

Molten

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Molten

Annual Report FY22

Molten

Make More Possible

Molten Ventures plc (formerly Draper Esprit plc)
Annual Report FY22
REGISTRATION NUMBER: 09799594

Molten

Make More Possible

Molten Ventures plc
moltenventures.com

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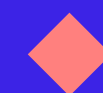


Molten

We are one of the most active venture capital firms in Europe, developing and investing in disruptive, high-growth technology companies.

We inject visionary companies with energy to help them transform and grow. This energy comes in many forms – capital, of course, but also knowledge, experience, relationships and commitment.

We believe it is our role to support the entrepreneurs who will invent the future, and that future is being built, today, in Europe.



We are different.

Our public listing and multi-fund model offers us flexibility to provide entrepreneurs with backing across their company's life cycle, fuelling the best for longer.



We create value.

Investors get access to some of the fastest growing private technology companies. Entrepreneurs get a more flexible approach to funding.



We have a proven track record.

Our Investment Team have a long history of investing in tech and a strong track record.



We are there for the journey.

Be it a few investment rounds, until exit or even IPO, we devote time and energy to supporting our portfolio for the long term.

Performance highlights

Financial highlights

£1,532m

£1,434m

Gross Portfolio Value
(31 March 2021: £984m)

Net Assets
(31 March 2021: £1,033m)

937p

£78m

NAV per share
(31 March 2021: 743p)

plc cash
(including restricted cash)
(31 March 2021: £161m plc cash)

37%

£301m

Gross Portfolio fair value growth
(31 March 2021: 51%)

Profit after tax
(year to 31 March 2021: £267m)

£126m

£108m

Cash proceeds from realisations
(year to 31 March 2021: £206m)

Net funds raised during the year
(31 March 2021: £107m)

<1%

£311m

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

Cash invested in the year, and a further £45m from EIS/VCT funds (year to 31 March 2021: £128m from plc and £34m from EIS/VCT funds)

The above figures contain alternative performance measures ("APMs") - see Note 33 for reconciliation of APMs to IFRS measures.

Operational highlights

- Cash investments of £311m during the year from the Molten Ventures balance sheet (year to 31 March 2021: £128m), with a further £45m from EIS/VCT funds (year to 31 March 2021: £34m). This increased cadence is attributable to a higher level of follow-on opportunities in the existing portfolio, consistently leading rounds in new primary investment opportunities and the continued expansion of our scalable platform
- Committed to 22 new seed funds via our Fund of Funds programme bringing the overall seed portfolio to 57 funds
- Cash proceeds of £126m received during the year (year to 31 March 2021: £206m). These were predominantly generated by the sale of shares held in publicly-listed Trustpilot and UiPath, exits from SportPursuit, Premfina, Conversocial and Bright Computing, as well as amounts being released from escrow relating to previously announced disposals
- Completed successful move to the Premium Segment of the Official List and to trading on the London Stock Exchange's Main Market as well as to the secondary listing segment of the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin
- Unveiled a new name, Molten Ventures, and a new motto "Make More Possible". The new brand reflects our ongoing transformation: our increased investment cadence and expanding team
- Continued to progress our ESG roadmap, including being awarded the Diversity VC Standard Level 1 certification, becoming a signatory of the Investing in Women Code, establishing an ESG Committee of the Board (in addition to the ESG Working Group), completing our first year of TCFD reporting, approval of our Board Diversity and Inclusion Policy, Investment Team ESG training, and engaging with the portfolio on their own ESG activities

Post period-end highlights

- Deployed £73.7 million into new and existing portfolio companies, including our announced deal in HiveMQ
- Announced the funding rounds of Thought Machine and Aiven (Aiven is held via our partnership in Earlybird)
- At 31 March 2022, we held interests in three listed companies – Trustpilot, UiPath, and Cazoo. Their valuations are based on their quoted share price on 31 March 2022. Their value using the closing quoted share price on 8 June 2022 was £43.9 million

Chair's introduction



“Our people remain the most important part of our business. The considerable work which we have undertaken in recent years to create an agile, scalable and resilient platform provides a very sound base for our continued delivery of value to our Shareholders.”

Karen Slafford
Chair

FY22 has been a busy year for us – we began it as Draper Esprit, listed on AIM and Euronext Growth, and ended it as Molten Ventures, a FTSE 250 and Euronext Dublin company. The successful rebranding and step up to a Main Market listing reflect the considerable progress we have made since our AIM listing in 2016 in maturing and growing the business in pursuit of our commitment to investing in Europe's best entrepreneurs and seed funds.

This transformation continued in FY22 amidst a volatile external environment. It saw the end of many national lockdowns and the beginning of a post-pandemic 'new normal', followed by the invasion of Ukraine and a resulting fall in stock markets across the world. Despite these factors, overall FY22 was a period of strong performance and significant investment opportunity for the Molten team.

I would like to offer my thanks to Grahame Cook, our Senior Independent Director, who stepped up to assume the responsibility of temporary Chair during a short period earlier in the year when I was indisposed due to illness.

I am very impressed by the team at Molten, who have managed these challenging times with professionalism and consistency. They have invested in some of the best companies in the market, while maintaining a high level of investment discipline and rigour. Our people remain the most important part of our business. The considerable work which we have undertaken in recent years to create an agile, scalable and resilient platform provides a sound base for our continued delivery of value to our Shareholders.

Once again, we exceeded our stated gross fair value growth target in FY22 and are actively invested in a diverse portfolio of high-growth technology businesses, all of which have their own ambitions to harness the power of technology to invent a better future.

FY22 has also been a positive year for realising investments, where Molten's role has come to a natural conclusion, including the sale of Bright Computing and SportPursuit, which were sold to new owners. Cazoo and UiPath were listed on leading Stock Exchanges during the year, following TrustPilot's listing in the previous financial year. These are, in some cases, decade-long partnerships and we are happy to have been able to support these entrepreneurs and companies in a key stage of their development.

At Molten, we are also proud to be playing a significant part in society's mission to achieve a sustainable future for coming generations. As well as our own internal ESG initiatives, we are committed to working with our entrepreneurs to support them with their own ESG programmes.

We are active board members, and we know that as investors we have a responsibility to help build companies which are successful in growing value but also sustainable in the long term. ESG is increasingly embedded into every part of our business, including within our investment criteria, our initiative into climate tech investing, our subscription to the UK Corporate Governance Code, as well as through our remuneration structure.

Finally, I am pleased to welcome Gervaise Slowey, Non-Executive Director and Chair of our newly formed ESG Committee, and Sarah Gentleman, Non-Executive Director and Chair of Molten's Remuneration Committee, who joined the Board in July and September 2021 respectively. They bring with them decades of experience in strategy, general management and governance.

Karen Slafford
Chair

Strategic report

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CEO's statement



“
Our business model
is adaptable across
investment cycles and
continues to scale...
”

Martin Davis
Chief Executive Officer

Overview

This year, we made strong progress across the business from both an operational and financial perspective. I am pleased to report that, through the efforts we have taken to grow and mature our model, we have advanced our strategic ambition of making Molten the leader of a new generation of technology VCs.

FY22 saw continued strong momentum in deal activity, with increased capital deployment across our four investment pillars, above the previous annual investment cadence, reflecting a period of strong opportunities. We were also able to achieve gross fair value growth significantly above our targeted 20% through the cycle, reflecting the strong performance of our portfolio and the disciplined approach of our Investment Team. In June 2021 we raised £107.7 million by way of a placing (net proceeds) and since then we have set about deploying that capital to take advantage of the growing European venture capital market and the continued shift towards technology and digitalisation.

Our business model is adaptable across investment cycles and continues to scale, including through the expansion of the Fund of Funds programme, and the identification of new deployment strategies and sources of capital and fee income. Our team, which has been augmented through the year, brings together a diverse group of leading investment decision-makers, supporting the effective delivery of our strategy. Plans for our growth fund are on track, which will target Series B+ deal flow, syndicating third-party funds alongside our own, to provide a greater ability to consistently lead growth-stage deals, and secure greater influence and allocation. The additional fees generated from the growth fund are anticipated to provide a positive contribution to our cost base and profitability.

In July 2021, we completed the successful move to a Premium listing on the London Stock Exchange's Main Market and a secondary listing on Euronext Dublin. The move was motivated by the growth and maturity of the business and what we believe to be the most appropriate platform for the Company's future development.

In November 2021, we announced our name change from Draper Esprit plc to Molten Ventures plc. This rebrand reflects the Company's transformation in recent years, accelerated growth, as well as a recognition of Molten's unique role in the democratisation of venture capital. We also announced our new motto, "Make More Possible", which reflects Molten's contribution as a listed venture capital firm to identify and fully support the vision of some of Europe's most successful companies and, in doing so, deliver value for our Shareholders.

Financial performance

We are pleased with our strong financial performance across all our key measures: fair value growth, cash realisations, investments made and available capital resources.

The gross fair value growth achieved during the year of 37% (FY21: 51%) was principally achieved by our Core Companies, reflecting growth in the investments made in previous financial years, both through financing rounds at higher valuations and revenue growth, offsetting the fall in valuation of our publicly listed companies at 31 March 2022.

Due to the steps taken to transform the Company, including our move to the Main Market, our investment in strengthening the team and creating a more scalable platform, our costs during the year increased. These costs were offset by increased fee income and remain well within our target of less than one percent of net asset value.

Increased capital deployment

Capital deployed during the year was £311.2 million (compared to £128.0 million in FY21), as a result of an acceleration of rounds for some of our existing companies, high-quality new investments, taking lead positions in rounds and larger stake sizes. This has been underpinned by our thesis-driven approach, the deep networks of our Partnership Team and our increased scale, which we have been able to leverage to consistently lead funding rounds and support our portfolio companies. Quality remained a consistent focus and we continued to invest capital wisely and remain disciplined around the quality and number of deals in which we chose to participate.

We have participated in new deals and follow-on rounds in sub-sectors we feel are poised for strong growth, including climate tech, marketplaces, artificial intelligence and machine learning, low code/no code and cloud-native technologies, including Thought Machine, Gardin, Mostly AI, Causalens, Form3, CoachHub, Aircall, Ledger, Lyst, Cervest and FintechOS.

937p

NAV per share
(31 March 2021: 743p)

£311m

Invested
(year to 31 March 2021: £128m)

£126m

Cash proceeds from realisations
(year to 31 March 2021: £206m)

Realisations & IPOs

Realisations are an important part of our business and cash proceeds from realisations during the year remained strong at £126.3 million (FY21: £206.3 million). The recycling of capital allows us to reinvest further in the portfolio as part of our evergreen model. Our portfolio is a blend of mature core portfolio companies and the emerging portfolio, which includes some of the future's best businesses.

Cash proceeds during the year delivered a return on opening Gross Portfolio Value ("GPV") of 13%, within our stated 10-15% return on GPV target across the cycle. Exits were mainly from mature companies, including Bright Computing and SportPursuit, as well as share sales in TrustPilot and UiPath. Historically the majority of our realisations have been through trade sales, while in the past year the balance shifted as a result of the strong IPO market of 2021.

In addition to Trustpilot in FY21, two of our companies, UiPath and Cazoo, have gone public during FY22. We have received cash proceeds in the year from UiPath of £49.8 million and £23.2 million from TrustPilot following proceeds received of £5.3million and £75.5 million in FY21 respectively.

Broader market environment

Despite the recent volatility in global equities reflected through high inflation and interest rates, venture capital as an asset class shows signs of resilience.

Public and private markets are closely linked, but they nevertheless operate differently. This lack of correlation can be explained by the contrasting funding cycles and valuation periods. Global events will have an impact on both public and private markets, and while often with a lagged effect, we are seeing some impact of this in private markets, particularly at the later growth/pre-IPO stages.

What is fundamental is the commercial traction of the portfolio companies and their ability to navigate shifting market environments. With technology underpinning growth and efficiency in so many industries, we see this demand continuing. We are an active manager, providing support and oversight, allowing us to work with our portfolio companies to plan and reorganise to attune to changes in the market as they emerge.

The markets of the last couple of years have seen capital from new entrants; the effect of any downward shift in the market is that this capital will be displaced. A feature of venture capital is understanding how to operate through cycles in what is a long-term asset class. We will continue to access quality deals in tighter macro conditions and position our portfolio to grow in environments where capital is more selective in

subsequent investment rounds. We know that in any market, quality deals will still be highly competitive, and reputation and experience matter greatly. We have successfully navigated several market cycles and our robust but stable platform allows us the flexibility to continue to do so. For these reasons, we believe that Molten is well positioned to navigate the current uncertainty and capitalise on any opportunities presented.

Sustainability

"Make More Possible" is not just about capital investment, it is also about the positive transformation that Molten can drive through its actions. I am pleased to report a continued focus on ESG during the year, something which is not only important to Molten in our own operations, but is embedded into our investment activities, both through our ESG-focused investment criteria and our push into investing in climate tech companies (see more on our climate tech thesis and investments on pages 22-23).

We are gaining recognition for our efforts, tying first place as a Top Performer in the ITPEnergised and Orbis Advisory ESG Transparency Index in February 2022 for embracing ESG integration into our operations, positioning the company at the forefront of ESG for the VC industry.

Our ESG activities during the year involved engagement with both Molten staff and our portfolio, including hosting our first ESG portfolio engagement session (with more to come) and sharing our ESG Framework with the portfolio companies, delivering externally led training to the investment team on the topic of ESG within the investment process, as well as continuing to progress with our climate-related work, including kicking off our Task Force on Climate-Related Financial Disclosures ("TCFD") project, which we are undertaking voluntarily.

We have spent considerable time focusing on Diversity, Equity, and Inclusion ("DEI"), achieving the launch of our Board D&I Policy (inclusive of targets for adjusted board composition in line with the Hampton-Alexander Review and Parker Review recommendations), our Group-wide DEI & Equal Opportunities Policy, and the roll out of our DEI recruitment policy.

We will continue to progress our ESG roadmap into FY23 by reporting to the CDP Climate Change questionnaire for the first time, and through the development of a Climate Change Policy which will capture our carbon reduction strategy and path to net zero.

Our ESG-related KPIs, indexed to 10% of annual bonus entitlement for all Molten employees (including Executive Directors), can be found on page 51 of this report.

We recognise ESG is a journey, and we are pleased to be making good progress, but there is still work to be done and we look forward to providing further updates in the year ahead.

CEO’s statement continued

“
As a group, for more than a decade we have been bringing together experienced investors with companies that will invent the future.
”

Martin Davis
Chief Executive Officer

People

As a group, for more than a decade we have been bringing together experienced investors with companies that will invent the future. This year we have continued to grow with 14 new hires into the Company, including 6 additions to the Investment Team, bolstering both our partnership and platform offerings. We also welcomed two new members to our Board, Gervaise Slowey and Sarah Gentleman.

We believe that bringing together different experiences, opinions and perspectives is the key to building long-term success in venture capital.

Outlook

Looking forward to the next 12 months, there is clearly a great deal of uncertainty with the current geopolitical and macroeconomic factors unlikely to change significantly over the next 6-9 months. The other main driver restricting growth, the pandemic, appears to continue to retreat within developed markets and is likely to have a lesser impact on our business moving forward. However, continued COVID-19 restrictions in China and future variants are likely to impact

supply chains and drag consumer sentiment and investor confidence for at least the remainder of the current financial year.

We remain confident that the technological advances we have seen over the past 3-5 years will continue to transform the way we live, work, build and deliver products and services. In addition, many of our portfolio companies are delivering solutions that provide greater efficiencies and customer engagement/ROI that will be crucial for businesses as they respond to the new economic reality. We also believe that technology can provide the foundations for how we use data, manage our environment and provide our food and energy requirements for future generations. Our disciplined thesis-driven investment approach does not change, despite our constant evolving view of the likely winners in these markets.

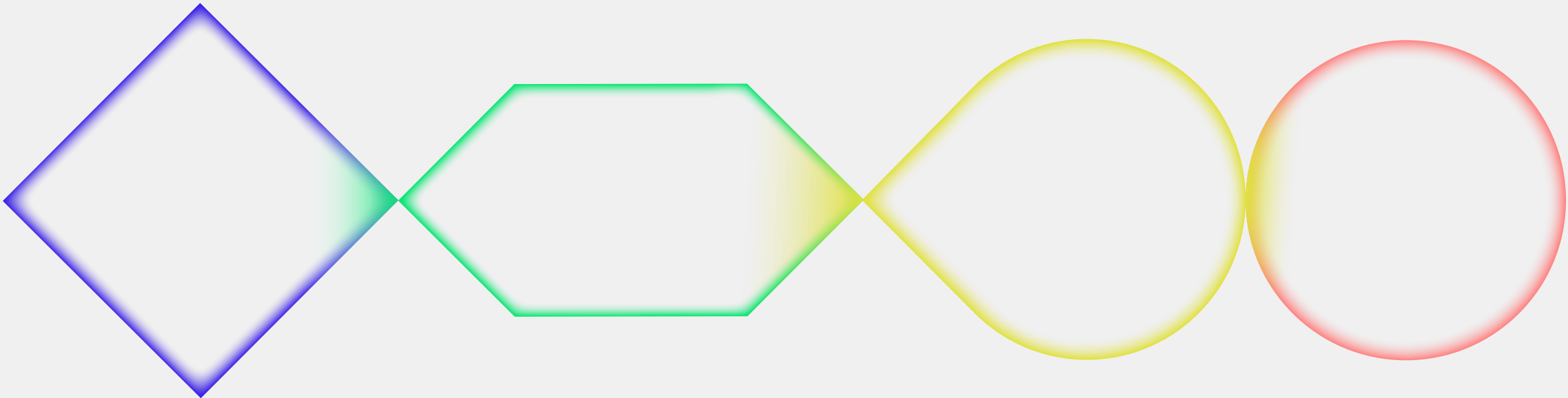
We have built a platform that has flexibility and adaptability at its core. Accordingly, we anticipate little change to our fundamental investment approach: indeed history tells us that tomorrow’s winners will typically be created and funded during periods of uncertainty.

The environment in which we will have to operate during the current year dictates that in order to maximise the flexibility within our model, we must make some small shifts in emphasis to ensure we continue to preserve capital, deliver shareholder value and position ourselves for the future. We anticipate a slowing of investment, especially as the core portfolio remains well funded, thus the opportunities for follow-ons are less, and therefore I expect a level of annual deployment in the region of £150.0 million.

Our privileged market positioning enables us to provide access to high growth private assets for a range of co-investors. We already manage c.£400m for investors via our EIS and VCT strategies which we expect to grow significantly in the next FY. Our Growth Fund and Fund of Funds are areas where we expect to welcome new co-investors over the next FY. Two sectors where we see great potential over the next 3-5 years are climate technology and in the emerging technology ecosystems in Eastern Europe. We have specialists with expertise in these areas and expect to build third party funds to help grow these important sectors over the next 24 months.

We believe that Molten, with our stable team with deep levels of experience and expertise, scalable and adaptable model, cash resources, active approach to portfolio management and thesis-led investment approach, can continue to deliver in the current market. The current level of volatility makes it challenging to give a meaningful forecast of portfolio fair value growth for the current financial year, but we remain confident in the strength of our portfolio and of our model which has proven its ability to meet or exceed our targets of 10% of NAV in cash realisations and an annual fair value growth of 20% across the cycle.

Martin Davis
Chief Executive Officer



Solid Base

Global leaders start with a solid base, and that means the right investors. Molten is one of Europe’s most active investors in seed and early-stage VCs – through our Fund of Fund program we back our portfolio’s backers (before they even join our portfolio).

Liquid Flows

Energy turns solids molten, a liquid. Liquids flow around obstacles in ways solids can’t – our portfolio’s businesses are accelerating and Molten is here to support and assist them along the journey.

Gases Expand

Gases expand to fill spaces that liquid can’t. We help our portfolio take its business global, expanding as fast as possible. Our energy delivers expansion capital and the networks to foster global leaders.

Plasma is Unstoppable

Plasma is matter so energised it slices through anything. As a listed VC, we can keep committing our energy, striving to put our portfolio on a path to sustainable success.

FOR FURTHER DETAILS
ON OUR MODEL,
PLEASE SEE PAGES
14 TO 19

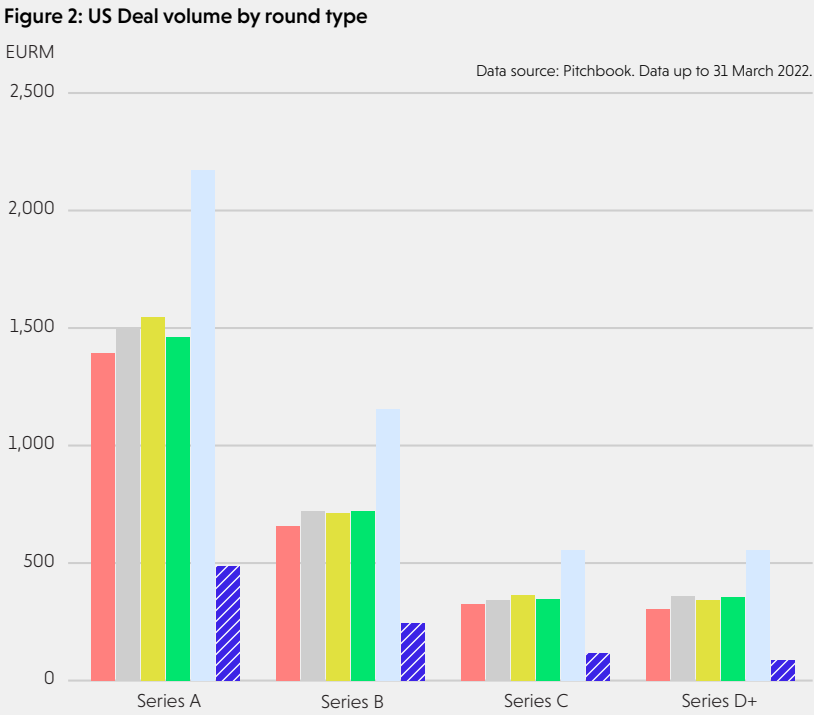
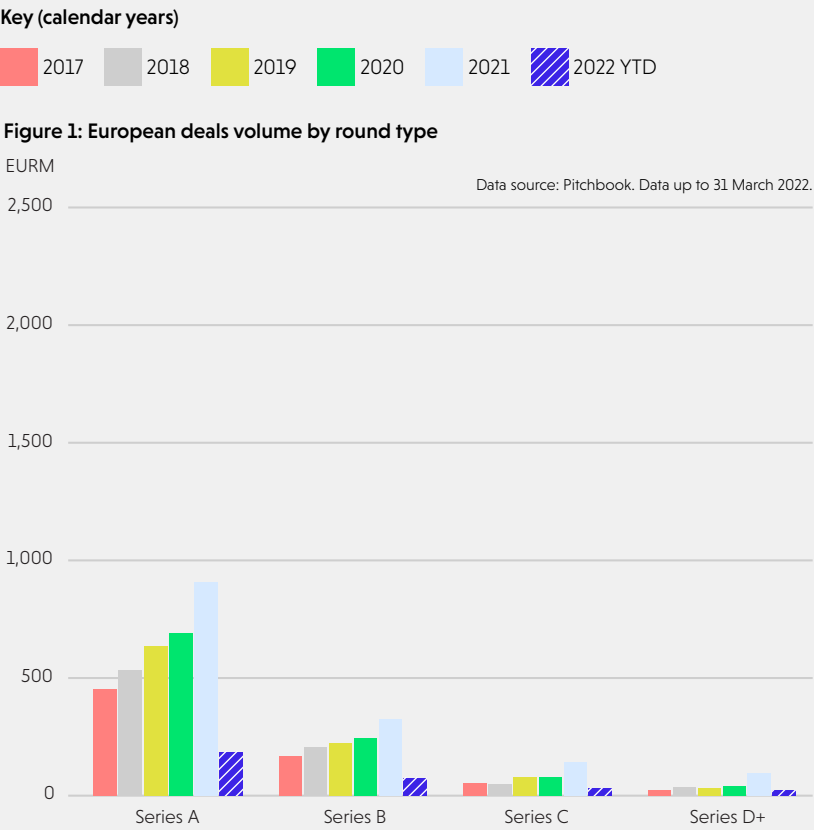
Market context

Market environment

In the past 12 months, the technology market has experienced a polarised environment. Until November 2021, public technology stocks were incredibly buoyant and in the private markets, deals - especially in later rounds - were at record valuations. However, a combination of factors, including: rising inflation and interest rates, volatility experienced by high-profile technology IPOs, a cooling of retail interest in public technology stocks, the continued impact of COVID-19 in the form of Omicron and the unprecedented flow of international government money during the pandemic, saw a significant slowdown in the technology capital markets.

The consequences of this reassessment within the technology capital markets have impacted some participants more than others. In the public markets, some of the hardest hit businesses have been those listed via SPAC vehicles, and highly valued companies yet to become profitable (some falling into both categories), as well as others yet to demonstrate commercial traction with revenues. As public markets have cooled since the end of last year, revenue multiples have fallen for many listed technology businesses. Though data for Q1 2022 (seen in the graphs) does not yet demonstrate this, potentially due to the lag effect we see between public and private markets, we are seeing the impact in the private market with the softening in valuation expectations, particularly for larger, later stage financing rounds.

As markets - public or private - transition, there is often an overcompensation in either direction. Currently, the public market correction appears to be painting technology companies with a broad brush rather than reflecting the underlying economics of the distinct business models. If the sell-off proved a reckoning for revenue-free SPAC listings and the phenomenon of the "Meme Stocks" (those gaining popularity among retail investors through social media), it has also captured high-quality, profitable, or fast-growing companies, with strong unit economics. One of the greatest strengths of technology businesses and the wider industry is not just its resilience in the face of adversity, but its ability to harness the opportunities arising out of adversity. If inflationary pressures, supply chain problems, the ongoing COVID-19 pandemic, the climate crisis and rising cost of living (amongst other things) have contributed to the disappearance of a frothy market, entrepreneurs and astute VCs will gravitate towards building businesses which help drive efficiencies in corporate and consumer markets. Technology-enabled efficiency will remain prominent across industries.

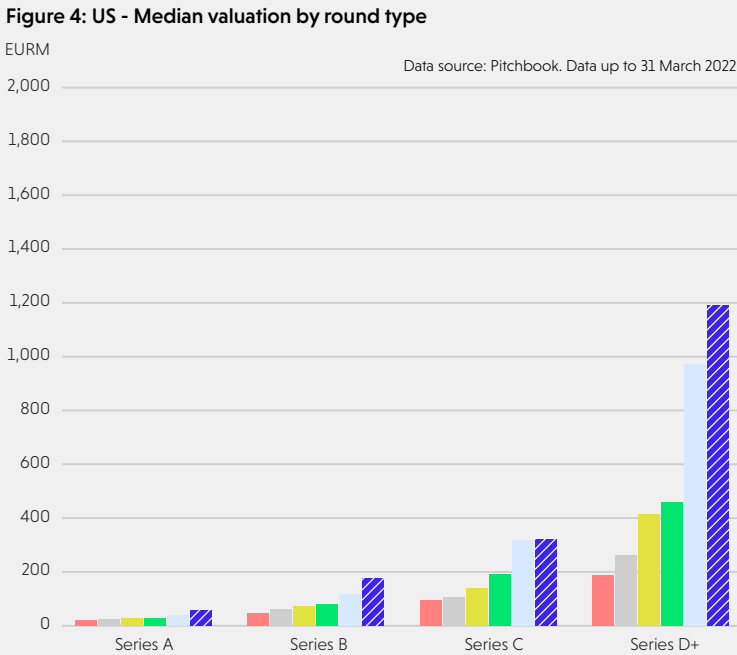
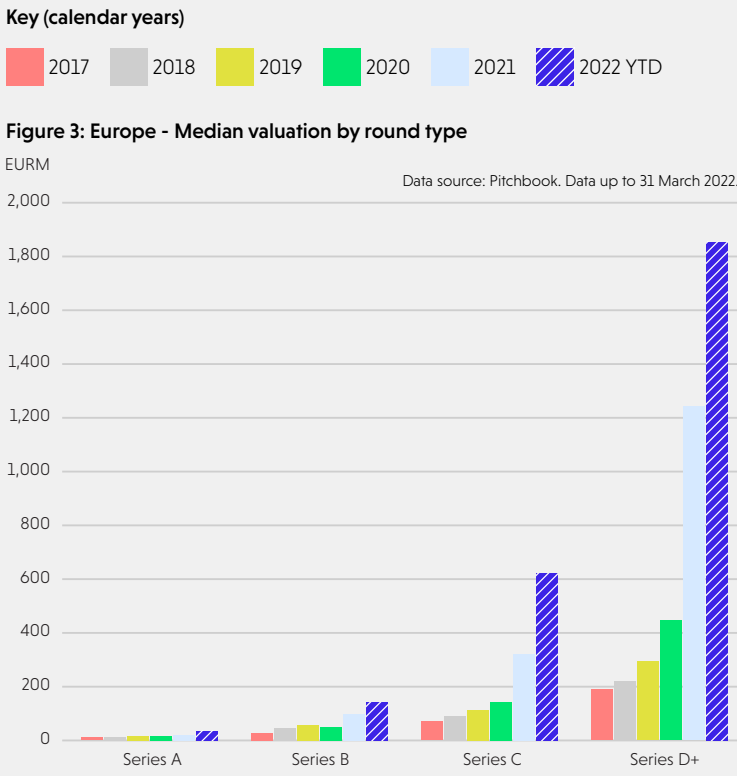


VC industry response

While the public markets have experienced significant recent volatility, the private markets operate across longer time horizons. In the US and Europe, Q1 2022 investment activities continued to be broadly in line with 2021 - which is significant given 2021 was a on outlier for the volume of deals done across all stages in the US and Europe. It is expected that the pace of deals may slow later in the year, highlighting the lag effect between public and private markets.

In previous years, we have highlighted the closing gap between valuations of US and EU deals. While the data on the previous page shows that European deal volume remains behind the US, looking at deal valuations shows a different trend. As this data shows, starting in 2020, median valuations for Series D and beyond of European deals match those of the US, a trend that continued in 2021 and Q1 2022. A note of caution is necessary when assessing data on EU deal valuations in Q1 2022. Relatively few Series D+ deals (26 in total) and Series C deals (32 in total) means a handful may have a large impact on median valuations. Our assessment is similar to our reporting over recent periods - that later stage European deal valuations are coming into line with the US. We can speculate that such adjustment was driven by two factors - the "pivot" to Europe from US VCs, as well as the arrival of non-specialist investors, such as hedge funds, into the European VC market. In earlier stage rounds, Europe remains more competitive, reinforcing the value of specialist VC investors who are better able to manage risk through a portfolio approach, access quality earlier stage deals and actively work with founders and managers as they scale their businesses into later valuations.

In more recent times, VC has been associated with frothy markets and high-profile IPOs. This confuses the market outcome with the functional cause. The reality is that VC-backed companies drive the disruption of existing markets or create entirely new markets. Shifting markets create a fertile environment for entrepreneurial talent and the experience of navigating cycles to craft strong investment vintages in tighter markets is one of the reasons why VC itself is considered to be an uncorrelated asset class. Key features of VC investing are the longevity of the investment period - where success is assessed on significant market opportunities and meeting commercial milestones along the scaling journey - and the close relationship between VCs and their portfolio companies. Private companies are shielded from public market volatility, allowing companies and VCs to plan and reorganise to take advantage of changes in the market - something we discussed in our FY20 results.



War in Ukraine

The wanton violence and destruction unleashed in Ukraine was a tragic and unexpected conclusion to the financial year. While we cannot know the outcome of the war, we are already beginning to see some of the consequences for our industry. The two most notable areas involve the energy crisis the war has unleashed upon Europe and what has been termed Russia's "Brain Drain". The war in Ukraine has brought into stark contrast Europe's energy dependency on Russia, but beyond this, it has created even greater focus on the necessity of advanced climate tech. With new sources of supply for Europe some years away, technologies

which allow for the sustainable production and distribution of energy will be crucial to global short-term demand as well as long-term systemic climate-related risk.

The second impact of the war has been an exodus of technology talent from Russia and Belarus into the already fertile technology communities of Eastern Europe. It is too soon to assess the precise impact of these emigres, however we expect the creation of new businesses in markets which are more open to opportunity and innovation.

Our value chain

01

Fuelling growth

Molten's balance sheet is central to our investments. Investing alongside our EIS and VCT funds enables us to build a more material stake in and support some of the very best European tech companies.

PLEASE SEE PAGE 15

02

Opportunities, dealflow and pipeline

Our brand, people, networks, Fund of Funds programme and longstanding partnership with Earlybird in Germany offer a large pipeline of promising private technology companies from across Europe.

PLEASE SEE PAGE 16

03

Sectors, stages and criteria

We invest in high-growth private technology companies across Europe in four key sectors. We back businesses to provide them with the capital, expertise and networks to fuel their growth. Investing from Series A onwards is our core business, with access to earlier stages via our Fund of Funds programme and Earlybird partnership.

PLEASE SEE PAGE 17

04

The investment process

We screen thousands of businesses every year and only invest in companies and teams with the potential to scale and compete in global markets.

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05

Supporting companies for growth

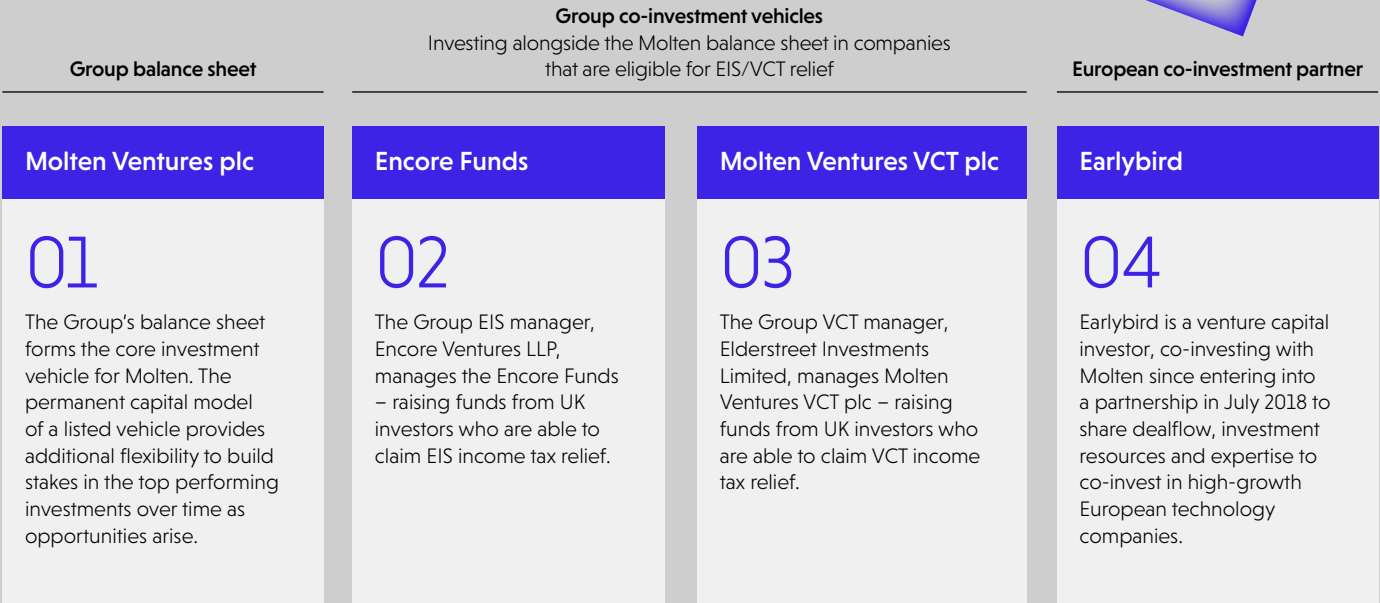
We are here to support entrepreneurs as their businesses grow. Our multiplatform approach and access to capital fuels growth. Our people "Make More Possible".

PLEASE SEE PAGE 19

How we fuel growth

A scalable platform

We have continued to scale our platform to provide our investors with access to some of the best dealflow across Europe. Through co-investment, Molten is able to build greater stakes in companies. The management and performance fees received from the EIS/VCT funds also offset operational costs for Shareholders.



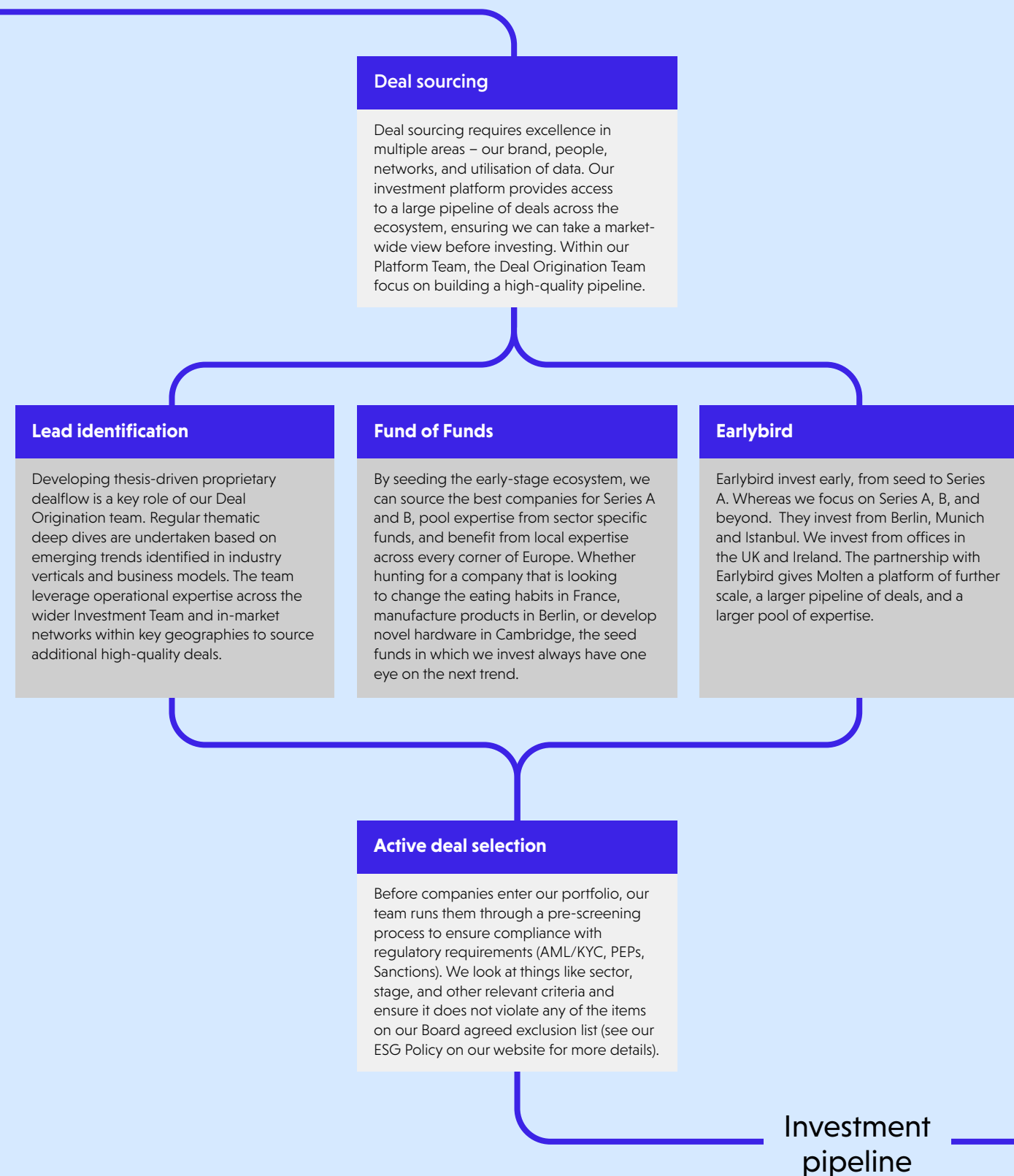
Our deployment strategies

Our deployment strategies allow us to support companies at all stages of their growth, from seed to Series A/B and beyond.



Opportunities, dealflow and pipeline

Dealflow pipeline



Sectors, stages & criteria

Sectors

The Group provides early stage and growth stage technology businesses with capital, networks and management support to accelerate their international growth and development and enhance their value over the long-term.

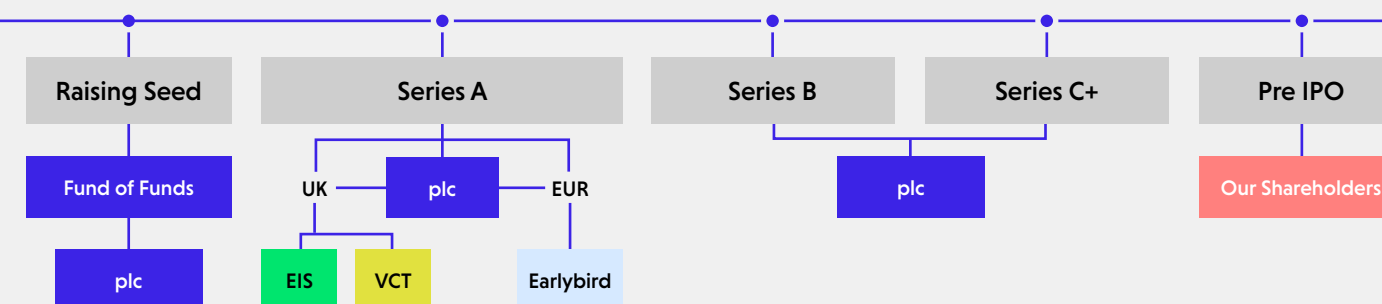
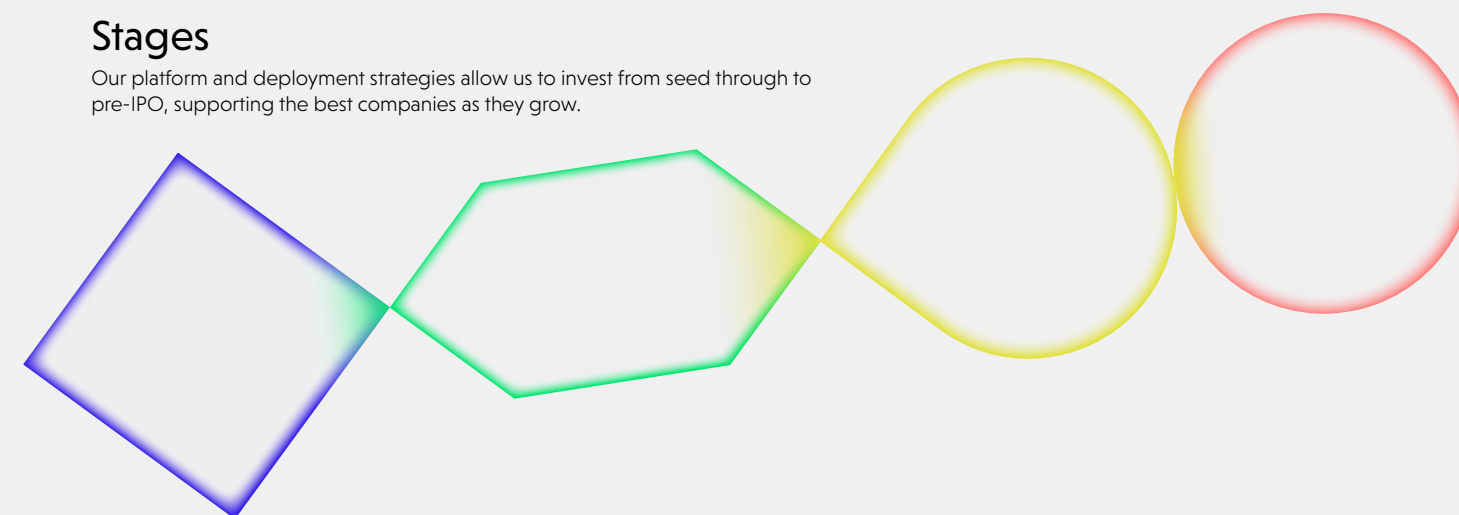
The Group adopts a sector approach, with sub-sector thematics captured within the following broad groupings:

Consumer technology	Enterprise technology	Hardware & Deeptech	Digital health & wellness
New consumer-facing products, innovative business models, and proven execution capabilities that bring exceptional opportunities enabled by technology.	The software infrastructure, applications and services that make enterprises more productive, cost-efficient, and smoother to run.	R&D-heavy technologies which emerge to become commercially dominant, upending industries and enabling entirely new ways of living and doing business.	Using data, software and hardware to create new products and services for the health and wellness market.

SUB-SECTOR THEMATICS, WHICH CROSS ALL OF OUR SECTORS INCLUDE FINTECH AND CLIMATE TECH. FOR FURTHER DETAILS ON OUR CLIMATE TECH THESIS, PLEASE SEE PAGES 22-23.

