the expenses of the Company can be found in the Company's latest financial statements.

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, although investors are reminded of the need to take a long-term view when acquiring and holding shares in the Company. 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 (FOS) about the management of the Company. Complaints about the Company or this key information document should be sent to the Compliance Team by email to compliance@molten.vc or by post to 20 Garrick Street, London, WC2E 9BT.

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. This documentation is made available in accordance with the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA and the Alternative Investment Fund Managers Directive (2011/61/EU) as implemented into UK law. The cost, performance and risk calculations included in this KID follow the methodology suggested by the Regulation.