Stages

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

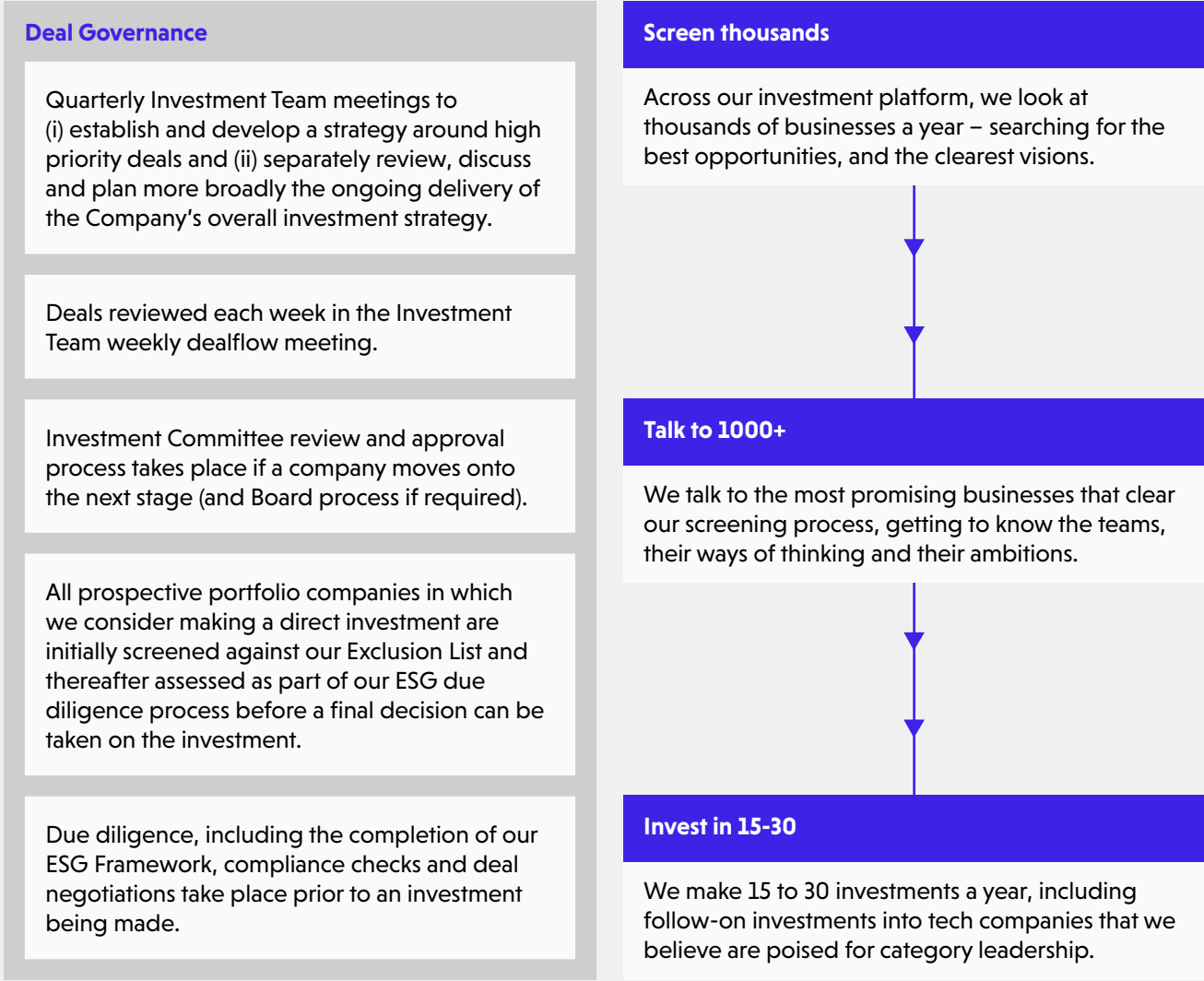


Criteria

Molten and its wider Group aims to seek out high-growth companies originating from across Europe that:

- operate in new markets with the potential for strong cross-border or global expansion
- have the potential to address large new markets or disrupt major existing ones, utilising disruptive technology to achieve this
- have competitive barriers to entry to encourage strong margins and capital efficient business models
- have the potential to be global sector leaders
- are run by impressive entrepreneurs who have the ability to build world-class management teams
- are backed by strong syndicates of investors to reduce financing risk in future rounds
- will be attractive candidates for acquisition by large corporations, private equity or public ownership by institutions by way of an IPO
- aim for sustainability and/or are committed to positive and sustainable growth
- have the potential to generate multiples of invested capital for investors

The investment process



▲ **EDEL COEN**
Principal & Head of Dealflow



PHILIP O'REILLY ▶
Head of Deal Execution

Supporting companies for growth

Success requires transformation, transformation requires movement, movement requires energy. At Molten, we believe this is our role: we inject “energy” to help companies succeed. Our energy comes via capital, knowledge, experience and relationships, for the long-term.

As explained over pages 14-18, our platform allows the flexibility to invest in a variety of ways across an investee company's lifecycle and our patient evergreen capital model gives us the option to participate in multiple funding rounds for the long-term. See pages 20-21 for examples of companies we have supported as they have grown.

Teams that support

Rapid expansion is where our “energy” makes the most difference. We also work with our portfolio to support them as they grow. Our Partnership Team are active Board members, providing valuable connections, and through the activities of our Platform Team, we open doors to an array of specialist expertise.

Our expert Partnership Team comes with years of combined experience across a variety of sectors and backgrounds. Be it introductions or knowledge, our Partnership Team is there to provide support. From international scaling, customer development and hiring, to follow-on funding, exits and IPOs, our team can help because a lot of them have been founders themselves.

As our portfolio companies expand and grow, it is important for them to have access to all the knowledge and know-how they need to grow and succeed. Our Platform Team manage sourcing, evaluating, and delivering on investments, as well as facilitating post-investment engagement with our portfolio. Our Marketing Team provides support to the portfolio as companies navigate finding their own brand and voice as they scale and grow.

Our Platform Team is backed by a range of specialists in areas such as legal, compliance, investor relations, finance and ESG. Our Legal and Compliance Teams are governance experts, whilst Finance and Investor Relations Teams have a deep understanding of the public markets. Be it support with governance or sharing our ESG best practice to help them monitor, plan, and implement their own ESG strategies, our support teams can help.

As our portfolio companies expand and grow, it is important for them to have access to all the knowledge and know how they need to grow and succeed.



MOLTEN VENTURES ▲
Members of the Molten Ventures team

Benefits of our model

Gain access to private technology companies

We provide public market investors access to high-growth private technology companies.

It is not a blind pool

Investors can see the assets up front and gain exposure to a range of companies at different stages of their growth journey.

Build stakes

The permanent capital model of a listed vehicle provides the flexibility to build stakes in some of the top performers over time, as opportunities arise.

Case study: Supporting our portfolio for growth

Our public listing and multi-fund model enable us to provide entrepreneurs with backing across their companies' life cycles, fuelling the best businesses for longer. Our Fund of Funds programme enables us to back companies at the start of their journey, also providing us with a source of the best businesses for Series A and B investments. Our four-pillar strategy, with an emphasis on thesis-driven investments, allows for great insight into emerging trends that continue to develop and grow, such as data management, climate tech, and the decentralisation of banking technology. As the best and brightest companies scale, we are there to offer financial support and guidance.

Molten's model and plc structure gives us the flexibility to invest in companies as their need arises. Our increased deployment during FY22 has enabled us to take part in follow-on rounds and support the most promising from within our portfolio as they grow. In the current year, we have deployed £130.3 million into follow-ons into our existing portfolio, £252.2 million into follow-ons since our 2016 AIM IPO.



Graphcore

Hardware & Deeptech

Intelligence Processing Unit.

The company's most recent Series E funding round raised US\$222.0 million – bringing the total funds raised by Graphcore to US\$710.0 million. We first participated in Graphcore's US\$30.0 million Series A round, and have since participated in a further three rounds, including the aforementioned Series E; our evergreen model allows us to support Graphcore as it grows.

In March 2022, Graphcore launched Bow IPU, at the heart of their next generation 'Bow Pod' AI computer systems, delivering up to 40% higher performance and 16% better power efficiency. Graphcore's customer base includes the Microsoft, Imperial College, University of Oxford and University of Bristol among others.



We first invested in Graphcore at its inception, spinning out of Xmos. Five rounds of funding totalling US\$710.0 million has made it the principal challenger for the silicon micro-chips used in the new AI market. In Nigel Toon, Simon Knowles, and their team, Graphcore has the management and technology capability required to transform global industries. Molten had a close relationship with Nigel and Simon long before Graphcore was born and Graphcore's continued innovation and growth is testament to the vision and execution of a remarkable team.



Stuart Chapman
Chief Portfolio Officer



Ledger

Hardware & Deeptech

Develops security and infrastructure solutions for cryptocurrencies and blockchain applications.

Since 2014, the company has sold more than 4 million hardware wallets in 190 countries and has more than 1.5 million monthly users on Ledger Live. Launched in 2014 around the idea of creating secure solutions for blockchain applications, Ledger SAS and its subsidiaries have now grown to a group with over 300 employees across three continents. Having originally invested in their US\$75.0 million Series B round in 2018, we joined the company's US\$380.0 million Series C round in FY22. As the ecosystem diversifies beyond cryptocurrency to include NFTs, real estate, and other forms of value that can be shifted onto blockchain, Ledger continue to position themselves as the secure gateway to this growing ecosystem.



We met Pascal and the team at Ledger many years ago and were excited to lead their Series B round in 2018 backing a strong belief in the need for infrastructure and security for crypto and blockchain applications. Four years later, and following the recent Series C Round in May 2021, Ledger is now at the forefront of a huge growth trend in digital assets and in pole position to be the market leader globally having built credibility through security. The ambition is now to become the leader in critical digital asset sectors for consumers and enterprise.



Jonathan Sibilia
Partner



Thought Machine

Enterprise Technology

Production of cloud-native technology for core banking.

Founded in 2014, the company boasts a strong customer base – signalling their critical role in the future of global banking technology.

We first invested in Thought Machine in FY20 in their US\$125.0 million Series B round. Thought Machine reached unicorn status in 2021 when it closed its US\$200.0 million Series C round, in which Molten participated. The company announced its most recent US\$160.0 million Series D funding round in May 2022 – accelerating plans to bring the world's banks onto cloud technology.

Thought Machine's global client list includes a range of Tier 1 multinationals, smaller regional banks and fintech companies. The company continues to scale, bringing its total number of staff to over 500 with offices across four countries.



We continue to invest in our thesis of the technology layer that forms the backbone of banking. Thought Machine stands out by way of the strength of its engineering capability, and is unique in being the only company in the banking technology space that has developed a platform capable of hosting and migrating international Tier 1 banks.



Vinoth Jayakumar
Partner



Form3

Enterprise Technology

Cloud-native, real-time payment technology platform.

Molten's initial investment thesis on Form3 was built around our exploration of the layers of cost inside a bank and what the drivers of gross margin were for a neobank. Payments and Core Banking Systems were the two main components within that thesis. Originally Form3 positioned itself as an account-based payments company for banks using a cloud-native platform. Since then, it has evolved into a total payments platform.

Having originally invested in November 2018, Molten Ventures invested in Form3's US\$13.0 million Series B round in FY19, and most recent US\$160.0 million Series C round in September 2021, which brought the company's total fundraising to US\$220.0 million. Form3's strong growth continues, having seen its annual recurring revenue grow by 233% in 2021. The company already employs over 340 people in 27 markets.



We have been involved with Form3 since late 2018 and in the time since, the company has gone from strength to strength. The company is a great example of the investment potential in fintech as the digital banking revolution continues. It's also encouraging to invest alongside banking industry players who bring significant market knowledge and commercial opportunity.



Vinoth Jayakumar
Partner

Case study: Climate tech at Molten Ventures

The transition to net zero is one of the most urgent needs of our time and also one of the single biggest investment opportunities. Staying below the 1.5°C warming threshold and so halving Greenhouse Gas (GHG) emissions in a decade will require nothing short of a complete overhaul of the global economy.

The United Nations (UN) estimates that around US\$3.5 trillion of investment will be needed each year to 2050 to remain on track¹. At every layer of the capital stack, opportunities are emerging to fund the development and growth of the technologies that will enable our sustainable future. Mark Carney, former Governor of the Bank of England, considers the net zero climate solution the “greatest commercial opportunity of our age”², and at Molten we believe there will be a generation of category-defining climate champions that will emerge from this period.

If halving GHG emissions by 2030 is the biggest economic opportunity in a generation, then we believe that the winners are going to win big. As for where we are now, countries accounting for the majority of global GDP have formal targets for net zero emissions and there has been a dramatic shift in the attitude of corporates as investors demand companies realign operations for a net zero future. The results are significant new pools of capital, both public and private, forming to fund innovation with institutional capital flowing into “green” investment funds at an unprecedented rate.

▼ CERVEST

Climate Intelligence Platform

This movement should not be conflated with the first foray of private capital into “clean tech” in the early-noughties. We believe this new economy is different to earlier attempts to “green” the energy system or to shoehorn sustainability into old systems. Most of our current infrastructure, supply chains, food systems, and business practices were developed in a time when climate change wasn’t our most significant global threat. This means that we must facilitate a fundamental redesign of the economy, one which no longer relies on fossil fuels, to achieve the magnitude of change that is necessary, something that has been brought into even greater focus by the Russian invasion of Ukraine and impact on global energy supply chains. We believe that this will be structural and transformational, presenting itself through massive technological and systems-level innovation.

Whilst various types of capital will be needed, it is clear to us that venture-backed companies will be driving much of that change. At Molten, rather than looking at climate through a siloed or sector-lens, we think about climate technologies through a systems-level approach. Every company, government and institution is going to need a new infrastructure of solutions to help measure, mitigate against and adapt to the threats that climate change presents. Technology companies developing working and scalable solutions in these areas can be tomorrow’s winners.

At Molten, we are excellently positioned to be able to identify and scale these new climate champions given:

- our position in the early-stage ecosystem in Europe as responsible investors, having backed a number of climate and sustainability-focused seed fund managers
- our long-term patient capital approach and ability to lifecycle fund the winners
- our emphasis on ESG and track-record of backing companies across sectors and across the tech-stack given climate can impact any sector and will need hardware and software solutions

As such, we have been developing our work and research in this space and increasing our cadence of investments where our fundamental thesis aligns to the opportunities that emerge. Ultimately, achieving net zero will require a host of new, scalable, data-led solutions across every component of the economy and the scale of market shift around climate demonstrates this. Technologies that blend the physical, digital, and biological realms and systems that increase traceability of materials and facilitate a circular economy are among a host of innovative solutions that will continue to gain momentum.

Call it the climate economy, climate-tech, clean-tech 2.0 or anything else - this opportunity is set to be vast, and we are just getting started...

Climate intelligence - Cervest

Cervest is a pioneering Climate Intelligence company that forecasts and quantifies physical climate risk at the individual asset level. Cervest’s open-access platform pre-populates climate risk for every physical asset on Earth, empowering organisations to view and act on their specific climate risk in a way that has not previously been possible.

We believe that within the next ten years there will not be a single entity without a carefully planned approach to assessing the physical risks from climate disruption. As such, we see Climate Intelligence as one of the most significant markets to scale in this net zero economy given the need for data to power climate action and adaptation. We see a broad range of applications for quantifiable micro-level data on climate risk, whether in capital markets, insurance pricing, or for companies and governments facing unprecedented economic impacts on physical assets and supply chains from climate volatility.

Cervest - UK - Molten led US\$30.0 million Series A

Carbon markets - BeZero Carbon

BeZero Carbon is building the world’s leading data and analytics platform for scaling and catalysing the Voluntary Carbon Market (VCM). Its core product, the BeZero Carbon Rating, is currently the only risk-based framework for assessing carbon efficacy that can be applied to any carbon credit project globally. Through their universal coverage and risk-based framework, BeZero’s rating acts as a metric for cross-credit carbon fungibility and a mechanism to facilitate true carbon liability-asset matching.

As net zero commitments from corporates ramp up, so does interest in carbon offsetting and indeed the desire to do so through robust and reliable carbon projects. Estimates place the VCM at US\$50-100 billion by 2030 compared to US\$300 million in 2018^{3,4}, however, whilst this market is necessary for progress towards net zero, it lacks the key infrastructure or data to function properly. The VCM has the potential to act as a mechanism driving billions of dollars into carbon sequestering or avoidance projects. Despite this, today’s market has very little correlation between price and quality of carbon projects and the VCM needs the data and infrastructure to align incentives to properly scale this market.

BeZero Carbon - UK - Molten led £15.0 million Series A



▲ BEZERO CARBON

Tommy Ricketts (left) and Sebastien Cross (right), Co-founders of BeZero Carbon

SATELLITE VU Earth Observation Company



Earth Observation - Satellite Vu

We believe Satellite Vu is set to become a new category leader in “Earth Observation” by measuring the thermal footprint of any structure on Earth in a consistent and near real time manner using methods not previously available. Satellite Vu will launch the world’s first constellation of infrared satellites into orbit, delivering unique insights at scale around energy efficiency and carbon footprinting. Their plans for global coverage by 2024 would give the company a first-mover advantage in a new category of space data – infrared – and a potentially significant competitive moat in a category with various emerging use cases.

Detecting heat signatures in space is a significant unmet need within various sectors and will open up new applications in the net zero economy. The built environment is responsible for around 40% of carbon emissions, and capex related to the energy efficiency of buildings is forecast to be in the trillions in the coming decades⁵, yet we lack consistent and robust data in this area. Markets such as environmental monitoring, energy, and large-scale thermal mapping of buildings for energy efficiency programmes are set to be significant markets in the coming years. There is evidence of significant latent demand for high resolution IR data in these markets.

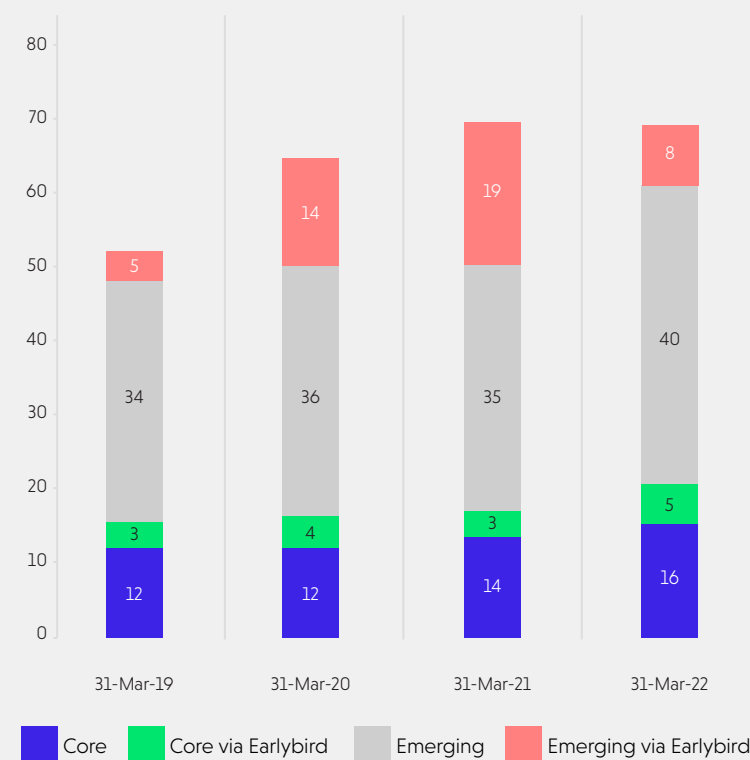
Satellite Vu - UK - Molten participated in £15.0 million Series A

¹ https://www.ipcc.ch/site/assets/uploads/sites/2/2019/02/SR15_Chapter4_Low_Res.pdf
² <https://www.ft.com/content/8ed608b2-25c8-48d2-9653-c447adbd538f>
³ https://trove-research.com/wp-content/uploads/2021/11/Trove-Research_Scale-of-VCM_29-Oct-2020-2.pdf
⁴ <https://ukcop26.org/delivering-high-integrity-inclusive-voluntary-carbon-markets-for-1-5c/>
⁵ https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZero2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

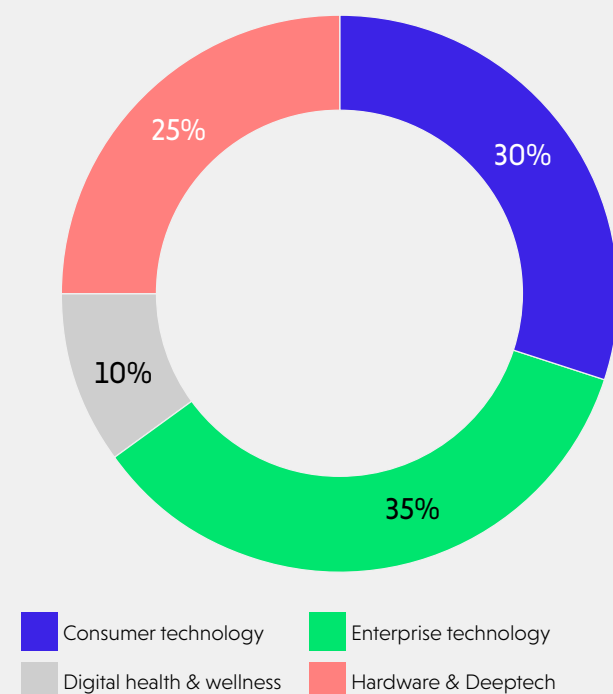
Our portfolio

In line with the growth of our portfolio and to reflect appropriate look-through methodology, we have updated the presentation of our portfolio data to disclose Earlybird companies where the overall invested amount is over £2.0 million to Molten Ventures. Previously this threshold was set at £1.0 million.

Number of portfolio companies



Number of companies – split by sector



Consumer technology

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

24% as a percentage of the portfolio by value*
30% as a percentage of the portfolio by number of companies



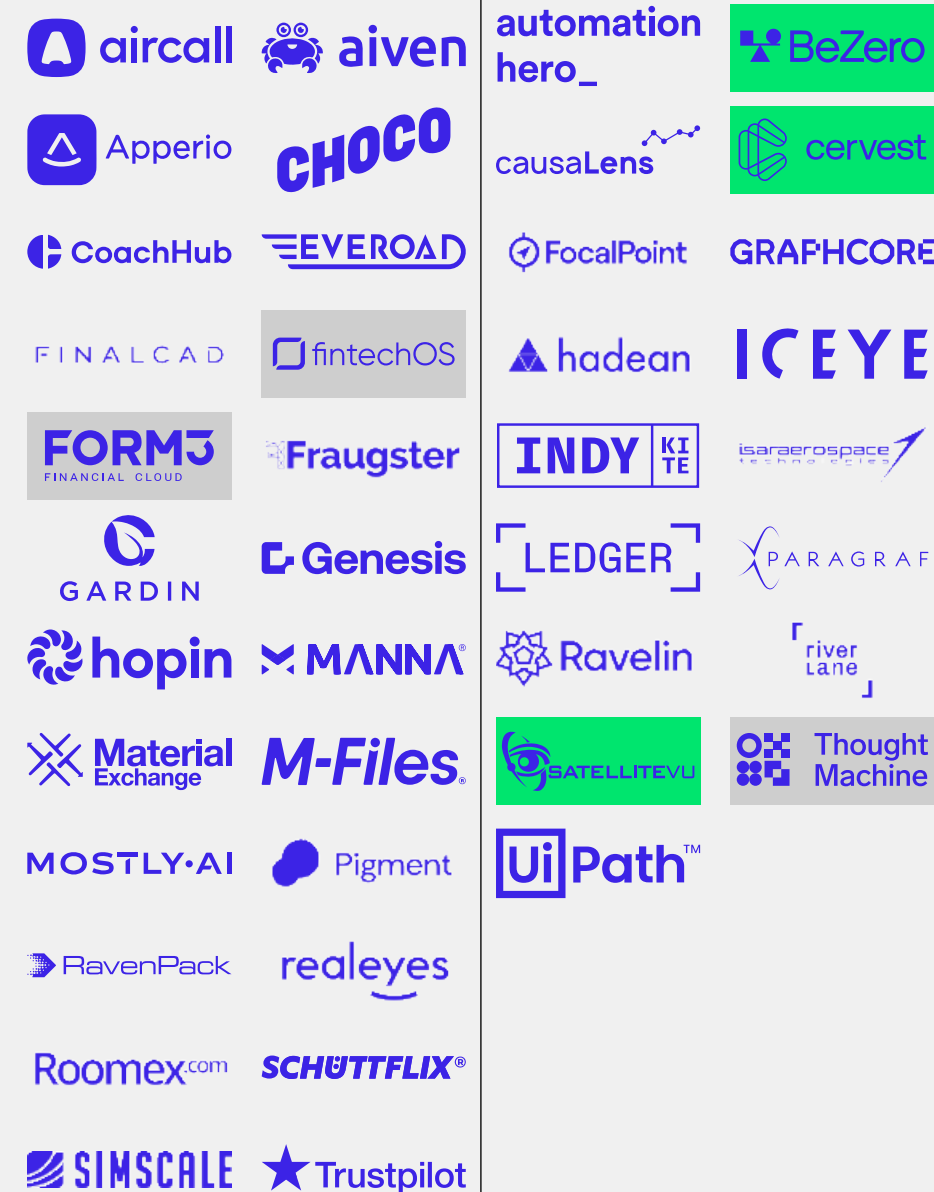
Key

Climate tech Fintech

Enterprise technology

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

39% as a percentage of the portfolio by value*
35% as a percentage of the portfolio by number of companies



Hardware & Deeptech

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

33% as a percentage of the portfolio by value*
25% as a percentage of the portfolio by number of companies



Digital health & wellness

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

4% as a percentage of the portfolio by value*
10% as a percentage of the portfolio by number of companies



*The sector split by value is shown as a percentage of the total value of those companies listed above - direct investments, co-investments and Earlybird companies above a £2.0 million threshold to Molten Ventures. This is not as a percentage of the Gross Portfolio Value as the above excludes certain elements of the portfolio, such as certain Earlybird investments and holdings via our Fund of Funds programme.

Our strategy

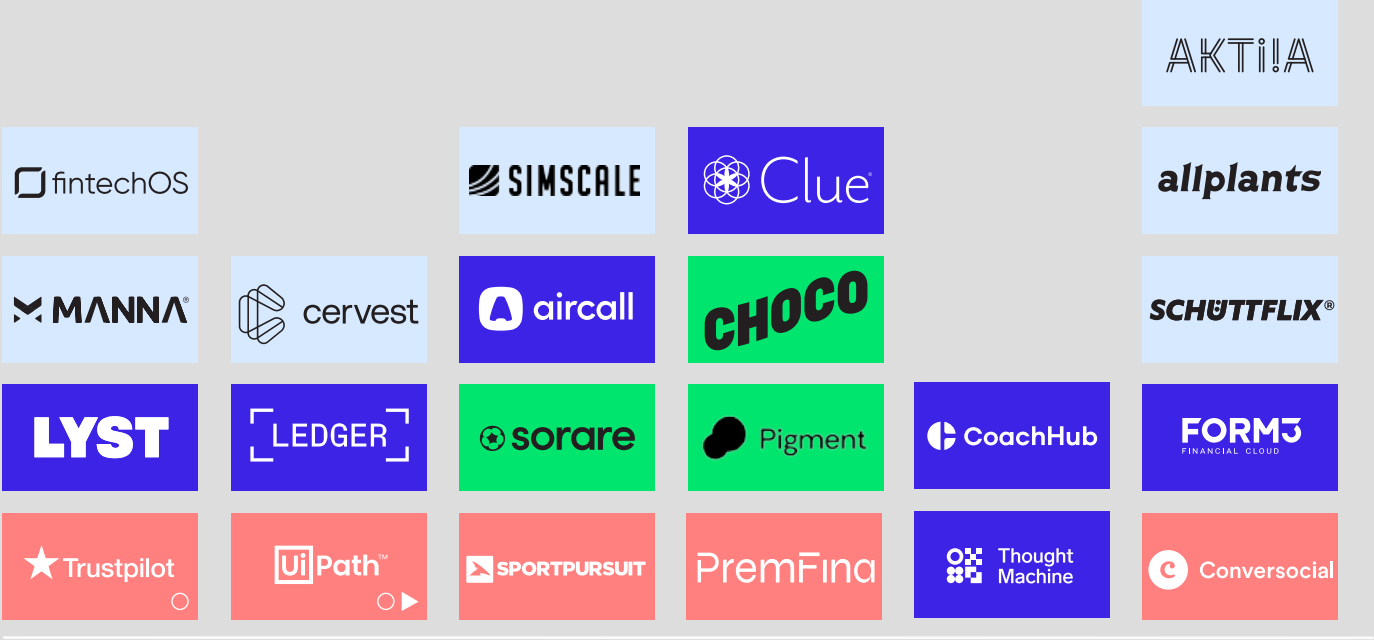
	Strategic objective	FY22 progress	FY23 outlook	Links
A	To back disruptive high-growth technology companies to invent the future	- Continued development of our platform and team. - Investments of £311.2 million made during the year, with a further £45.1 million from EIS/VCT funds. - Invested into 29 new and existing companies (direct) and committed to 22 new funds via our Fund of Funds strategy. - Trading performance of our portfolio companies continues to be strong with average revenue growth rates in the core portfolio above 65%.	Expected level of annual deployment in the region of £150.0 million	Link to principal risks (pages 73 to 81) 1, 2, 7, 9, 10 Link to KPIs (page 27) 3, 4
B	To fuel their growth with access to capital	- Investments of £311.2 million made during the year, with a further £45.1 million from EIS/VCT funds. - Of £241.9 million invested into primary and follow-on rounds, 74% was into growth-stage deals.	Expected level of annual deployment in the region of £150.0 million	Link to principal risks (pages 73 to 81) 1, 3, 5, 9, 10, 12 Link to KPIs (page 27) 3
C	To provide a holistic capital model, supporting entrepreneurs through the duration of their journey	£78.1 million of cash at 31 March 2022, with a further £60.5 million available for investment in EIS/VCT funds. - Committed to a further 22 Fund of Funds, leading to total commitments in 57 funds as part of our Fund of Funds programme.	- Continue to utilise our flexible model to support entrepreneurs through the duration of their journey. - Continue to support our Fund of Funds programme.	Link to principal risks (pages 73 to 81) 3, 4, 6, 8, 9, 12 Link to KPIs (page 27) 3, 5
D	To scale our platform for growth whilst maintaining the integrity of the investment process	- Following growth in the investments and additional capital raised in the year, the platform's AUM (including EIS and VCT) is c.£1.8 billion. - Continued development of our team.	- Continue to consider opportunities to introduce third-party capital, enabling the Group to build a more material stake in companies. - Continue to develop our processes as we grow.	Link to principal risks (pages 73 to 81) 1, 4, 7, 9, 10, 11 Link to KPIs (page 27) 1, 3, 5
E	To maintain a high-quality bar for investments to continue to deliver strong investment returns underpinned by cash realisations	- Fair value increase of 37% in the gross portfolio. - Realisations of £126.3 million during the year.	20% through the cycle. - Target of 10% in realisations of the Gross Portfolio Value through the cycle.	Link to principal risks (pages 73 to 81) 1, 2, 3, 4, 5, 6, 8, 9, 10, 12 Link to KPIs (page 27) 1, 2, 4
F	To support visionaries who find new ways for the world to work in the future. We want that future to be sustainable, fair and accessible to all	Achievement of FY22 ESG KPIs - see page 50 for further details.	See page 51 for details of FY23 ESG KPIs.	Link to principal risks (pages 73 to 81) 4, 7, 9, 10, 11, 12 Link to KPIs (page 27) 6

KPIs

	KPI	Measurement	Progress this year	Focus for 2023
1	Growth in value of the portfolio	Gross Portfolio Value determined using IPEV Guidelines.	Gross Portfolio Value has increased to £1,531.5 million, with a fair value movement of £362.8 million reflecting a fair value increase of 37% from FY21 (FY21: £983.8 million).	20% through the cycle.
2	Realising cash	Cash generated from portfolio company exits against original cost.	£126.3 million realised in the year (FY21: £206.3 million).	Target of 10% in realisations of the Gross Portfolio Value through the cycle.
3	New investments	Deploying funds for investments into new portfolio companies, follow-on investments into existing companies, stake building into existing companies and secondary investments.	£311.2 million invested in the year from plc (FY21: £128.0 million), with a further £45.1 million from EIS/VCT funds (FY21: £33.8 million).	Expected level of annual deployment in the region of £150.0 million
4	Dealflow	Tracking private company financing rounds across Europe and analysing against the Group's internal CRM database to determine if the opportunity was known to the Group.	We continued to build the Platform Team and enhance our deal origination processes, as evidenced by the calibre of investments made during the year.	Through our brand and network, continue to access high quality dealflow across Europe.
5	Cash balances	Maintaining sufficient liquidity to meet operational requirements, take advantage of investment opportunities and support the growth of portfolio companies.	£78.1 million (FY21: £160.7 million) at year-end, including restricted cash. £60.5 million (FY21: £42.6 million) cash in our EIS and VCT funds available for investment. Undrawn balance from our £65.0 million revolving credit facility at year-end was £35.0 million (FY21: £60.0 million), with £30.0 million drawn on the facility.	Maintenance of 12-18 months of cash resources.
6	ESG*	Progress against Molten Ventures' FY22 ESG KPIs 1-4 (see page 50).	We continued to work through our ESG roadmap (see page 51).	Execute on the Company's FY23 ESG KPIs, which can be found in the Sustainability section of the report on page 51.

* This ESG KPI indexes to 10% bonus entitlement for all staff and Executive Directors (see further information on page 113)

Activities in the year

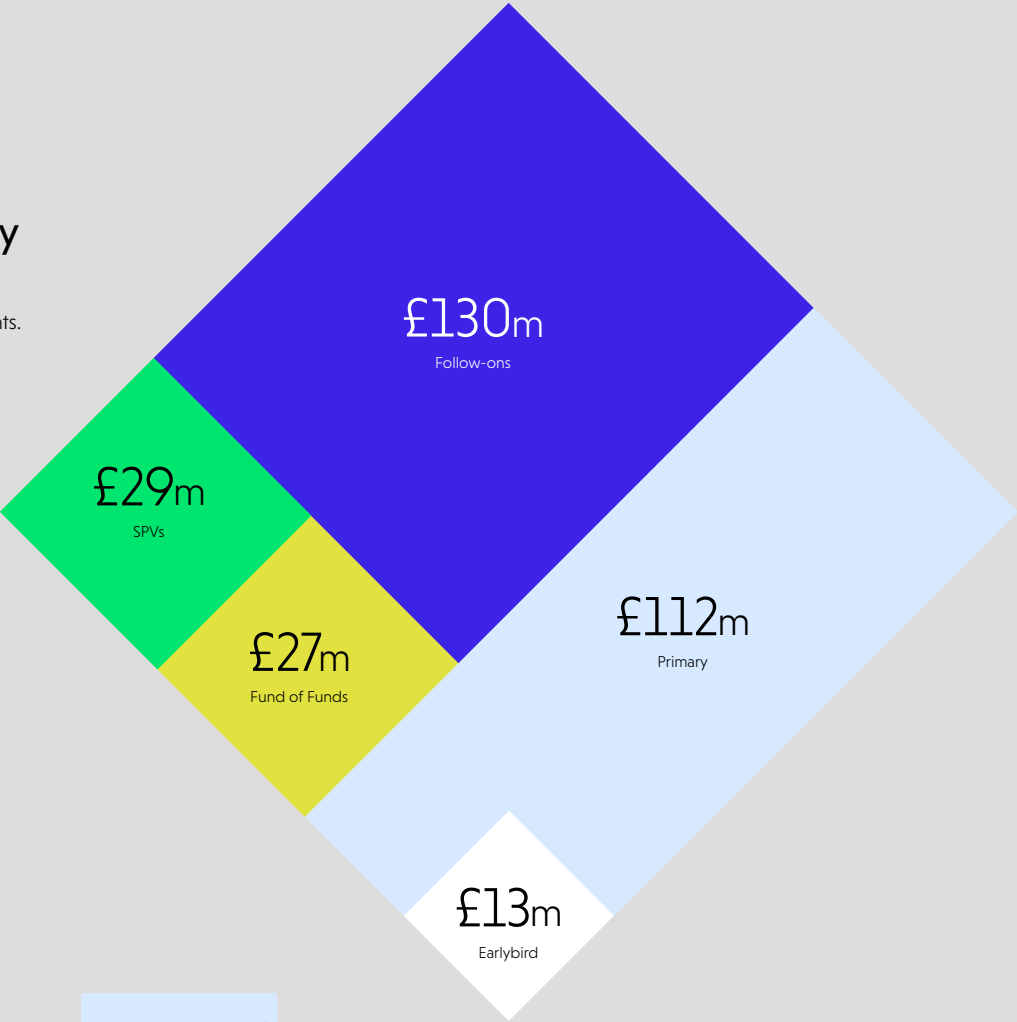


Primary investments Follow-on investments Co-investments Exits Partial sale of shares, remains a holding Via Earlybird

Activity in the year includes investments over £2.0 million to Molten Ventures (exceptions of Clue – £0.8 million invested, Satellite Vu - £1.0 million invested, Gardin - £1.5 million invested) or bringing the overall invested amount to over £2.0 million to Molten Ventures via Earlybird.

Total plc investments by type in FY22

Breakdown of £311m balance sheet investments.



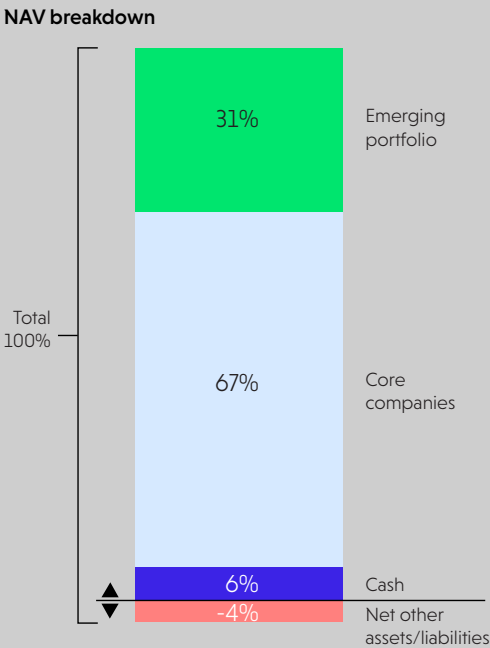
Primary investments Follow-on investments Co-investments Exits Partial sale of shares, remains a holding Via Earlybird

What’s in a share?

As our companies grow, we have the ability to provide follow-on capital to build our stake.

68% of Gross Portfolio Value and 67% of our Net Asset Value (“NAV”) is distributed in 21 companies, representing our core holdings. By doubling down on the winners in our portfolio, we manage the risk exposure of the portfolio and generate improved upside.

Equally, our more flexible approach to capital enables the companies themselves to grow over a longer period, creating value for the benefit of our Shareholders. When companies exit, cash is returned to the balance sheet so we can invest it into new opportunities.



Cash

6%

Cash
When companies exit, the cash generated is returned to the balance sheet and reinvested into new opportunities in the market.

Core companies

67%

Core companies
The companies in the portfolio representing 68% of Gross Portfolio Value, which is 67% of the NAV. Molten provides follow-on capital, developing a more significant stake in the business once it has proven its business model.

Emerging portfolio

31%

Emerging portfolio
The Group continually invests in emerging entrepreneurial and fast-growing tech business. Core and emerging percentage of NAV is calculated with reference to their proportions of the Gross Portfolio Value.

Net other assets/liabilities*

-4%

Net other assets and liabilities*
Other assets and liabilities of the Group.



MOLTEN VENTURES
Members of the Molten Ventures team.



Portfolio review

Our increased investment cadence has allowed us to continue to take advantage of high-quality opportunities and back our existing portfolio through their cycle. Whilst we have increased deployment this year, we have also maintained focus on the quality of our investment process and balanced this uplift through realisations.

Investments made during the year of £311.2 million include £111.7 million of investments into new companies and £130.3 million of follow-ons into our existing portfolio. Our higher levels of deployment have enabled us to invest in new companies, lead more rounds and take larger stakes.

Cash proceeds were £126.3 million, including proceeds from partially selling down shares held in publicly-listed Trustpilot and UiPath, as well as from the full realisations of SportPursuit, Premfina, Conversocial, and Bright Computing, and escrow receipts relating to previously announced disposals and distributions from Fund of Funds interests.

Our portfolio continues to comprise of a balance of mature core companies and emerging businesses.

Portfolio valuations

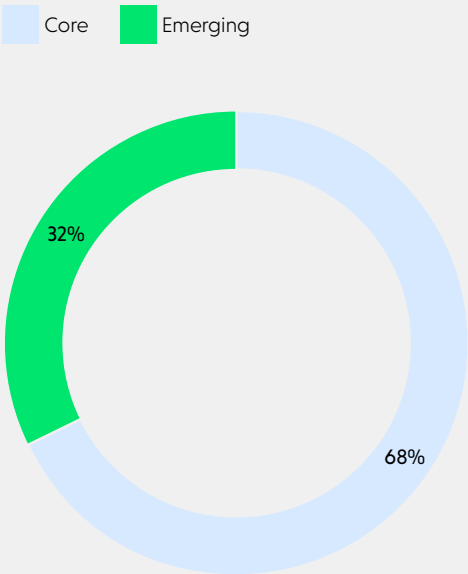
The Gross Portfolio Value as at 31 March 2022 is £1,531.5 million, an uplift of £547.7 million to the 31 March 2021 value of £983.8 million. The fair value increase for the year ending 31 March 2022 is £362.8 million, of which £15.9 million results from the impact of foreign currency movements on the portfolio. The largest contributors to the unrealised fair value gains are Revolut (£75.9 million), Thought Machine (£65.1 million), Aiven (£59.8 million) and CoachHub (£58.6 million).

At 31 March 2022, we held interests in three listed companies – Trustpilot, UiPath, and Cazoo. We also held an interest in one listed fund as part of our Fund of Funds programme. Their valuations are based on their quoted share price on 31 March 2022.

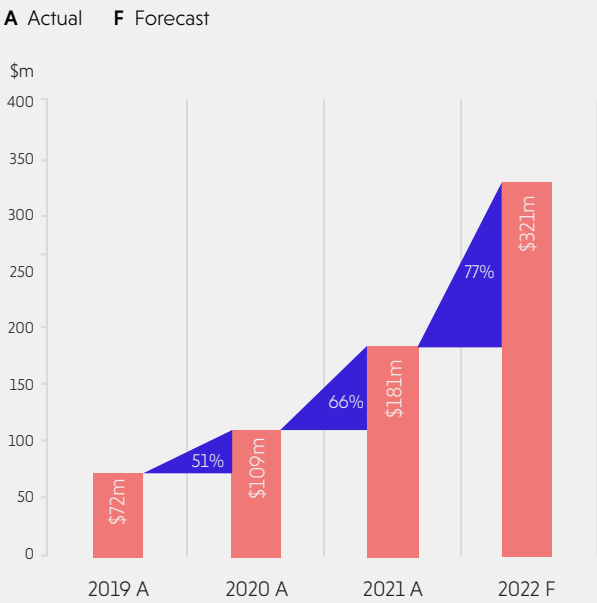
68% of the Gross Portfolio Value is made up of our 21 core companies. New entrants to the core are: CoachHub, Form3, ICEYE, N26, Isar Aerospace and PrimaryBid, whilst Perkbox is not included in the core in this period, and we exited SportPursuit. We partially disposed of Trustpilot and UiPath during the period, however these companies remain in the core. For more details on the movements of the core during the year, please see the Gross Portfolio Value table on page 46.

The Gross Portfolio Value reflects fair value growth driven by financing rounds at higher valuations and increased revenues. The fall in value of our public company shareholdings has been offset by gains in the value of our private investments at 31 March 2022. The performance of our portfolio companies continues to be strong with average revenue growth rates in the core portfolio above 65% during 2021.

Core Holdings as % GPV



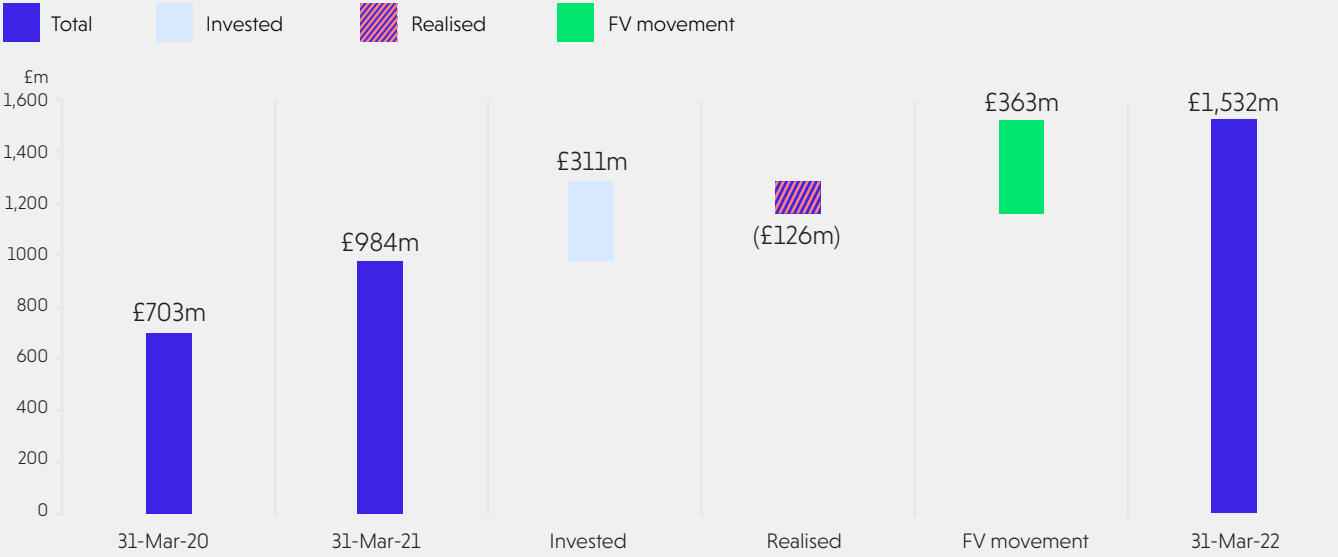
GPV Average Core Revenues



Average revenues for core companies - actuals for 2019-2021 and their forecasts for 2022.

Portfolio review continued

Gross Portfolio Value Progression



Investments

New companies

During the year, we invested £111.7 million into new entrants to the portfolio, taking advantage of opportunities to lead rounds in areas such as climate tech, fintech and drone delivery technology, whilst maintaining the quality and volume of investments made.

- **FintechOS** – we led a US\$60.0 million Series B funding round in FintechOS, supported by existing investors. FintechOS is a global technology provider for banks, insurers and other financial services companies with a low code approach to digital transformation.
- **Schüttflifx** – we led a US\$50.0 million Series A round into Schüttflifx, a platform that connects material producers and freight forwarders with customers from different construction sectors, such as building, civil engineering, and landscaping.
- **Material Exchange** – we led a €25.0 million Series A round into Material Exchange, a SaaS enabled marketplace for sourcing materials within apparel industries.
- **Mostly AI** – we led a US\$25.0 million Series B round into Mostly AI, which uses AI to create synthetic data sets to look just as real as a company's original customer data and reflect behaviours and patterns enabling companies to comply with data protection regulations and use sensitive data in cloud environments.
- **SimScale** – we co-led a €25.0 million Series C extension round in SimScale, a cloud-based SaaS platform making high-fidelity simulation technically and economically accessible to engineers worldwide.

- **Allplants** – we led a £38.0 million Series B funding round in Allplants, the D2C plant-based food business. Its plant-based meals are hand-made 24 hours a day by 140 chefs in the company's own kitchen and delivered across the UK.
- **Aktiia** – we led a US\$17.5 million Series A round in Aktiia, which has built a system for continuous blood pressure monitoring for remote patient monitoring in hypertension. Aktiia's core product is a CE-marked, non-invasive optical blood pressure monitoring device worn on the wrist.
- **Cervest** – we led a US\$30.0 million Series A round in Cervest, whose AI Climate Intelligence platform combines public and private data sources, machine learning and cutting-edge statistical science to present a unified view of climate risk.
- **Manna** – we led a US\$25.0 million Series A round in Manna. Manna designs, builds and operates unmanned aerial vehicles which perform high-speed deliveries of takeaway food, groceries and pharmacy goods/ supplies up to 3kg in suburban last-mile settings.
- **BeZero Carbon** – we led a £15.0 million seed round into carbon offset intelligence platform BeZero Carbon. BeZero is building a data and analytics platform for catalysing and scaling the Voluntary Carbon Market.
- **IndyKite** – we led a US\$8.0 million seed round into IndyKite, a software company building the identity layer for Web 3.0. It has products that securely manage human, IoT and machine identity.
- **CausaLens** – we co-led a US\$45.0 million Series A round into CausaLens, a no-code Causal AI platform. The platform is designed to quantify cause-and-effect relationships to reason alongside humans in a manner that is designed to be trustworthy, explainable, and fair.

- **Gardin** – we led a US\$11.0 million seed round into Gardin, an agtech company aiming to make nutritious food sustainable and affordable. Gardin has developed optical sensors to obtain data at the individual plant level, allowing growers to monitor biochemical processes such as photosynthesis in real time.
- **Satellite Vu** – we invested as part of a £15.0 million Series A round into Satellite Vu, which is bringing satellite technology to address global challenges and plans to monitor the temperature of any building on the planet in near real time using a new satellite technology to determine insights into economic activity, energy efficiency and carbon footprint.

The final close of **PrimaryBid's** Series B, which we reported in our Annual Report for the year ended 31 March 2021, also forms part of the deployment figure into primaries in the year.

New companies – co-investment strategy

As an extension of our existing strategy of deploying capital via other vehicles through our Fund of Funds programme, co-investments with some of our seed fund managers have enabled us to invest £28.9 million into four new additions to the portfolio during the period.

- **Genesis Global** – a low-code platform for capital markets.
- **Sorare** – a French-based fantasy sports game, where players can buy, trade, play and collect with official NFT player cards.
- **Choco** – a German digital platform connecting restaurants and their suppliers to optimise the food supply chain.
- **Pigment** – a French collaborative financial planning software for mid and large enterprises.

Follow-on

We deployed £130.3 million into follow-ons in 17 existing portfolio companies during the year, supporting our portfolio in their larger, later stage rounds. These companies included the following (over £2.0 million invested):

- **Form3** – we deployed £25.0 million in a US\$160.0 million Series C round. Founded in 2016, Form3 is a platform payment technology provider and offering an alternative to the traditional payment infrastructure model, through its always-on, cloud-native, Payments-as-a-Service platform.
- **Thought Machine** – we invested £20.0 million into the Series C round. Thought Machine is a cloud native core banking technology company, founded in 2014 with a mission to enable banks to deploy modern systems and move away from the legacy IT platforms of the banking industry.
- **ICEYE** – we participated in a US\$136.0 million Series D round with an investment of £15.0 million. ICEYE has now raised over US\$304.0 million since 2015, and owns and operates a constellation of Synthetic-aperture radar (SAR) satellites.
- **CoachHub** – we participated with a £14.7 million investment in their US\$80.0 million Series B extension round. CoachHub is a global talent development platform that enables organisations to create a personalised, measurable and scalable coaching programme for their entire workforce, regardless of department and seniority level.
- **Ledger** – we invested £10.0 million in a US\$380.0 million Series C round. We first invested in Ledger in 2018, as part of its US\$75.0 million Series B. Ledger's hardware wallets allow investors to access the world of digital assets securely.
- **PrimaryBid** – we participated in a £125.0 million Series C round with an investment of £8.8 million. PrimaryBid is an online funding platform that enables investors to gain access to placings and fundraisings of listed companies.
- **Pollen** – we participated in a US\$150.0 million Series C round with an investment of £7.5 million. Pollen is a destination travel marketplace, which offers both third-party events and Pollen's own curated events.
- **Lyst** – we participated in a US\$85.0 million funding round in Lyst with an investment of £7.2 million, joined by new investors. Lyst is a global fashion search platform that lets users search thousands of online fashion stores at once.
- **Paragraf** – we participated in a US\$60.0 million Series B round with an investment of £6.0 million. Paragraf's patented contamination-free deposition

technology delivers a scalable approach to graphene device manufacturing.

- **Freetrade** – we invested £5.0 million into Freetrade, a challenger stock trading and investing app providing simple and commission-free access for users to online trading.
- **Aircall** – we participated in a US\$120.0 million Series D round with an investment of £3.6 million, having first invested in their US\$25.0 million Series B round in 2018. Aircall is an entirely cloud-based voice platform which integrates seamlessly with popular productivity and helpdesk tools.
- **Crowdcube** – we participated in a £15.0 million Series C round with an investment of £3.0 million. Crowdcube is a leading, British equity crowdfunding platform.

Fund of Funds

Our Fund of Funds programme continues to expand, providing access to earlier-stage companies, as well as dealflow opportunities for the highest quality companies from within these portfolios. During the year, we committed to another 22 funds, bringing our total to 57 funds. Total commitments to new and existing Fund of Funds at 31 March 2022 were £109.9 million (converted at year-end exchange rates), of which £52.5 million has been drawn (FY21: £67.2 million committed with £25.5 million drawn). During the year, we deployed capital of £27.0 million into drawdowns.

Our funds are experts in specific areas. Among the new funds within our portfolio are:

- **Paua Ventures** – a Berlin-based B2B software and deep tech fund.
- **Boost VC** – focusing on pre-seed "Sci-Fi" technology companies.
- **Nomad Capital** – a pre-seed and seed stage fund focused on US/EU based SaaS and Marketplace start-ups.

We have also continued our support of some of our existing managers by committing to their new funds, such as Join Capital II, ByFounders II, Hardware Club II, and IQ Capital IV A.

Earlybird

During this period, we deployed £13.3 million via our partnership with Earlybird into their Digital East Fund I, Earlybird Growth Opportunities Fund, and Earlybird West's Fund VI and VII, continuing to access earlier-stage companies in Germany and Europe with the benefit of Earlybird's expertise.

Realisations

Cash proceeds of £126.3 million were received during the year, relating to the full exits from SportPursuit, Premfina, Conversocial, and Bright Computing, as well as partial exits

relating to Trustpilot and UiPath (now both publicly listed), a secondary partial realisation in Revolut, distributions from our Fund of Funds programme, and distributions of escrows relating to exits in prior periods.

- **SportPursuit** – we exited our investment in the online private outdoor active clothing and accessories sales club in the UK and Germany following the acquisition by private equity firm of SportPursuit, bd-capital. We realised a total cash return of £22.8 million (including estimated escrow not yet received), above the £18.5 million fair value held at 31 March 2021. We first invested in SportPursuit in 2012 as part of a Series A round, providing the first institutional investment and supported them in each subsequent fund raise through to exit.
- **Bright Computing** – we exited our investment in the software developer as a result of NVIDIA's acquisition of Bright Computing, generating proceeds of £11.7 million with a 1.6x return on invested capital.
- **Premfina** – we generated proceeds of £1.5 million from the sale of Premfina to HPS Partners.
- **Conversocial** – Conversocial was sold via acquisition and generated proceeds of £5.2 million.
- **Trustpilot** – during the prior financial year, as part of Trustpilot's IPO in March 2021, Molten sold down part of its holding in the leading global review platform, generating proceeds during FY21 of £75.5 million. At 31 March 2022, we held 25 million shares in Trustpilot plc, having generated further proceeds of £23.2 million during the period. Post period-end, we sold no further Trustpilot shares. Since IPO, we have so far generated cash proceeds of £98.7 million.
- **UiPath** – UiPath listed on the New York Stock Exchange in April 2021. We have generated proceeds of £49.8 million during the period from related distributions from Earlybird Digital East and sale of shares and are recognising the remaining holding at 31 March 2022 at the period-end share price.

Post period-end

- We have deployed £73.7 million into new and existing portfolio companies, including our announced deal in HiveMQ
- We announced the funding rounds of Thought Machine and Aiven (Aiven is held via our partnership with Earlybird)
- At 31 March 2022, we held interests in three listed companies – Trustpilot, UiPath, and Cazoo. Their valuations are based on their quoted share price on 31 March 2022. Their value using the closing quoted share price on 8 June 2022 was £43.9 million.

Portfolio review continued

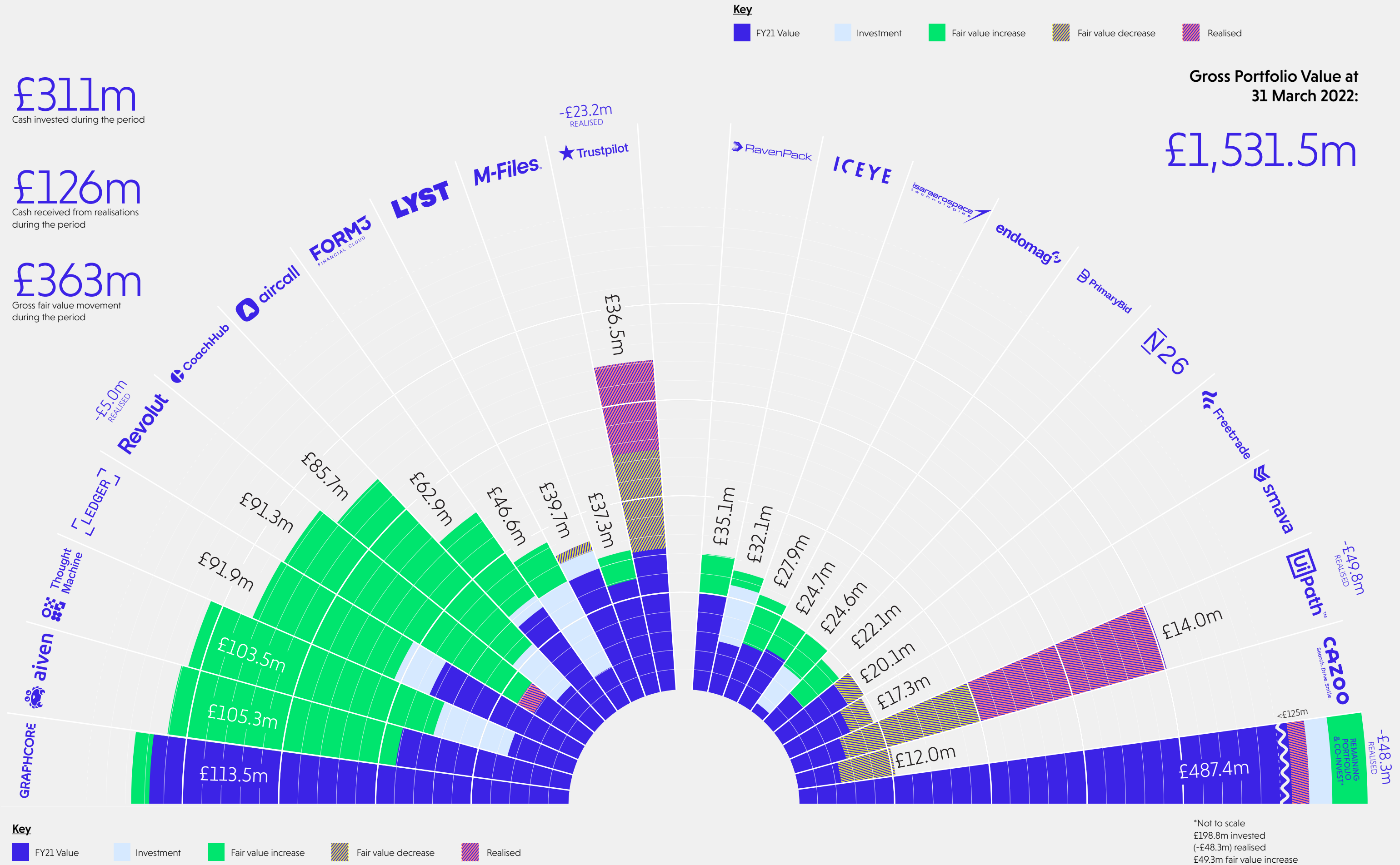
£311m
Cash invested during the period

£126m
Cash received from realisations during the period

£363m
Gross fair value movement during the period

Gross Portfolio Value at
31 March 2022:

£1,531.5m



Portfolio review

Core company updates

GRAPHCORE

Graphcore is a machine intelligence semiconductor company, which develops Intelligent Processing Units ("IPUs") that enable unprecedented levels of AI compute. The IPUs' unique architecture enables AI researchers to undertake entirely new types of work, which drives advances in machine intelligence.

- In December 2020, Graphcore raised US\$222.0 million in a Series E funding round led by the Ontario Teachers' Pensions Plan. Also participating in the round were Molten Ventures, funds managed by Fidelity International, Schroders, and Baillie Gifford
- Industry performance metrics published by MLPerf demonstrated Graphcore have a significant Price to Performance advantage over the market leader, Nvidia. These are the first public benchmarks published that show Graphcore against Nvidia[^]
- Graphcore increased spend on research and development by 125% in 2020, and ended the year with a cash balance of US\$121.0 million, up 119% from 2019
- The company continues to roll out partnerships and product integrations, such as Pytorch lightning, ATOS Pacific Northwest National Laboratory (PNNL), NEC, and Spell
- In December 2021, the company launched Poplar SDK 2.4
- In March 2022, Graphcore launched the world's first 3D wafer-on-wafer processor - the Bow IPU - which delivers up to 40% higher performance and 16% better power efficiency for real world AI applications than its predecessors
- Jeff Richardson joined the Graphcore Board as an Independent Director. Jeff is current Chairman of Lattice Semiconductor (NASDAQ: LSCC) and was COO of LSI Logic

UN Sustainable Development Goals Mapping*



£24.0m

Invested

£113.5m

Investment valuation**



Aiven democratises access to the latest opensource technologies by offering fully-managed services for popular open-source projects like Apache Kafka and Cassandra, Elasticsearch, M3 and PostgreSQL in the public cloud.

- In October 2021, the company announced it had extended the previous mentioned Series C funding round from US\$100.0 million to US\$160.0 million. As well as Earlybird, investors include Atomico, IVP (Institutional Venture Partners), World Innovation Lab, and Salesforce Ventures
- Aiven has been growing its revenue over 100% year on year
- Released Aiven for OpenSearch and now Kubernetes Operator support for PostgreSQL and Apache Kafka
- The company has increased its headcount by more than 65% since October 2021
- Launched Cluster startup programme to help startups build their data infrastructure using Aiven services
- Post year-end, Aiven announced their Series D funding round

This investment is held via Earlybird.

UN Sustainable Development Goals Mapping*



£5.0m

Invested

£105.3m

Investment valuation**



Cloud native core banking technology company, Thought Machine provides core banking infrastructure to both incumbent and challenger banks. The company's technology provides an alternative, more flexible cloud-based solution that can be configured to provide any product, user experience, operating model, or data analysis capability.

- US\$200.0 million Series C funding raised new institutional investors including ING Ventures, J.P. Morgan Chase Strategic Investments and Standard Chartered Ventures. Existing investors Molten, Lloyds Banking Group, British Patient Capital, Eurazeo, SEB, Backed, and IQ Capital have all participated in the round
- Cauldron, a Thought Machine spin-out launched as a standalone financial video game studio
- J.P. Morgan selected Thought Machine to overhaul its core banking systems across the bank's entire US retail network, Chase Bank
- Italian bank Intesa Sanpaolo invested £40.0 million into Thought Machine and uses "Vault" to power a new digital banking platform
- Post year-end, Thought Machine announced their Series D round raising US\$160.0 million

UN Sustainable Development Goals Mapping*



£36.5m

Invested

£103.5m

Investment valuation**

* Refer to page 54 for details.

** Please refer to Note 28 for details.

[^] <https://mlcommons.org/en/training-normal-10/>

LEDGER

Ledger has created a next generation hardware digital asset wallet providing customers the highest level of physical security solution to store their digital assets. Ledger's products are USB-like devices which store access keys for a customer's crypto assets; the device uses advanced security authentication to allow customers to access their crypto assets. Ledger currently has sold over 4 million devices and over 15% of the world's crypto assets are already secured through Ledger products. In addition to its Nano products, Ledger has launched a dedicated app allowing customers to buy, sell, exchange, lend and manage crypto assets to other customers on the platform. Ledger combines a hardware wallet to the Ledger Live app to offer consumers the easiest way to start their crypto journey while maintaining full control over their digital assets. However, consumer products are just one aspect of Ledger's business. The company is also developing solutions for businesses including Ledger Vault, to secure digital assets, and Ledger Enterprise Solutions, a digital asset custody and security solution for institutional investors and financial players, as well as a staking solution.

- In March 2022, the company launched a new update of its Nano S, the Nano S+, with a bigger screen that offers easy navigation and a smooth experience. A larger memory allows the installation of over 100 apps simultaneously and manages over 5,500 digital assets
- A key partnership was also achieved with Coinbase in 2022: Coinbase users can now secure their coins and NFTs with Ledger as the Coinbase Wallet browser extension adds support for Ledger Hardware Wallets
- Ledger has launched a debit card that connects directly with a crypto wallet (the Crypto Life card). Cardholders will also be able to receive their paychecks into their card account directly. They will be able to convert a percentage of their paycheck into Bitcoin and Ethereum every time they get paid

UN Sustainable Development Goals Mapping*



£27.7m

Invested

£91.9m

Investment valuation**

Revolut

Revolut is a global financial services company that specialises in mobile banking, card payments, money remittance, and foreign exchange. Revolut is developing into a fintech super-app.

- In July 2021, Revolut raised US\$800.0 million Series E funding from SoftBank's Vision Fund 2 and Tiger Global, valuing the business at US\$33.0 billion. The funding will be used to continue to build the first global financial super-app
- Secured Australian Credit licence and launched stock trading in Australia
- Launched Payday, to help employees access wages early to improve their financial wellbeing
- Acquired Forex Licence holder Arvog Forex Private Limited; the acquisition supports Revolut's continued expansion strategy which has included launches in Singapore, Australia, the US and Japan in the past two years
- Continue to update and innovate, launching savings vault product and pet insurance as they enter the insurtech space
- Revolut Junior now enables the use of Google Pay and Apple Pay
- Acquired Nobly ePOS business to expand services into the hospitality sector
- Revolut appointed a number of new hires including: Paroma Chatterjee as CEO India to build and lead Revolut's subsidiary in India, Mikko Salovaara as Group CFO, Sid Jajodia as Chief Banking Officer, and Joe Heneghan steps up to a new role as Chief Executive Officer, Europe. The company also appointed Ibrahim Dusi as Chief Risk Officer for Americas and Juan Miguel Guerra as CEO Mexico. Revolut acquired a team from New York talent-sourcing marketplace, Wanted, to support their product development resource

UN Sustainable Development Goals Mapping*



£7.1m

Invested

£91.3m

Investment valuation**

* Refer to page 54 for details.

** Please refer to Note 28 for details.

Portfolio review

Core company updates continued

CoachHub

CoachHub is a leading global talent development platform that enables organisations to create a personalised, measurable, and scalable coaching programme for the entire workforce, regardless of department and seniority level. By doing so, organisations are able to reap a multitude of benefits, including increased employee engagement, higher levels of productivity, improved job performance, and increased retention.

- CoachHub raised US\$80.0 million Series B2 funding, increasing total funding to US\$110.0 million. Molten, RTP Global, HV Capital, Signals Venture Capital, Partech, and Speedinvest all participated in the round
- Continued expansion in Australia following the Series B fundraising including a series of new hires, expanding the team and bolstering leadership
- In the first half of 2021, CoachHub exceeded their full year of new business generation for 2020
- Acquired French market leader and a pioneer in digital coaching, MoovOne
- The company launched CoachHub Wellbeing, its new mental health coaching programme designed to improve employee wellbeing across the global workforce
- Acquired coaching division of leading Austrian consulting company Klaiton including its pool of 500 highly qualified business coaches
- Continued global expansion with the opening of an Asia Pacific Headquarters in Singapore and a new office in Amsterdam
- Professor Jonathan Passmore appointed as Senior Vice President of Coaching

UN Sustainable Development Goals Mapping*



£27.1m

Invested

£85.7m

Investment valuation**

aircall

The company's cloud-based platform integrates seamlessly with popular productivity and helpdesk tools and is accessible, transparent, and collaborative. It replaces outdated systems with a collaborative platform that helps to communicate with customers, prospects, candidates, and colleagues. This enables businesses to be better on customer support or sales engagement with a phone system.

- The company raised a US\$120.0 million Series D funding round. Goldman Sachs joined the round as the newest investor. Molten also participated alongside eFounders, NextWorld Capital, Adams Street Partners, DTCF, Swisscom Ventures, and Gaia Capital Partners
- The expansion of Aircall's North American operations led to a growth of 26% in North American revenue from June to December 2021.
- The company opened its Sydney office at the beginning of 2021 and has grown its team from one to 30, and reached the milestone of 1,000 customers. It also opened a new office in London as part of its expansion across Europe
- Aircall continues to have a number of partnerships and integrations with platforms like HubSpot, CRM and Paytita

UN Sustainable Development Goals Mapping*



£14.3m

Invested

£62.9m

Investment valuation**

FORM3 FINANCIAL CLOUD

Form3 provides a cloud-native, real-time payment technology platform to enable banks and regulated fintechs to create amazing products and experiences.

- The company announced US\$160.0 million Series C funding round led by Goldman Sachs Asset Management. Molten, alongside other existing investors, also participated
- In 2021, annual recurring revenue grew by 233% from 2020 levels
- Several new hires were made to its Executive Leadership team, including Giles Hawkins as Chief Legal Officer and Simeon Lando as Chief Marketing Officer
- Employs over 260 people in 22 countries

UN Sustainable Development Goals Mapping*



£30.1m

Invested

£46.6m

Investment valuation**

LYST

A search engine just for fashion. Lyst offers a social shopping site that includes an inventory of fashion products and provides access to changing fashion data points every hour, enabling users to find and buy the latest fashion trends by browsing through a series of clothing and accessories.

- The company raised a US\$85.0 million funding round. Molten participated alongside several existing investors and were joined by new investors, Fidelity International, Novator Capital, Giano Capital and C4 Ventures
- In 2021, GMV exceeded US\$500.0 million, following 1100% growth in new users on the Lyst app. Lifetime GMV is now over US\$2.0 billion
- Revenue of £35.5 million was generated in 2021, which was an increase of 54% on 2020
- Lyst released its own Conscious Fashion Report, a deep-dive into fashion lovers' changing sustainable habits and the creators driving that change from the company's insights and data analysis
- The company announced a few appointments in senior management positions: Mateo Rando, previously at Spotify, as Chief Product Officer and Emma McFerran, formerly General Counsel and Chief People Officer, has been appointed COO and a new board member

£13.2m

Invested

£39.7m

Investment valuation**

M-Files

M-Files provides an intelligent information management platform that is repository neutral and utilises AI to break down information silos and unify systems, data and content. M-Files organises customers' content with the ability to connect to existing network folders and systems to enhance them with the help of AI to categorise and protect information.

- Annual recurring revenue grew by more than 30% in 2021, with net revenue retention increasing to over 120% in 2021
- The company received the highest score in two use cases in updated Gartner® Critical Capabilities for Content Services Platforms report
- Launched smart content migration with new intelligence service offering
- Named winner in the 2022 Business Intelligence Group's Artificial Intelligence Excellence awards, recognised for its innovations to the M-Files metadata-driven document management platform
- Recognised as one of five 2022 Gartner Peer Insights™ Customers' Choice for Content Services Platforms
- 3 recent appointments to further support M-Files' commitment to rapidly expand the company's global presence and deliver continuous innovation across its document management platform; appointment of Bob Pritchard (former SVP Sales of Alfresco) as Chief Revenue Officer, appointment of Nancy Harris (former EVP & MD of Sage North America) and Christophe Duthoit (former BCG Sr. Partner Emeritus) to the Board of Directors

UN Sustainable Development Goals Mapping*



£6.5m

Invested

£37.3m

Investment valuation**

★ Trustpilot

Online global review platform, Trustpilot, provides a trust layer for the open commerce ecosystem by giving consumers the confidence to purchase goods and services from a wide range of online and offline businesses across the world.

- Trustpilot is listed on the London Stock Exchange with the ticker TRST
- Revenue increased 24% in 2021 from 2020, with revenue of US\$131.4 million, and the Company's ARR increased 26% from 2020 to 2021
- Launched integrations with Shopify, WooCommerce marketplace and PrestaShop
- The company became a member of the European Tech Alliance (EUTA) joining 37 other major European digital champions, scaleups, and leading start-ups to provide insight on the tech industry and the experience of scaling in the EU
- Joe Hurd was appointed to the board as a Non-Executive Director. Former Marketing Director of QuickBooks, Alicia Skubick was appointed Chief Marketing Officer (effective 4 October 2021)

£12.1m

Remaining cost

£36.5m

Investment valuation**

£98.7m

Proceeds received

* Refer to page 54 for details.

** Please refer to Note 28 for details.

* Refer to page 54 for details.

** Please refer to Note 28 for details.

Portfolio review

Core company updates continued

RavenPack

RavenPack is a leading big data analytics provider for financial services. The company offers a comprehensive data solution for global risk analysis to isolate and manage fast-moving issues. The data analytics platform uses natural language processing (NLP) algorithms to scan the news in real time and calculate sentiment and volume risk metrics allowing clients to enhance returns, reduce risk and increase efficiency by systematically incorporating the effects of public information on their models or workflows. RavenPack's clients include some of the most successful systematic hedge funds, as well as asset managers and banks.

- Launched RavenPack Edge, the most advanced multilingual NLP platform on the planet. Edge is a new AI platform that collects, reads, and analyses billions of documents to help businesses better monitor and mitigate emerging risks. RavenPack Edge is capable of understanding content in 13 different languages and can extract insights from all types of documents – from short news articles to complex legal filings and more recently, job news
- Launched the Credit Suisse RavenPack Artificial Intelligence Index, a rules-based multi-asset index applying an S&P 500® sector rotation process driven by news sentiment. This powers systematic investment strategies designed to provide exposure to sectors of the US economy with stronger sentiment based on a news analytics algorithm powered by RavenPack. As of March 2022, Credit Suisse trades more than USD\$1.0 billion in derivatives linked to the Index
- RavenPack has been recently named Alternative Data Vendor of the Year 2022 by Risk.Net magazine, an important endorsement in the company's ecosystem, recognising that the company leads the way with the most sophisticated text analytics platform that turns news, transcripts, filings and any text in different languages into actionable indicators

UN Sustainable Development Goals Mapping*



£7.5m

Invested

£35.1m

Investment valuation**

ICEYE

ICEYE's radar satellite imaging service, with coverage of selected areas every few hours, both day and night, helps clients resolve challenges in sectors such as maritime, disaster management, insurance, finance, security, and intelligence. ICEYE is the first organisation in the world to successfully launch synthetic-aperture radar (SAR) satellites with a launch mass under 100 kg.

- In March 2021, ICEYE had US\$50.0 million in signed contracts, which was nearly 10x growth from the previous year
- In April 2021, the company opened new spacecraft production facility in Irvine California expanding manufacturing, research, and customer operations in the US
- Four new radar imaging satellites launched in July 2021 to increase persistent monitoring capabilities
- Contract with National Oceanic and Atmospheric Administration (NOAA) to support the monitoring and response to environmental hazards in the maritime sector also announced
- Makoto Higashi joins as General Manager for local business operations as ICEYE expands its offering in Japan. Appointed Lisa Wardlaw as Global Head of Insurance Solutions as ICEYE accelerates growth in the insurance segment; Andy Read hired as Global Head of Government Solutions

UN Sustainable Development Goals Mapping*



£22.5m

Invested

£32.1m

Investment valuation**

Isaraerospace Technologies

Isar Aerospace develops and builds launch vehicles for transporting small and medium-sized satellites, as well as satellite constellations into Earth's orbit.

- The company extended its Series B funding round to over US\$165.0 million led by HV Capital, Porsche SE, and Lombard Odier. Other participants include existing investors Earlybird, Lakestar, Vsquared Ventures, and Apeiron
- The company won €10.0 million in funding from the EU in January 2022 along with €11.0 million from the Federal German Government and the German Aerospace Center in April 2021
- The company has signed an agreement with Norwegian Andøya Space to secure exclusive access for a period of up to 20 years to one of its launch pads on the island Andøya. As a launch site operator, Andøya Space provides launch pads, payload integration facilities, as well as the technical infrastructure on site
- Airbus Defence and Space has committed to use Isar Aerospace for satellite launch services
- Partnership with OroraTech to launch satellites for tackling global wildfire crises
- Astrocast to use Isar Aerospace's launch vehicle to launch a satellite as part of its global nanosatellite IoT network

This investment is held via Earlybird.

£4.5m

Invested

£27.9m

Investment valuation**

endomag+

Endomag utilises technology to improve cancer care by preventing unnecessary surgery and improving outcomes and patient experience where surgery is needed.

- The company has received a 2021 Queen's Award for Enterprise in International Trade for the second time, originally having been selected as a recipient back in 2018
- The company was named one of Europe's fastest growing companies by the Financial Times, featured on the list as the 7th highest rated Healthcare company
- An endorsement from the UK health technology assessment body NICE was received, opening the way to broader adoption of its technology in the National Health Service

UN Sustainable Development Goals Mapping*



£9.3m

Invested

£24.7m

Investment valuation**

PrimaryBid

Technology platform that allows everyday investors fair access to public companies raising capital. The company ensures retail investors are able to transact at the same time and at the same price as institutional investors.

- The company raised US\$190.0 million in their Series C round, which was led by SoftBank Vision Fund 2, with participation from Molten Ventures, as well as a number of existing investors
- First cross-border IPO of Soho House on the New York Stock Exchange
- Launched partnership with Euronext in France
- Made ten offers available to individual investors in one week, PrimaryBid's highest ever
- Crossed US\$1.0 billion in demand on the platform users
- Reached milestone of over 5 billion shares transferred
- Revenue increased over 3,500% in FY21, to over £4.9 million

UN Sustainable Development Goals Mapping*



£14.2m

Invested

£24.6m

Investment valuation**

* Refer to page 54 for details.

** Please refer to Note 28 for details.

* Refer to page 54 for details.

** Please refer to Note 28 for details.

Portfolio review

Core company updates continued

N26

N26 provides mobile banking services for customers. Its mobile banking services offer online banking that includes making and handling of current accounts, fixed accounts, and other banking services, letting customers manage and control their banking details via a smartphone application easily.

- Raised US\$900.0+ million Series E Round led by Third Point Ventures and Coatue Management, and joined by Dragoneer Investment Group as well as existing N26 investors
- Launched on-demand insurance product N26 insurance, which will offer the digital bank's customers the option from the N26 app to purchase coverage, manage plans and initiate claims for a range of insurance plans from different providers. The offering is currently available in Europe
- The company announced a partnership with SumUp, lowering barriers for cashless payment acceptance for freelancers and self-employed individuals
- US operations were discontinued as the company sharpens its focus on its European business
- Expanded its management team with the appointment of Thomas Grosse taking on the role of Chief Risk Officer (CRO), Dr. Stephan Niermann as Group Money Laundering Reporting Officer (MLRO), and Dr. Volker Vonhoff as Director of Group Risk. Chief Financial Officer Dr. Jan Kemper, has taken over the roles of COO and CFO as COO Adrienne Gormley steps down. Alongside the appointment of Dr. Jan Kemper as Chief Financial Officer (CFO) of the Group, Christian Strobl was also appointed as Austrian Market lead

This investment is held via Earlybird.

UN Sustainable Development Goals Mapping*



£10.6m
Invested

£22.1m
Investment valuation**

Freetrade

Freetrade is a challenger stockbroker with mobile-first, commission-free investing. Freetrade is on a mission to enable people to invest and grow their savings by benefitting from the global economic growth driven by public companies. Freetrade is FCA-regulated, FSCS-secured and one of the newest members of the London Stock Exchange (LSE).

- A record-breaking fundraising via Crowdcube was achieved; the company hit £8.0 million in fewer than six hours
- April 2021 saw the launch of Freetrade self-invested personal pension (SIPP)
- The company received its licence from Sweden's financial regulator making its next step in European expansion
- German, Finnish and Dutch stock have launched on Freetrade
- The company reached a number of milestones in the past year including one million registered users in October and £1.0 billion assets under administration in November
- Paul Brooker joined Freetrade as CFO in September 2021, formerly serving as CFO and Head of Financial Control at Revolut

UN Sustainable Development Goals Mapping*



£13.0m
Invested

£20.1m
Investment valuation**

smava

Online loan comparison platform, which brings private applicants together with a variety of banks and private investors, offering highly attractive interest rates for loans, providing customers a tailored online loan with the best conditions free of charge within seconds.

- Announced partnership with Deutsche Bank and Younited Credit
- In February 2021, smava acquired Finanzcheck
- Since market launch in 2007, smava has enabled more than 500,000 consumers to take out cheap loans

This investment is held via Earlybird.

UN Sustainable Development Goals Mapping*



£14.5m
Invested

£17.3m
Investment valuation**

UiPath™

UiPath provides a comprehensive robotic software solution for IT-based process automation. Built on a comprehensive, fully integrated platform with centralised instrumentality, UiPath is designed for the highest standards of enterprise management, security, scalability and auditability.

- UiPath listed on 21 April 2021 onto the New York Stock Exchange with the ticker PATH
- As of January 31 2022, UiPath's annualised renewal run-rate had grown 59% year on year, with ARR of US\$925.0 million
- Announced features that enable customers to further their automation journeys with powerful capabilities and simpler, more gratifying experiences in discovering, building, managing, and running automations with its latest platform release
- Five UiPath executives were named in CRN's 2021 Women of the Channel List for their leadership, dedication and channel advocacy
- The company strengthened their leadership team with two new hires; former ServiceMax executive, Bettina Koblick, was appointed new Chief People Officer and Andreea Baciuc was appointed the company's first Chief Culture Officer
- We have received distributions in kind from the Earlybird funds and now hold a portion of UiPath directly

This investment is partially held via Earlybird.

UN Sustainable Development Goals Mapping*



£4.4m
Remaining cost

£14.0m
Investment valuation**

£59.8m
Proceeds received

CAZOO

Founded in 2018 by entrepreneur, Alex Chesterman, Cazoo is changing the way to buy and sell a car online. Cazoo is a UK digital business and leading online car retailer, allowing purchase, financing or subscription to cars online, with the option of home delivery or collection. In August 2021 Cazoo launched on NYSE trading under the symbol "CZOO".

- US\$630.0 million fund raise led by Viking Global Investors to support continued growth and expansion in the UK and EU
- Secured €50.0 million asset backed securitisation with BNP Paribas
- Launched in Spain, France and Germany and opened customer centres in Carlisle, Liverpool, Lakeside, Essex and Newcastle (marking its 21st customer centre)
- The company has made a number of acquisitions in the past year including; automotive data insights platform, Cazanna, SMH Fleet Solutions, Swipcar, and Italian online car retailer brumbrum
- Agreed partnership with Oglive fleet securing 18,000+ vehicles
- Expanded its offering to commercial vehicles
- Duncan Tatton-Brown, Anne Wojcicki, Moni Mannings and Luciana Berger joined the Cazoo board. Appointed a number of new hires including Veronica Sharma (Group Chief People Officer), Abhishek Roy (European Managing Director), Andreas Schuierer (Country Manager for Germany), Romain Weill (Country Manager for France), Tommaso Debenedetti (Country Manager for Italy) and Julio Ribes (Country Manager for Spain)

£9.9m
Invested

£12.0m
Investment valuation**

* Refer to page 54 for details.

** Please refer to Note 28 for details.

* Refer to page 54 for details.

** Please refer to Note 28 for details.

Financial review



“The resilience and flexibility of our model is beneficial as we link public markets into the private venture capital ecosystem...”

Ben Wilkinson
Chief Financial Officer

FY22 delivered strong uplifts in the portfolio, increased investment capital deployed and further portfolio company IPOs set against a backdrop of a variable environment. With an equity raise, move to the Main Market and corporate rebrand, it was another active year. It is pleasing to be able to report further strengthening of the portfolio with fair value growth and a number of new exciting companies added. The resilience and flexibility of our model is beneficial as we link public markets into the private venture capital ecosystem, and we will look to broaden this by building the capital pool alongside the balance sheet with additional private fund strategies. This will complement our existing c.£400 million of AUM from our EIS and VCT funds.

As at 31 March 2022, net assets of £1,433.8 million were recognised, which is an increase of £400.7 million on prior year. This growth is mainly driven by the movement in value of our net portfolio, which is recognised at fair value through profit or loss ("FVTPL") in the consolidated statement of financial position.

We have a strong and diversified portfolio, across sectors and stages of their lifecycle, which is evidenced by the gross fair value growth for the year of £362.8 million (37%), a £329.4 million net fair value increase. We have generated fee income during the year of £21.8 million, both internally and externally, which allows us to continue to meet and improve on our target of costs (net of income) being less than 1% of NAV.

In June 2021, we completed an equity raise of £107.7 million (net of costs) from new and existing investors (including a PrimaryBid retail element), followed by the Company moving to the Main Market in July 2021, further broadening the investor base.

Statement of financial position

Portfolio

The Gross Portfolio Value at 31 March 2022 is £1,531.5 million (£983.8 million at 31 March 2021). The Gross Portfolio Value is an APM (see Note 33) and a reconciliation from gross to net portfolio value, which is recognised on the consolidated statement of financial position, is shown on page 46 below. Investments of £311.2 million were made during the year, cash proceeds from exits, escrows and sales of shares were received of £126.3 million (£112.8 million net of carry payments) and non-investment movements of £15.9 million related mostly to internal management fee payments. The gross fair value movement on the portfolio was

£362.8 million, of which £15.9 million results from foreign exchange movements and £346.9 million from fair value movements. The overall fair value increase results from the net £564.2 million increase in fair value offset by £217.3 million decrease in fair value. Further details on the Group's valuation policy and valuations basis as at 31 March 2022 can be found in Notes 5, 28 and 29 to the consolidated financial statements.

The fair value growth in the year reflects strong performance in the private portfolio on the basis of their continued commercial traction and rounds at higher valuations, offset by the fall in value of our public company shareholdings at 31 March 2022. Private market valuations have been underpinned with several financing rounds at higher valuations, including recently announced rounds for Thought Machine and Aiven. This demonstrates the breadth and robustness of the portfolio. Key fair value increases during the year relate to some of our core companies, including Revolut (£75.9 million), Thought Machine (£65.1 million), Aiven (£59.8 million) and CoachHub (£58.6 million).

The Gross Portfolio Value is subject mainly to adjustments for the fair value of carry liabilities and Irish deferred tax to generate the Net Portfolio Value of £1,410.8 million. Both carried interest liabilities and Irish deferred tax arise at the level of our investment vehicles, and must be taken into account when arriving at the fair value of our these vehicles to be recognised in the consolidated statement of financial position.

The increase of £543.7 million in the year from £867.1 million at 31 March 2021 results from investments made of £311.2 million and a net fair value increase of £329.4million (including £15.9 million of FX impact), offset by realisations of £126.3 million (£112.8 million net of carry paid).

The net fair value gain on investments of £329.4 million is reflected in the consolidated statement

of comprehensive income. The deferred tax recognised on the Gross Portfolio Value has decreased in the year as a UK deferred tax liability in respect of the investment portfolio has been recognised in the consolidated statement of financial position. This is to more closely align the recognition of deferred tax to the location in which it will likely become payable on realisation of the assets. Carry balances of £121.5 million are accrued to previous and current employees of the Group based on the current fair value at the year-end and deducted from the Gross Portfolio Value. Carry payments totalling £13.5 million were made in the year following the further realisations of assets in the underlying fund holdings that exceeded threshold returns. In addition, non investment cash movements to entities held at FVTPL were made of £15.9 million, including for payments of Priority Profit Share ("PPS"). The Gross Portfolio Value table below has been generated to reconcile the Gross to Net Portfolio Values and the movements between 31 March 2021 to 31 March 2022. The percentage of Net Portfolio Value to Gross Portfolio Value is 92% (31 March 2021: 88%), which is a reflection of the deferred tax alignment and increase in carry balances as the portfolio grows.

Total liquidity

Total available liquidity for the Group at 31 March 2022 was £113.1 million, including £35.0 million undrawn on the Company's revolving credit facility (31 March 2021: £220.7 million, including £60.0 million undrawn on the Company's revolving credit facility). Our EIS and VCT funds also have £60.5 million of cash available for investment at 31 March 2022. The consolidated cash balance at 31 March 2022 was £78.1 million (31 March 2021: £160.7 million). This includes £2.3 million of restricted cash relating to our revolving credit facility – see Note 22(ii) for further details. During the year, our fundraising generated net proceeds of £107.7 million and we received cash proceeds from portfolio realisations of £126.3 million. This was offset by investments made during the period of £311.2 million, as well as carry, management fees, and operating costs.

Following the fundraise in June 2021, a total of 13,902,778 new ordinary shares were issued at a placing price of 800p per share; retail investors in the UK subscribed via an offer via PrimaryBid for 603,500 of these. These are recognised in share capital (1p ordinary shares) and share premium in the consolidated statement of financial position, net of directly attributable costs.

The Company has a revolving credit facility of £65.0 million, of which £35.0 million remains undrawn at 31 March 2022. The facility was extended and increased by one year to £65.0 million (from £60.0 million) in May 2021. We have been in compliance with all covenants throughout the duration of the facility and at the year-end. The drawn amount of £30.0 million is recognised in the consolidated statement of

financial position at 31 March 2022, offset by capitalised fees from the setup and extension of the facility, which are being amortised over its life. Drawdowns and paydowns will continue to be driven by portfolio investments and realisations.

Net assets

Net assets in the consolidated statement of financial position at 31 March 2022 have increased by £400.7 million from 31 March 2021 to £1,433.8 million, an increase of 39%. This is mainly the result of the increase in the investments balance discussed above, offset by the resulting decrease in cash, deferred tax recognised in the statement of financial position, drawdown on the revolving credit facility, and an increase in deferred income relating to fees.

Statement of comprehensive income

We recognised profit in the year of £300.7 million, up from £267.4 million in FY21.

Income recognised during the year ending 31 March 2022 comprises investment gains of £329.4 million (year ending 31 March 2021: £276.3 million), as well as fee income of £21.8 million (year ended 31 March 2021: £12.5 million). Fee income is principally comprised of Priority Profit Share ("PPS"), management fees from the EIS/VCT funds, performance fees and promoter fees. PPS is generated from management fees charged on the underlying plc funds; as invested capital, net of realisations, increases so too does the PPS income. Performance fees are generated from realisations of EIS assets ahead of return hurdles. These are passed through to the management teams with £0.5m retained within the Group. Promoter fees are income that is recognised alongside fundraising activity in the VCT. The increase in fee income is a result of an increase in the funds under management and particularly from the increase in the third-party funds. This in part reflects the consolidation of the manager of our VCT funds following acquisition of the full holding.

General and administration costs ("G&A") of £19.5 million, compared to the £13.8 million recognised in the year to 31 March 2021, have increased due to growth in the team and infrastructure as the Group builds the investment platform. Within G&A is £2.0 million of performance fees (highlighted above) that were paid out. Exceptional costs of £2.4 million were recognised in the period relating to the Company's move to the Main Market. This includes all non-recurring costs relating to the Main Market move, such as legal, reporting accountant, exchange, and broker fees.

Our operating costs (net of fee income) continue to be substantially less than our target of 1% of NAV and have narrowed as income builds. It is anticipated that further income in fees generated from management of third-party

funds, such as our planned growth fund, will provide a further positive contribution to our cost base and profitability in the future.

Post period-end

We have deployed £73.7 million into new and existing portfolio companies, including our announced deal in HiveMQ.

We announced the funding rounds of Thought Machine and Aiven.

At 31 March 2022, we held interests in three listed companies – Trustpilot, UiPath, and Cazoo. Their valuations are based on their quoted share price on 31 March 2022. Their value using the closing quoted share price on 8 June 2022 was £43.9 million.

Ben Wilkinson
Chief Financial Officer

12 June 2022

Financial review continued

Gross Portfolio Value Table

Investments	Fair Value of Investments 31-Mar-21 £m	Investments £m	Realisations £m	Non-investment cash movements £m	Movement in Foreign Exchange £m	Movement in Fair Value £m	Fair Value of Movement 31-Mar-22 £m	Fair Value of Investments 31-Mar-22 £m	Interest FD Category* at reporting date
Graphcore	108.8	0.0	0.0	0.0	5.2	(0.5)	4.7	113.5	A
Aiven	45.5	0.0	0.0	0.0	(1.0)	60.8	59.8	105.3	B
Thought Machine	18.4	20.0	0.0	0.0	0.0	65.1	65.1	103.5	A
Ledger	41.8	10.0	0.0	0.0	(1.3)	41.4	40.1	91.9	B
Revolut	20.4	0.0	(5.0)	0.0	2.7	73.2	75.9	91.3	A
CoachHub	12.4	14.7	0.0	0.0	(1.2)	59.8	58.6	85.7	D
Aircall	32.8	3.6	0.0	0.0	2.4	24.1	26.5	62.9	B
Form3	10.2	25.0	0.0	0.0	0.0	11.4	11.4	46.6	C
Lyst	35.1	7.2	0.0	0.0	1.9	(4.5)	(2.6)	39.7	C
M-Files	29.7	0.0	0.0	0.0	(0.3)	7.9	7.6	37.3	B
Trustpilot	85.5	0.0	(23.2)	0.0	0.0	(25.8)	(25.8)	36.5	B
Ravenpack	29.9	0.0	0.0	0.0	1.5	3.7	5.2	35.1	D
ICEYE	13.1	15.0	0.0	0.0	1.0	3.0	4.0	32.1	A
Isar Aerospace	14.8	0.0	0.0	0.0	(0.5)	13.6	13.1	27.9	A
Endomag	15.7	0.0	0.0	0.0	0.0	9.0	9.0	24.7	C
PrimaryBid	2.3	11.9	0.0	0.0	0.0	10.4	10.4	24.6	A
N26	10.0	0.0	0.0	0.0	(0.3)	12.4	12.1	22.1	A
Freetrade	20.0	5.0	0.0	0.0	0.0	(4.9)	(4.9)	20.1	B
Smava	23.8	0.0	0.0	0.0	0.0	(6.5)	(6.5)	17.3	A
UiPath	100.3	0.0	(49.8)	0.0	1.9	(38.4)	(36.5)	14.0	A
Cazoo	25.7	0.0	0.0	0.0	0.3	(14.0)	(13.7)	12.0	A
Remaining portfolio	285.0	198.8	(48.3)	0.0	3.6	46.5	50.1	485.6	
Total Portfolio	981.2	311.2	(126.3)	0.0	15.9	347.7	363.6	1,529.7	
Co-Invest	2.6	0.0	0.0	0.0	0.0	(0.8)	(0.8)	1.8	
Gross Portfolio Value	983.8	311.2	(126.3)	0.0	15.9	346.9	362.8	1,531.5	
Carry External	(97.0)	0.0	13.5	0.0	0.0	(38.0)	(38.0)	(121.5)	
Portfolio Deferred tax	(20.0)	0.0	0.0	0.0	0.0	20.5	20.5	0.5	
Trading carry & co-invest	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3	
Non-investment cash movement	0.0	0.0	0.0	15.9	0.0	(15.9)	(15.9)	0.0	
Net Portfolio Value	867.1	311.2	(112.8)	15.9	15.9	313.5	329.4	1,410.8	

* Fully diluted interest categorised as follows: Cat A: 0–5%, Cat B: 6–10%, Cat C: 11–15%, Cat D: 16–25%, Cat E: >25%

Viability statement

The Directors have assessed the viability of the Group over a three-year period to March 2025, considering its strategy, its current financial position, and its principal risks. The three-year period reflects the time horizon over which the Group places a higher degree of reliance over the forecasting assumptions used.

The three-year plan is built using a bottom-up model and makes assumptions about the level of capital deployed into, and realisations from, its portfolio companies, the financial performance (and valuation) of the underlying portfolio companies, the Group's utilisation of its debt finance facility and the ability to raise further capital, the level of the Group's net overheads and the level of dividends.

To assess the impact of the Group's principal risks on the prospects of the Group, the plan is stress-tested by modelling severe but plausible downside scenarios as part of the Board's review of the principal risks of the business.

Whilst all the risks identified, including cyber security, key personnel, industry competition, COVID-19, FX exposure and loss of regulated status could potentially have an impact on the Group's financial position, the Directors believe that the risks most likely to impact the Group's viability include changes to the global macro-economic environment, portfolio valuations, geo-political protectionism, profile of venture investments and unpredictability of exit timing.

The severe downside scenarios model situations were:

1. Concentration risk

Scenario: considers the impact of a material event causing the single largest asset in the portfolio to be written off and the value of all listed assets held being reduced

Links to Principal Risks: 1, 2, 10

2. Valuations risk

Scenario: considers the impact of public and private market recalibration causing severe disruption to the operating cycle, significantly reducing valuations & realisations, and stalling routes to exit.

Links to Principal Risks: 1, 2, 3, 10, 11

3. Realisations risk

Scenario: considers no exits being realised in FY24, either due to severe disruption to the market or due to exits in the form of IPO with shares held being subject to a lock up period.

Links to Principal Risks: 1, 2, 3, 6, 8, 10, 11

4. A combination of scenarios 1-3 above

Links to Principal Risks: 1, 2, 3, 6, 8, 10, 11

The Directors have considered an "all risks" stress test scenario, combining all of the scenarios tested in a "worst case" analysis. This is a highly unlikely scenario, however, in the event of such a scenario the Group would be able to continue operating until May 2024 before borrowing capacity was reached and would continue to operate with ample liquidity well beyond March 2025.

In such scenarios there would be additional options available to the Group to mitigate the impact on liquidity, including:

- a. reducing investment levels to mitigate the impact on liquidity
- b. exits from underperforming investments
- c. sale of listed assets
- d. equity financing
- e. syndicated fund strategies Debt financing

Given the current volatility of public markets an equity raise has not been modelled in any of the scenarios.

The Directors also considered viability over the longer-term period. Risks considered were:

1. The resilience of the underlying business model

The "patient capital" nature of the Group's business model, which affords the Group flexibility in terms of exit timings, coupled with its relatively low level of committed capital, provides a high degree of financial resilience to macro-economic risks.

Links to Principal Risks: 1, 2, 3, 6, 8, 10, 11

2. Resilience to technological risks

As part of the move to the Main Market, a comprehensive assessment of the Group's IT security & infrastructure was undertaken. No major issues were identified but in recognition of the pace of technological change and global increase in cyber security threats the Group has appointed Softcat Plc to assist the Board in defining the future state of IT within the Group. Softcat will also assist with the implementation of the agreed strategy over the coming year.

Links to Principal Risks: 11

3. Resilience to social and environmental risks

The Group continues to work with its external providers, ITPenergised and is voluntarily involved with external standards and frameworks. A dedicated ESG Committee has been formed this year and is supported by the ESG Working Group. The Group has also been proactive in engaging with its portfolio companies on social and environmental risks. ESG Engagement events for portfolio companies are planned for the coming year and an ESG sustainability toolkit is being developed to support portfolio companies in their ESG journey. ESG KPIs are measured and performance against ESG targets is indexed to staff bonuses.

Links to Principal Risks: 4, 5, 7, 11

Based on this assessment, the Directors have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, up to least March 2025.

PLEASE SEE OUR PRINCIPAL RISKS SECTION, STARTING ON PAGE 73 FOR FURTHER DETAILS ON OUR PRINCIPAL RISKS

Sustainability

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ESG at Molten in numbers

This year...

44

portfolio companies mapped to at least one UN SDG

The Molten team comprised of

46%

female personnel

We made

3

new investments in climate tech companies

Compliance training was completed by

100%

of our employees*

We offset

97

tCO₂e

The Molten team comprised of

15%

personnel from an ethnic minority background

68%

of our Investment Team received ESG training

81%

of portfolio company respondents to Molten's ESG Framework have anti-bribery/anti-corruption policies in place

* 100% of full-time employees during Q4 of FY22 (excluding those on parental leave).

Sustainability at Molten

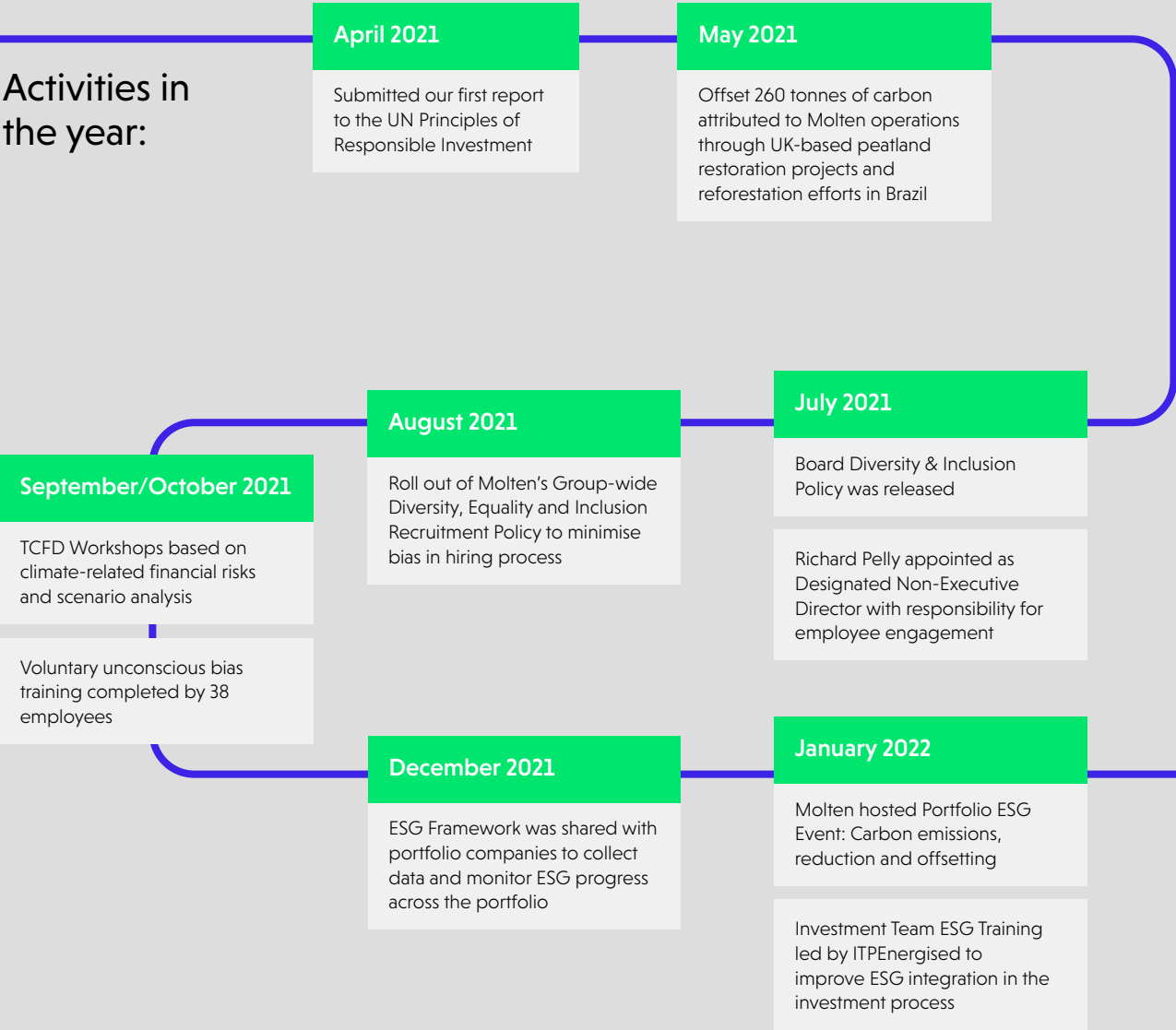
Our mission at Molten is to positively contribute to a future which is sustainable, fair and accessible to all. As responsible investors, we are committed to ensuring that the development of best-in-class technology companies takes place alongside a strong grounding in environmental, social and governance ("ESG") practices. Our ESG Policy (available on our website) sets out how we aim to achieve this, actively engaging with companies from deal sourcing and due diligence through to ongoing mapping and monitoring and an annual assessment of their ESG performance. Not only this, we also recognise the importance of practicing what we preach and so continue to develop our internal ESG strategy to ensure that we are doing our bit. We are dedicated to reducing our Greenhouse Gas (GHG) emissions, promoting Diversity and Inclusion and demonstrating good governance in our own activities and in our interaction with our portfolio companies.

Our ESG responsibility as a VC

Venture capital firms have the unique opportunity to invest in companies pioneering innovative technologies, services and products which can positively impact the development of a fairer, more resilient society. At Molten, we are committed not only to investing in businesses and entrepreneurs who are changing the world in a positive way, but to encourage improvements in their ESG performance throughout the life of the investment. After all, who is better positioned to find ground-breaking, sustainable solutions for our future than forward-thinking VC funds and the innovative businesses they nurture?

Our progress in the year

Activities in the year:



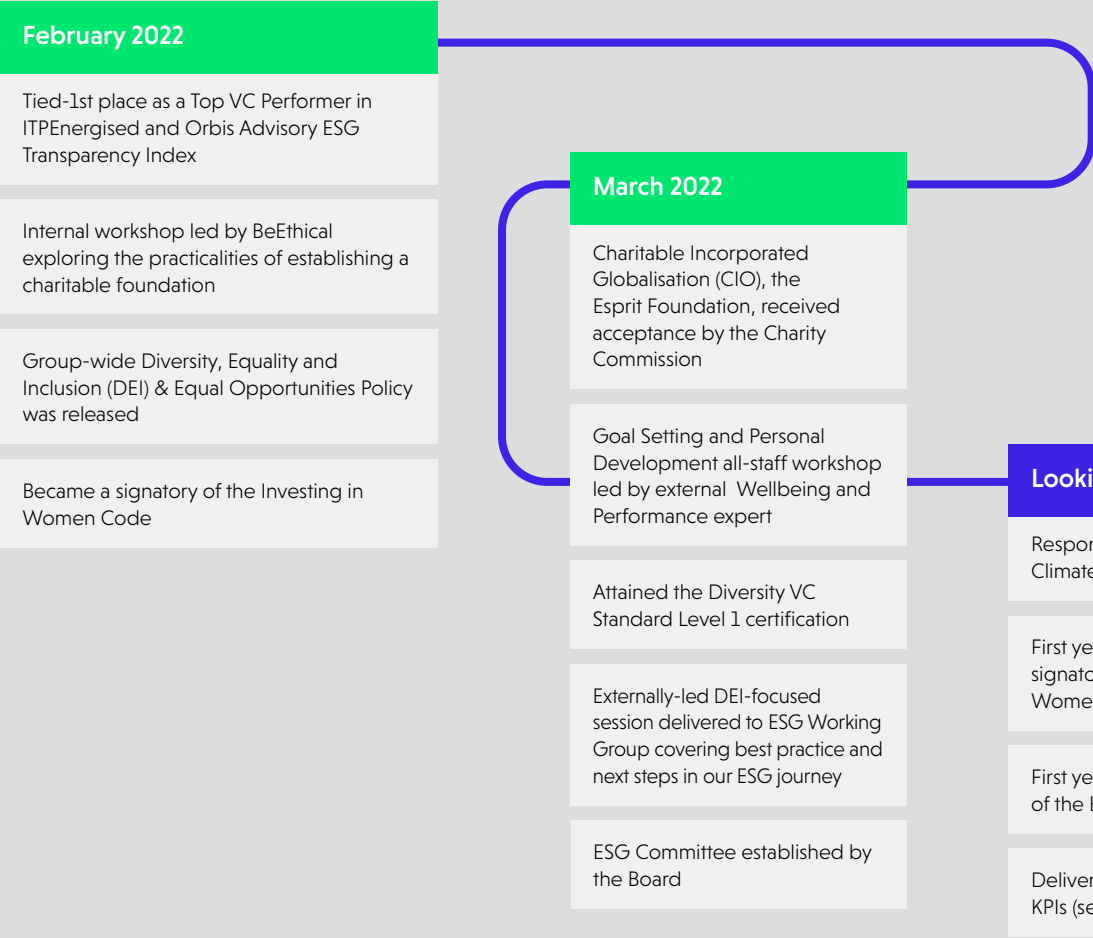
FY22 ESG KPIs

FY22	ESG KPI	Progress Status
Environmental	Establish a roadmap to allow us to make TCFD disclosures in the FY22 cycle	100% Achieved Through careful planning and alignment with our established roadmap, our TCFD FY22 disclosure is included on pages 58-63
Social	Create and implement a Group-wide Diversity and Inclusion Policy and a Board D&I Policy	100% Achieved Board D&I Policy adopted in July 2021 Group D&I & Equal Opportunities Policy adopted in February 2022
Governance	Strategically engage with between 10 and 15 portfolio management teams on their governance arrangements	100% Achieved We have engaged the management teams of 27 portfolio companies through our ESG Framework as part of the due diligence process, including 18 governance-oriented areas of focus
Holistic	Provide a training programme for the Investment Team applying our ESG policy to our investment process	100% Achieved Our Investment Team training was led by external consultants ITPnergised in January and provided the team with practical guidance on integrating ESG more effectively in our investment process

FY23 ESG KPIs

The ESG KPI indexes 10% bonus entitlement for all staff and Executive Directors (see further details on page 113).

FY23	ESG KPI
Overarching	- Develop and formalise the Company's Corporate Purpose to articulate our core reason for being, in alignment with the Group's ESG Policy - Track and report on the metrics used by the Company to evaluate potential investments in alignment with the Company's ESG Policy - Deliver two portfolio engagement events focused on ESG-related risks and opportunities
Environmental	- Implement a Climate Strategy which defines the Group's GHG reduction targets, KPIs and roadmap to net zero - Engage with the management teams of at least 50% of direct primary investments during the period to establish their Scope 1 and 2 GHG emissions and assist with GHG reduction plans, footprint analysis and offsetting schemes up to a level of £10,000 per portfolio company - Increase accuracy of Scope 3 measurements (upstream and downstream) to report against the SECR and TCFD frameworks - Undertake the Company's first CDP Climate Change disclosure
Social	- Develop the Group's D&I Recruitment Policy to track and report on D&I-related metrics through the hiring process - Achieve implementation by 80-100% of directly held portfolio companies of a (i) Parental Policy and (ii) Health & Wellbeing Policy - Establish, track and report portfolio progress across a range of core D&I targets
Governance	- Develop and publish a Group Human Rights Policy - Achieve implementation by 80-100% of directly held portfolio companies of a (i) Cyber Security Policy, (ii) Anti-Bribery and Anti-Corruption Policy, (iii) Whistleblowing Policy, and (iv) Anti-Harassment Policy



Our ESG policy in action

Our mission is to empower Europe to invent the future. We want that future to be sustainable, fair and accessible to all.

We aim to use our platform in VC to encourage and promote our ESG values and ESG considerations in developing best-in-class technology companies and achieving strong returns for our investors.

External benchmarking

It is important to demonstrate our commitment to ESG and responsible investment through voluntary involvement with external standards and frameworks. We remain at the formative years of our ESG benchmarking process, but hope to establish a baseline from which we can compare and track improvements against in the future.

We are aligned with...

UN Sustainable Development Goals

Ensuring that our entire portfolio is assessed against these goals, and alignment with specific targets and indicators is identified as part of our due diligence process.

We are signatories of...

UN Principles for Responsible Investment

Demonstrating our recognition of the role we play and responsibilities we hold in building a more sustainable financial system.

Investing in Women Code

Highlighting our commitment to female empowerment by improving female entrepreneurs' access to tools, resources and finance.

FUND OF FUNDS IMPACT PANEL

Associate, Mohadeseh Abdullahi joined by Karl Lokko (Blackseed), Ella Goldner (Zinc), and Patrick Newton (Form Ventures) pictured from right to left.



We currently report against...

The Taskforce for Climate-Related Financial Disclosures ("TCFD")

To improve our understanding and management of the risks and opportunities presented by rising temperatures, climate-related policy and emerging technologies.

Streamlined Energy and Carbon Reporting ("SECR")

Indicating our dedication to reducing our carbon emissions year on year through the implementation of energy efficiency measures.

UN Principles for Responsible Investment

Reflecting our commitment to integrate ESG factors into our investment analysis and decision-making processes.

We plan to report against...

CDP

Which will enable us to disclose our greenhouse gas emissions and other voluntary metrics and become more transparent about our environmental impact.

Responsible investment

Integration of ESG in our investment strategy

We are committed to a policy of responsible investment through the life cycle of our investments, from pre-screening to exit. We believe that ESG integration across our portfolio creates value for our Shareholders and also makes our portfolio companies more attractive for investment. More broadly, understanding and striving to improve ESG practices within business will contribute towards a more sustainable and prosperous future for all.

Whilst we aim to invest in businesses and entrepreneurs who recognise and embrace the need for more sustainable practices, we don't expect or demand the finished product, but instead ask for a commitment from founders and management teams to meet or surpass our ESG targets during the lifetime of our investment with our support.

We aim to facilitate early and transparent dialogue with our portfolio companies about our ESG expectations of them and what they can expect from us in return so that we can use our position to help portfolio companies identify their business-specific ESG risks and opportunities, and provide the tools and guidance for them to mitigate and realise the same.

Investment Team ESG training

In line with our FY22 ESG KPI to provide an ESG training programme for the Investment Team, we engaged with external consultants ITPenergised in January 2022 to deliver a tailored training session to our Investment Team designed to improve integration of ESG considerations across the whole investment process, from pre-screening to exit, in alignment with our ESG Policy.

The training explored our commitment to map portfolio alignment to the UN SDGs and helped equip the Partnership Team and wider Investment Team with practical guidance for evaluating ESG performance in a high-level, qualitative assessment through use of the ESG Framework as part of the due diligence process.

We believe that providing this type of training to our team is key to our wider aim of ensuring that sustainability is not siloed within our investment process, but instead considered as an integrated component of our business model and investment strategy. We are committed to continuing to provide not less than annual training to our Investment Team (including the Executive) on ESG topics.

“We aim to use our position to help portfolio companies identify their business-specific ESG risks and opportunities, and provide the tools and guidance for them to mitigate and realise the same.”

1. Pre-screening

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

2. Screening

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

3. Due diligence

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

4. Investment Committee

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

5. Ownership

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

6. Exit

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

Alignment of portfolio to UN SDGs

The Sustainable Development Goals (SDGs) were adopted by the United Nations (UN) in 2015 as a universal call to action ensuring a better and more sustainable future for all. The SDGs are intended to be achieved by 2030 and are made “actionable” through 169 targets and 231 indicators within each goal.

We believe that building alignment to the SDGs across our portfolio is an important way for us, as responsible investors and stewards of our Shareholders’ capital, to build a sustainable future that we can all be proud of. For the second year running we have continued to assess our portfolio to identify companies whose business models align to one or more of these goals.

As part of our own ESG journey, we have continued to build upon our existing UN SDG mapping methodology and worked to refine and strengthen our analysis to operate at a more granular level and with greater emphasis on alignment to the underlying SDG Targets that support each of the Goals themselves.

Our enhanced approach allows us to categorise the outputs (i.e. the impact that is created by a company’s activities) of our portfolio, by reference to each company’s contribution towards a specific SDG Target as follows:

The contribution of a company is classed as direct (or indirect), intentional (or unintentional) and proven (or theoretical). Only if the contribution is categorised as theoretical (meaning it is simply a possible contribution, but not one that has been actioned) is it not mapped to the target at hand.

By way of example, cancer care medical technology provider, Endomag’s contribution to Target 3.4 (By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being) is:

- Direct – Endomag’s technology is directly providing more accurate, convenient and less-invasive solutions for cancer diagnosis and treatment
- Intentional – the purpose of the technology is to do exactly this, it is not simply a by-product or accidental outcome
- Proven – the technology has already been used by 160,000 women across more than 600 hospitals to provide a better standard of breast surgery¹

For more information on Endomag, see page 41.

We believe our enhanced methodology to mapping will help us and our Shareholders better understand the positive impact that our portfolio companies have upon the world and allow us to identify trends across all of our investments. We will continue to revisit and refine our methodologies as we grow and learn within the dynamic ESG environment.

The table opposite sets out the top five SDGs that we have assessed our portfolio to be most closely aligned, together with the most frequently mapped Targets within each.

Sector / SDG	Strongly aligned targets ² within each goal	No. of aligned companies
Digital health and wellness, Deeptech 	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	5
	3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes	1
	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	2
Deeptech, Fintech 	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	14
	8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	9
Deeptech 	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	1
	9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets	3
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	11
	9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	9
SaaS 	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	1
	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	4
SaaS 	12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses	1
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	4

¹ <https://www.endomag.com/>
² Targets taken from the UN SDGs.

Portfolio engagement in ESG

As active responsible investors, we recognise the importance of engaging with our portfolio companies not just at the start of the process, but throughout the life cycle of our investment. This year we have taken steps to improve communication and engagement with our portfolio on ESG matters to ensure that progression in their ESG journey is being supported and tracked.

ESG portfolio due diligence and action plan

This year we contacted the majority of our directly held portfolio companies with a request for data on their individual ESG journeys, however far along they are. The output of this exercise has allowed us to better understand where we can support our portfolio companies in specific areas of ESG and provide relevant guidance off the back of this.

Gathering this data has also enabled us to track and report ESG metrics across our portfolio, which we can aggregate and share back to our portfolio companies to help them benchmark their ESG performance against their peers and monitor and improve their progress over time.

We are in the process of developing a proprietary Sustainability Toolkit with tailored tools and resources for portfolio companies to improve their ESG performance. We plan to roll this out to our portfolio companies during the year ahead.

ESG Engagement Event

This year, Molten hosted its first virtual portfolio ESG Engagement Event led by our external advisers, ITPnergised. The event was available to all our portfolio companies and focused on carbon emissions, reduction and offsetting for early and growth-stage tech companies. Insights were provided on industry trends and ESG value-add for early-stage tech companies using a range of detailed case studies, and covered practical guidance on carbon measurement, management and reporting. There was also an opportunity for a Q&A, encouraging open conversation around ESG and portfolio companies to learn from one another.

Of the 20 portfolio attendees, 33% indicated prior to the event that they felt poorly equipped in progressing the environmental aspects of their ESG journey, and 100% felt well equipped after the event.

We plan to build on the positive reception to this event with a second portfolio engagement session during FY23 on the implementation of Diversity, Equality & Inclusion initiatives throughout recruitment, internal operations and beyond.

COP26

This financial year, the UK hosted the 26th UN Climate Change Conference of the Parties (COP26), which explicitly outlined the role of private finance in keeping alive the hope of limiting the rise in global temperature to 1.5°C. The conference amplified a growing market trend to recognising that climate risk is investment risk which requires financial decisions to be made with climate considerations in mind as we pivot towards a net zero economy. This was demonstrated through the involvement of the British Private Equity & Venture Capital Association’s (BVCA) Director General in a panel session at COP26’s Green Horizon Summit, which discussed the role of private capital in delivering net zero.

Historically, the economy has largely been powered by fossil fuel consumption, but this is no longer a viable option. Molten is committed to building a more resilient economy and recognising the role we play in working to achieve the COP26 climate goals. By voluntarily reporting against the TCFD, we understand the need for accountability, and are resolved to improve the quantity, quality and comparability of climate-related financial disclosures, thus contributing to more informed investment decisions and a better understanding of the financial sector’s exposure to climate-related risks.



COP26 
BVCA partnered with City of London on the Green Horizon Summit at COP26.

ESG – Environmental updates

Streamlined Energy and Carbon Reporting (SECR)

We annually report our GHG emissions and energy consumption in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These regulations implement the Government's policy on Streamlined Energy and Carbon Reporting (SECR). We qualify for SECR compliance on the basis of being a UK-based quoted company and the following section presents our SECR disclosures for FY22.

SECR Statement

Our SECR energy consumption and GHG emissions were calculated by ITPenergised, an independent third party, and the calculation methodology follows the GHG Protocol Corporate Standard, an internationally recognised framework for companies to quantify their GHG emissions. The boundary of our organisation was defined using a financial control approach and the Department for Environment, Food and Rural Affairs' (DEFRA) emissions factors were used to convert between our business activity data and associated emissions. This covers Scope 1, Scope 2, and selected Scope 3 emissions for all consolidated entities within the Group.

We report on our global energy consumption as well as our scope 1, scope 2 and selected scope 3 GHG emissions. As this is our second year of SECR compliance, we have presented our FY22 data alongside the previous year's figures and our disclosures include the same GHG emissions metrics for both years to ensure comparability. This financial year, however, we have worked to extend the boundary of our scope 3 emissions calculations and our full carbon footprint, including all material scope 3 emissions, is reported here. Table A below presents our FY22 global energy consumption and GHG emissions for SECR compliance. All of the figures relate to UK and offshore, as Molten does not have any Global emissions.

Table A: GHG emissions and energy use data for SECR

	FY21	FY22
Total energy consumption used to calculate carbon emissions (kWh)	144,803	192,056
Emissions from employees working from home (tCO ₂ e) (Scope 3)	16.9	15.6
Emissions from combustion of natural gas in buildings (tCO ₂ e) (Scope 1)	7.9	14.7
Emissions from purchased electricity in buildings (location-based) (tCO ₂ e) (Scope 2)	3.4	5.0
Emissions from vehicle transport (tCO ₂ e) (Scope 1)	0.05	1.3
Total organisational emissions (location-based) (tCO ₂ e)	28.2	36.7
Total organisational emissions (market-based, from 100% renewable electricity) (tCO ₂ e)	24.8	31.7
Carbon intensity ratio - carbon emissions per net asset value (NAV) (location-based) (kgCO ₂ e/£100k NAV)	2.7	2.6
Carbon intensity ratio - carbon emissions per net asset value (NAV) (market-based) (kgCO ₂ e/£100k NAV)	2.4	2.2
Carbon intensity ratio - carbon emissions per full-time employee (location-based) (kgCO ₂ e/full-time employee)	723.1	574.9
Carbon intensity ratio - carbon emissions per full-time employee (market-based) (kgCO ₂ e/full-time employee)	635.9	496.3

Energy Efficiency Actions

We have implemented measures a range of energy efficiency actions which are outlined in the Carbon reduction box on the next page.

Greenhouse gas emissions

In FY22, we calculated our group-wide carbon footprint. This section presents our full carbon footprint, including our scope 1, scope 2 and all material scope 3 emissions, along with the data collection and calculation methodologies used.

A key focus in FY22 was to expand the boundary of our carbon footprint, targeting our scope 3 value chain emissions in particular. Due to the business activities of Molten Ventures, it is within our value chain that we anticipated the most significant GHG emissions to arise, rather than our direct operations. However, along with impact comes opportunity, and it is in relation to our value chain that we see potential to realise significant positive impact moving forwards. This is especially true of our portfolio companies, where we are leveraging our position as investors to help them collect data on their GHG emissions and reduce their carbon footprints.

Table B: Full carbon footprint for FY22

	tCO ₂ e
Natural gas	14.7
Vehicle fuel	1.3
Total scope 1	16.0
Purchased electricity	5.0
Total scope 2	5.0
Employee commuting & homeworking	33.3
Business travel	34.9
Investments	1436.3
Purchased goods & services	1637.1
Capital goods	6.5
Waste generated	0.2
Electricity transmission & distribution	0.4
Total scope 3	3148.9
Total scope 1, 2 and 3	3169.9

Methodology

As with our SECR calculations, our carbon footprinting methodology is aligned with the GHG Protocol Corporate Standard. We began by conducting a materiality assessment of our value chain to determine which scope 3 emissions to include within our carbon footprinting boundary, before working to increase the accuracy of our data. We implemented new data collection processes to achieve this, including an employee commuting and homeworking survey and a new portfolio company ESG Framework.

The top priority was to collect primary data across our business and portfolio and, where primary data was available, we applied an emission factor to

convert our business activity data directly into associated GHG emissions. In instances where primary data was unavailable, we applied industry benchmarks and bespoke extrapolation techniques to estimate the data. For example, the GHG emissions from our purchased goods and services were estimated using the Environmental Protection Agency (EPA) supply chain emission factors which convert expenditure into equivalent GHG emissions.

Within our scope 3 inventory, we have accounted for a percentage of our direct portfolio companies' scope 1 and 2 GHG emissions, based on our equity share. Our new ESG Framework requests data from our portfolio companies in relation to their carbon footprint and business activities that generate emissions. Through this means we collected primary data for 31% of our direct portfolio companies, representative of all four focus areas, which we extrapolated across similar companies based on their industry. This is our first year of collecting data in this way and we have used this approach whilst data gathering is refined. Actual figures may differ from these extrapolations.

Analysis

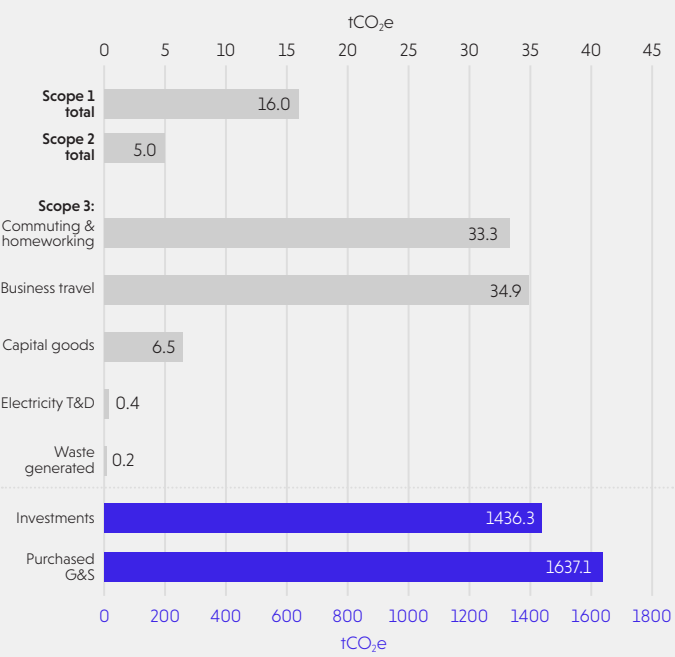
Our indirect (scope 3) GHG emissions make the largest contribution to our total carbon footprint by a significant margin, with purchased goods and services and our investments standing out as the main drivers. Business travel, commuting, and homeworking undertaken by our employees also had a modest influence over our scope 3 GHG emissions.

Within our portfolio, the consumer, artificial intelligence, deeptech and hardware industries were identified as having the highest carbon intensities.

In terms of our direct (scope 1) GHG emissions, natural gas consumption in our London office is the single highest contributor. Our indirect (scope 2) emissions from office electricity usage are comparatively lower.

We observed an overall increase in scope 1 and 2 GHG emissions between FY21 and FY22 (although still a reduction on pre-pandemic levels), which can be explained by an increase in our staff numbers alongside the return to offices following the lifting of COVID-19 restrictions. Despite the overall increase, the carbon intensity per FTE decreased in FY22.

Figure 1: Breakdown of Carbon Footprint by GHG Protocol Category



Next steps

This carbon footprint provides transparency around our most significant emissions drivers which should be targeted in order to achieve our ultimate goal of carbon net negative. Our next stage in this process is to develop a Carbon Reduction Strategy. Whilst we only have direct control over our scope 1 and 2 GHG emissions, our influence as an organisation reaches beyond this, and we will continue to evolve our engagement with our portfolio companies to help them measure, reduce, and offset their carbon footprints.

Carbon reduction

Through a number of initiatives, we ensure that our internal practices are aligned with resource efficiency and carbon reduction efforts. The Company has a cycle to work scheme in place to encourage staff to use a more sustainable mode of transport for their commute, thus reducing their carbon emissions. Our London office runs on 100% renewable electricity and this year we have also implemented new and improved recycling facilities to ensure that our waste is kept to a minimum. In order to take our waste management even further, it is our intention to recycle our food waste and coffee grounds in the coming year.

As business travel is our biggest contributor to our direct emissions, we aim to implement a travel policy which encourages employees to host meetings remotely as much as they can and, where possible, travel by sustainable transport (such as Eurostar) as an alternative to air travel.

Food production and agriculture is one of the biggest contributors to carbon emissions. In order to support our staff in reducing the emissions from the food they eat, we have available Allplants, a portfolio company, meals in our London office offering healthy, vegan, low-carbon meals. More information on Allplants can be found on page 32.

Carbon offsetting

For the third year running, we have offset 100% of our Scope 1 and Scope 2 emissions for the financial year. In addition to this, as we are committed to ultimately being net zero, we will also be offsetting select Scope 3 emissions which are within our direct control. We have excluded purchased goods and services and investments from this exercise, however we intend to actively engage with both our supply chain and portfolio companies to help them reduce their emissions over the coming years.

Based on these commitments, 97 tCO₂e have been offset for FY22 through investment in two carbon projects. We underwent a process of evaluation in the selection of our carbon projects using the BeZero Carbon Rating system as guidance for understanding the quality of and risks associated with the carbon credits issued by each project.

In continuation of the offsetting exercise undertaken during the previous year, Molten will be supporting a peatland restoration project in Scotland through the purchase of carbon credits equating to 49 tCO₂e. The scheme is certified by the Peatland Carbon Code which is supported by the International Union for Conservation of Nature (IUCN), assuring additionality and permanence of each tonne of carbon stored.

Additionally, we have offset the remaining 48 tCO₂e through a UK tree planting scheme coupled with an avoided deforestation project based in Brazil. This is certified by the Verified Carbon Standard (VCS) and has received approval from the Quality Assurance Standard (QAS) for carbon offsetting.

ESG – Environment

The Task Force for Climate-related Financial Disclosures (TCFD) Our approach to identifying and managing climate-related risks and opportunities is guided by the recommendations of the TCFD. This has highlighted the potential impacts of climate change for us and our portfolio, as well as opportunities associated with the transition to a low carbon economy.

Our focus for the first year of voluntary TCFD implementation was on developing high-level descriptions of qualitative climate impacts, including explanations of our exposure to risks, expected impacts, and management actions to mitigate risks and realise opportunities. Our processes and disclosure will evolve over time to ensure we adapt to the rapidly changing landscape. In the coming years, we will seek to analyse impact on a more granular-level, broken down across sectors and individual investments, and begin to quantify the financial impacts of climate change on our business. The Directors confirm that, to the best of their knowledge, Molten Ventures has met the recommended TCFD disclosure requirements.

Governance - Board oversight

Describe the Board's oversight of climate-related risks and opportunities.
We take a top-down approach to the governance and management of climate change, with the Board holding ultimate oversight. The Board recognises climate change as a principal business risk (please see page 73), which is integrated into our existing risk management process (please see page 76).

Governance - Management oversight

Describe management's role in assessing and managing climate-related risks and opportunities.

Our ESG Committee was formed in March 2022 and is chaired by independent Non-Executive Director, Gervaise Slowey. This committee has delegated authority from the Board to have managerial responsibility for responsible investment and oversee the works of the multi-disciplinary ESG Working Group, chaired by Ben Wilkinson, CFO. The ESG Committee and the ESG Working Group are directly accountable for the assessment and management of climate-related risks and opportunities. Management of climate-related risks and opportunities is a standing item on the Board agenda and key accountabilities include maintaining a detailed Climate Risk and Opportunities Register, conducting scenario analysis, setting metrics and targets, and developing an annual TCFD Report. Principal climate risks are documented in the Corporate Risk Register, which the Executive Team regularly review and update for presentation to the Audit, Risk and Valuations Committee and the Board. The Group Compliance Officer is responsible for assessing regulatory compliance matters in relation to climate change.

Climate Risk and Opportunity Management

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graph TD; Board[Board of Directors] <--> ESGC[ESG Committee<br/>(Chair - Gervaise Slowey, Non-Executive Director)]; Board <--> ARVC[Audit, Risk and Valuation Committee<br/>(Chair - Grahame Cook, Senior Independent Non-Executive Director)]; ESGC <--> ESGWG[ESG Working Group<br/>(Chair - Ben Wilkinson, Chief Financial Officer)]; ESGC <--> ET[Executive Team]; ARVC <--> ET; ESGWG <--> ET; ESGWG <--> CR[Climate risks and opportunities documented in Corporate Risk Register]; ET <--> CR;
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Strategy - mid-long term risks & opportunities

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.
We apply the TCFD Framework categories to structure our identification of climate-related risks and opportunities. Climate change inherently requires long-term thinking, and to that end, we assess risks and opportunities across multiple time horizons including short (0-5 years), short-medium (5-10 years), medium-long (10-20 years) and long term (20+ years). Please refer to the Risk and Opportunities table on pages 62-63 which describes the risks and opportunities that we are or could become exposed to.

Strategy - Scenario analysis

Describe the resilience of the organisation's strategy taking into consideration different climate-related scenarios including a 2°C or lower scenario.
We understand the importance of scenario analysis to test the resilience of our strategy to possible future climate change outcomes. For this initial TCFD report, we selected two scenarios for analysis, based on the International Energy Agency's (IEA) World Energy Outlook Scenarios:

1. IEA Sustainable Development Scenario – Advanced economies reach net zero emissions by 2050 due to immediate and sustained action. The worst physical impacts will be avoided at the expense of higher transition impacts.
2. IEA Stated Policies Scenario – Slower progress is made, based upon existing governmental policies, ultimately failing to reach a below 2-degree warming target. This pathway will result in lower transition impacts but fails to avoid significant physical impacts.

We evaluated our current and future climate-related actions and mitigations to gauge their resilience against both climate change scenarios. Molten Ventures is a low climate risk organisation and our strategy is considered to be resilient under both future outcomes. We will evolve our scenario analysis in subsequent years to add further detail and quantification, and we will continue to evaluate our resilience against the changing risk landscape.

Scenario analysis must capture the inherent uncertainties associated with future climate change projections. We chose two scenarios with varying levels of severity in terms of physical and transition risks to challenge our assumptions about the future and explore alternative pathways to consider the extent of impact likely to be experienced by our business and the business of our portfolio companies. The two IEA scenarios were selected specifically because of their focus on transition risks, the climate risk category to which Molten Ventures is most exposed. A number of analytical choices were also made to tailor the scenarios to our specific risk and opportunity exposure so we could stress test the assumptions underlying our Climate Risk and Opportunities Register.

Strategy - Business and financial planning impact

Describe the impact of climate-related risk and opportunities on the organisation's business, strategy, and financial planning.

Through the TCFD exercise undertaken during the year, we have assessed how climate change will impact the business, strategy and financial planning of Molten Ventures and our portfolio companies alike, both directly and through management actions to reduce risks and realise opportunities.

Business operations:
Increased carbon and climate-related stakeholder expectations and compliance requirements necessitate the adaptation of our business operations, including through the development of a Climate Strategy to reduce our Greenhouse Gas (GHG) emissions; efforts to improve our energy efficiency, and a continued commitment to source renewable energy.

Investment process:
We understand that our portfolio companies are exposed to many of the same climate-related risks and opportunities as we are. Our investment process is evolving to fully integrate climate change considerations, and we are committed to supporting our portfolio companies to identify and mitigate risks and reduce their GHG emissions through financial and non-financial means.

Investment strategy:
In response to identified climate-related opportunities, we are continuing to pursue a climate tech thesis focused upon identifying and realising investment opportunities that are energy and carbon-focused or efficient. Investments aligned to this strategy during the year include Cervest, BeZero Carbon, and Satellite Vu, details of which can be found on page 23.

Financial planning:
This year's qualitative analysis has highlighted a range of potential financial impacts, including the cost (in time and money) of implementing a Climate Strategy and of complying with carbon-related regulations, as well as potential positive and negative impacts on our portfolio valuations. We intend to begin quantitative analysis in future years to further integrate climate change into our planning.

Operational objectives and KPIs have been developed with the aim of minimising climate-related risks and realising opportunities. Our objectives span a wide range of business functions including corporate, investment strategy, deal origination, due diligence, investment management and engagement, and exit. Please see the climate-related metrics and targets section on page 61 for further information.

ESG – Environment continued

Risk Management - Risk identification and assessment

Describe the organisation's processes for identifying and assessing climate-related risks.

Climate-related risks and opportunities were identified and assessed in FY22 through workshops of a sub-committee of the ESG Working Group, facilitated by ITPEnergisised, our ESG consulting partner. Consistent with our Corporate Risk Register, identified risks are scored based on their impact and likelihood, both with and without mitigation. The residual risk score presents the level of risk that remains once existing mitigations and additional actions have been implemented and determines whether that level is acceptable or in need of further mitigation.

In connection with Molten Ventures' investment activities, the Investment Committee is responsible for assessing ESG risks and opportunities, including consideration of GHG emissions, as part of its due diligence. This year, we worked to further integrate ESG within our investment process and the Investment Team received training from ITPEnergisised on applying the ESG Framework that we introduced during the period to identify risks and opportunities that inform investment decisions. During the ownership stage, we monitor portfolio companies' risk exposure through annual distribution of our ESG Framework and evaluate the carbon footprint of our portfolio using the data acquired. In the coming years, we will work to further integrate climate change considerations throughout the investment process, including the evaluation of a broader range of physical and transition climate risks.

Risk Management - Risk management and integration

Describe the organisation's processes for managing climate-related risks and how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Specific mitigations and actions are identified to manage risks and capitalise upon opportunities. Please refer to the Risk and Opportunities tables on pages 62-63 which describe the mitigation actions. These are recorded in our Corporate Risk Register and are assigned to specific teams or individuals for implementation. The Corporate Risk Register is presented at every meeting of the Audit, Risk and Valuations Committee and to the Board at least annually, along with other business risks.

We aim to help portfolio companies manage their specific ESG risks and opportunities by providing tools and guidance. The ESG Framework generates tailored KPIs on an annual basis to help companies identify strategic actions to manage their risks and opportunities. We provide additional guidance in the form of access to relevant resources, one-on-one sessions, and bespoke ESG events. This year, ITPEnergisised delivered a portfolio-wide training session focused on carbon to enhance portfolio companies' understanding of the topic and give them practical guidance on collecting their GHG emissions data. We are working to further evolve our engagement with portfolio companies on climate-related risk and opportunity management in future years.

Metrics and Targets - Assessment

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

GHG emissions are monitored annually using both intensity metrics and absolute values (see table on page 56). A key focus in the FY22 has been the roll out of the ESG Framework, designed to enhance the Platform Team's engagement with portfolio companies and help them to understand their ESG performance. The framework requests primary data from the portfolio companies relating to their GHG emissions and business activities that generate emissions. Where primary data is unavailable, or the framework is not completed, available data is aggregated across the portfolio, or estimations are made using secondary data from industry benchmarks in accordance with the GHG Protocol Corporate Value Chain (Scope 3) and Accounting and Reporting Standard.

Organisations with significant emissions are likely to be more adversely impacted by transition risks so our metrics currently focus on GHG emissions as a measure of climate-related risk exposure of our business and portfolio. We will focus in future years on tracking additional metrics, including quantitative financial metrics relating to the broader landscape of risks and opportunities in which we operate.

Metrics and Targets - Scope 1, 2 & 3

Disclose Scope 1, 2 and if appropriate, Scope 3 GHG emissions, and the related risks

Measuring our scopes 1, 2 and 3 GHG emissions remains a key focus area and enables us to better understand our environmental impact and meet our Streamlined Energy and Carbon Reporting (SECR) obligations. Our latest carbon footprint is presented in the table on page 56 and includes Scope 3 GHG gas emissions (predominantly consisting of GHG emissions from our purchased goods and services and portfolio companies) for the first time.

Metrics and Targets - Measurement and performance

Describe the targets used by the organisation to manage climate-related financial risks and opportunities and performance against targets

Targets have been developed which align with our wider business objectives, and action is currently underway to pursue the following:

- Continue to issue an annual TCFD report
- Continue to develop an annual SECR submission
- Continue to calculate our carbon footprint annually (including portfolio)
- Develop a Climate Strategy inclusive of a Carbon Reduction Strategy containing a path to net zero/net negative
- Ascertain and offset no less than 100% of our Scope 1 and 2 carbon emissions annually and support portfolio companies financially and with best practice guidance in respect of their own carbon reduction and offsetting programmes
- Continue to use 100% renewable energy sources for supply of electricity to our London office
- Periodic review of green electricity tariff options
- Review climate change reporting requirements as a standing item on the ESG Committee and ESG Working Group agendas
- Develop further carbon emission reduction strategies associated to our business operations
- Revisit scenario analysis annually based on the latest scientific consensus and economic modelling to develop more in-depth quantitative scenarios for identified key material aspects
- Perform more detailed portfolio company level analysis feeding into our valuations process and further integrate climate change into our financial planning

ESG – Environment continued

Climate risks and opportunities

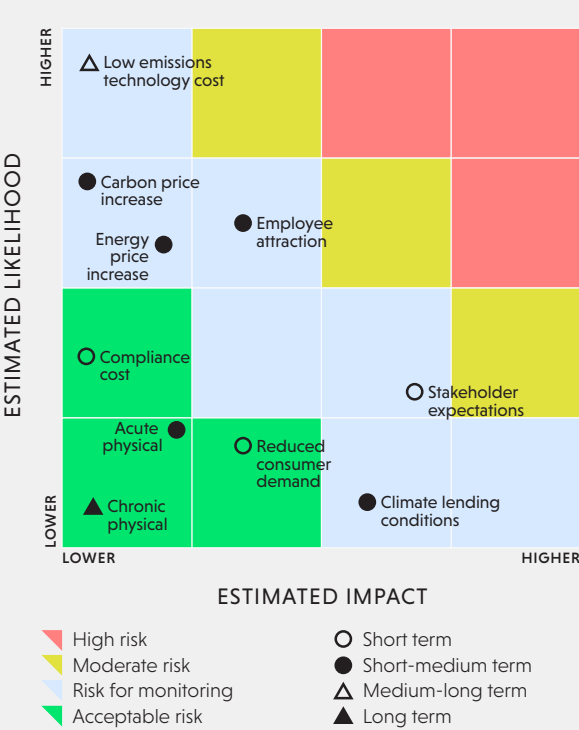
As part of our alignment with the TCFD recommendations, we have completed a materiality assessment of climate-related financial risks and opportunities that are likely to impact the business and our portfolio companies (at the portfolio level), presented in the matrices on page 63.

Identified risks have been categorised according to TCFD typology, falling within either transitional (policy and legal, market, technology or reputational) or physical (chronic or acute) risk categories. The Risk Matrix further breaks down risks based on likelihood of taking effect and the relative impact of said effect.

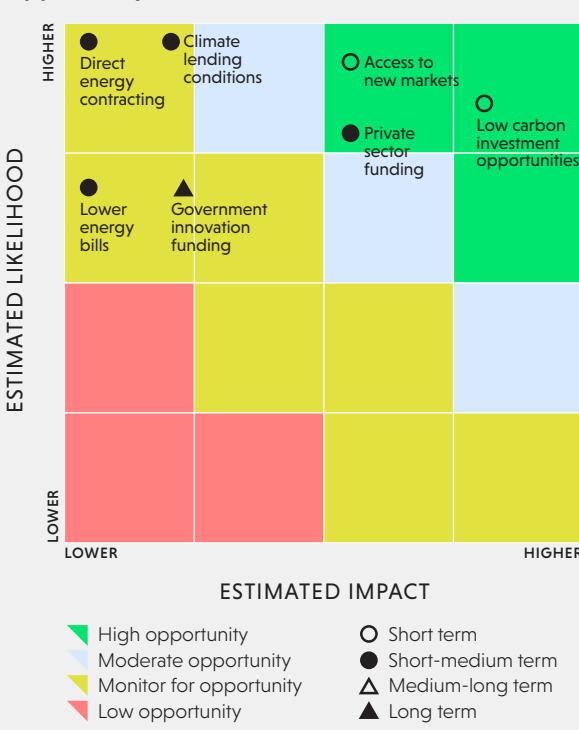
Climate-related opportunities were also categorised according to TCFD typology, including but not limited to products and services, markets and energy efficiency. Access to new markets, low carbon investment opportunities and private sector funding were identified as the most material opportunities for Molten Ventures to consider.

Focus Area	Specific Risk	Mitigation	Timeframe
Transitional risks			
Policy and Legal	Increased regulations and reporting requirements with higher associated compliance costs.	Preparing for new regulatory pressures e.g. the FCA's Sustainability Disclosure Requirements, TCFD reporting, carbon footprinting and balancing, and complying with SECR.	Short term
	Government intervention in carbon pricing resulting in higher power prices may increase operating costs.	Aim to improve energy use and efficiency in our offices and encourage and incentivise portfolio companies to follow suit.	Short-medium term
Market	Lending conditions are increasingly tied to climate resilience and carbon performance.	Development of a TCFD report, calculating our carbon footprint, complying with SECR, and plan to commence CDP disclosures in 2022.	Short-medium term
	Market conditions may cause increased energy and operating costs.	Aim to improve energy use and efficiency in our offices and encourage and incentivise portfolio companies to follow suit.	Short-medium term
Technology	Additional cost to transition to lower emissions technologies.	Development of a carbon reduction strategy to monitor emissions reductions supported by a cost-benefit analysis within the organisation and proactive engagement with portfolio companies.	Medium-long term
Reputation	Changing stakeholder expectations with consumers, portfolio companies and investors increasingly making decisions based on carbon performance and climate resilience.	Actively working to fulfil stakeholder expectations, including by direct engagement with stakeholders on ESG topics, making CDP disclosures from 2022 and continuing to be a signatory to the UN PRI.	Short term
	Portfolio companies may face reduced revenue due to damage to brand value and loss of customer base as customers increasingly factor climate change considerations into their decision making process.	Integrate reputational risk into our pre-investment due diligence questionnaire.	Short term
	Increased interest in working for "climate aware" organisations may impact employee attraction and retention, leading to reduced revenue.	Communication of our ESG standards to new and existing employees and portfolio companies and aim to demonstrate strong performance in climate resilience and carbon reduction.	Short-medium term
Physical risks			
Acute	Event-driven impacts arising from increasing frequency and severity of extreme weather events. The specific risks will be contingent on the business operations of portfolio companies but may include increased capital costs due to damage to infrastructure, increased insurance premiums, supply chain disruptions and impacted access to resources such as clean water.	Molten Ventures will integrate acute physical climate risk into the pre-investment due diligence questionnaire and leverage our influence as investors and active managers to help portfolio companies mitigate risk.	Short-medium term
Chronic	Overall shifts in climatic behaviour resulting in long term changes in temperature and precipitation patterns. The specific risks will be contingent on business operations but may include scarcity of natural resource supplies causing increased operational costs and global political tensions.	Molten Ventures will maintain suitable risk mitigation strategies in its operational activities and integrate chronic physical climate risk into the pre-investment due diligence questionnaire and leverage our influence to help portfolio companies mitigate risk.	Long term

Risk matrix



Opportunity matrix



Focus Area	Opportunity	Timeframe
Resource efficiency	Improved energy, water and waste efficiency could result in reduced operating costs and improved reputation among customers, staff, prospective staff and investors of Molten Ventures and our portfolio companies.	Short-medium term
Products and Services	We intend to build on our climate tech thesis (see pages 22-23) by continuing to pursue investment opportunities that are energy and carbon focused or efficient as part of our wider investment strategy, thereby enhancing return on investment.	Short term
Markets	Engagement in climate-related commitments may lead to increased access to private sector funding. We actively seek to address and improve our climate resilience and carbon emissions.	Short-medium term
	Enhanced government innovation funding for low carbon projects and technologies will lower the cost of innovation and improve portfolio companies' success. We will review funding opportunities and engage with relevant government departments through lobbying where appropriate.	Long term
	Increased low carbon investment opportunities due to shift in consumer demand for low carbon products and the growing potential of the "climate-conscious customer base".	Short term
Energy source	Continued usage of renewable or low energy sources may result in reduced energy bills and reputational enhancement. We already have a green electricity tariff provided by our landlord, but will explore direct energy contracts and encourage portfolio companies to procure green electricity.	Short-medium term
Resilience	Securing direct energy contracts through corporate Power Purchase Agreements (PPAs) with energy generators will protect against price fluctuations and demonstrate a commitment to low carbon energy.	Short-medium term

ESG – Social

Our D&I vision

A widened perspective
for our team, our founders and our industry.

A different approach
for our team, our founders and our industry.

A team and portfolio that reflect the society we live in.

A sector that better serves the world
it is trying to change.

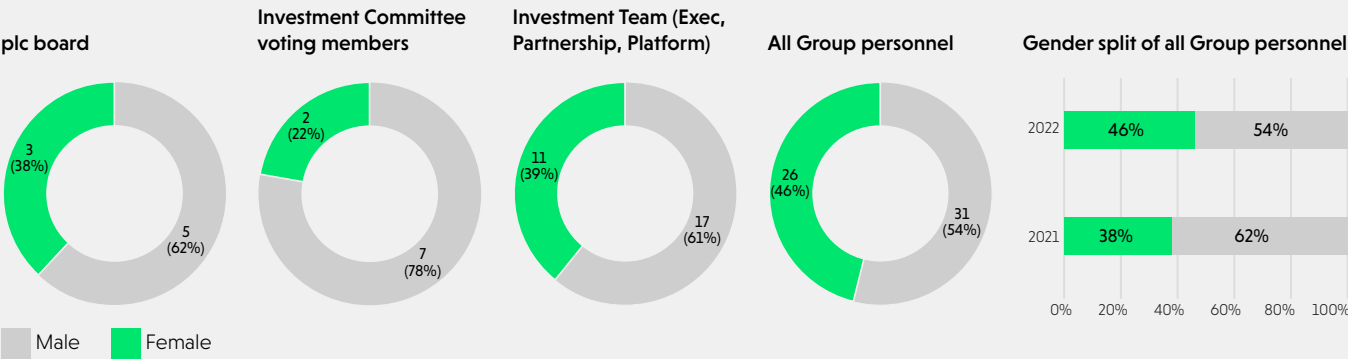
A world where everyone can see themselves in tomorrow's leaders.

During FY22 our ESG Working Group ran a series of collaborative workshops to define Molten's D&I Vision and Mission Statements.

The process also helped us to establish what changes needed to be initiated, why and how to achieve these and considered the challenges that might be encountered as part of this process.

Diversity and Inclusion Statistics

Gender	Execs	Non-Execs	Investment Committee	Total workforce
Female	–	60%	22%	46%
Male	100%	40%	78%	54%
Transgender	–	–	–	–
Non-Binary	–	–	–	–
Prefer not to say	–	–	–	–
Ethnicity	Execs	Non-Execs	Investment Committee	Total workforce
White	100%	100%	89%	81%
Asian/Asian British	–	–	11%	10%
Black/Black British	–	–	–	2%
Mixed	–	–	–	3%
Other	–	–	–	2%
Prefer not to say	–	–	–	2%
Age	Execs	Non-Execs	Investment Committee	Total workforce
18-24	–	–	–	5%
25-34	–	–	–	35%
35-44	33%	–	56%	28%
45-54	33%	40%	33%	21%
55+	33%	60%	11%	11%
Disability	Execs	Non-Execs	Investment Committee	Total workforce
% Employees with a disability	–	–	11%	5%
Prefer not to say	–	–	–	4%



Gender split across groups shown as number of persons and %.

Our D&I mission

The venture capital industry has a diversity problem. We all know that VC funding is concentrated in a small segment of the population leaving other segments largely under-funded.

For our industry

As investors, we are committed to discovering and supporting entrepreneurs who build the future. Yet, talent is still lying dormant in many under-represented communities, marginalised groups and underfunded ideas. The world needs tech created by people from all backgrounds to serve a wide set of needs. The true winners will be those that can feel pride in creating a world of opportunity for future generations of diverse entrepreneurs.

For our teams

Our lived experiences shape who we are and how we think. We respect each other, our varied experiences and believe that the differences in our backgrounds lead to richer insights and broader perspectives.

We know that diversity of thought positively impacts team performance; investor teams or boards are no exception. We believe that hiring from a wider talent pool will not only lead to better investment decisions but also enrich us as people.

For our business

At Molten, we make more possible. Since day one, democratising venture capital has been at the core of our business. To fulfil this goal, we continue to commit ourselves to a culture with Diversity, Equality and Inclusion ("DEI") at its core. This is the right thing to do and just better business.

Success, for us, means looking at our team and portfolio, knowing that we invested in the best people.

Diversity, Equality and Inclusion

We are committed to equal opportunities for everyone throughout recruitment, selection and career development. In accordance with our DEI Recruitment Policy released in August 2021, all applicants are treated equally regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

This year, we established a Group-wide DEI & Equal Opportunities Policy which outlines our commitment to fostering, cultivating, and preserving a culture of DEI throughout the business on a Group-wide basis.

Diversity VC Standard

This year, Molten participated in the Diversity VC Standard assessment and in February 2022 was awarded a level 1 certification. The standard sets a benchmark for best practice on diversity and inclusion within venture capital and demonstrates our commitment to DEI in recruiting, internal culture, dealflow sources and portfolio guidance.

Investing in Women Code

In February 2022, Molten was proud to become signatories to the Investing in Women Code which is the UK Government's initiative supported by the BVCA and the British Business Bank. By participating as signatories, Molten confirmed its commitment to support the advancement of female entrepreneurship in the UK and to work with co-signatories to gather and share annual D&I data about our own operations and the pipeline of deals that we see.

Mental health and wellbeing

Molten has a number of measures in place to support the mental health and wellbeing of staff and to ensure that they feel safe, healthy and included in the performance of their role. These include:

- The Perkbox app offers free online workouts and wellness classes and is available to all employees
- All staff have discounted access to Nuffield Health Fitness & Wellbeing Gym to encourage good physical health
- A flexible working policy is in place to permit and encourage employees to work where and when they prefer with regard to their own personal needs
- Organisation of monthly social events to encourage relationship building in an informal environment away from the office
- Conducted a Work/Life Balance survey during the period across all employees to gather a better understanding of the challenges our staff face in finding this balance and how we can reduce these
- Establishment of a Board employee engagement programme, led by Non-Executive Director Richard Pelly allowing staff to disclose feedback and opinions to the Board
- Private health insurance and private medical healthcare for all staff, including on-demand access to GPs and counsellors
- Enhanced maternity, paternity, adoption and shared parental leave policies

Learning and development

We have introduced employee coaching through the CoachHub platform to improve individual performance, develop high potential team members and offer both individual and organisational development opportunities. More information about CoachHub can be found on page 33.

Regular performance reviews aligned with career development are conducted for all permanent employees. SMART targets are set and tracked within our HR portal with appraisals occurring immediately after year end.

During the year, mandatory compliance training was conducted for all employees (including the Executive Directors), on topics including: anti-bribery and corruption, anti-money laundering, data protection and cyber security, Senior Managers and Certification Regime and anti-modern slavery.

Additionally, 38 employees attended an unconscious bias training session led by Reboot, a smaller engagement session was delivered to our ESG Working Group on implementing DEI into our culture through best practice guidance, and ESG training was provided to the Investment Team, further details of which are set out on page 53.

During the year, all permanent employees received at least 1 training day.

Charitable endeavours

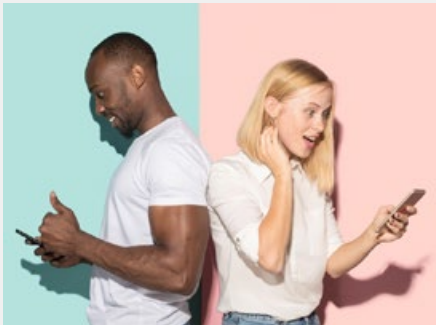
Molten believes that giving back to the community is a key aspect of our social responsibility.

In August 2021, an application was submitted to the UK Charity Commission to establish a charitable incorporation, the Esprit Foundation, to enable further engagement work with the wider community in which Molten operates and support a range of charitable social initiatives. This was approved by the Charity Commission in March 2022. The Foundation will be independent of the Company and will focus predominantly on grant-making to charitable purposes including the advancement of education for the public benefit (especially for under 30s) for the use and application of technology and business and entrepreneurship.

The Company has agreed to match funding raised for the Foundation up to an amount of £150,000 per year.

All employees are entitled to take up to five paid days per year to undertake charitable activities of their choice and in the year ahead we are looking to build partnerships with local schools and charities to promote employee engagement in the form of volunteer days and school visits. The first of these days has been organised for post year-end and is a volunteer day led by The Royal Parks Trust where members of the Molten team will be working to support and maintain the wildlife at Regent's Park through planting new bulbs, removing invasive species and building shelters to protect the park's endangered species.

COACHHUB ▼
Employees have had the opportunity to use portfolio company, CoachHub's, platform



ESG – Governance

Molten Ventures strongly believes that conducting business in an honest, ethical, socially responsible manner supports the creation of long-term, sustainable value for our Shareholders and wider stakeholders, and the development of a better society for all.

Responsibility for governance

Good corporate governance is fundamental to Molten; our portfolio companies; and the way we conduct business.

Governance begins with the Board, but responsibility permeates throughout the whole Group reinforced by strong internal processes and regular training for all employees (including the Executive Directors) as more particularly set out on page 65.

Policies, procedures, systems and controls

This year, we publicly disclosed a summary document of all internal policies, procedures, systems and controls which can be found on our website across the following seven broad categories:

Category	No. of documents*
Governance & ESG	24
Compliance	39
Human Resources	26
Data Protection	19
IT and Cyber	08
Finance	17
Reports and Disclosures	10

* As at 31 March 2022.

UK Corporate Governance Code

Following the Company's move up from AIM to the Main Market of the London Stock Exchange in July 2021, Molten subscribes to the principles set out in the UK Corporate Governance Code. These principles set out standards of good practice around board composition and development, remuneration, shareholder relations, accountability and audit.

In line with the UK Corporate Governance Code, we have appointed a Designated Non-Executive Director to lead our employee engagement programme and improve Board stakeholder engagement.

Health and safety

All staff share responsibility for achieving safe working conditions through adherence to the Group's robust health and safety measures, both in the workplace and any homeworking environment. The Office Manager has overall responsibility for the implementation, operation and periodic review and update of the Group's health and safety policies and procedures to ensure that they continue to fulfil the key function they are designed for. During the period, no injuries, occupational diseases nor work-related fatalities have been reported. Currently, we have not introduced quantitative metrics, targets or an implementation timeline concerning our health and safety operations or reduction efforts, however this position is kept under review.

IT security, cyber resilience and data protection

Data protection and cyber security is considered one of the principal risks to the business and is therefore a Board-level concern and a standing agenda item at all formal meetings of the Board. The Group has a range of privacy, IT and cyber security policies and procedures in place which collectively set out the Group's commitment to these areas, and establish employee responsibilities and the process for risk identification. A summary of a number of the policies can be found on our website.

Data protection and cyber security are included as part of the Group's annual training programme, which was this year further enhanced by the introduction of ongoing staff phishing and cyber awareness training. We also introduced the implementation of an outsourced 24/7 Security Operations Centre, which actively monitors staff laptops and Office 365 and upgraded our anti-virus system and wider cyber resilience. The Company's cyber and IT resilience is being further bolstered by the addition of an outsourced fractional CIO function beginning in March 2022.

Our Business Continuity and Disaster Recovery Plan is key in identifying and addressing data security risks and providing the means of avoiding and recovering any cyber-related disaster events. As per our Internal Data Breach Register, no Molten data security breaches have been reported during the period. Additionally, no information security breaches have been experienced by Molten in the last three years.

Section 172 statement

Under Section 172(1) of the Company Act 2006, a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (among other matters) to –

- a. the likely consequence of any decision in the long term
- b. the interests of the company's employees
- c. the need to foster the company's business relationships with suppliers, customers and others
- d. the impact of the company's operations on the community and the environment
- e. the desirability of the company maintaining a reputation for high standards of business conduct
- f. the need to act fairly as between members of the company.

The following disclosure describes how the Directors have had regard to the matters set out in Section 172(1) (a) to (f) and forms the Directors' statement under section 414CZA of The Companies Act 2006. Examples have been included of both the routine application of such considerations in the ordinary course of business, and their role in certain key Board decisions during the course of the year.

Key stakeholders

The Board considers its key stakeholders to be its employees, its portfolio companies, its investment partners, the community in which it operates (and broader community), the environment, its suppliers and advisors, and its Shareholders.

Having regard to this divergent range of interests, and balancing the potential outcome for the different stakeholder groups, is a key part of the Board decision-making process.

How does the Company engage with its key stakeholders?

The Company, under the direction of the Board, is committed to engaging with all of its key stakeholders to understand the wider impact of the Company's operations. As set out below, the Board directly and indirectly engages with stakeholders in a variety of ways, and factors these considerations into its long-term strategic, operation and financial goals. For more details on how our Board operates, please see the Corporate Governance Statement on page 86.

▼ CEO & CPO
Molten CEO, Martin Davis (right),
and CPO, Stuart Chapman (left)



Section 172 statement continued

Employees	
Why we engage	How we engage
Engagement with employees by the Executive and Non-Executive teams promotes a strong business-wide corporate culture of governance, which facilitates the ability of decision makers to appropriately discharge their duties and reduce or remove Group exposure to unacceptable levels of risk. Engagement also reinforces the Board's commitment to our positive culture, diversity and inclusion, and ensures that employees feel supported and engaged with the Group's strategy.	• Due to the Group's relatively small employee base, the Executive Directors engage directly with employees on a day-to-day basis. The Non-Executive Directors have an open invitation to attend weekly Investment Committee meetings and speak with employees in person, both during the investment decision-making process and in informal social settings. • Richard Pelly has been appointed as the Designated Non-Executive Director with responsibility for workforce engagement. Richard's engagement with the workforce includes attendance at certain sessions of the company's ESG working group, where workforce representatives are able to raise matters directly with Richard. Feedback on the engagement at those sessions is provided directly to the Board. • All employees have clear reporting lines which facilitate and encourage direct access to the Executive team. Regular fitness and propriety reviews are undertaken in line with regulatory requirements, which forms part of the culture of the business. • HR undertakes regular anonymous employee surveys to provide people-centric insights to the Board, and the results of such surveys are presented to the Board. • In its decision-making process, the Board regularly considers the impact of its decisions upon the Company's staff and affiliated personnel as well as the surrounding business culture.
Portfolio companies	
Why we engage	How we engage
Our open and inclusive approach is key to the hands-on way in which our team supports the growth of our portfolio companies. As an active manager, engagement with portfolio companies through all stages of growth allows us to better support those businesses and their management teams via access to our expertise, capital and wider network. Our approach to portfolio engagement also provides us with more regular and better visibility on portfolio company practices, progress and culture, which in turn informs the way in which we are able to provide support.	• We have regular contact with our portfolio companies by taking a board directorship or attending meetings as an observer, as well as through informal channels by building strong relationships with entrepreneurs and their leadership teams. • Many of our team offer specific domain expertise relevant to the particular business of our portfolio companies and also bring operational experience as technology entrepreneurs in their own right, which enables us to provide companies with tailored connections and advice. • We run regular events and training sessions including trend spotting, panel discussions, focused networking and breakfast briefings to support our portfolio teams with best practice guidance and knowledge sharing. Events during the current year have included our annual investor day, a carbon reduction-focused portfolio engagement event, and thematic "Office Hours" events for management teams. • Consideration of portfolio company performance is a standing agenda item at each Board meeting and at each weekly meeting of the Executive Directors. • Please see the Portfolio Review section on pages 31-43, as well as the case studies on pages 20-21 and 22-23 for more information on the work we do with our portfolio companies.

Investment partners	
Why we engage	How we engage
Leveraging our co-investment model offers improved access to the best deals and, by extension, the best returns for all of our stakeholders. Through active collaboration with like-minded investment partners, we achieve cultural alignments and can provide a broader range of collaborative investment optionality to our prospective and existing portfolio companies.	• The Group operates a multi-faceted investment strategy across plc balance sheet investing; EIS investments managed by Encore Ventures LLP; and VCT investments via Molten Ventures VCT plc (an entity which sits outside of the Group but is managed by Elderstreet Investments Limited). The Group also continues to support its long-term collaboration with Earlybird in Europe, and has also made LP commitments to a further 22 UK and European seed funds during the year as part of Molten Ventures' Fund of Funds programme. As strategic partners with Earlybird, we share dealflow and resources to co-invest in high-growth technology companies across the UK and Europe. The Executive team engage directly with our investment collaborators on a regular basis. • We work closely with our investment partners to ensure an alignment of culture and long-term goals that allow for sustainable growth and positive returns and outcomes for all our key stakeholders. Board consideration is regularly given to the strategic positioning and relationship between the Group and its investment partners.
The community	
Why we engage	How we engage
As part of our long-standing aim of democratising venture capital (as evidenced by our decision to IPO on AIM in 2016), we are committed to building engagement with the community, particularly in the context of our continued focus on sustainability, environment, social and corporate governance issues.	• We regularly hold thematic events across the regions and sectors we focus upon which are open to members of the entrepreneurial ecosystem and others within the broader community. • In addition to enabling our portfolio companies and wider partners to meet and gain valuable insight, these events also give us regular opportunities to engage with these communities and strengthen our relationships and influence within them. • As signatories to the UN Principles of Responsible Investment, we are committed to encouraging dialogue around ESG themes, as further considered in pages 50-55. • In February 2022, the Company became a signatory to the UK Government's Investing in Women Code with a commitment to improving female entrepreneurs' access to tools, resources and finance. Additionally, in March 2022, the Company concluded establishment of the Esprit Foundation, which obtained charitable status from the Charity Commission. It is the intention of the trustees of the Foundation to make awards of grants to third-party community organisations with charitable objectives that align to the objectives of the Foundation. Further details are set out in pages 65.
Shareholders	
Why we engage	How we engage
The Board recognises the critical importance of understanding, and aligning to, the expectations of our Shareholders. Regular dialogue with Shareholders through a range of different channels helps us to understand their short and long-term views; engage with their ambitions; and address their concerns.	• Regular communication with institutional Shareholders is maintained through individual meetings hosted by members of the Executive team, particularly following the publication of interim and full-year results. The Chair of the Board of Molten Ventures plc also maintains direct contact with the Company's largest investors both in writing and through attendance at meetings. • The Company's largest Shareholders are invited to attend our annual Investor Day at which a selection of portfolio companies are invited to present, allowing for direct engagement between Molten, its Shareholders and our portfolio companies. • The Board encourages Shareholders to attend and vote at the Company's Annual General Meetings, at which members of the Board are in attendance and available for Shareholder questions. • Investor relations are a standing item on the Board's agenda and at the weekly meeting of the Executive team.

Section 172 statement continued

Suppliers and advisers	
Why we engage	How we engage
Our suppliers work with Molten and the broader Group to ensure that we can provide an appropriate level of service and to bolster our regulatory compliance team. By being selective in our choice of suppliers and fostering robust relationships with those that we choose to work with, we ensure that the Group efficiently and sustainably engages the right services for our business in line with applicable laws, regulations and best practice.	• The Group engages its suppliers (locally, and where appropriate, globally) on the basis of proven track record with observance of minimum levels of performance, ethics and governance in order to create value and mitigate risk. • A variety of independent professional advisers are utilised by the business to assist with our regulatory and legal compliance, including by way of example: banks, lawyers, accountants, auditors, brokers, compliance specialists, training providers, branding and publishing sector specialists. • The Group has a positive and open relationship with all of its advisers. Regular contact is maintained to ensure alignment of expectations and interests. • The entry into contracts which are material strategically and which deviate from the Company's investment strategy in the context of the Group's business of operations or which are not in the ordinary course of business are matters which are reserved to the Board.

The environment	
Why we engage	How we engage
Concerns around Environmental, Social and Corporate Governance (ESG) issues have become increasingly important to the Company and to the wider business community, particularly in respect of climate change and carbon emissions. Engagement with ESG-focused strategies is of ever-growing significance, both from a broad planetary/societal perspective, but also in the context of evolving investor expectations within the VC community.	• The Company and broader Group is committed to positively engaging with sustainability and ESG issues as a signatory to the UN Principles of Responsible Investment. During the period, the Company continued to evolve its ESG-oriented processes in accordance with the Group's ESG Policy. • A core steering committee has been operating for a number of years, and a formal ESG Committee has been established by the Board during the year chaired by Gervaise Slowey. • In January 2022, the Company operated a portfolio engagement session on the topic of carbon emissions reduction and offsetting as well as a separate internal ESG training for the Investment Team. • Investments were also made in specifically environmentally-focused companies in BeZero Carbon, Cervest and Satellite Vu. Further details of the Group's ESG-related activities are provided in the Sustainability section on pages 48-66. • The Board receives regular updates on progress against the agreed ESG KPIs, which are set out on page 50 for the previous year and page 51 for the year ahead, which are indexed to 10% of the corporate remuneration-related targets of all staff (including the Executive Directors).

Key Board decisions during the year

In discharging its duties, the Board considers the views of its stakeholders, alongside other considerations such as risk, and legal and regulatory compliance. Board decision-making is supported by the provision of reports and papers circulated prior to the formal Board meetings, regular dialogue between Executive and Non-Executive Directors, and in-person presentations from management and advisers. Where appropriate, papers and presentations provide analysis of the impact of proposals on stakeholder groups and the long-term consequences for the business.

Set out below are some examples of key decisions made during the year to 31 March 2022, and areas of Board consideration in the decision-making process.

Board decision	Considerations	S172 factors
Main Market listing	• Potential for enhanced liquidity in shares and increased range of potential investors (both in the UK and overseas) • Continued democratisation of venture capital • Management time required to progress alongside day-to-day investment and operational duties • Additional regulatory and governance requirements associated with Main Market listing, and plans to ensure compliance • Board composition and experience	(a), (b), (d), (e), (f)
Division of Remuneration and Nominations Committee	• Improved governance through the division of functions into separate dedicated committees • Requirements of the UK Corporate Governance Code	(a), (e)
Rebranding to Molten Ventures	• Clear identification of the brand, and link to transformation and growth • Independence from the "Draper" brand as a natural evolution in the Company's growth • Enhanced opportunity to build brand across stakeholders	(a), (c), (e)
Appointment of new Non-Executive Directors	• Strengthening diversity in the background and experience of the Board as a whole • Ensuring appropriately experienced individuals appointed to lead governance at Board level • Developing Board-level experience in sustainability matters • Improving gender diversity at Board level • Maintaining Board independence in line with UK Corporate Code requirements	(a), (b), (d), (e)
Appointment of Sarah Gentleman as Chair of Remuneration Committee and revised composition of Committees	• Ensuring an appropriately experienced individual appointed to take on the role of Remuneration Committee Chair • Improved governance through the reallocation of functions across the Board • Improved diversity across composition of Board Committees • Reduced concentration of functions for Non-Executive Directors	(a), (b), (c), (e)
Appointment of Employee Engagement Independent Non-Executive Director	• Strengthening workforce engagement mechanisms • Supporting UK Corporate Governance Code compliance	(a), (b), (e)
Adoption of Board Diversity & Inclusion Policy	• Aligning Board practice with wider Company approach to D&I • Commitment to strengthening Board diversity over time • Maintaining best practice governance requirements	(a), (b), (c), (e)
Determination of annual LTIP Awards by Remuneration Committee	• Alignment of long-term interests of Executives, employees and stakeholders	(a), (b), (c), (f)

Risk management

To achieve our strategic objectives and manage the business sustainably, we operate an effective risk-management framework that balances risk and reward, whilst protecting the business, our Shareholders, employees, and other stakeholders. The Board has ultimate responsibility for setting and managing the risk framework, as well as defining appetite for risk.

Risk appetite

The nature of our business fundamentally involves accepting risk if we are to achieve our strategic aim of creating and maintaining a pipeline of investment opportunities and supporting our diversified portfolio of businesses to achieve meaningful returns. However, the business will accept risk only where it can be appropriately managed and where it offers sufficient reward. The Board has determined its risk appetite for each of its principal risks and emerging risks described below, and considered appropriate ways to monitor performance and mitigate each risk to ensure it remains acceptable.

Risk governance

Our approach to risk governance is a top-down approach, with a culture of compliance that runs from the Board, through its Committees, the Executive team, the Compliance Team, to all staff, encouraging a thoughtful and transparent culture towards risk that is grounded in principles of stewardship for our stakeholders. For the Group, the first line of defence comprises management controls and internal control measures administered by all managers and staff, with the second line of risk management overseen by the Compliance Team. The Compliance Team report directly into the CEO on all compliance matters and has direct access to the Non-Executive Chair of the Board and the Audit, Risk and Valuations Committee. The Board meets six times a year, and delegates daily management to the Executive team. Both the Audit, Risk and Valuations Committee and the Executive team regularly consider and review the existing and emerging risks faced by the business to ensure that any exposure and associated mitigations align with the business's strategic objectives. All material risks associated with the Group and its activities are entered into the Company's Corporate Risk Register which applies a scoring system to assist the Audit, Risk and Valuations Committee in its decision-making by capturing inherent risks, mitigations, and residual risks as well as proposed actions. Risks are mapped to a heat map and monitored whilst controls are put in place and continually reviewed to mitigate the Group's exposure.

The Audit, Risk and Valuations Committee formally meets twice a year, with other informal meetings convened as necessary. The Executive team are delegated authority to oversee the application of the risk framework across the

business. The Group operates clear reporting lines throughout the business and engages external compliance specialists, IQ-EQ, to assist the Compliance Team in monitoring and advising on all regulatory compliance matters at a fund manager level within the Group structure. There is a formal compliance report issued to the Board annually based upon the Company's Corporate Risk Register and the output of quarterly monitoring reports issued by IQ-EQ. For the report covering the year ended 31 March 2022, the only actions identified by IQ-EQ as requiring attention were classified as low-risk. During the period, the Compliance team was bolstered by the addition of a compliance and regulatory-focused lawyer to further expand the in-house capabilities of the Group and its robust approach to risk and ongoing compliance-oriented obligations. Depositary services in the financial year were provided to the Company by Aztec Financial Services (UK) Limited, including safekeeping of Company assets, oversight, and reporting any breaches, anomalies and discrepancies. Langham Hall UK Depositary LLP was appointed as a replacement depositary on 1 April 2022, post year end.

We identify and monitor risks closely throughout the business, with all employees involved in overseeing and mitigating risk on a day-to-day level under the ambit of the Group Compliance Manual and newly introduced Conduct Policy. Periodic internal checks are administered by the Compliance Team; enhanced IT security measures are employed by the IT Manager; and weekly meetings are conducted at an executive level with a commitment to specific periodic risk-review sessions focused on the Corporate Risk Register. Externally-led training is provided to all staff at least annually in connection with the Group's culture of risk awareness and risk mitigation and the professional and ethical standards to which all employees must perform in the fulfilment of their roles (including where relevant under the Senior Managers and Certification Regime ("SM&CR")). During the year, IQ-EQ delivered training to all staff on the topic of SM&CR and targeted training on the subject of the Group's Client Assets Sourcebook (CASS) obligations to those members of the compliance, finance and administrative team involved in the safekeeping and reconciliation of client assets. Mandatory online training is conducted not less than annually (including associated testing) on a variety of core topics including anti-money laundering, anti-bribery and corruption, SM&CR, and data protection. Targeted internal-led compliance training

sessions are delivered during the onboarding process for new joiners and to different teams within the business as required. Within the quarterly Investment Team "Hit-list Day", market themes, opportunities and risks are assessed as part of the wider approach towards investments, and there is also a bi-annual Strategy Day attended by all of the Investment Team to review the Group's existing portfolio and assess risks and opportunities at an asset level. A Whistleblowing Policy is in place, which provides the means by which anyone within the business can raise or escalate concerns where they perceive the Company to not be dealing adequately with risks.

Updates to our risk framework for the year include:

- Corporate Risk Register:** Existing and emerging risks monitored, adjusted and new or adjusted mitigations considered and implemented as necessary. Material changes are reflected in the heat map and summary of Principal Risks of the business set out on page 73.
- Addition of new Non-Executive Directors:** The appointment of Gervaise Slowey and Sarah Gentleman to the Audit Risk and Compliance Committee and full Board provides additional expertise and oversight for the Group in its consideration of risk and control mechanisms around this.
- Hire of compliance-oriented in-house lawyer:** The Group's compliance function was bolstered by the addition of Tom Bowie, a solicitor with a private practice background in compliance and regulatory advice to financial service clients including private equity/venture capital firms.
- ESG focus in risk assessment:** during the year, we progressed our Task Force on Climate-Related Financial Disclosures ("TCFD") project (see our first report within the Sustainability section of this report) and have now built a standalone climate-related risk register that sits alongside the Group's wider Corporate Risk Register.
- UK Corporate Governance Code:** Following our move to the Main Market in July 2021, the Company complies with the UK Corporate Governance Code. A review of internal controls, including cyber security controls, was performed as part of the preparatory work for the move and will be regularly reviewed going forward.

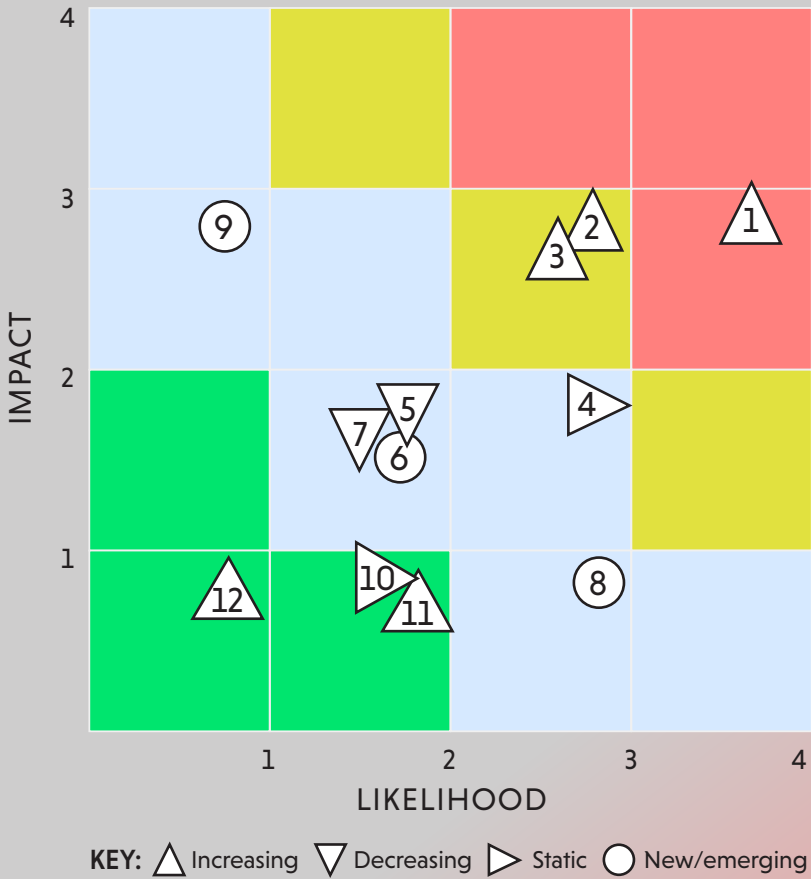
Principal risks

We regularly consider and make a robust assessment of principal and emerging risks and opportunities, both internal and external, which may affect the Group in the near, medium, and long term.

The Executive team, Audit, Risk and Valuations Committee and full Board have risk considerations as a standing item at all meetings, and the Group's principal risks are reviewed and approved annually by the Board to assess the severity and mitigation strategies in place for previously identified risks, and to identify whether any new risks had materialised in the period. The following are some of the principal risks which the Executive and the Board are currently monitoring.

- Adverse changes in global macro-economic environment
- COVID-19
- Geo-political protectionism
- Climate change

The Group's principal risks together with the associated explanations, mitigations and future focuses are set out in detail below. The heat map sets out what we consider to be the most substantial risks to our business, assessed by reference to their potential impact and likelihood of occurrence. We have included an indication of the changing status of each compared to the prior year.



Principal risks

- Global macro-economic environment
- Portfolio company valuations are subject to change
- Geo-political protectionism
- Climate change
- COVID-19
- FX exposure
- Key personnel
- Unpredictability of exit timing
- Loss of group regulated status
- Industry competition
- Cyber security
- Profile of venture investments

Principal risks continued

1. Global macro-economic environment ▲

Volatility of global public and private markets	Potential impact - Challenges in the macro-economic environment, possibly resulting in reduced spending, reducing the revenues of portfolio companies. Potential second order effects of: lower portfolio company valuations; extending the period to realisations; and an enhanced portfolio company requirement for liquidity requiring additional unforeseen follow-on investment - Market reassessment of private company valuations - Global economic recession could lead to changes in market and societal behaviours - Share price of publicly held stock in assets that have undergone IPO subject to changeable market forces	Risk management and mitigation - Range of funding strategies, including co-investment, debt and equity financing - Volatility impacts all public market participants and wider market dynamics so creates a level playing field - Resilience of public markets and strong investor relations - Strength of Board-level experience - Strength of portfolio, with strong realisations during the year and a number of assets on a path to a liquidity event - Diverse portfolio across stage of development and markets - Syndicated strategy of minority equity ownership alongside strong syndicate partners - Strong experience across team of previous challenging macro-economic environment conditions
Link to strategy (page 26) A, B, D, E		
Link to KPIs (page 27) 1, 2, 3, 4, 5		
Changes during the year - Move to the Main Market, improving access to a wider pool of investors - Appointment of two additional Non-Executive Directors to further bolster the expertise of the Board - National and international government stabilising measures to navigate economy out of COVID-19 - Hire of an investor relations specialist into the team and working with external IR specialists, Equitory, to help strengthen investor relations activities - High inflationary environment and rising interest rates - Geopolitical developments, including the tragic events in Ukraine	Focus for FY23 - Continued emphasis on appropriate levels of liquidity through access to debt facility, cash realisations, additional fee income from third-party co-investors with funds under Group management and ability to raise from the market - Launch of the Growth Fund and exploration of additional syndicated fund strategies with third-party investors to share risk and provide enhanced income streams - Maintain focus on investor relations to communicate the strategy and resilience of the Group	

Key

▲

 Increasing risk

▲

 New/emerging risk

▶

 Static risk

▼

 Decreasing risk

2. Portfolio company valuations subject to change ▲

Prospective and actual portfolio private company valuations are impacted by external factors and involve a degree of subjective judgement. We are seeing heightened investor focus on technology company valuations with subsequent market recalibration of valuations	Potential impact - Due to the illiquid nature of the asset class in which the Company invests, a material recalibration of global valuations of tech companies may impair the Group's NAV and impact on the timing and/or quantum of realisations at exit - Higher valuations in competitive deals may result in larger cheque sizes for smaller equity stakes relative to less buoyant conditions	Risk management and mitigation - Diversification of the portfolio across geographies and sectors - Measured approach to valuation, in line with IPEV and BVCA guidelines, with oversight and scrutiny from the Audit, Risk & Valuations Committee and auditors - Fund of Funds strategy provides early visibility and access to a wide range of emerging companies at a stage where valuations and round size are opportune for strong continued growth and compelling return on investment - Deal team focused on rigorous investment process to ensure that participation in rounds at high valuations relative to ARR are justified by reference to risk-profile and potential returns
Link to strategy (page 26) A, E	Changes during the year - Increased media attention around valuations of tech companies - Material shifts in valuations of the small amount of public stock held in portfolio companies who have IPO'd - Public market valuations for technology companies have reduced in the year, with some read across to late-stage private technology companies	Focus for FY23 - Continued focus on liquidity - Expansion of the Fund of Funds strategy - Diversification of funding sources to ensure portfolio companies remain well capitalised - Continued participation in deals alongside a robust syndicate of high-quality co-investors to ensure that portfolio company businesses are well capitalised for future growth - Continued downside protection through preference share structure of investments in portfolio companies and offering Convertible Loan Notes in the event of bridge financing being required
Link to KPIs (page 27) 1, 2, 5		

3. Geo-political protectionism ▲

Direct and indirect impact of geo-political events	Potential impact - Governmental policies preventing or providing additional hurdles to cross-border M&A opportunities particularly impacting upon large-scale tech businesses limiting route to a meaningful exit - Raised tariffs making it harder for portfolio supply chains and deep hardware companies to obtain required materials or make sales of their own products - Persons or corporates subject to sanctions having an impact on flows of capital, goods, or services	Risk management and mitigation - Supporting portfolio with international structural optionality - Participation in lobbying efforts on UK government (e.g. through BVCA membership) - Sector specialist lawyers engaged during the period to deliver training to the Investment Team on the impact and process associated with the National Security and Investment Act (NSIA) and equivalent global legislation - Carrying out a full assessment of group exposure to sanctioned persons or corporates, through our portfolio, Shareholders, suppliers, or other investors into our portfolio companies
Link to strategy (page 26) B, C, E	Changes during the year - Move towards greater US and UK governmental oversight and control of company sale process to non-domestic acquirers - Implementation of the UK NSIA - Additional sanctions against Russian and Belarusian persons and corporates - Near-shoring of supply chains	Focus for FY23 - Continued participation in BVCA to lobby UK government on benefits of access to wider pools of capital outside of the UK/Europe in exit process - Providing early access to portfolio company founders and managing teams to explore US and wider global networks and put in place group structures that provide optionality - Continue to take legal and tax advice on implications of shifts in global policy including the application of the UK NSIA and extension of sanctions regimes - Assessment and ongoing monitoring of Group exposure to sanctioned persons or corporates, through our portfolio, Shareholders, suppliers, or other investors into our portfolio companies
Link to KPIs (page 27) 1, 2, 4, 5		

Principal risks continued

4. Climate change

Increasing need to navigate the energy transition, including regulatory, market, technology, and reputational aspects as well as the potential physical impacts of climate change

Link to strategy
(page 26)
C, D, E, F

Link to KPIs
(page 27)
1, 2, 4, 6

Potential impact

- Transitioning to a lower-carbon economy may entail policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change, including:
 - Changing stakeholder expectations
 - Increase in carbon-related regulation, including mandatory reporting requirements
 - Potential lending conditions tied to climate and carbon performance

Risk management and mitigation

- Adherence to the Company's ESG Policy to integrate considerations of climate-related risks throughout our wider thinking around ESG and any relevant strategies, policies and governance structures
- Working with external environmental consultants to:
 - Complete our first year of voluntary Taskforce for Climate-related Financial Disclosures (TCFD) reporting
 - Calculate and evaluate our group-wide carbon footprint (inclusive of Scope 1, Scope 2 and all material Scope 3 emissions), offset 100% of Scope 1 and Scope 2 emissions as well as select Scope 3 emissions, and carry out mandatory Streamlined and Energy Carbon Reporting (SECR) disclosures
 - Assessment of our Scope 3 emissions, including those from our investments and purchased goods and services

Changes during the year

- Government COVID-19 recovery initiatives and incentives prioritise net zero and low carbon
- Enhanced government innovation funding for low carbon projects and technologies
- Investments have been made during the year to climate tech companies, such as Cervest and BeZero Carbon, recognising the role their technologies can play in achieving the net zero target. For further details, see pages 22-23
- Worked with external consultants in preparation for first year of reporting to the TCFD
- COP26 increased global focus on climate risk and the role of the private sector in the economy's low carbon transition
- Enhanced engagement with our portfolio across each of the pillars of E, S and G, including hosting an online event for the entire portfolio on the topic of carbon emissions, reduction and offsetting
- Underwent a number of office greening practices, including improved recycling facilities and providing staff with vegan Allplants meals
- Offset of all Scope 1 and 2 and select Scope 3 carbon emissions during the year

Focus for FY23

- Development of a Climate Strategy including quantitative carbon reduction targets with support from external advisers utilising the output of our Year 1 TCFD reporting
- Enhance engagement with our portfolio on climate-related topics including carbon footprint measurement and GHG reduction plans
- Continue to explore energy saving measures and offset 100% of our Scope 1 and Scope 2 emissions, as well as focus on supporting our portfolio to reduce their Scope 1 and 2 emissions (thereby reducing our Scope 3 carbon emissions)
- Focus on integrating the output of our TCFD project into our risk management practices

Key

▲ Increasing risk ▲ New/emerging risk ▶ Static risk ▼ Decreasing risk

5. COVID-19

Direct and indirect operational impact of COVID-19

Link to strategy
(page 26)
B, E

Link to KPIs
(page 27)
1, 3, 5

Potential impact

- Direct effects of global pandemic include market instability; macro-economic disruption; share price volatility; reduced investor activity; disrupted cross-border trade; and impaired supply chains
- Reduced growth for a limited number of portfolio companies in directly impacted sectors
- Physical/mental health risk to staff and/or dependents
- Impacted business culture through remote working

Risk management and mitigation

- Robust business continuity plan
- Adapted working practices with focus on health and safety in line with government advice. Safe return to office environment for those able to do so on a hybrid basis, when in line with regulations and guidelines
- Cloud-based IT infrastructure and adoption of appropriate technology solutions for business communications
- Resilience of majority of portfolio companies
- Risks shared across businesses globally including by competitors

Changes during the year

- Changes to restrictions in the UK and across the world over the year
- Expansion of the COVID-19 vaccination in the UK and many jurisdictions globally, and roll out of the booster programme in the UK
- Reduced health risk associated with newer COVID-19 variants
- Increased focus on health and wellbeing with support from external service providers

Focus for FY23

- Continued focus on employee health and wellbeing
- Continued focus on the ability to work flexibly

6. FX exposure

Fluctuations in foreign exchange rates may adversely affect the Company's own cash position in the performance of the Group's portfolio

Link to strategy
(page 26)
C, E

Link to KPIs
(page 27)
1, 2, 4, 5

Potential impact

- Investments, realisations or transactions made or received in non-sterling currencies may result in exposure to adverse FX changes
- Changes in exchange rates may adversely affect Company valuations and/or portfolio company revenues

Risk management and mitigation

- The CFO and Board regularly review the possible impact of currency movements on the Company and the portfolio
- Portfolio companies generate revenues across a range of currencies, predominantly US Dollars, Sterling and Euros, and a degree of natural hedge therefore exists

Changes during the year

- Maintenance of foreign currency reserves in line with Treasury Policy

Focus for FY23

- To continue to monitor and appraise possible mitigation strategies beyond our existing Treasury Policy
- To expand banking relationships to allow us to put potential hedging solutions in place quickly

Principal risks continued

7. Key personnel			
The Group may not be able to retain or attract staff with the right skills and experience Link to strategy (page 26) A, D, F Link to KPIs (page 27) 1, 3, 4	Potential impact - The work of the Group requires specialist practitioners. - As a relatively small team, if the Group does not succeed in recruiting or retaining the skilled personnel necessary for the development and operation of its business, it may not be able to grow as anticipated or meet its financial objectives	Risk management and mitigation - Competitive packages offered to personnel, with periodic externally-led market comparisons for staff and Executive packages - Long-term incentives aligned to Group strategy through the issue of performance-related share options - Access to internal and externally-led coaching and mentoring focusing on staff development and inclusion - Continued programme of enhanced employee benefits - Expanded team size providing better coverage across all areas of the business - Evolving ESG credentials to help attract and retain talent	
	Changes during the year - Hiring of two additional Non-Executive Directors - Recruitment of six experienced professionals into the Partnership and Platform Teams - Additional benefits added, e.g. access coaching via the CoachHub coaching offered to a selection of employees - Issued LTIP on revised targets for the next three-year period - Conducted employee surveys to solicit feedback on the working environment - Employee engagement work rolled out with Richard Pelly taking up the role as the Designated Board Director for staff feedback	Focus for FY23 - Continued focus on improved mental and physical wellbeing of all staff through outsourced providers - New LTIP issue on revised targets for the next three-year period	
8. Unpredictability of exit timing			
Proceeds from the sale of investments may vary substantially from year to year Link to strategy (page 26) C, E Link to KPIs (page 27) 2, 5	Potential impact - The timing of portfolio company realisations is uncertain and cash returns to the Group are therefore difficult to predict - Proceeds from exits in the form of an Initial Public Offering may be locked into public stock for a period of time that precludes realisation of upside and is subject to turbulence of public market forces	Risk management and mitigation - The Group maintains sufficient cash resources to manage its ongoing operational and investment commitments - Regular working capital reviews are undertaken £65.0 million revolving credit facility in place for use as needed (£35.0 million undrawn as at 31 March 2022) - Financial performance oversight by the Executive team and Board - Expanded Platform Team enabling more team time to be spent on analysis, including likelihood and route to exit - Sessions run at two internal Strategy Days to identify potential exits during the forthcoming financial year	
	Changes during the year Increased focus on route to exit as part of the investment decision-making process and as part of the materials presented at each of the two internal Strategy Days run during the period	Focus for FY23 Continued emphasis on access to cash through cash management, financial modelling and continued access to the Company's revolving credit facility.	

Key

Increasing risk

New/emerging risk

Static risk

Decreasing risk

9. Loss of group regulated status			
Esprit Capital Partners LLP, Encore Ventures LLP or Elderstreet Investments Limited cease to be authorised as fund managers by the FCA Link to strategy (page 26) A, B, C, D, E, F Link to KPIs (page 27) 3, 4, 6	Potential impact If the Group-regulated investment managers had their permissions removed by the FCA then the Group would not be able to perform its business model	Risk management and mitigation - All senior personnel internally vetted, assessed and appraised on ongoing basis in line with SM&CR to ensure fitness and propriety - Robust governance processes and procedures on a Group-wide basis - Established internal compliance function, with external compliance advisory support from relevant third-party experts - Clear lines of accountability and responsibility for senior management functions - Ongoing externally-led monitoring programme to continually assess and stress test the systems, processes and controls in place at a regulated fund manager level	
	Changes during the year - Established suitable mechanisms with a number of key European regulators under the National Private Placement Regime to facilitate marketing activities within the EU - Addition of qualified compliance and regulatory solicitor (Tom Bowie) to bolster the capabilities of the compliance team - Pro-active engagement with the FCA to enhance and rationalise scope of Group regulatory permissions	Focus for FY23 - Continue to integrate the compliance activities and calendar of the three regulated entities within the Group, where appropriate, to provide greater levels of consistency and oversight - Continue to engage with external advisers and the FCA to streamline and improve existing systems and processes within the regulated functions in the business	
10. Industry competition			
The Group and its portfolio companies are subject to competition risk Link to strategy (page 26) A, B, D, E, F Link to KPIs (page 27) 1, 2, 3, 4	Potential impact - Increased capital in the European VC market leading to greater competition for deals and compressed timelines between investment rounds and during the investee fundraising process - Rise in pre-empted funding rounds can limit access to strong deals where opportunities are outside of the Group's network - Increase in investment activity of significantly larger VC players who have less price sensitivity and may distort valuations and the broader VC market. However, investors across both private and public markets are increasingly turning to public deals due to price reductions	Risk management and mitigation - Proven thesis-driven investment strategy with solid reputation in the market within sector/geo-specialism - Differentiated model with strong pipeline sourcing and disciplined investment process - Competitive pricing, terms and structure of proposed investment - Established and continually evolving ESG credentials	
	Changes during the year - Enhanced investment cadence to enable Molten Ventures to consistently lead the investment rounds - Increased appetite for European deals among established US West Coast "named" VCs adding to competitive landscape in the Company's geographical focus - Expanded marketing ability to ensure strength of brand with the rebrand to Molten Ventures from Draper Esprit in November 2021 - Expanded Platform Team capabilities to provide greater coverage and access to European dealflow and more streamlined deal execution	Focus for FY23 - Launch of Growth Fund with access to third-party funds under management to provide greater competitive advantage - Increased focus on ESG as a point of strength and differentiation - Evolution of the Company's climate tech thesis to build upon initial traction in this area	

Principal risks continued

11. Cyber security

Cyber security incidents may affect the operation and reputation of the Group

Link to strategy
(page 26)
D, F

Link to KPIs
(page 27)
6

Potential impact A significant cyber/information security breach could result in financial liabilities, reputational damage, severe business disruption or the loss of business critical or commercially sensitive information	Risk management and mitigation - Utilisation of reliable hardware, software and cyber-security measures including robust firewalls, anti-virus protection systems, email risk management software and backup procedures - Appropriate IT security structures, policies and procedures in place including the Group's Business Continuity Plan - Maintained risk register covering cyber security - Cyber security subject to review, development and adaptation as necessary
Changes during the year - Increased cyber security risk due to the threat of cyber attacks emerging out of geo-political events - Engaged MDB IT and compliance consultants to conduct a full review of the Group's IT systems and processes and report on proposed actions to further improve the Group's systems and processes - Carried out external penetration testing twice during the period which identified one critical risk areas which was fixed during the period - Introduction of staff phishing and cyber awareness training - Introduction of 24/7 security operations centre to assist with zero-day attacks - Changed anti-virus system to a behavioural system - Appointment of Softcat IT infrastructure consultants to provide a fractional Chief Information Officer function and work alongside the Group IT Manager to deliver on IT and cyber-related projects - Retained Cyber Essentials accreditation post-period end	Focus for FY23 - Continued review and development and adaptation of cyber security and information security systems, policies and procedures under the leadership of the IT Manager and support of outsourced IT providers - Additional emphasis on cyber and information security following increased instances of cyber attacks and cyber-related fraud

Key

Increasing risk

New/emerging risk

Static risk

Decreasing risk

12. Profile of venture investments

Portfolio companies are at an early stage and carry inherent risk

Link to strategy
(page 26)
B, C, E, F

Link to KPIs
(page 27)
1, 2, 3, 6

Potential impact - Individual portfolio companies may fail or not be commercially viable - Increased funding requirements for companies at an earlier stage - Greater commitment of time and resource to management requirements of early-stage companies	Risk management and mitigation - Rigorous due diligence undertaken by highly qualified Investment Team supported by VC-focused specialists - Active management of portfolio with consent rights and board seats as part of our investment - Diversified portfolio across different geographies, sectors and stages to mitigate impact of single investment failures - Calibration of risk and reward for outsized returns on investment due to equity ownership at an early stage in the life of the company - Multi-faceted investment strategy focusing upon opportunities at different points of the growth cycle from seed (through Fund of Funds), early (EIS/VCT) to later stage (plc)
Changes during the year - Continued adoption of technology across business, and relative strength of technology companies in post-COVID-19 environment - Expanded Fund of Funds strategy to provide visibility on a greater range of investment opportunities - Increased deployment of capital is allowing us to increasingly lead rounds and provide follow-on capital for our leading portfolio companies - Emphasis on deployment of plc money into later-stage more mature Series B+ deals - Through Fund of Funds strategy and increased EIS and VCT deployment, we have ensured an active pipeline for future development - Increased volume of participation in follow-on rounds where the asset is known and we can back the winners	Focus for FY23 - Continued focus on identifying strong best-in-class scalable technology companies with very large addressable markets and a path to becoming a category leader - Launch of growth fund to capture greater share of market in later-stage high-growth companies - Development of additional strategies to maximise the opportunities arising out of the Fund of Funds programme and early-stage start-up environments

Board approval

The Strategic Report as set out on pages 6 to 81 was approved by the Board of Directors on 12 June 2022 and signed on its behalf by

Ben Wilkinson
Chief Financial Officer
12 June 2022

Governance

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Board of directors



Karen Slafford

Independent Chair

Age: 65
Appointed: June 2016

Karen is Non-Executive Chair of Molten. She is also a Non-Executive Director of AIM-quoted Accesso Technology Group plc and Softcat plc, and a FTSE 250 IT infrastructure provider.

Karen began her career at ICL before spending 20 years at Hewlett-Packard Company, where in 2000 she became Vice President and General Manager Worldwide Sales & Marketing for the Business Customer Organisation, responsible for sales of all HewlettPackard products, services and software to business customers globally.

Karen holds a BA Honours degree in European Studies from Bath University and a Diploma in Marketing.

Committee membership



Martin Davis

Chief Executive Officer

Age: 59
Appointed: November 2019

Martin is the CEO of Molten. He has more than 20 years of experience in financial services and joined Molten from Aegon Asset Management, where he was the Head of Europe, Aegon Asset Management & CEO Kames Capital. Prior to Aegon Asset Management, Martin served as CEO at Cofunds, spent eight years at Zurich Insurance Group, and was also CEO of Zurich's joint venture, Openwork, the largest network of financial advice firms in the UK.

Prior to this, Martin held senior management roles at Misys, Corillian, and Reuters. Martin also served for 11 years in the British Army. Martin has an MBA from London City Business School (CASS) and Diplomas from the Institute of Marketing and the Market Research Society.

Committee membership



Stuart Chapman

Chief Portfolio Officer

Age: 52
Appointed: June 2016

Stuart was a Director of 3i Ventures in London before he co-founded Molten. He has over 25 years of venture capital experience in Europe and the US – including founding 3i US in Menlo Park, CA.

Stuart was responsible for Molten's investments in Lagan Technology (sold to Verint), Redkite (sold to Nice), Kiadis (sold to Sanofi) and Conversocial (sold). Stuart serves as a Director with Netronome, Aircall, Resolver, Realeyes, and Riverlane; and as observer with Graphcore and Crate.

Before 3i, Stuart was involved in software and systems implementations for Midland Bank. He is a graduate of Loughborough University and currently serves on the Strategic Advisory Board for the Loughborough School of Business.

Committee membership



Ben Wilkinson

Chief Financial Officer

Age: 41
Appointed: June 2019

Ben has been CFO of Molten since 2016. He has over 10 years of experience as a public company CFO.

At Molten, Ben has been responsible for building out the balance sheet, through equity and debt financing and broadening the shareholder register. He has developed the finance function and led on Molten's move to the Main Market.

Prior to Molten, Ben served for five years as CFO of AIM-listed President Energy plc.

Ben is a Chartered Accountant, FCA, with a background in M&A investment banking from ABN Amro/RBS where he was involved with multiple cross-border transactions and corporate financings. Ben is a graduate of Royal Holloway, University of London with a BSc in Economics.

Committee membership



Key

Board Audit, Risk & Valuations Committee Remuneration Committee Nominations Committee ESG Committee Chair



Richard Pelly

Independent Non-Executive Director

Age: 66
Appointed: June 2016

Richard is a Non-Executive Director and adviser in the area of micro, small and medium-sized businesses. Up until April 2014, Richard was the Chief Executive of the European Investment Fund (EIF), Europe's largest investor in venture capital funds.

Before joining EIF in April 2008, Richard was Managing Director of structured asset finance at Lloyds TSB Bank in London from 2005 to 2007. From 1998 to 2005, he worked for GE Capital, first as Chairman and CEO of Budapest Bank in Hungary and then as CEO of UK Business Finance within GE Commercial Finance. Prior to his career at GE, Richard worked for Barclays Bank in various functions in the UK and in France from 1977 to 1997.

Richard holds an honours degree in Psychology from Durham University and an MBA with distinction from INSEAD Fontainebleau. In 2003, he was awarded an OBE in the Queen's Honours List for Services to the Community in Hungary.

Committee membership



Grahame Cook

Independent Non-Executive Director

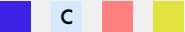
Age: 64
Appointed: June 2016

Grahame is an experienced public company Non-Executive Director, with over 20 years' experience as an audit and risk committee chair.

Grahame's background is in investment banking, with 20 years' experience of M&A, equity capital markets and corporate advisory. Grahame started his career at Arthur Andersen, where he qualified as a chartered accountant. He became a Director of Corporate Finance at Barclays de Zoete Wedd in 1993, and then joined UBS as a Managing Director, member of its global investment banking management committee and global head of equity advisory. At UBS he was responsible for creating its industry sector teams, including tech and healthcare. In 2003 he became joint Chief Executive Officer at WestLB Panmure where he built a pan-European business focused on growth companies and ran a €100m technology fund. He advised the London Stock Exchange in 2003 on the creation of its TechMark growth segment.

Grahame sits on a number of technology and technology-rich healthcare company boards, both listed and unlisted. Grahame holds a Double First Class Honours degree from the University of Oxford.

Committee membership



Sarah Gentleman

Independent Non-Executive Director

Age: 52
Appointed: September 2021

Sarah is a Non-Executive Director on the Board of Molten and the Chair of the Company's Remuneration Committee. Sarah also chairs the Remuneration Committee at Rathbone Brothers as well as being a member of Rathbones Brothers' Audit, Risk & Nomination Committees.

Sarah has over 30 years' experience working in a combination of strategic and financial roles, having started her career as an analyst at McKinsey & Company. These include Business Development Director at Egg UK and Chief Financial Officer at LCR Telecom.

Until 2012, she was a sell side banking analyst at Sanford Bernstein where she covered French, Spanish and Italian banks. Most recently, Sarah has been working as an advisor to early-stage technology companies with a focus on Fintech.

Committee membership



Gervaise Slowey

Independent Non-Executive Director

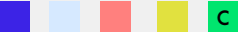
Age: 54
Appointed: July 2021

Gervaise is a Non-Executive Director on the Board of Molten with a background in senior management, international business, marketing and media. Gervaise serves as a Non-Executive Director on the boards of Dalata Hotel Group plc, Wells Fargo Bank International (WFBI), Eason PLC and the Institute of Directors in Ireland. She also chairs the Remuneration and Nomination Committee for WFBI.

Gervaise was CEO of Communicorp Group (now Bauer), for four years to the end of 2016, and also served as a Non-Executive Director on the board Ulster Bank Ireland for three and a half years to October 2021. Prior to that she held senior roles in Ogilvy Worldwide for 16 years, most recently Global Client Director. Gervaise has also served on the boards of the International Rice Research Institute, and the Institute for International and European Affairs (IIEA).

Gervaise is a Chartered Company Director (Institute of Directors), a Certified Bank Director (Institute of Bankers), and a Dublin City University Business Studies graduate (BBS). She is particularly interested in sustainability and recently completed the Sustainability Leadership Program at Cambridge University.

Committee membership



The age of each director is displayed as at 12 June 2022.

Key

Board Audit, Risk & Valuations Committee Remuneration Committee Nominations Committee ESG Committee Chair

Board skills matrix

Proportion of directors with extensive experience Proportion of directors with experience

Equity Capital Markets



Venture Capital



Healthcare/Biotech



Corporate Finance and M&A



Strategy



Tech/Software



Finance & Accounting



Governance & Compliance



Proportion of directors with extensive experience Proportion of directors with experience

Corporate governance statement



“We are committed to lead from the top in demonstrating the Company’s culture and values in the way that we operated as a Board, and in our interactions with our Shareholders.”

Karen Slatford
Chair

Chair’s letter

Dear shareholder,
I am pleased to present the Governance Report for the year ended 31 March 2022. This section describes the Group’s governance framework and responsibilities, the key activities of the Board during the year, and our compliance with the principles and provisions of the UK Corporate Governance Code.

The key event of the year in terms of governance structures was our move to the Main Market in July 2021, and the need to ensure that our governance structures and processes would support our compliance with the UK Corporate Governance Code from Main Market admission. As reported last year, in anticipation of the move we conducted a detailed review of existing governance arrangements against the principles and provision of the Code and identified a number of steps to take forward in advance. I’m pleased to report that our pre-existing governance structure was robust, and so material changes were not required. However, there were a number of areas where the UK Corporate Governance Code requires additional formality over and above the requirements of the QCA Corporate Governance Code (which we applied while listed on AIM). All of those areas were addressed either prior to the Main Market move, or (where appropriate) in the period from July to the financial year-end.

Board changes

We indicated in our FY21 Annual Report our intention to recruit additional Non-Executive Directors during the year, recognising the need to strengthen the independence and diversity of our Board as we moved to the Main Market, and to bring in individuals with the

right blend of industry and Main Market listed board experience. Remuneration Committee experience was also a key criteria.

Following that process, we were delighted to welcome Gervaise Slowey (who joined us on admission to the Main Market) and Sarah Gentleman (who was appointed in September 2021) to the Board. Both have significant listed company experience and are already making a significant contribution to the Board and the Company.

More information on the recruitment process, and the resulting independence and diversity of the Board, is set out in the Nominations Committee Report on pages 96 to 98.

I would also like to offer my thanks to Grahame Cook, our Senior Independent Director, who stepped up to assume the responsibility of temporary Chair during a short period earlier in the year when I was indisposed due to illness.

Culture

We are committed to lead from the top in demonstrating the Company’s culture and values in the way that we operated as a Board, and in our interactions with our Shareholders,

team and other stakeholders. Our commitment to acting as a responsible corporate citizen can be further seen through the progress we have made in the year in developing our ESG strategy. The Board is kept regularly apprised of progress against agreed ESG objectives, and our oversight has been further strengthened with the formalisation of our ESG Committee and the appointment of Gervaise Slowey and Ben Wilkinson as members of that Committee.

As part of the rebranding exercise carried out during the year, the Board approved the adoption of our new Company motto “Make More Possible” which encapsulates what we want to achieve for our investors and our entrepreneurs. During the year ahead, we are committed to developing and formalising a Corporate Purpose for the Company to better articulate our core reason for being and our positive impact on the world. We have included this workstream within our KPIs for the year (see pages 27 and 51) and will report against this in the FY23 Annual Report.

Information on how we assess and monitor culture is set out in the following report, and more information on our vision and values, and our ESG strategy, can be found in the Strategic Report on pages 8 to 81.

Engaging with the workforce

Although the Board has always enjoyed a good level of engagement with the workforce, supported by the Company’s open and transparent culture, relatively small headcount and the open invitation for Directors to attend Investment Committee meetings, we took the decision during the year to formalise our engagement mechanism by appointing a

“designated Non-Executive Director” (DNED) with responsibility for that engagement. We were very happy to accept Richard Pelly’s request to take on the DNED role (which is one of the recommended approaches to employee engagement under provision 5 of the Code), and his activity and responsibilities are described in more detail in the following report on page 90.

The Board recognises the importance of ensuring high quality engagement with the workforce, and ensuring transparency around how employee interests are considered in our decision making process. This is absolutely in line with the Company’s culture, and we look forward to receiving feedback on Richard’s engagement as the DNED role becomes more established.

Investors/AGM

Information on the Company and the Board’s engagement with Shareholders (and other stakeholders) is set out in the section 172 statement on pages 67 to 71 and in the following report. We have a supportive Shareholder base, and I would like to take this opportunity to thank our Shareholders for their support during the year both in terms of the equity placing conducted in June, and our move to the Main Market.

I am always happy to engage directly with Shareholders on corporate governance (or other matters), and can be contacted via our Company Secretary. We look forward to welcoming Shareholders to our 2022 Annual General Meeting which will be held at the Company’s offices at 20 Garrick Street, London, WC2E 3BT on 3 August 2022.

Board priorities for FY23

During the year ahead we will be continuing to integrate ESG into our Company culture under the oversight of our newly formed Board ESG Committee to further embed and enhance the principles of ESG into our Board activities, business operations, investment process and interactions with employees via the activities of Richard Pelly as DNED.

We will also be building upon the work undertaken at the time of our rebrand to develop and formalise our Corporate Purpose and Values, whilst dedicating focus to our Board succession plans and the continued implementation of the Board Diversity and Inclusion Policy.

Karen Slatford
Chair

Governance overview

The Board confirms that, for the year ended 31 March 2022, it has consistently applied the principles of the QCA Corporate Governance Code (between the period 1 April to 23 July 2021) and from the point of admission to the Main Market of the London Stock Exchange, the UK Corporate Governance Code (the Code) (between the period 23 July 2021 to 31 March 2022), as described in the following report. For the duration of the period whilst the Company was subject to the Code, it complied with all relevant provisions of the Code. Further information on the Code can be found on the Financial Reporting Council's website at: www.frc.org.uk.

Key activities in applying the principles of the Code

Code principle	Activity in the year
Value and culture	During the year, and linked to the Company's rebranding from Draper Esprit to Molten Ventures, the Board has approved the adoption of a new Company motto "Make More Possible" which is aligned to our open and entrepreneurial culture and strategy. Information on how the Board assesses and monitors the culture of the business is set out on page 90 below. The Board is committed to developing and formalising the Company's Corporate Purpose to articulate our core reason for being and our positive impact on the world. This forms one of the KPIs for the forthcoming period and will be reported against in the FY23 Annual Report.
Board and Committee composition	The previously combined Remuneration and Nominations Committee was separated into individual Committees, and the Terms of Reference of all Board Committees have been reviewed and updated to ensure alignment with Code requirements and best practice for Main Market listed companies. Additional independent Non-Executive Directors (Gervaise Slowey and Sarah Gentleman) were appointed during the year ensuring that we satisfy the Code independence requirements. Committee composition has been amended to ensure compliance with Code independence requirements. As a result, Karen Slatford has ceased to be a member of both the Remuneration Committee and the Audit, Risk and Valuations Committees. On the Company's admission to the Main Market, Grahame Cook was appointed as Senior Independent Non-Executive Director and Richard Pelly was appointed as DNED with responsibility for overseeing the Board's engagement with Group employees. In February 2022, the Board resolved to form an ESG Committee, chaired by Non-Executive Director Gervaise Slowey. The Terms of Reference of the ESG Committee (together with Terms of Reference for all of the other Board Committees) are available for inspection on the Company's website. Information on the activity of the Committees is set out in their individual reports starting on pages 96 (Nominations Committee), 99 (Audit, Risk and Valuations Committee), and 103 (Remuneration Committee). The ESG Committee will hold its first formal meeting in the forthcoming period and its activities will be reported in the FY23 Annual Report. For a summary of the ESG activities undertaken by the business during the period, please see pages 50-51.
Audit, Risk and Internal control	The Audit, Risk and Valuations Committee's activity during the year has focused on its key responsibilities around the integrity of financial reporting (including valuations), and ensuring that risk management and internal control systems operate effectively. There has been increased focus on controls, in particular in reviewing actions identified in the Financial Position and Prospects Procedures (FPPP) memorandum prepared in connection with the move to the Main Market, and receiving updates and guidance on BEIS consultation recommendations around internal controls and attestation. Further information is included in the Audit, Risk and Valuations Committee Report starting on page 99.
Workforce engagement	Although the Company's relatively small employee base has historically allowed the Directors to engage directly with employees, the Board agreed the appointment of a designated Non-Executive Director (Richard Pelly) with responsibility for overseeing the Board's engagement with the workforce. Further information on Richard's activity in the year in performing that role is set out on page 90.
Remuneration	The Remuneration Committee's activity in the year has been focused on developing the Directors' Remuneration Policy to be applied from admission to the Main Market, and to be submitted for Shareholder approval at the 2022 Annual General Meeting. This included consultation with Shareholders prior to the Main Market move. The Remuneration Policy, and further information on the Remuneration Committee's activity, is set out in the Directors' Remuneration Report starting on page 103.
Other activities	In order to ensure our formal governance structure is appropriately documented and aligned with Code requirements, during the year the Board has also: • Approved a formal division of responsibilities document (see pages 92 to 94 for more details) • Approved a formal Board Diversity & Inclusion Policy (see page 98 for more details) • Reviewed the annual schedule of Board and Committee activity to ensure it aligns with Code and Main Market requirements (including financial reporting timetables) • Established a programme of meetings between the Chair and Non-Executive Directors (without Executive Directors present)

Board leadership

Board activity during the year

Although the COVID-19 pandemic continued to influence the activity of the Board (and its Committees) during FY22, the impact was increasingly limited to the practicality of virtual (rather than face-to-face meetings) as the day-to-day operations and performance of the business normalised. The main focus for the Board for the first part of the year was around the equity placing and preparation for the Main Market move, with associated activity (NED recruitment, Remuneration Policy etc.) impacting on the Committees and demanding additional time of the Non-Executive Directors.

Post Main Market admission, the focus has been on the next stage of the Company's strategy and medium-term business planning, and consolidating governance arrangements befitting our position as a FTSE 250 business.

Areas of key activity for the Board in the year are summarised in the table below:

Topic	Board activity
Main Market admission	• Discussed and agreed timing, including consideration of benefits for Shareholders and other stakeholders • Reviewed and approved documentation associated with listing (prospectus, FPPP, revised Committee Terms of Reference etc.) • Recruited additional Non-Executive Directors • Approved Board Diversity & Inclusion Policy • Received briefing on Main Market regulatory obligations
Capital structure & fundraising	• Considered and agreed rationale and quantum of equity placing in June 2021 • Agreed extension of offer to retail investors via a PrimaryBid offer • Reviewed and approved documentation associated with the equity raise (including investor presentation)
Portfolio and investments	• Received summary of detailed half-yearly portfolio reviews carried out by management • Approved plc investments exceeding Investment Committee authority level • Monitored management of publicly quoted stock held following IPO exits of portfolio entities (including considering hedging activity) • Received update on Fund of Funds programme and development • Received presentation on Platform Team progress and development, with particular focus on improvements in dealflow and execution
Brand and culture	• Received presentation on rebranding and brand strategy, and approved Company name change • Approved adoption of new Company motto "Make More Possible" • Received update on workforce engagement responses
ESG	• Agreed 12-month ESG roadmap • Received regular updates on progress against key ESG KPIs • Approved formalisation of ESG Committee (with Gervaise Slowey appointed as Chair and independent Board representative)
Corporate governance	• Reviewed and approved changes to matters reserved and Terms of Reference • Reviewed annual compliance reports • Approved appointment of Company Secretary • Approved adoption of Board Diversity & Inclusion Policy • Reviewed corporate policies and procedures (including MAR procedures and Share Dealing Code) • Approved DNED appointment and programme of engagement • Approved compliance policies and procedures updated in light of Brexit, and regulatory developments

Board leadership continued

The Board’s primary role is to ensure the long-term success of the business by agreeing the Group’s strategy and business model, and ensuring that these align with the values and culture of the Group.

OUR STRATEGY AND BUSINESS MODEL ARE SET OUT ON PAGES 14-19 AND ON PAGES 26-27 OF THE STRATEGIC REPORT

The Board receives regular updates from the Executive Directors on the implementation of strategy, with particular focus on how the business is performing against our strategic key performance indicators.

The Board and culture

The Board recognises its responsibility to demonstrate the Company’s culture and values in the way that it operates, interacts and engages with the Company’s employees and other stakeholders. As such, our meetings (Board and Committees) are conducted in an open and inclusive manner, encouraging all attendees to participate fully and to share their views and experiences. Similarly, employees of the business are given opportunities to interact directly with plc Board Directors to support open dialogue.

During the year ahead, the Board will be engaging with the Company’s employees to develop Corporate Purpose to articulate the Company’s core reason for being and our positive impact on the world.

During the year, the Board has monitored workforce culture and behaviour in a number of ways:

- Received feedback from employee engagement surveys, which are conducted at regular intervals during the year and included specific questions relating to the culture of the business;
- Regular updates (reviewed by the Audit, Risk and Valuations Committee) on the operation of the Group’s Whistleblowing Policy and procedures, including reports on any actions taken by management in response to issues raised (see the Audit, Risk and Valuations Committee Report on page 99 for more information);
- Received regular updates on progress against our ESG roadmap, including the development of a Group-wide Diversity Equality, Inclusion and Equal Opportunities Policy;
- Received detailed updates on the process underlying the rebranding to Molten Ventures, which included extensive work on the articulation of the Group’s vision and values;

- Received presentations from senior members of the Investment Team (e.g. the development and work of the Platform and Fund of Funds teams), including a focus on recruitment and development of individuals within those teams;
- Engaged directly with members of the workforce. Although the Board’s ability to do so has been curtailed to some extent during the year by office closures as a result of the COVID-19 pandemic, Non-Executive Directors have taken the opportunity where possible to engage directly with team members;
- Received presentations from the Group General Counsel on the activities and progress of the ESG Working Group, including in respect of the development of the Group’s Diversity & Inclusion Vision and Mission Statements; and
- Appointment of Richard Pelly as the DNED with responsibility for workforce engagement, and receiving reports on his activities in performing that role (see below for more information).

Workforce engagement

Although the Company’s relatively small employee base has meant that Directors are able to engage directly with employees, the Board agreed that following the move to the Main Market it would be appropriate to adopt a more formalised approach to workforce engagement as envisaged under the Code. The Board therefore approved the appointment of Richard Pelly as our DNED with responsibility for workforce engagement, and agreed an initial plan for how his engagement activity would be conducted and feedback provided to the Board. Richard is an experienced NED with a longstanding passion for employee engagement and an excellent knowledge of Molten having joined at the time of listing to AIM in 2016. Richard has no current committee chair responsibilities and indicated his willingness to be appointed to this function.

As a general principal, and in line with our open culture, all Directors are available to engage directly with any employee on request. Richard’s role as DNED has been communicated to the business, and he has committed to make himself available for individual meetings and to use other informal channels for engagement (including attendance at informal staff events)

and to regularly attend the Company’s offices. In addition to his availability for individual meetings, the Board has also agreed that Richard will attend a minimum of two sessions per year with the ESG Working Group (which is constituted by a diverse cross-section of the workforce at a variety of seniority levels), in order to seek the views of the workforce on the strategy and performance of the business, Company culture, and the operations of the Board (including Executive Director remuneration - see page 104 for further details). The first of those sessions was held in February 2022, and Richard provided feedback to the Board at its meeting in March 2022, in which there was a focus on culture at Molten Ventures, work-life balance, Diversity & Inclusion within the workplace and the Company’s zero-tolerance approach to bullying and harassment.

Investment in the workforce

The Company invests in its workforce in a number of ways, including through training and development, an external coaching programme, and healthcare and wellbeing initiatives. More information on those initiatives is provided in the Sustainability Report on page 65.

Key to our business is the ability to recruit and retain a high calibre of staff at all levels. As such we offer a competitive package of salary and benefits, which includes (depending on eligibility) participation in bonus and long-term incentive schemes. Workforce remuneration is regularly reviewed by the Remuneration Committee, and provides the context in which decisions on Executive Director remuneration are taken (see the Directors’ Remuneration Report on page 104).

Engagement with Shareholders

The Executive Directors are responsible for managing day-to-day relationships with other stakeholders, and lead the Company’s engagement with its Shareholders (and potential investors) through a calendar of investor relations activities.

The Board monitors Shareholder views through reports on investor and analyst communications which are included in the papers for Board meetings on a regular basis during the year (typically following financial results presentation, or other specific investor engagement activity (e.g. linked to equity raising or other corporate events)).

The typical programme of investor relations activity involves the CEO and CFO meeting with analysts, current Shareholders and potential investors to present full and half-year results, as well as their attendance at various investor conferences during the year. In March, the Company was able to hold its annual Investor Day event in person following an entirely online event in 2021 due to COVID-19. Attended by a number of the Company’s largest Shareholders as well as various analysts and service providers, the event is an opportunity for the Company to showcase a selection of portfolio companies and engage in person with the Company’s stakeholders.

Other members of the Board are available to engage with Shareholders on request, and Shareholders are encouraged to attend and vote at the Company’s General Meetings (although attendance has been limited over recent years due to COVID-19 -related pandemic restrictions). Shareholders were given the opportunity to submit questions by email ahead of the AGM. No questions were submitted in 2021.

The Board has also engaged with Shareholders during the year through the Remuneration Committee’s consultation on changes to the Directors’ Remuneration Policy prior to admission to the Main Market in July 2021. We were pleased that a number of Shareholders took the opportunity to respond to our engagement at the time, and the feedback we received was generally supportive and in line with the policy proposed.

Conflicts of interest

The Group requires that Directors complete a “Director’s List” which sets out details of situations where each Director’s interest may conflict with those of the Company (situational conflicts). Each Director has resubmitted their list as at 31 March 2022 for the Board to consider and authorise any new situational conflicts identified in the resubmitted lists. At the beginning of each Board meeting, the Company Secretary reminds the Directors of their duties under sections 175, 177 and 182 of the Companies Act which relate to the disclosure of any conflicts of interest prior to any matter that may be discussed by the Board.

The Executive completed a conflict of interest declaration during the period.

Director concerns

Directors have the right to raise concerns at Board meetings, and can ask for those concerns to be recorded in the Board minutes. The Board has also established a procedure which enables Directors, in relevant circumstances, to obtain independent professional advice at the Company’s expense.

Division of responsibilities

Board independence

The overall independence of the Board has been in line with the recommended criteria under the relevant corporate governance code (QCA Code to July 2021, UK Corporate Governance Code thereafter). The split of independent and non-independent Directors is summarised in the table below:

Chair (independent on appointment)	Independent (Non-Executive Directors)	Non-Independent (Executive Directors)
Karen Slatford	Grahame Cook	Martin Davis
	Sarah Gentleman	Stuart Chapman
	Richard Pelly	Ben Wilkinson
	Gervaise Slowey	

The Board, through the Nominations Committee, has assessed the independence of each of the Non-Executive Directors by reference to the criteria set out in provision 10 of the Code, and the Board remains satisfied that none of those criteria apply and that each Non-Executive Director is independent in character and judgement.

Time commitment and overboarding

All Directors are required to pre-clear any proposed external appointments with the Board. In the period since Main Market admission, the Board approved Gervaise Slowey's appointment as a Non-Executive Director of Dalata Hotel Group plc. In giving its approval, the Board considered a breakdown of the time commitment required of Gervaise for each of her external appointments, and was satisfied that these do not impact on her ability to devote sufficient time to discharge her role as a Non-Executive Director of Molten Ventures.

The Non-Executive Directors' letters of appointment set out the time commitment required, which is a minimum of two days per month but anticipate that additional time may be required (particularly where the Director has additional responsibilities, for example as Senior Independent Director, Committee chair or DNED). This time commitment is reviewed annually by the Nominations Committee to ensure that all Directors continue to be able to devote sufficient time and attention to the Company's business.

Board meetings

The Board met formally on six occasions during the year. Additional Board and Committee meetings were convened on an ad-hoc basis from time to time in order to consider specific corporate activity (e.g. equity placing and Main Market admission). Individual Director attendance at scheduled Board and Committee meetings (where they are a member and were eligible to attend) is set out in the table below:

Director	Board (out of 6 meetings)	Audit, Risk and Valuations Committee (out of 6 meetings)	Remuneration Committee ¹ (out of 6 meetings)	Nominations Committee
Karen Slatford ^{2,3}	4/6	2/2	3/3	1/1
Martin Davis	6/6			
Stuart Chapman	6/6			
Ben Wilkinson	6/6			
Grahame Cook	6/6	6/6	6/6	1/1
Sarah Gentleman (appointed 8/9/21)	4/4	4/4	3/3	1/1
Richard Pelly ⁴	6/6	5/6	6/6	1/1
Gervaise Slowey (appointed 23/7/21)	4/4	4/4	3/3	1/1

¹ The Remuneration Committee also had responsibility for Nominations Committee matters prior to Main Market admission. In addition to the six scheduled meetings listed in the table above, the Remuneration Committee met on a further three occasions in the lead up to Main Market admission to discuss and approve Remuneration Policy matters, and to consider Shareholder feedback on proposals.

² Due to a health-related matter, Karen Slatford took a temporary reduction of duties from the beginning of 2022 and was therefore unable to attend two scheduled meetings during the year. Karen remained in regular contact with the Board, and Grahame Cook (in his role as Senior Independent Director) chaired the Board meetings that Karen was unable to attend.

³ Karen was a member of the Audit, Risk and Valuations Committee, and the Remuneration Committee, up to Main Market admission in July 2021. The table reflects her attendance at meetings of those committees in that period.

⁴ Richard was unable to attend the Audit, Risk and Valuations Committee meeting convened (at short notice) to consider an initial draft of the half-year portfolio valuations due to a prior commitment. The valuations were circulated prior to the meeting, and Richard was given the opportunity to discuss the draft directly with the CFO. A further iteration was considered at a subsequent meeting of the Committee.

Company Secretary

The advice and services of the Company Secretary (whose appointment and removal are matters reserved for the Board) are also available to the Directors. Prism Cossec Limited served as Company Secretary from its admission to AIM in 2016 to 31 March 2022 whereupon the function was transferred to Bernwood CoSec Limited. In part in connection with the Main Market move, but also in recognition of the growth of the business and the need for internal governance support for the Investment Committees and developing corporate structure, the Board agreed to commence the recruitment of an in-house Company Secretary. The Board approved the appointment of a new in-house Company Secretary with a background of strong experience in financial services businesses whose appointment will take effect from 13 June 2022. The Company regularly receives advice on UK corporate governance and legal developments from its UK legal and corporate governance advisers.

Governance framework

The structure of the Board and its Committees, including key responsibilities and reporting lines, is illustrated below:



Division of responsibilities continued

Role of the Board

The Board is responsible to Shareholders for the overall management and oversight of the Group to ensure its long-term success. In particular, the Board is responsible for approving the Group's strategy (and for ensuring that the Group has the necessary people, resources and infrastructure to deliver the strategy), setting the Group's risk appetite, monitoring performance, and maintaining an effective system of risk management and internal controls. During the period between April to February, the Board was also responsible for the Group's approach to environmental and social governance, which is now the responsibility of the ESG Committee of the Board formed in February 2022.

The operation of the Board is documented in a formal schedule of matters reserved for its approval, which is reviewed annually. The matters reserved to the Board include:

- Group investment and business strategy
- Material changes to the Group's investment policy (subject to Shareholder approval)
- Approval of individual investments in excess of £15.0 million to be made on behalf of Molten Ventures (increased during the period from £10.0 million to reflect a more appropriate materiality threshold)
- Approval of specific risk management policies (including insurance, hedging, borrowing limits and corporate security)
- The management/launch of new third party funds
- New substantial commitments and contracts not in the ordinary course of business
- Financial reporting
- Approval of annual business plans and budgets
- Assessing significant risks and effectiveness of controls.

Responsibility for the day-to-day management of the Group is delegated to the Executive Directors, and other responsibilities are delegated to the Board's Committees in line with established governance practice. In order to ensure a clear division of responsibilities between the Board, its Committees, and the Executive Directors, there is an established framework documenting the responsibilities of each entity or individual. This includes the schedule of matters reserved, and the formal Terms of Reference of each of the Board Committees, all of which were reviewed during the year in the lead up to admission to the Main Market, and will be reviewed at least annually on an ongoing basis. The Schedule of Matters reserved to the Board, and the Terms of Reference of each Committee, are available on the Company's website.

Roles and responsibilities

There is a clear division of Executive and Non-Executive responsibilities, and the roles of the Chair and CEO are separately held; the separation of their duties has been documented and approved by the Board. Key roles of individual Board members are summarised in the table below:

Chair Karen Slafford	The Chair's primary role is to lead the Board and ensure its effective operation, promoting an open forum for debate between Executive and Non-Executive Directors. The Chair also has a key role in ensuring effective engagement with Shareholders and other stakeholders, and setting the Board's agenda.
CEO Martin Davis	The CEO is responsible for developing the Group's strategy for approval by the Board, for leading the execution of the Group's strategy and investment policy, and for implementing the decisions of the Board and its Committees. The CEO is responsible for the day-to-day operations of the business, and ensuring that the culture promoted by the Board is operated throughout the Group.
CPO Stuart Chapman	The CPO has primary responsibility for the investment portfolio of the Group, and is involved in setting the strategy focus for the Company and its portfolio.
CFO Ben Wilkinson	The CFO provides financial leadership to the Group, and aligns the Group's business and financial strategy (including managing the capital structure of the Group). The CFO is responsible for financial planning and analysis, portfolio valuations, presenting and reporting accurate and timely historic financial information, and is the Executive sponsor for the Group's ESG activity.
Senior Independent Director Grahame Cook	The Senior Independent Director (SID) provides advice and additional support and experience to the Chair, and where necessary performs an intermediary role for other Directors. The SID leads the annual appraisal and review of the Chair's performance, and is available to respond to Shareholder concerns when contact through the normal channels may be inappropriate.
Non-Executive Directors Grahame Cook Sarah Gentleman Richard Pelly Gervaise Slowey	The Non-Executive Directors provide constructive challenge to the Executives and help with the development of proposals on strategy and in monitoring performance against KPIs. They promote high standards of integrity and corporate governance, and, through their roles as Chairs and members of Board Committees, provide independent oversight.

As noted on page 87, Richard Pelly is the DNED with responsibility for workforce engagement.

Composition, succession and evaluation

Board induction

Our Non-Executive Directors receive a comprehensive and tailored induction to the business. Induction programmes are structured around one-to-one briefings with the Executive Directors, members of senior management, other Board Directors, the Company Secretary, and internal and external legal counsel, along with the provision of relevant briefing materials and other documentation.

During the period, the Board was bolstered by the addition of Gervaise Slowey and Sarah Gentleman, both of whom undertook a formal induction process led by the Chair of the Board involving a programme of one-to-one meetings with every other member of the Board as well as various key personnel including the Company Secretary, General Counsel, a number of senior investors from the Partnership Group and external legal counsel from Gowling WLG.

A suite of Company materials, including the supporting information prepared during the course of the Company's move to the Main Market in July 2021 was provided to each of the new Non-Executive Directors inclusive of all of the Company's current policies, procedures and structure charts. An open invitation was extended to both to raise questions, request meetings with additional personnel and request copies of Company materials. Both of the Non-Executive Directors were invited to attend the Company's in-person annual Investor Day event to help familiarise with the Company's portfolio companies and wider stakeholders.

Board development

The Board receives updates on key areas of the business and upcoming legislative or regulatory changes, through the following:

- briefings within Board papers
- presentations from senior managers on specific topics
- governance and regulatory updates provided by the Company Secretary, external auditor and remuneration consultants
- governance, legal and compliance updated and advice from internal and external counsel

Key training topics during the year were:

- regulatory obligations of a Main Market listed business
- ESG matters, including climate-related financial disclosures
- BEIS consultation on audit and governance reform.

Non-Executive Directors are also encouraged to attend seminars and workshops on business and regulatory issues offered by professional services firms and law firms.

Board evaluation

The Board is conscious that as a constituent of the FTSE 250, the Code recommends that its performance evaluation process should be externally facilitated at least every three years. Given that the composition of the Board and Committees changed significantly during the year, it was agreed that the evaluation process should be conducted internally this year, allowing a period of time over which new Board relationships could develop before an externally facilitated evaluation is conducted.

The internal evaluation process was conducted by way of detailed questionnaires. The responses were collated by the Company Secretary and discussed by the Board following the year-end. Each Committee also evaluated its own performance following a similar process.

Progress against some of the key findings from the evaluation conducted in FY21 (and reported on in our FY21 Annual Report) is summarised below:

Action	Progress
Recruit additional independent Non-Executive Directors. Key attributes to include experience on Main Market listed boards and remuneration committees.	• Successful search process conducted • Gervaise Slowey and Sarah Gentleman appointed (see Nominations Committee Report for more details)
Introduce a Board diversity policy, and a plan to improve Board diversity (through NED recruitment and succession planning).	• Board Diversity Policy with diversity-related Board targets approved by the Board (see Nominations Committee Report for more details) • NED recruitment has improved Board gender diversity • More work on succession planning required in FY23
Continue to improve quality and timeliness of materials circulated to the Board to support constructive debate and challenge, and effective decision making.	• Continued improvements made in content and structure of Board papers • Standard format adopted for specific approval requests

The results of the FY22 Board evaluation process were generally positive. Development areas and agreed actions included the following:

Key finding	Actions agreed
Continue to enhance the Board's focus on strategic matters	• Incorporate deep-dives into strategic topics into the Board's annual activity schedule • Increase length of Board meetings to support wider strategic debate
Incorporate Board skills matrix into succession planning discussions for future Board appointments	• Carry out a detailed Board skills analysis • Identify future Board skills requirements • Consider output as part of wider discussion on Board succession planning
Enhance focus on downside risk planning	• Incorporate downside risk analysis into regular Board reporting

Committee evaluations indicated that they each continue to operate effectively, and have benefitted from the additional experience and fresh perspective brought by the appointment of Gervaise Slowey and Sarah Gentleman.

Nominations committee report



Karen Slatford
Chair of the Nominations Committee

Other members

- Grahame Cook
- Sarah Gentleman
- Richard Pelly
- Gervaise Slowey

Meetings held in the year:

1

FY22 Key activities

- Appointment and induction of two new Non-Executive Directors
- Executive Director succession planning
- Reviewed Board Diversity Policy

FY23 Key priorities

- Continue to develop Executive Director and senior management succession planning process
- Monitor progress against recommendations from the FY22 Board and Committee evaluation process.

On behalf of the Board, I am pleased to present the report of the Nominations Committee (the "Committee") for the year ended 31 March 2022.

The Committee was constituted on the Company's move to the London Stock Exchange's Main Market in July 2021, its responsibilities having previously been covered by the combined Remuneration and Nominations Committee as permitted under the Quoted Company Alliance (QCA) Code for small and medium-sized companies to which the Company was a member during its tenure on the AIM market of the London Stock Exchange.

The key responsibilities of the Committee are:

- Monitoring the structure, size and composition of the Board and its Committees
- Developing and overseeing succession plans for Executive and Non-Executive Directors
- Monitoring succession planning for senior management
- Leading the process to identify and nominate candidates to fill Board vacancies, including identifying the skills and experience required, and having regard to the Board's Diversity Policy
- Reviewing the time commitment required from Non-Executive Directors
- Reviewing the results of the annual Board, and the Committee's own, performance evaluation review

Full Terms of Reference of the Committee can be found on the Company's website: <https://investors.moltenventures.com/investor-relations/plc/documents>

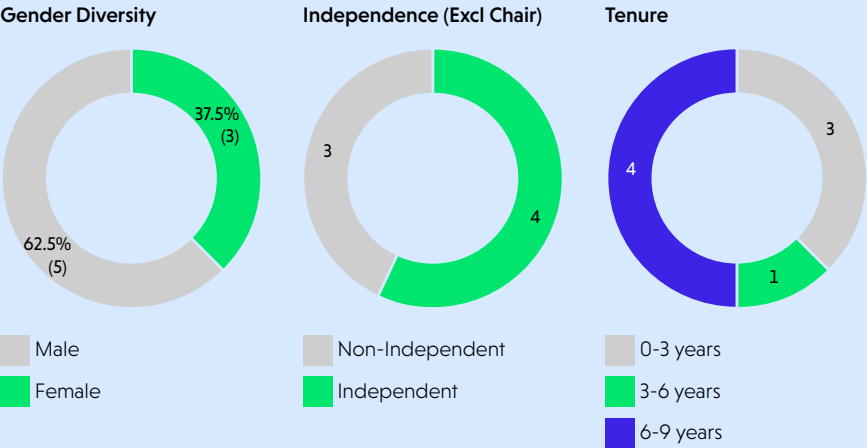
Board and Committee composition

The Committee keeps under review the composition of the Board and its Committees, with particular focus on ensuring appropriate levels of independence, and that an appropriate balance of skills, experience and diversity of thought and character are represented across the various bodies.

Prior to the Company's admission to the Main Market in July 2021, the independence of the Board was in line with recommendations of the QCA Corporate Governance Code (which the Company applied whilst listed on AIM). With the appointment of Gervaise Slowey, the Board (excluding the Chair) comprised 50% independent Non-Executive Directors from Main Market admission (in line with provision 11 of the UK Corporate Governance Code (the "Code") and has comprised a majority of Independent Non-Executive Directors since Sarah Gentleman's appointment in September 2021.

The appointment process for Non-Executive Directors is summarised below, and includes an assessment of desired skills, experience, and characteristics prior to identifying potential candidates for the roles ultimately filled by Gervaise Slowey and Sarah Gentleman.

The independence, tenure, and gender diversity of the current Board is summarised in the charts. Analysis of the skills and experience of individual Directors is set out alongside their biographies on page 84-85.



The gender balance of the Board, senior management team and their direct reports is set out on page 64.

Director appointment process

The Committee, and the Board, are committed to the principles of equality of opportunity and diversity when making new appointments to the Board, focussing on identifying the strongest candidates for the role, whilst ensuring that all appointments are based on merit.

The Committee identified the need to recruit additional Non-Executive Directors in anticipation of the move to the Main Market, and considered the specific skills and experience required by the Board when developing role and candidate profiles prior to commencing the search process. Specific criteria identified included experience as a member or chair of a Main Market remuneration committee, a background in the finance/investment sector, and specific expertise around sustainability considerations. The Committee also recognised the importance of strengthening the gender diversity at Board level through this process.

The search and appointment process for both Gervaise Slowey and Sarah Gentleman is summarised in the chart below:

Stage 1 – Identifying role and candidate profiles

The Committee developed and agreed role and candidate profiles, including key skills, experience, and candidate characteristics.

Stage 2 - Identifying and instructing an executive search agency

Following meetings with a number of executive search agencies, Russell Reynolds Associates was engaged to assist with the process. Russell Reynolds has no other connection with the Company or individual Directors.

Stage 3 - Review shortlist and arrange first round interviews

Russell Reynolds produced a shortlist of potential candidates. First round interviews (7 candidates) were conducted by Karen Slatford and Martin Davis.

Stage 4 - Second round interviews

5 preferred candidates were interviewed by Stuart Chapman, Grahame Cook, Richard Pelly and Ben Wilkinson.

Stage 5 - Nominations Committee interviews

Gervaise Slowey and Sarah Gentleman were identified as the preferred candidates and met separately with the other members of the Nominations Committee and the Board.

Recommendation

The Nominations Committee unanimously agreed to recommend to the Board that Gervaise Slowey and Sarah Gentleman be appointed.

Nominations committee report continued

Board Diversity & Inclusion Policy

The development of a Board Diversity & Inclusion Policy was identified as a priority through our Board performance evaluation process conducted in FY21. A formal policy was developed by the Committee and Board during the year, and was approved by the Board prior to the Company's admission to the Main Market in July 2021.

The Board Diversity & Inclusion Policy confirms the Company (and Board's) commitment to providing an inclusive and diverse environment throughout the business and sets out the Company's approach to diversity and inclusion on the Board and senior management team. The policy also reflects the Company's wider Diversity & Inclusion Policy and aims to ensure the development of a diverse and inclusive talent pool for the purposes of Board succession planning.

The objectives and targets set out in the policy, and progress/performance against them during the year, are set out in the table below:

Objective/target	Progress/activity in FY22
Appointments to the Board to be made on merit, and assessed objectively, fairly and impartially on the basis of relevant skills, experience and competence with due regard to the benefits of diversity and any diversity gaps across the Board.	Appointments of both Gervaise Slowey and Sarah Gentleman were made in accordance with these principles.
Conduct annual reviews of Board composition and effectiveness, both to include consideration of all aspects of diversity and inclusion, as well as broader consideration of skills, experience, independence, and knowledge to ensure continued effectiveness.	Board and Committee composition reviewed in November 2021, with no changes recommended given recent Board appointments. Internal board performance evaluation described in more detail on page 95.
Work with external search firms to develop a diverse internal talent pipeline, including an inclusive senior management team.	A DEI Recruitment Policy was developed during the year and provided to external recruiters used by the Company from August 2021 onwards to promote the increase of a diverse base of talent within the Group. More details about this Policy and the work undertaken around our D&I Vision and Mission Statements are set out on page 64. The work to diversity senior management is ongoing.
When identifying and engaging executive search firms to identify candidates for appointment to the Board, ensuring that they agree to comply with the Board Diversity Policy at all times.	Any search firms engaged in the future will be asked to agree to comply with the Board Diversity Policy and Company DEI Recruitment Policy.
Achieve female representation on the Board of not less than 25% by 2022, and not less than 40% by 2025.	With the appointments of Gervaise Slowey and Sarah Gentleman during the year, female representation on the Board currently stands at 37.5%
At least one Director from a black, Asian, or other minority ethnic background by 2023.	Not progressed during FY22. To be considered as part of Board succession planning during FY23.

Succession planning

Given the appointment of two additional Non-Executive Directors during the year, the Committee's succession planning discussions during the year have focused on the development of succession plans for the Executive Directors. However, the Committee has recognised the potential disruption of the terms of office of Karen Slatford, Grahame Cook and Richard Pelly expiring at the same time (all having been appointed on the Company's IPO on AIM in 2016) and intends to develop plans to ensure a phased approach to their retirement prior to reaching a tenure of nine years.

Executive succession planning discussions have continued during the year, with particular consideration around the pipeline of potential internal successors to key Executive and senior management roles and identifying areas where additional training or mentoring may be required to support the development of successors, and where external recruitment may be required to fulfil succession requirements. A programme of senior management presentations to the Board has been established to ensure potential successors have appropriate exposure to, and engagement with, the plc directors.

The Committee intends to continue to develop and formalise its approach to Executive and Non-Executive succession planning (including building in considerations around developing a diverse and inclusive pipeline for senior management positions) during FY23.

Board effectiveness

For details of the Board evaluation, see page 95.

Karen Slatford
Chair of the Nominations Committee

12 June 2022

Audit, risk and valuations committee report



Grahame Cook
Chair of the Audit, Risk and Valuations Committee

Other members

- Sarah Gentleman
- Richard Pelly
- Gervaise Slowey

Meetings held in the year:

6

FY22 Key activities

- Review and approval of interim and year-end financial statements
- Detailed review of investment valuations
- Monitoring risk register and risk management systems
- External audit effectiveness review

FY23 Key priorities

- Monitor government response to BEIS audit and corporate governance reform recommendations
- Review internal control framework
- Monitor progress on FPPP actions identified in the Main Market move process

On behalf of the Board, I am pleased to present the report of the Audit, Risk and Valuations Committee (the "Committee") for the year ended 31 March 2022.

The Committee's activity in the year has been focused on its key responsibilities including ensuring the accuracy and integrity of the Company's financial reporting, monitoring the effectiveness of risk management and internal control systems, reviewing and providing constructive challenge to the detailed investment valuation process, and overseeing the relationship with the external auditor.

The year has also been punctuated by the Company's move from AIM to the Main Market. Since that move we have monitored progress against actions identified in the Financial Position, Procedures and Prospects (FPPP) memorandum prepared in preparation for our listing. We were pleased to note that the FPPP did not identify any significant areas of concern or controls weaknesses, with most of the actions aimed at incremental improvements (mainly in IT systems and processes).

Our annual review of the effectiveness of the external audit process is described in more detail on page 101. We have reviewed our external auditor PwC's independence, and the Committee is satisfied that PwC continues to be independent and provides an effective audit service. We are pleased to recommend that PwC be reappointed as the Company's auditors at the AGM in 2022.

The Committee has evaluated its own performance during the year by way of questionnaires completed by each member of the Committee and regular attendees. The outcome of the evaluation is summarised in more detail on page 95.

The composition of the Committee changed during the year, linked to our move to the Main Market and ensuring that we comply with best practice governance standards. Karen Slatford stepped down as a member of the Committee, ensuring our compliance with provision 24 of the UK Corporate Governance Code. I would like to thank Karen for her contributions to the Committee's work. We were delighted to welcome both Gervaise Slowey and Sarah Gentleman as Committee members on their appointment as Non-Executive Directors.

In accordance with provision 24 of the Code, the Board has confirmed that it is satisfied that I have recent and relevant financial experience by virtue of my qualification as a chartered accountant, my executive career in investment banking and finance roles, and my experience as a member and chair of audit committees in other non-executive positions. All other members of the Committee have experience as directors in the investment and finance sectors, and the Board is therefore also satisfied that the Audit, Risk and Valuations Committee as a whole has competence relevant to the sector in which we operate.

Grahame Cook
Chair of the Audit, Risk and Valuations Committee

12 June 2022

Audit, risk and valuations committee report continued

Duties, meetings and attendance

The duties of the Audit, Risk and Valuations Committee are set out in its Terms of Reference, which are available on the Company's website: <https://investors.moltenventures.com/investor-relations/plc>

The main items of business considered by the Committee during the year included:

- review of the risk management and internal control systems
- review and approval of the interim financial statements and the external auditors' report thereon
- detailed review and challenge of investment valuations and supporting information
- review of the year-end audit plan, and consideration of the scope of the audit and the external auditors' fees
- review of the Annual Report and financial statements, including consideration of the significant accounting issues relating to the financial statements and the going concern review
- consideration of the external audit report and management representation letter
- meeting with the external auditor without management present
- monitoring progress against FPPP actions (following Main Market admission)
- assessment of the need for an internal audit function
- review of whistleblowing arrangements
- review of Committee Terms of Reference

The Committee met formally six times during the year (and on two occasions since the year-end) and going forward will continue to meet at least three times per year at appropriate times in the reporting, valuations and audit cycle and otherwise as required. In addition to the Committee members, the Chief Financial Officer attends all meetings of the Committee, and other Executives (including the Chief Executive Officer, Chief Portfolio Officer and General Counsel & Group Compliance Officer) are invited to attend where appropriate. Representatives of the external auditor are also invited to attend meetings on a regular basis, and the Committee meets with the external auditor without management present at least once per year. Committee members' attendance at meetings during the year is set out in the table on page 92.

Significant issues considered in relation to the financial statements

Significant issues and accounting judgements are identified by the Finance Team and the external audit process and then reviewed by the Audit, Risk and Valuations Committee. The significant issues considered by the Audit, Risk and Valuations Committee in respect of the year ended 31 March 2022 are set out below:

Significant issue/ accounting judgement identified	How it was addressed
Fair value of investments in unlisted securities	The Audit, Risk & Valuations Committee reviewed the fair value of unlisted securities established with reference to the IPEV Guidelines by management. Management's methodologies and assumptions were reviewed and challenged over a number of meetings. The Committee agreed that management's approach was appropriate and was satisfied with the fair value recognised as at 31 March 2022 in respect of these unlisted securities.
Going concern	The Committee has reviewed the Annual Report and financial statements and, following challenge and review, it has been deemed appropriate to prepare the financial statements on a going concern basis taking into account the principal risks set out on pages 73 to 81.

Risk management and internal controls

The Group has an established system of risk management and internal controls, and while the Board has overall responsibility for setting the Group's risk appetite and ensuring that there is an effective risk management framework, responsibility for review of that framework and the effectiveness of the controls has been delegated to the Committee.

At a high level, the system of internal controls comprises the formally documented delegation of authority (including in the Terms of Reference of the Board's Committees and investment committees, and a delegated authority matrix covering specific financial and operational approvals), and investment, legal and compliance, financial and operational controls which are supported by detailed policies and procedures communicated across the Group. A consolidated corporate risk register is also maintained on an ongoing basis, and is regularly updated by management to score risks based on likelihood and impact and to assess the effectiveness of controls in place to mitigate risks.

The Committee's review of the risk register includes specific focus on the principal risks and uncertainties (including emerging risks) facing the Company. The Committee is satisfied that these risks are appropriately identified, and that the approach to addressing and mitigating those risks is within the defined risk appetite levels agreed by the Board.

Controls over the financial reporting process include clear delegated authorities (and appropriate time allocated for review of financial reporting by the Committee and the Board prior to publication), a detailed budgeting

process and clear accounting policies and procedures. The Committee has received additional assurance over the effectiveness of financial controls during the year through the process supporting the move to the Main Market (including the FPPP memorandum) and is satisfied that appropriate financial reporting controls are in place.

The Committee's process in monitoring and reviewing the effectiveness of the system of internal controls and risk management is supported by its annual activity schedule which ensures that appropriate time is allocated during the year to focus on these matters. A detailed document setting out the internal governance and control systems is maintained by the Group Compliance Officer and is reviewed by the Committee on a regular basis, with any changes to structures, controls or risk ratings clearly highlighted.

During the year, the Committee has also monitored progress against actions identified in the FPPP memorandum. We were pleased to note that no material controls weaknesses were identified in the FPPP process, and are satisfied that management has taken appropriate steps to address the actions identified (which were mainly focused on IT processes, and developing internal resourcing in line with the additional requirements facing a FTSE 250 company).

The Group's internal control systems have been in place for the year under review and up to the date of approval of this Annual Report.

Internal audit

The Committee has regularly discussed the requirement for an internal audit function, and whether such a function would be appropriate to provide additional assurance over the efficacy of internal controls and risk management procedures. In particular, the Committee has considered whether the move to the Main Market, and the possibility of a strengthened internal controls regime as a result of the BEIS consultation on audit and corporate governance reform, increases the need for an internal audit function within the business.

Given the relatively small operational resource in the business, and the assurance already provided through external compliance consultants, the Group Compliance Officer and the Committee's own activity, the Committee is satisfied that there is no present need for an internal audit function. However the position will be kept under review on an ongoing basis, and the Committee has asked management to consider options for internal audit resource which could be implemented as and when required.

External auditors

The Committee is responsible for monitoring the relationship with the external auditor, PwC, in order to ensure that the auditor's independence and objectivity are maintained. During the year, the Committee has discharged this responsibility by:

- agreeing the scope of the external audit and the fees payable to the external auditor
- receiving regular reports from the external auditor, including with regard to audit strategy and year-end audits
- regularly meeting the external auditor without management present
- assessing the external auditors' independence, including with reference to the level and extent of non-audit services provided by the external auditor
- evaluating the effectiveness of the external audit process.

Tenure

PwC was first appointed as the Group's external auditor in 2018 following a formal tender process, with Richard McGuire as lead audit partner from appointment. In line with PwC's policy on lead partner rotation, it is anticipated that Richard McGuire will rotate off the Group's audit after the audit of the year ending 31 March 2023.

The Committee is satisfied with the scope of the external auditors' work, the effectiveness of the external audit process (see below) and that PwC continues to be independent and objective. The Committee is therefore pleased to recommend that PwC be re-appointed as the Group's auditors at the 2022 AGM.

The external audit contract will be put out to tender at least every ten years, and the Committee therefore considers that it would be appropriate to conduct an external audit tender by no later than FY29.

The Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 and the Corporate Governance Code. There are no contractual obligations that restrict the Committee's choice of external auditor.

Effectiveness

The Committee reviewed the effectiveness of the FY21 external audit process during the year. A report was prepared by management summarising its view of PwC's effectiveness based on interactions during the audit, and based on responses to an effectiveness evaluation questionnaire completed by all members of the Finance Team involved in the audit. The questionnaire covered eight thematic headings, including audit team structure and leadership, sources of assurance, robust challenge and professional scepticism, technical excellence, and efficiency and project management.

The report was reviewed by the Committee, and members of the Committee involved in the audit expressed their views on the effectiveness of the process.

Overall, feedback on the audit was positive and it was agreed that PwC had demonstrated robust challenge and professional scepticism and technical expertise around technical accounting matters and the presentation of disclosures.

Non-audit fees

The Committee is satisfied that the Company was compliant during the year with both the UK Corporate Governance Code and the FRC's Ethical and Auditing Standards in respect of the scope and maximum permitted level of fees incurred for non-audit services provided by PwC.

The Committee has established a policy for engaging the external auditor to provide non-audit services, with any such services requiring approval by the Committee.

When reviewing requests for non-audit services the Audit Committee will assess:

- whether the provision of such services impairs the auditor's independence or objectivity and any safeguards in place to eliminate or reduce such threats
- the nature of the non-audit services
- whether the skills and experience make the auditor the most suitable supplier of the non-audit service
- the fee to be incurred for non-audit services, both for individual non-audit services and in aggregate, relative to the Group audit fee, and
- the criteria which govern the compensation of the individuals performing the audit.

The external auditor may not be engaged to provide non-audit services which are not permitted in accordance with legislative and regulatory requirements.

During the year ended 31 March 2022, PwC was engaged to provide permitted non-audit services acting as reporting accountant as part of our Main Market move for a fee of £0.3 million. Further amounts relating to the interim review and Client Assets Sourcebook (CASS) assurance work are disclosed in Note 10 to the financial statements on page 150. Given the natural overlap between this work and the financial audit of the Group's results and, in respect of the reporting accountant work, PwC's track record for performing this work for other listed clients, the Committee applied the criteria above and judged PwC the most effective party to perform this work.

Audit, risk and valuations committee report continued

Fair, balanced and understandable review

At the request of the Board, the Committee has considered whether, in its opinion, the FY22 Annual Report and Financial Statements are fair, balanced and understandable and whether they provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

Full drafts of the report were provided to the Committee in sufficient time to allow feedback to be provided and incorporated, and in forming its opinion the Committee considered the following:

Fair

- Does the report present the full story of performance in the year, and has any information been omitted which should be included?
- Is the narrative reporting in the Strategic Report consistent with the financial performance of the business and associated reporting?
- Does the financial reporting reflect the key messages set out in the narrative sections?

Balance

- Is the messaging and emphasis consistent across narrative and financial reporting?
- Are statutory measures given due prominence in line with any Alternative Performance Measures disclosed?
- Are key judgements and significant issues consistent across the Strategic Report, Audit, Risk and Valuations Committee Report and the financial statements?
- Do the significant issues identified align with the audit risks identified by PwC?

Understandable

- Is the layout and flow of the full report logical and understandable?
- Do the key messages have appropriate prominence throughout the report?
- Does the report include appropriate and effective linkages and cross references?

Following its review, the Committee was unanimous in its opinion that it was appropriate to recommend to the Board that the FY22 Annual Report and Financial Statements are fair, balanced, and understandable.

Whistleblowing

The Group has adopted procedures by which employees may, in confidence, raise concerns relating to possible improprieties in matters of financial reporting, financial control or any other matter. The Whistleblowing Policy applies to all employees of the Group, who are required to confirm that they have read the policy and are aware of how the procedure operates as part of the Group's ongoing internal training programme.

The Committee and the Board receive regular updates with respect to the whistleblowing procedures during the year, including through the review of the high-level document summarising internal controls. The Whistleblowing Policy was updated during the year to implement smoother disclosure mechanisms, ensure suitable controls for internal reporting, and to expressly set out a method for anonymous reporting.

Grahame Cook
Chair of the Audit, Risk and Valuations Committee

12 June 2022

Directors' remuneration report

Annual Statement by the Remuneration Committee Chair

Dear shareholders,

On behalf of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2022.

As the Company is now a constituent of the premium segment of the London Stock Exchange's Main Market, this report has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, the FCA Listing Rules and the UK Corporate Governance Code. The report is split (as required) into three parts:

- this annual statement prepared in my capacity as Chair of the Remuneration Committee;
- the Directors' Remuneration Policy which is to be put to a binding shareholder vote at the AGM on 3 August 2022 and is then intended to apply for three years from the date of approval; and
- the annual report on remuneration which sets out payments made to the Directors and details the link between Company performance and remuneration for FY22. The annual report on remuneration is subject to an advisory shareholder vote at the 2022 AGM.

Committee Composition and Chair

The Committee previously operated as a joint Remuneration & Nominations Committee, with its responsibilities being split on the Company's admission to the Main Market when a standalone Nominations Committee and Remuneration Committee were constituted. Up to the date of Main Market admission, the combined Remuneration & Nominations Committee was chaired by Karen Slafford. In line with UK Corporate Governance Code requirements, Karen stepped down as Chair and member of the Remuneration Committee on the Main Market move, and for the period from then until my appointment as chair of the Committee in September 2021, the Committee was chaired by Non-Executive Director Richard Pelly (albeit no formal meetings were held during that period).

Directors' Remuneration Policy

Prior to the Company's move to the Main Market, the Committee reviewed and considered changes to the Executive Directors' Remuneration Policy to ensure it continues to be appropriate to attract, motivate and retain high calibre executives while also meeting investor expectations and best practice standards for Main Market listed companies. This also included a move away from making

carried interest available to Executive Directors and a corresponding increase in salary and variable pay (effective from 1 April 2021) to bring executives in line with equivalent FTSE 250 comparators. As a result, the base salaries for the year were set to £483k for the CEO, £332k for the Chief Portfolio Officer and £325k for the CFO. The maximum annual bonus opportunity was 200% of salary with any bonus above 100% deferred for 2 years. The maximum LTI award was set at 250% of salary for each of the Executive Directors, with any awards above 200% of salary only being made for exceptional performance. The LTI award has a 3+2 structure with a 2-year holding period. The pension opportunity of 15% of base salary for all Executive Directors is aligned to the other employees. Changes to Executive Directors' salaries effective from 1 April 2022 are described under the "Major Decisions on Directors' remuneration for FY23" heading below.

As part of the review process, we engaged extensively with Shareholders in order to seek and consider their views on the proposed policy. We were very pleased that Shareholders who engaged with the Company were supportive of the proposed changes.

The Committee is not proposing any changes to the Remuneration Policy which has applied since admission to the Main Market in July 2021, and which is set out in detail on pages 105 to 121 of this report.

Under the Remuneration Policy, Executive Directors will continue to be rewarded through a combination of fixed and variable pay. Fixed pay will comprise: (a) basic salary; (b) benefits; and (c) pension. Variable pay will comprise (i) an annual bonus (including a deferral element); and (ii) the long-term incentive program (LTIP). The Company's remuneration strategy is to provide pay packages that attract, retain and motivate high-calibre talent to help ensure its continued growth and success. It aims to encourage and support a high performance culture; reward for achievement of the Group's corporate strategy and delivery of sustainable growth; and align the interests of the Executive Directors, senior management and employees to the long-term interests of Shareholders whilst ensuring that remuneration and incentives adhere to the principles of good corporate governance and support good risk management practice and sustainable Company performance grounded in the principles of ESG and responsible investment.

Consistent with this remuneration strategy, remuneration will be set at a level that is considered by the Remuneration Committee to be appropriate for the size and nature of the business. Performance-related pay will be based on stretching targets and will form an important



Sarah Gentleman
Remuneration Committee Chair

Other members

- Grahame Cook
- Gervaise Slowey
- Richard Pelly

Meetings held in the year:

6

FY22 Key activities

- Sarah Gentleman succeeded Karen Slafford as Chair of the Committee
- Ensured Executive remuneration is aligned to the Company's long-term strategy
- Oversaw the implementation of the new remuneration policy following the admission to the Main Market

FY23 Key priorities

- Ensure pay is aligned with company performance, enabling Molten Ventures to attract and retain the key talent it requires to deliver on its goals
- Engage with the broader workforce on remuneration matters via the DNED for employee engagement
- Monitor the implementation of the remuneration policy and ensure it is aligned with Corporate Governance developments

Directors’ remuneration report continued

part of the overall remuneration package. There will be an appropriate balance between short and longer-term performance targets linked to delivery of the Group’s business plan.

Business performance and remuneration outcomes

Despite a challenging external environment as a result of the continuing COVID-19 pandemic and, more recently, the events in Ukraine, FY22 was an incredibly strong year for the Company in terms of performance against our financial and strategic goals. We achieved NAV growth of 39%, realised £126.3 million through exits, and invested £311.2 million into new and existing portfolio companies.

Good progress has also been made in developing our focus on ESG factors, and meeting the goals we have set ourselves in our ESG roadmap (see FY21 ESG KPIs).

As a result of this exceptional performance, the targets for the Executive Directors’ FY22 bonus have been met in full and maximum payments have been agreed in line with the Remuneration Policy. As you will note below, bonus amounts above 100% of salary will be deferred into shares (again, in accordance with the Remuneration Policy).

FY22 Bonus outturn

Based on the performance scorecard, which includes four different performance categories, the FY22 Bonus entitlement became payable in full reflecting the outstanding performance delivered by the Company during the financial year. The Remuneration Committee considered the Company’s performance and the Executive Directors’ leadership during what was a very challenging year and determined that the outcome was warranted. In reaching this decision, the Committee considered both the formulaic outcome for each measure as well as a more holistic assessment of performance including overall Company and ESG performance to ensure that the vesting outcomes are consistent with stakeholder experience.

Bonus amounts above 100% of salary were deferred in Company shares for a period of 2 years in line with the Remuneration Policy.

Discretion

During the year, the Committee did not exercise any discretion to determine any remuneration outcomes for the Executive Directors.

Major decisions on Directors’ remuneration for FY23

A significant number of employees received one-off pay adjustments during the year following an organisation wide pay review to ensure our pay enables Molten Ventures to attract and retain the highest calibre of talent. These employees have received no further pay increase for the FY23 financial year. All other employees received a pay increase of 3.0% of base salary with effect from 1 April 2022, as well as a one-off payment of £2,000 (which will be trued up to ensure a £2,000 net of tax payment for employees on salaries below £100,000) in recognition of the exceptional market developments including the cost of living increase.

Having taken into account the context described above, the Committee approved salary increases for each of the Executive Directors of 3% effective on 1 April 2022. This is in line with the level of increase applied to employees generally (excluding those who received one-off adjustments). The Executive Directors were not eligible to receive the additional one-off payment of £2,000.

There are no proposed changes to the Bonus and LTI award opportunities for the FY23 financial year which will continue to be as per the Policy table. The categories of performance measures for the coming year will also be the same as those for FY22. The change in weighting reflects the desire to broadly equalise the relative weighting of AUM and relative TSR to reflect the KPIs of the Company and the alignment of investor priorities. Further details are provided in the Implementation of Remuneration Policy section on pages 119-121.

Stakeholder engagement

The Committee is regularly updated on the pay and benefits arrangement for staff across the Group, and takes into account wider workforce remuneration as part of its review of Executive remuneration arrangements. As described in the Corporate Governance Statement, Richard Pelly has taken on the role of Designated Non-Executive Director (DNED) with responsibility for workforce engagement (in accordance with provision 5 of the UK Corporate Governance Code). Part of Richard’s remit in the DNED role (supported by his membership of the Committee) will be to engage with the workforce on the alignment of executive pay with wider company pay policy, however as this role was only established during the course of the year no such engagement has yet taken place.

Conclusion

At the 2022 AGM, the Remuneration Policy set out on pages 105 to 121 will be put to Shareholders for approval and the Directors’ Remuneration Report excluding the Remuneration Policy will be put to an advisory vote. I look forward to receiving your continued support at the AGM.

Sarah Gentleman

Chair of the Remuneration Committee

12 June 2022

Remuneration policy

1.1. Introduction

In accordance with the remuneration reporting regulations, the Directors’ Remuneration Policy (the ‘Policy’) as set out below is subject to a shareholder vote at the AGM on 3 August 2022 and is then intended to apply for a period of three years from the date of approval unless a new Policy is approved by the Company’s Shareholders prior to the end of that period. The policy is based on the information that was disclosed to Shareholders in the Prospectus issued when the Company moved to the Main Market July 2021.

The Company’s remuneration strategy is to provide pay packages that attract, retain and motivate high-calibre talent to help ensure its continued growth and success. It aims to: encourage and support a high performance culture of reward for achievement of the Group’s corporate strategy and delivery of sustainable growth; and align the interests of the Executive Directors, senior management and employees to the long-term interests of Shareholders; whilst ensuring that remuneration and incentives adhere to the principles of good corporate governance and support good risk management practice and sustainable Company performance grounded in the principles of ESG and responsible investment.

The Committee is governed by Terms of Reference which set out the roles and responsibilities of Committee members and detail how the Committee will operate. These are reviewed periodically to ensure they remain appropriate and include relevant corporate governance and other guidance. A copy of the Terms of Reference is available from the Company’s website - investors.moltenventures.com.

The Committee operates discretion with respect to vesting and other outcomes that affect the actual level of reward payable to individuals, as explained in the Remuneration Policy table summary. Such discretion would only be used in exceptional circumstances and, if exercised, disclosed at the latest in the report on implementation of the Policy (i.e. the annual remuneration report) for the year in question.

The Committee has appointed independent external advisers to receive material independent assistance and advice. In addition, to avoid any conflicts of interest or appearance thereof, no director is involved in deciding their own remuneration outcome with such items being discussed without their presence in the meeting.

1.2. Changes to the Remuneration Policy

In 2021, Molten Ventures moved to the FTSE Main Market. In preparation for the move, the Committee reviewed the remuneration arrangements for the executives and made adjustments to ensure that they would be appropriate for directors of a Main Market company subject to and with effect from the date of Main Market listing. The changes were set out in the Prospectus and the remuneration arrangements for directors were communicated to Shareholders who were invited to give comments. The Committee believes that this revised package provides a fair reward for directors together with incentive-based pay that is subject to challenging performance targets designed to create value for Shareholders.

Carry scheme

Having carried out a thorough review of the market and in order to align to shareholder expectations, the Committee determined that effective from 1 April 2020 Executive Directors would not participate in any new carried interest schemes. This is a significant change as historically a majority of our employees participated in these schemes and they continue to do so. Participation in these schemes is also very common for executives at other private companies in our sector. However, the Committee was mindful of the move to the Main Market and wanted to ensure executive pay was aligned with best practices in the FTSE index. Incentive pay was therefore rebalanced by implementing the variable pay structures as described below. While these structures cannot replicate the design of a carry scheme, they implement a number of features which provide shareholder alignment such as bonus deferral, a 2-year LTI holding period and a post-exit shareholding guideline. Continued participation in existing carried interest schemes that pre-dated 1 April 2020 were not affected by the rebalancing exercise described below.

Annual bonus

The maximum annual bonus opportunity for directors is set at 200% of salary. Given the stretching annual bonus targets we have set historically and the profile of the payout curves set by the Remuneration Committee, the target level of vesting will result in a bonus amount of 120% of salary. The Remuneration Committee gave detailed consideration to altering this payout curve to the effect that the target level of performance would result in a bonus amount of 100% of salary, but resolved that 120% remained appropriate in respect of FY23. Annual bonus deferral has also been introduced whereby any bonus above 100% of salary is deferred into Company shares for a period of 2 years.

In terms of performance measures, these are split between financial, strategic and ESG measures. The measures for FY22 are: Fair Value increase (60% weighting), capital resources (20% weighting), number of deals (10% weighting) and ESG (10% weighting). These measures are designed to provide an appropriate mix of financial and non-financial measures that will support the Company’s business strategy.

Long-term incentive plan

The maximum LTI opportunity is set at 250% of salary for each of the Executive Directors, with any awards above 200% of salary only being made for exceptional performance. The performance measures used will be Total Shareholder Return and Assets Under Management (as defined below). We have also introduced a 2-year holding period post performance period for the LTI awards (giving a 3+2 year structure) for the Executive Directors to further enhance long-term shareholder alignment.

For the 2022 financial year, for the first 200% of the award, the performance measures were: relative TSR versus the FTSE 250 (60% weighting) and AUM (40% weighting) (see page 115 for further details). An additional 50% of salary could be earned for relative TSR performance above upper quartile versus the FTSE 250 with the full amount earned for achieving upper decile TSR performance.

Shareholding guidelines

The ‘in-post’ shareholding guideline has been set to 250% of base salary for each executive director. This guideline must be achieved by retaining at least 50% of each vested LTI award until the guideline has been met.

Directors’ remuneration report continued

For ‘post-exit’, the proposed guideline is the lower of 250% of salary or the shareholding level at the moment of departure, for a period of two years post termination, in line with the Investment Association expectations.

1.3. Remuneration Policy table summary

Purpose and link to strategy	Operation	Maximum opportunity	Performance targets
Base salary			
To provide competitive fixed remuneration.	The base salaries for Executive Directors and senior management will depend on their experience and the scope of their role as well as having regard to practices at peer companies of equivalent size and complexity.	When considering salary increases for the Executive Directors in their current roles, the Committee considers the general level of salary increase across the Group and in the relevant external market.	Not applicable
To attract, retain and motivate Executive Directors of the calibre required to deliver the Company's strategy.	In considering the base salary (and other elements of remuneration) of Executive Directors and senior management, due regard will be taken of the pay and conditions of the workforce generally. Base salaries will typically be reviewed on an annual basis.	Current salary levels are disclosed on page 112.	
Benefits and pension			
To provide market competitive levels of employment benefits.	The Executive Directors are eligible to receive contributions to a pension plan and/or a cash supplement in lieu of pension contributions (equal to 15% of basic salary) as each Executive Director may direct. The contribution rate for Executive Directors is the same as the rate provided to the wider workforce. The Executive Directors will be able to participate in the same benefits as available to other UK employees, including but not limited to life insurance, private health insurance and income protection insurance. Each Executive Director is entitled to reimbursement of reasonable expenses incurred in the performance of such Executive Director's duties in accordance with the Company's Travel & Entertainment policy.	The benefits package is set at a level which the Remuneration Committee considers provides an appropriate level of benefits for the role and is appropriate in the context of the benefits offered to the wider workforce or to comparable roles in companies of a similar size and complexity.	Not applicable

Purpose and link to strategy	Operation	Maximum opportunity	Performance targets
Annual bonus			
Rewarding the year-on-year achievement of demanding annual performance metrics.	Performance measures, weightings and targets are reviewed annually by the Committee and may be changed from time to time. Appropriately stretching targets are set by reference to the operating plan and historical and projected performance for the Company and its sector. Any bonus awarded to an Executive Director in excess of 100% of basic salary earned will be deferred in Ordinary Shares under the Deferred Bonus Plan ("DBP") for two years. Participants may receive an additional payment (in cash or shares) equal to the dividends which would have been paid during the deferral period on the number of shares that vest. Malus and clawback provisions apply.	The maximum bonus opportunity is 200% of salary. Target bonus opportunity will be no greater than 60% of the maximum annual bonus. Threshold bonus opportunity will be no greater than 40% of the maximum annual bonus. The Target and Maximum pay-outs will be specified by the Committee at the date of award and disclosed in the Annual Report.	The award of any bonus is discretionary and subject to the achievement of challenging performance conditions, which will be set by the Committee and are expected to be linked to the Company's financial performance. Performance measures will also include an element linked to ESG measures. Annual incentive plan awards are normally based 60%-100% on financial measures which may include, but are not limited to, measures of fair value growth and capital; and 0%-40% on strategic or ESG measures or other objectives aligned to Company strategy. The Committee may amend the targets and their weightings from time to time.
Long-term incentive plan			
To balance performance pay between the achievement of financial performance objectives and delivering superior long-term returns to our Shareholders.	In accordance with the rules of the LTIP, annual awards are made over Shares in the Company with vesting dependent on the achievement of stretching performance conditions over a three-year period. A two year holding period will apply to Executives at the end of each relevant performance period. The performance conditions will be reviewed annually by the Committee for each new award. Targets take into account the internal strategic plan and external market expectations for the Company and the sector to ensure that such targets remain stretching yet achievable. The targets may change from time to time. Participants may receive an additional payment (or Ordinary Shares of equivalent value) equal to the dividends which would have been paid during the vesting period on the number of Ordinary Shares that vest. Any dividend equivalent payable to Executive Directors will be made in the same form as applicable for other participants. Malus and clawback provisions apply.	The maximum value of annual awards made under the plan was set at 250% of salary for each of the Executive Directors, with any awards above 200% of salary only being made for exceptional performance.	LTIP awards are normally based on financial measures which may include, but are not limited to, relative total shareholder return (TSR) compared to the FTSE 250 - with a normal weighting between 50%-100%; and Assets under Management (AUM) with a normal weighting between 0%-50%. The Committee can adjust the weighting of the performance conditions, and, if considered appropriate, may introduce alternate performance conditions from time to time aligned to the Company's strategy, or remove a performance condition set out above. No more than 50% of the awards will vest for achieving threshold performance, increasing to 100% vesting for achievement of stretching performance targets.

Directors’ remuneration report continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance targets
Share ownership guidelines			
To provide long-term alignment between Executive Directors and Shareholders.	Executive Directors are encouraged to build and maintain over time a shareholding in the Company. To the extent the shareholding guideline has not been reached by the relevant vesting dates, the Executive Directors have agreed to retain 50% of the Shares that may be delivered to each of them pursuant to the LTIP and the DBP (save to permit the sale of such number of Shares as may be required to meet any tax liability arising on the vesting of such awards).	Each Executive Director is expected to achieve a shareholding with a value of equivalent to at least 250% of his annual basic salary. The share ownership requirements will remain in place until the second anniversary of termination of employment of any Executive Director and will apply to the lower of 250% of such Executive Director's basic salary or the number of Shares held by the Executive Director at the date of termination of employment.	Not applicable
Non-executive director fees			
To attract and retain Non-Executive Directors of a high calibre with relevant commercial and other experience.	Non-Executive Directors receive a basic annual fee in respect of their Board duties. Additional fees may be paid to Committee chairs and the Senior Independent Director to reflect the additional responsibilities associated to such roles. The Chair receives a fixed annual fee. Fees are typically reviewed annually, taking into account the time commitment requirements and responsibility of the individual roles, and after reviewing practice in other comparable companies. The fee paid to the Chair is determined by the Remuneration Committee, while the fees for other non-executive directors are determined by the Board as a whole. Each Non-executive Director is entitled to reimbursement of reasonable expenses incurred in the performance of such Non-executive Director's duties.	For the Non-Executive Directors, there is no prescribed maximum annual increase. The maximum cap for the total aggregate remuneration paid to the Chair of the Company and the non-executive directors is set within the Company's Articles. Actual fee levels are disclosed in the Annual Remuneration Report for the relevant financial year.	Not applicable

Performance measures and targets

Measures used under the Annual Bonus and LTIP are selected annually to reflect the Group's main short, mid and long-term objectives and reflect both financial and non-financial priorities, including ESG, as appropriate. The Committee selected the performance conditions above because they are central to the Company's strategy and are the key metrics used by the Executive Directors to oversee the operation of the business.

Further details of the performance measures under the annual incentive plan for the year ending 31 March 2022 as well as targets under the long-term incentive plan for awards made in 2021, and how they are aligned with Company strategy and the creation of shareholder value, are set out in the annual report on remuneration, on page 113 and 114. Annual incentive targets will be disclosed retrospectively in next year's annual report on remuneration. Performance targets are set to be stretching yet achievable, and take into account the Company's strategic priorities and business environment. The Committee sets targets based on a range of reference points including the Company strategy and broker forecasts for both the Company and the market.

Recovery provisions and Committee discretion

The Remuneration Committee may exercise its discretion to adjust annual bonus outcomes or levels of vesting under the LTIP where it believes that it is appropriate, including (but not limited to) where outcomes are not reflective of the underlying performance of the business or the experience of the Company's Shareholders, employees or other stakeholders. The Remuneration Committee may exercise malus on unvested awards and may also claw back bonus payments or vested share awards up to three years from the date of payment/vesting (in part or in full) in the event of gross misconduct, material misstatement in the Company's annual financial statements, material failure of risk management, serious reputational damage to a member of the Group or relevant business unit, the insolvency of the Group and/or an error in the calculation of any performance conditions resulting in an overpayment or excess vesting.

Service Agreements and Letters of Appointment

Each of the Executive Directors' service agreements is for a rolling term and may be terminated by the Company or the Executive Director by giving six months' notice.

The Remuneration Committee's policy for setting notice periods is that a six-month period will apply for Executive Directors. The Remuneration Committee may in exceptional circumstances arising on recruitment allow a longer period, which would in any event reduce to six months following the first year of employment.

Name	Position	Date of current service agreement	Notice period by Company (months)	Notice period by Director (months)
Martin Davis	CEO	19 July 2021	6	6
Stuart Chapman	CPO	19 July 2021	6	6
Ben Wilkinson	CFO	19 July 2021	6	6

The Non-Executive Directors of the Company (including the Chair) do not have service contracts. The Non-Executive Directors are appointed by letters of appointment. Their terms are subject to their re-election by the Company's Shareholders at any AGM at which the Non-Executive Directors stand for re-election (in accordance with the Company's Articles of Association). The details of each Non-Executive Director's current terms are set out below:

Name	Date of appointment	Commencement date of current term	Unexpired term as at 10 June 2022
Karen Slatford	15 June 2016	19 July 2021	
Grahame Cook	15 June 2016	19 July 2021	
Sarah Gentleman	8 September 2021	8 September 2021	
Richard Pelly	15 June 2016	19 July 2021	
Gervaise Slowey	19 July 2021	19 July 2021	Continuation of appointment is subject to re-election by Shareholders at each AGM.

Remuneration policy on recruitment

On recruitment, the Committee would seek to align the remuneration package with the Remuneration Policy approved by Shareholders. When determining a remuneration package for a new executive director, the Committee will consider the relevant skills and experience of the individual as well as the internal and external market conditions. Incentive opportunities will be consistent with the Remuneration Policy set out above. The Committee will have the ability to buy out any entitlements lost at their previous employer on similar terms to the entitlements foregone. The Committee may exercise its discretion to make sign-on payments to new hires if it considers that the circumstances make such payments necessary. However, such payments shall be subject to vesting requirements and deferment into shares to ensure that the longer term interests of Shareholders are served. Malus and clawback provisions will apply to such awards.

In the event of an internal hire who is promoted to the board, any existing entitlements (including to carried interest) will be honoured, retained and paid out on their original terms for the relevant proportion of the financial year in which they are appointed such to the extent that the basic salary will be adjusted to the appropriate level for the role being assumed from the date of appointment. If they are appointed prior to the granting of LTIP awards for that year, they will participate in the new grants on similar terms as the other Executive Directors.

Directors’ remuneration report continued

Remuneration policy on termination

In the event of termination, any payments will be in accordance with the terms of the Executive Directors' service contracts with the Company, and the rules of the new share plans, having regard to all of the relevant facts and circumstances available at that time.

The annual bonus may be payable in respect of the period of the bonus scheme year worked by the director; there is no provision for an amount in lieu of bonus to be payable for any part of the notice period not worked. The bonus would be payable at the normal date and would be subject to deferral provisions under the terms of the plan. Leavers would normally retain deferred bonus shares from bonus awards in previous years, albeit release would normally be at the end of the deferral period, with Committee discretion to treat otherwise.

Long-term incentives granted under the LTIP are governed by the LTIP rules which contain discretionary good leaver provisions for designated reasons (that is, participants who leave early on account of death, injury, disability, sale of their employing company or business unit, or any other reason at the discretion of the Committee). In these circumstances, a participant's awards will not be forfeited on cessation of employment and instead will vest on the normal vesting date or such earlier date to the extent that the Committee may determine. In either case, the extent to which the awards will vest depends on the extent to which the Committee considers that the performance conditions have been satisfied or are likely to be satisfied by the end of the performance period and a pro rata reduction of the awards will be applied by reference to the time of cessation (although the Committee has discretion to disapply time-related pro-rating if it considers that the circumstances warrant it).

Payments under previous policies

Existing awards to Executive Directors, and incentives, benefits and contractual arrangements made to individuals prior to their promotion to the Board and/or prior to the approval and implementation of this policy will continue on their original terms. For the avoidance of doubt, this includes any entitlement to carry and payments in respect of any award granted under the previous remuneration policy until the existing incentives vest (or lapse) or the benefits or contractual arrangements no longer apply.

Carried Interest

From 1 April 2020 onwards, the Executive Directors are not eligible to participate in new carried interest plans, and instead will participate in the Long-Term Incentive Plan. However, the Executives might receive payments from their participation in previous carried interest plans. Any such payments will be disclosed in the Remuneration Report.

Remuneration policy for other employees

The reward package for the wider employee group is based on the principle that it should enable the Company to attract and retain the best talent, rewarding employees for their contribution to Company performance. It is driven by local market practice as well as level of seniority and accountability of each role. With the exception of the carried interest scheme (which the Executive Directors are no longer eligible to participate in), there is broad alignment in the pay structures for Executives and the wider workforce, in the way that remuneration principles are followed as well as the mechanics of the salary review process and incentive plan design, which are broadly consistent throughout the organisation. Pension contribution rates are also consistent for all employees. Employees below Board level may be eligible to participate in an annual bonus arrangement which has a similar structure to that used for the executives with award quantum reflective of seniority level and carry scheme participation. Long-term incentive awards and/or discretionary share options may be awarded to certain other employees, for which the maximum opportunity and the performance conditions may vary by organisational level. The Group also offers a range of benefits that are open to all employees.

Statement of consideration of employment conditions elsewhere in the Company

The Committee has responsibility for reviewing remuneration and related policies applicable to the wider workforce. To support this, the Committee is periodically briefed on the structure and quantum of all-employee remuneration as well as being informed about the context, challenges and opportunities related to wider workforce remuneration topics. This enables the Committee to take the wider workforce into account when setting the policy for Executive remuneration. Whilst there is no direct consultation with employees on executive director remuneration, the Committee receives insights from the broader employee population via the DNED for employee engagement. Further, when considering salary increases for the Executive Directors, the Committee considers the general level of salary increase across the Group and in the external market.

Statement of consideration of shareholder views

In line with our commitment to full transparency and engagement with our Shareholders on the topic of Executive remuneration, the Remuneration Committee Chair conducts periodic consultations with major Shareholders. This typically involves setting out the changes planned for the following year in writing, seeking shareholder input and views to various Executive remuneration matters including the development of, or potential changes to, remuneration policy or arrangements.

The Committee values the continued dialogue with our Shareholders and periodically engages with Shareholders and representative bodies to take their views into account when setting and implementing the Company's remuneration policies. Last year, the Company engaged extensively with Shareholders and their proxy advisors on the proposed changes to the Policy in light of the admission to the Main Market.

Corporate Governance Code principles

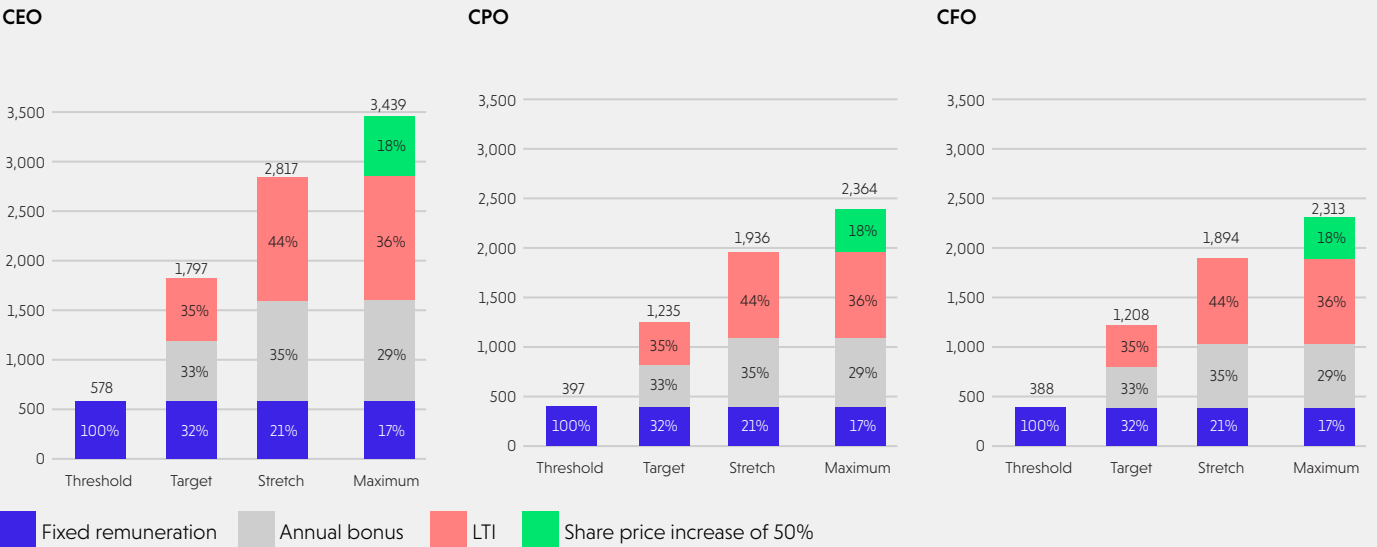
The table below reflects how the remuneration policy fulfils the factors set out in provision 40 of the 2018 UK Corporate Governance Code.

Criteria	Approach
Clarity Remuneration arrangements should be transparent and promote effective engagement with Shareholders and the workforce.	The Committee operates a consistent remuneration approach that is well understood internally and externally. The Committee regularly engages with major Shareholders on Executive remuneration and undertook a detailed consultation ahead of the admission to the Main Market in July 2021.
Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	Our remuneration arrangements for Executive Directors are based on a market-standard remuneration structure consisting of fixed pay, an annual bonus and a single long-term incentive. This design is simple in nature and well understood by participants as well as other stakeholders.
Risk Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	Targets are reviewed annually to ensure they are adequately stretching and yet achievable without encouraging excessive risk taking. Using recovery provisions or discretion, the Committee retains the ability to override formulaic incentive outcomes in the event that these produce a result inconsistent with the Company's remuneration principles.
Alignment to culture Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	The variable incentive schemes and performance measures, including ESG measures, are designed to be consistent with Molten's purpose, values and strategy. We believe that aligning remuneration principles across the business is a key element of aligning our culture, fulfilling our values and being a strong driver of business performance.
Predictability The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	The Committee maintains clear caps on incentive opportunities and will use its available discretion if necessary. The potential value and composition of the Executive Directors' remuneration packages at below threshold, target and maximum scenarios are provided in the remuneration policy.
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	Executives are incentivised to achieve stretching targets over annual and three-year performance periods. The Committee assesses performance holistically at the end of each period, taking into account underlying business performance and the internal and external context to ensure that pay outcomes are appropriate and reflective of overall performance.

Illustration of the application of the Remuneration Policy

The charts below are based on the following scenarios for each Executive Director:

- Threshold: Annual salary as at 1 April 2022, policy pension and FY22 benefits
- Target: as Threshold plus Target Bonus (120% of salary) and Threshold LTI award opportunity (125% of salary) as per the remuneration policy
- Stretch: as Target except Bonus and LTI included at maximum opportunity (200% and 250% of salary respectively) as per the remuneration policy
- Maximum: as Stretch except the share price on the LTI is assumed to increase by 50%



Directors’ remuneration report continued

Annual report on remuneration

The Annual Remuneration Report sets out how the Directors’ Remuneration Policy was put into practice during the year and how we intend to apply the proposed policy in the year ended 31 March 2023. It is divided into three sections:

- Section 1: Single Figure Tables
- Section 2: Further information on remuneration for the year ended 31 March 2022
- Section 3: Implementation of the Remuneration Policy in the year ending 31 March 2023

The auditors have reported on certain sections of this report and stated whether, in their opinion, those sections have been properly prepared. Those sections which have been subject to audit are clearly indicated within the heading as audited.

The Remuneration Policy which was applied in the year ending 31 March 2022 was as described in the Prospectus issued by the Company in connection with its Main Market listing during the year (the Policy being effective from admission to the Main Market, but backdated to apply to the Executive Directors from 1 April 2021).

Section 1 – Single Figure Tables

This section covers the reporting period from 1 April 2021 to 31 March 2022 and provides details of the implementation of the Remuneration Policy during the period.

Directors’ remuneration Single Figure Table (audited)

The following table summarises the gross aggregate remuneration of the Directors who served during the year to 31 March 2022:

£'000s	Year	Basic salary/fees ¹	All taxable benefits ²	Pension-related benefits	Annual bonus ³		Long-term incentive ⁴	Other ⁸	Total fixed remuneration	Total variable remuneration	Total remuneration	Carried interest (legacy awards) ⁵	Total
					Cash	Deferred							
Executive Directors													
Martin	FY22	483	9	72	483	483	–	–	564	966	1,530	–	1,530
Davis	FY21	420	4	63	398	–	–	–	487	398	885	–	885
Stuart	FY22	332	5	50	332	332	1,311	–	387	1,975	2,362	2,334	4,696
Chapman	FY21	289	4	43	274	–	–	–	336	274	610	150	760
Ben	FY22	325	4	49	325	325	1,311	–	378	1,961	2,339	230	2,569
Wilkinson	FY21	274	3	41	260	–	–	–	318	260	578	30	608
Non-Executive Chair													
Karen	FY22	120	–	–	–	–	–	–	120	–	120	–	120
Slatford	FY21	99	–	–	–	–	–	–	99	–	99	–	99
Non-Executive Directors													
Grahame	FY22	80	–	–	–	–	–	10	90	–	90	–	90
Cook	FY21	60	–	–	–	–	–	–	60	–	60	–	60
Richard	FY22	60	–	–	–	–	–	–	60	–	60	–	60
Pelly	FY21	51	–	–	–	–	–	–	51	–	51	–	51
Gervaise	FY22	41	–	–	–	–	–	–	41	–	41	–	41
Slowey ⁶	FY21	–	–	–	–	–	–	–	–	–	–	–	–
Sarah	FY22	39	–	–	–	–	–	–	39	–	39	–	39
Gentleman ⁷	FY21	–	–	–	–	–	–	–	–	–	–	–	–
Total	FY22	1,480	18	171	2,072	1,140	2,622	10	1,679	4,902	6,581	2,564	9,145
Total	FY21	1,193	11	147	932	–	–	–	1,351	932	2,283	180	2,463

¹ During 2021, subject to the move to the Main Market, the Remuneration Committee approved an increase to base pay for executives (to reflect the move away from participation in the carry scheme, and to bring them in line with equivalent FTSE 250 companies). As this was a delayed step in the normal pay review cycle, the increase took effect from the normal pay review date. The salaries of executives were set to £483k for Martin Davis, £332k for Stuart Chapman and £325k for Ben Wilkinson with effect from 1 April 2021.

² Benefits include private medical and critical illness cover. Critical illness cover was effective from October 2021.

³ Details of the bonus targets, their levels of achievement and the resulting level of award and deferrals of this bonus are detailed on pages 113 and 114. In FY22, 50% of this bonus amount is deferred in shares of plc for each member of the Executive team.

⁴ Values for the year ending 31 March 2022 relate to the vesting of options granted under the Company Share Option Plan (CSOP) in 2018 and 2019 (July 2018 and February 2019) which were subject to a performance condition of an 8% per annum share price hurdle, and the grant of options under the CSOP to Stuart Chapman and Ben Wilkinson on 26 July 2021 with a face value of £15,000 each. Values for the vesting of the 2018 and 2019 CSOP awards are calculated by reference to the number of shares

vesting multiplied by the market value of shares on the vesting date (30 July 2021 - £ 10.02, February 2022 - £7.47) less the exercise price (30 July 2018 - £4.92 per share, 12 February 2019 - £5.30 per share). CSOP options that vested in FY21 were not subject to performance conditions, and are therefore not required to be disclosed in the single figure table.

⁵ The carried interest amounts are legacy award payments during the year in respect of awards no longer available to Executive Directors. These carried interest plan awards were made in prior years and a further description of the plans can be found on page 114.

⁶ Gervaise Slowey was appointed on 19 July 2021. The single figure includes remuneration since this appointment. This is converted from Euros at the year-end exchange rate of 1:1.1816.

⁷ Sarah Gentleman was appointed on 8 September 2021. The single figure includes remuneration since this appointment.

⁸ As noted in the Corporate Governance Statement, Grahame Cook assumed the responsibility of temporary chair for 3 months during the financial year. These additional fees were approved for this period as remuneration for these responsibilities.

Commentary on Single Figure Table (audited)

Incentive outcomes for FY22

Annual bonus

The FY22 annual bonus for Executive Directors was assessed against performance conditions approved by the Committee prior to Main Market admission. Bonuses are split across four metrics, of which 90% are for corporate and financial measures, and 10% are for performance against ESG objectives. The Committee considers the overall bonus outcome as determined by performance against the agreed measures to ensure that the bonus level is appropriate given the Company’s performance during the year, and has the ability to exercise discretion to override the indicative formulaic outturn if it considers that it is not appropriate in the circumstances.

The maximum bonus opportunity for FY22 was 200% of salary for each of the Executive Directors.

Corporate targets

Performance against the financial and strategic measures is set out below:

Metric	Weighting	Performance targets ¹			Actual	% vesting	% of max bonus opportunity
		Threshold (40% vesting)	On target (60% vesting)	Maximum (100% vesting)			
Fair Value Growth ²	60%	7.5%	15%	20%	37%	100%	60%
Capital resources ³	20%	£50m	£100m	£125m	£165m	100%	20%
Number of deals ⁴	10%	6	10	12	15	100%	10%
Total						100%	90%

Notes:

- ¹ Each of the Corporate performance conditions is subject to a straight-line payment scale between threshold, on-target and full vesting points.
- ² Fair Value Growth: This is the opening gross value of the portfolio (GPV), plus investments, less any cash from realisations, plus fair value growth which gives the year-end gross portfolio value. The percentage changes from the opening GPV to the closing GPV is the fair value growth figure for the performance measure.
- ³ Capital resources includes capital raised and committed via third party funds, capital raised via EIS and VCT entities for the tax year April 21 to April 22, and additional capital raised from Shareholders via equity raises.
- ⁴ Number of deals is the number of investment transactions signed/completed by the Company between 1 April 21 and 31 March 22. Deals must be at least £5.0 million in size, can be primary, secondary or follow-on investment (excluding Fund of Fund investments). Deals consuming exceptional resources or of a strategic nature below £5.0 million can be added by exception at the discretion of the Committee.

ESG measures:

The ESG measures agreed by the Committee were set in recognition that FY22 was a transitional year for the Company with respect to the development of its ESG strategy. As the agreed measures were qualitative or binary rather than quantitative, performance against them was subject to discussion and agreement by the Committee following the year-end. The measures, and the Committee’s assessment of the Executive Directors’ performance against them, is summarised in the table below:

ESG measure	Assessment of performance	% vesting	% of max bonus opportunity
Climate/TCFD – carry out gap analysis and establish road map to enable TCFD disclosures	Through careful planning and alignment with our established roadmap, the TCFD FY22 disclosure is included within the Sustainability section of our Annual Report on pages 58-63.	100%	10%
Creation and roll-out of group wide D&I Policy and Board D&I Policy	Board D&I and Group D&I and Equal Opportunities policies adopted during the year.		
Strategic engagement with 10-15 portfolio management teams on governance arrangements	Directly engaged with 17 portfolio management teams through our ESG Framework, which includes 18 governance-oriented areas of focus.		
Team training on application of ESG policy in investment process	Training delivered to the entire Molten Ventures Investment Team by external consultants on the application of our ESG policy in the investment process.		

Directors’ remuneration report continued

Total target

Based on the performance described above, the Remuneration Committee determined that the Executive Directors should be awarded bonuses as shown below:

Total bonus outcomes for FY22

	Corporate measures (% of bonus achieved, max 90%)	ESG Measures (% of bonus achieved, max 10%)	Total vesting percentage (%, max 100%)	Vesting amount as % of salary	Bonus amount (£'000s) (shown in Single Figure Table)
Martin Davis	90%	10%	100%	200%	£966k
Stuart Chapman	90%	10%	100%	200%	£664k
Ben Wilkinson	90%	10%	100%	200%	£650k

Bonus deferral

The FY22 bonus amounts described above will be paid in cash for an amount up to 100% of each Director’s salary, with the balance being paid in the form of a deferred share award over a number of shares calculated based on the average mid-market closing share price of a share over the five dealing days prior to the date of grant. The deferral period under the bonus scheme is two years from the date of the award. Vesting is not subject to any further performance conditions (other than continued employment at the date of vesting). The number of shares to be awarded will be calculated on the Volume Weighted Average Price per share for the five trading days immediately prior to the date of grant, and the details of the awards granted will be announced via RNS and included in next year’s Annual Report.

Long-term incentive plan vesting

Vesting of 2018 & 2019 award

The LTIP values included in the single total figure of remuneration table for FY22 relate to the vesting of options granted under the Company’s share option plan in 2018 (July) and 2019 (February), which were subject to the performance condition of an 8% per annum share price hurdle. The share price hurdle was achieved for both awards which therefore vested in full.

The options granted on 30 July 2018 were granted with an exercise price of £4.92 per share. The values in the single figure table are calculated by reference to the market value of the Company’s shares on the vesting date (30 July 2021 – £10.02) less the exercise price per share.

The options granted on 12 February 2019 were granted with an exercise price of £5.30 per share. The values in the single figure table are calculated by reference to the market value of the Company’s shares on the vesting date (12 February 2022 – £7.47) less the exercise price per share.

As both awards comprise market priced options, the full amount disclosed in the Single Figure Table is attributable to share price appreciation.

Carried Interest (legacy awards)

The carried interest values included in the single total figure of remuneration table for FY22 and FY21 relate to amounts paid in respect of legacy awards of carried interest to Executive Directors during those years. The Company established carried interest plans for the Executive Directors, other members of the Investment Team and certain employees (“Plan Participants”) in respect of any investments and follow-on investments made since listing on AIM. From April 2020 onwards, the Executive Directors were not eligible to participate in new carried interest plans. No carry entitlement awarded to any of the Executive Directors will lapse (including any entitlement that may not yet have vested).

Subject to certain exceptions, Plan Participants will receive, in aggregate, 15% of the net realised cash profits from the investments and follow-on investments made over the relevant investment period once the Company has received an aggregate annualised 10% realised return on investments and follow-on investments made during the relevant period save that the hurdle for the carried interest plan established on 1 April 2020 and subsequent carried interest plans have an aggregate annualised 8% realised return on investment and follow-on investments made during the relevant period. The Plan Participants’ return is subject to a “catch-up” in their favour. Plan Participants’ carried interest vest over five years for each carried interest plan and are subject to good and bad leaver provisions. Further details are disclosed in Note 4(x) to the financial statements on page 147.

Section 2 – Further information on remuneration for the year ended 31 March 2022

Scheme interests awarded during the financial year (audited)

Long-Term Incentive Plan

Awards were made to all Executive Directors under the Company’s Long-Term Incentive Plan on 16 July 2021 as set out below. The awards were in the form of option shares with a nominal value exercise price of 1 pence per share:

Director	Position	Basis of award	Face value	Options awarded
Martin Davis	CEO	250% of salary	£1,207.50	135,979
Stuart Chapman	CPO	250% of salary	£830.00	93,468
Ben Wilkinson	CFO	250% of salary	£812.50	91,497

A price of £8.88 per share, based on the average closing price of shares for the five-day period leading up to the date of Committee approval (16 June 2021) and the date of the awards (16 July 2021), was used to calculate the number of option shares granted.

The vesting of these awards is subject to the performance targets set out below, with performance measured over the three-year period from 1 April 2021 to 31 March 2024. To the extent that the awards vest, they are subject to a two-year post-vesting holding period.

Relative Total Shareholder Return (TSR) v FTSE 250 (weighting – 68% of maximum opportunity)

	Threshold	On target	Maximum
TSR ranking vs FTSE 250	Median	Upper quartile	Upper decile
Vesting (% of salary)	30%	120%	170%

Assets Under Management (Balance Sheet NAV) (weighting – 32% of maximum opportunity)

	Threshold	On target	Maximum
Total AUM (FY24)	£1,884m	£1,944m	£2,015m
Vesting (% of salary)	40%	60%	80%

No amounts vest below threshold. Vesting is on a straight-line basis between threshold, on-target and maximum performance points.

Company Share Option Plan (CSOP)

As indicated in the Company’s prospectus issued in connection with the Main Market listing, a one-off grant of option shares (with a nominal value exercise price of 1 pence per share) with a face value of £15,000 per employee, was made to all employees (other than the Chief Executive Officer) on admission to the Main Market. The following awards were therefore made on 26 July 2021 to Stuart Chapman and Ben Wilkinson:

Director	Position	Face value £000	Options awarded
Stuart Chapman	CPO	15	1,522
Ben Wilkinson	CFO	15	1,522

The closing price of shares on 23 July 2021 (being the dealing day before grant) of £9.85 was used to calculate the number of options granted.

The awards are not subject to any performance conditions other than continued employment, and will vest on the first anniversary of the date of grant. The amounts shown above are reflected in the “long-term incentive” column of the Single Figure Table on page 112.

Directors’ remuneration report continued

Statement of Directors’ interests (audited)

The interests of the Directors who served in the year and who held an interest in the ordinary shares of the Company are as follows:

	Outstanding scheme interests 31 March 2022				Beneficially owned shares		Total of all scheme interests and shareholdings as at 31 March 2022)
	Unvested scheme interests subject to performance conditions ¹	Unvested scheme interests not subject to performance conditions ²	Vested but unexercised scheme interests ³	Total shares subject to outstanding scheme interests	As at 31 March 2021	As at 31 March 2022	
Martin Davis	629,520	–	–	629,520	2,132	21,132	650,652
Stuart Chapman	157,833	1,522	817,754	977,109	1,046,306	1,054,756	2,031,865
Ben Wilkinson	152,521	1,522	356,534	510,577	8,475	16,923	527,500
Karen Slatford	–	–	–	–	–	–	–
Grahame Cook	–	–	–	–	–	–	–
Sarah Gentleman	–	–	–	–	–	–	–
Richard Pelly	–	–	–	–	380	380	–
Gervaise Slowey	–	–	–	–	–	–	–

¹ CSOP options awarded in 2019 and 2020 (Martin Davis only). LTIPs awarded to Martin Davis, Stuart Chapman and Ben Wilkinson from 2020 onwards

² CSOP options awarded in 2021 to Stuart Chapman and Ben Wilkinson.

³ CSOP options awarded to Stuart Chapman and Ben Wilkinson in 2016, 2017, 2018 and 2019.

Between 1 April 2022 and 8 June 2022, the Executive and Non-Executive Directors’ beneficial interests in the table above remained unchanged.

Executive Directors’ share ownership guidelines (audited)

Shareholding requirements in operation at the Company are currently 250% of base salary for the Executive Directors. Executive Directors are required to build their shareholdings by retaining at least 50% of any share awards vesting under the Long-Term Incentive Plan or deferred bonus until the guideline is met. Non-Executive Directors are not subject to a shareholding requirement. The table below shows, for the Executive Directors, their actual share ownership compared with the share ownership guidelines:

Director	Shares counting to guidelines 31 March 2022	Shareholding requirement (% of salary)	Current shareholding (% of salary) ¹	Shareholding requirement met?
Martin Davis	21,132	250%	34%	No
Stuart Chapman	1,242,238	250%	2,903%	Yes
Ben Wilkinson	79,926	250%	191%	No

¹ The share price of £7.76 as at 31 March 2022 has been used for the purpose of calculating the current shareholding as a percentage of salary. Shares counting to the guidelines include beneficially owned shares, and a net-of tax estimated number of vested but unexercised scheme interests. Unvested LTIP and CSOP awards do not count towards satisfaction of the shareholding guidelines.

Executive Directors’ share plan interest movements during FY22 (audited)

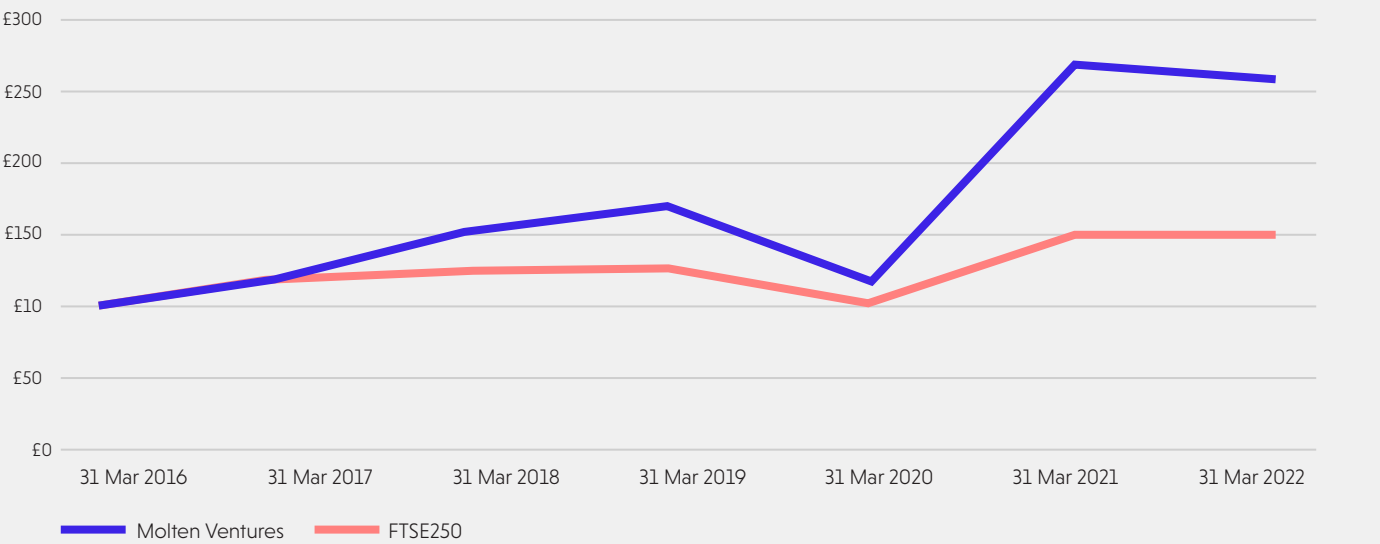
	Date of grant	Vesting, exercise of release date	Number of options/ awards held as at 1 April 2021	Awarded	Exercised**	Lapsed	Number of options/ awards held as at 31 March 2022	Share price at date of grant/ award (exercise price for CSOP)	Face value of awarded options (at exercise price for CSOP)
Martin Davis									
CSOP (Approved)	26/11/19	26/11/22	6,424*	–	–	–	6,424*	£4.67	
CSOP (Unapproved)	26/11/19	26/11/22	193,576*	–	–	–	193,576*	£4.67	
CSOP (Unapproved)	30/06/20	30/06/23	200,000*	–	–	–	200,000*	£4.49	
LTIP	29/06/20	29/06/23	93,541	–	–	–	93,541	£4.49	
LTIP	16/07/21	16/07/24	–	135,979	–	–	135,979	£8.88	£1,207,500
Stuart Chapman									
CSOP (Approved)	28/11/16	28/11/19	8,450	–	(8,450)	–	–	£3.55	
CSOP (Unapproved)	28/11/16	28/11/19	226,385	–	–	–	226,385	£3.55	
CSOP (Unapproved)	28/11/17	28/11/20	234,835	–	–	–	234,835	£3.87	
CSOP (Unapproved)	30/07/18	30/07/21	178,100*	–	–	–	178,100*	£4.92	
CSOP (Unapproved)	12/02/19	12/02/22	178,434*	–	–	–	178,434*	£5.30	
CSOP (Unapproved)	26/07/21	26/07/22	–	1,522	–	–	1,522	£9.85	£15,000
LTIP	29/06/20	29/06/23	64,365	–	–	–	64,365	£4.49	
LTIP	16/07/21	16/07/24	–	93,468	–	–	93,468	£8.88	£823,000
Ben Wilkinson									
CSOP (Unapproved)	30/07/18	30/07/21	178,100*	–	–	–	178,100*	£4.92	
CSOP (Unapproved)	12/02/19	12/02/22	178,434*	–	–	–	178,434*	£5.30	
CSOP (Unapproved)	26/07/21	26/07/22	–	1,522	–	–	1,522	£9.85	£15,000
LTIP	29/06/20	29/06/23	61,024	–	–	–	61,024	£4.49	
LTIP	16/07/21	16/07/24	–	91,497	–	–	91,497	£8.88	£812,500

*Options subject to a performance condition of an 8% per annum share price hurdle. The details of the CSOP are set out in Note 14 to the consolidated financial statements.

**Options exercised during the year with an exercise notice dated 18 January 2022. The share price on the 18 January 2022 was £8.53.

Performance Graph

The graph below shows the total shareholder return (TSR) performance of an investment of £100 in Molten Ventures plc's shares from its initial listing on AIM in June 2016 to the end of the period, compared with £100 invested in the FTSE 250 Index over the same period. The FTSE 250 Index was chosen as a comparator because it represents a broad equity market index of which the Company is a constituent.



Directors’ remuneration report continued

Historical remuneration of the Chief Executive Officer

The table below sets out the total remuneration delivered to the CEO over the last six years valued using the methodology applied to the single total figure of remuneration. The Remuneration Committee does not believe that the remuneration paid in earlier years as a private company bears any comparative value to that paid in its time as a public company and, therefore, the Remuneration Committee has chosen to disclose remuneration only for the six most recent financial years:

Year	Total single figure (£'000)	Annual bonus payment level achieved (% of max opportunity)	LTIP vesting (% of max opportunity)
FY22 ¹	1,530	100%	N/A
FY21	885	93%	N/A
FY20 (Martin Davis) ²	505	100%	N/A
FY20 (Simon Cook) ³	317	53%	N/A
FY19	503	75%	N/A
FY18	466	89%	N/A
FY17	373	94%	N/A

¹ From 1 April 2020 onwards, the Executive Directors are not eligible to participate in new carried interest plans, and instead will participate in the Long-Term Incentive Plan. This is reflected in the uplift in the single total figure for FY22.

² Martin Davis was appointed as CEO in November 2019. The total single figure above includes a contractual bonus which was paid in full.

³ Simon Cook served as CEO until Martin Davis's appointment in November 2019, and CIO from that date until 1 July 2020. The single total figure has therefore been pro-rated to reflect Simon Cook's time spent in the role of CEO.

Change in remuneration of Directors compared to employees

The table below sets out the percentage change in salary, taxable benefits and annual bonus set out in the single figure of remuneration tables (on page 112) paid to each Director in respect of FY21 and FY22. The relevant statutory regulations also require a comparison of the change in the remuneration of the employees of Molten Ventures plc. A comparator for all Group employees has been included voluntarily below.

	% change in element between FY21 and FY22		
	Salary and fees ¹	Taxable benefits ²	Annual bonus ³
Executive Directors			
Martin Davis	15.0%	117.0%	142.7%
Stuart Chapman	14.9%	30.8%	142.5%
Ben Wilkinson	18.6%	38.1%	150.4%
Non-Executive Directors			
Karen Slatford	21.8%	N/A	N/A
Grahame Cook	16.0%	N/A	N/A
Sarah Gentleman	N/A	N/A	N/A
Richard Pelly	19.1%	N/A	N/A
Gervaise Slowey	N/A	N/A	N/A
All Group employees	(5.7%)	10.4%	(27.6%)

¹ The majority of new joiners in FY22 (18) have been at a lower base salary which has impacted the % change with respect to salary and fees and annual bonus for All Group employees.

² Taxable benefits in FY22 included critical illness cover which was introduced in October 2021 so is not included in FY21 comparatives.

³ The majority of new joiners in FY22 (18) have been at a lower base salary which has impacted the % change with respect to salary and fees and annual bonus for All Group employees. The bonus of the 18 new joiners is the absolute value and, therefore, includes an element of pro-rating for time of service within the year.

CEO pay ratio

As the Group has fewer than 250 employees, the Company is not required to include a CEO pay ratio disclosure.

Relative importance of spend on pay

The table below sets out the relative importance of the spend on pay in FY21 and FY22 compared with other disbursements. All figures provided are taken from the relevant Company accounts.

	FY21 £'000	FY22 £'000	Percentage change
Distributions to Shareholders	–	–	0%
Overall spend on pay including Executive Directors	9,950	11,879	19%

Payments to past Directors/payments for loss of office (audited)

Payments of £2.3 million relating to carried interest plans were made in FY22 to past Directors (FY21: £0.1 million). In addition, during FY21, a one-off payment of £87k was made to a former director as a payment for loss of office.

Statement of voting at general meetings

The following table shows the results of the advisory vote on the Remuneration and Nominations Committee Report at our AGM held on 14 July 2021. As the Company was, until July 2021, listed on AIM, we have not previously been required to submit our Directors’ Remuneration Policy for a binding vote by Shareholders. The Directors’ Remuneration Policy, pages 103 to 121 of this report, will be submitted to a binding Shareholder vote at our AGM to be held on 3 August 2022.

	Approval of the Directors’ Remuneration Report	
	No. of votes	% of votes cast
For (including discretionary)	116,604,005	97.48
Against	3,009,221	2.52
Withheld	0	N/A

Section 3 – Implementation of Remuneration Policy in FY23

This section sets out information on how the Remuneration Policy will be implemented in FY23 if approved by Shareholders at the 2022 Annual General Meeting.

The Remuneration Policy to be submitted for Shareholder approval formalises the policy adopted on admission to the Main Market which is currently deemed by the Committee to be the “existing” remuneration policy. Therefore, if the Remuneration Policy set out on pages 105 to 111 is not approved by Shareholders, then the Committee will continue to operate the “existing” policy.

If the Remuneration Policy is approved by Shareholders, the Company intends to implement it in FY23 as shown below. In implementing the Remuneration Policy, the Committee will continue to take into account factors such as remuneration packages available within comparable companies, the Company's overall performance, internal relativities, achievement of corporate objectives, individual performance and experience, published views of the investment community, general market and wider economic trends.

Summary of planned implementation of Remuneration Policy during FY23

Salary

A significant number of employees have received one-off pay adjustments following an organisation wide pay review to ensure our pay enables Molten Ventures to attract and retain the highest calibre of talent. These employees are not anticipated to receive further pay increases for the FY23 financial year unless their role changes or discretion is exercised.

All other employees received a pay increase of 3.0% of base salary effective at 1 April 2022 and, in recognition of the exceptional market developments including the cost of living increase, the Company made a one-off payment of £2,000 to all of these employees.

The Remuneration Committee approved a pay increase of 3.0% of base salary for the Executive Directors, effective on 1 April 2022, in line with the majority of the employees. The executives will not be eligible to receive the one-off £2,000 payment (which will be trued up to ensure a £2,000 net of tax payment for employees on salaries below £100,000).

The Executive Director salaries for FY23 are set out below:

Name	Salary		Percentage change
	FY22	FY23	
Martin Davis	£483,000	£497,490	3%
Stuart Chapman	£332,000	£341,960	3%
Ben Wilkinson	£325,000	£334,750	3%

Benefits and pension

No changes are proposed to benefits or pension, which will operate as described in the Remuneration Policy on page 106. Current pension opportunities for the Executive Directors are aligned with those for all other full-time employees in the UK.

Annual bonus

The maximum bonus opportunity for the Executive Directors in FY23 will remain at 200% of salary. Any vested bonus above 100% of salary will be deferred in shares for a period of 2 years. Annual bonus outcomes will be determined based on achievement of corporate (90% weighting, broken down below) and ESG (10% weighting) measures. The categories of corporate measures will remain the same as the ones used in FY22 of:

- Fair Value Growth 60% weighting
- Capital Resources 20% weighting
- Number of Deals 10% weighting
- ESG measures 10% weighting

Directors’ remuneration report continued

The Committee considers that the detailed performance targets for the FY23 bonus are commercially sensitive and that disclosing precise targets in advance would not be in Shareholder interests. Actual targets, performance achieved, and outturns will be disclosed in the FY23 Annual Report so that Shareholders can fully assess the basis for any payouts.

Long-Term Incentive Plan

Awards of 250% of base salary will be made to the Executive Directors in FY23. The awards will vest three years from grant subject to the following performance measures (weighted as shown) and an additional two-year post vesting holding period. The change reflects a desire to broadly equalise the relative weighting of AUM and relative TSR to reflect the KPIs of the Company and the alignment of investor priorities.

Relative Total Shareholder Return (TSR) v FTSE 250 (weighting – 52% of maximum opportunity)

	Threshold	On target	Maximum
	Median	Upper quartile	Upper decile
Vesting (% of salary)	20%	80%	130%

Assets Under Management (Balance Sheet NAV) (weighting – 48% of maximum opportunity)

	Threshold	On target	Maximum
Total AUM (FY25)	£2,607m	£2,690m	£2,774m
Vesting (% of salary)	60%	80%	120%

No amounts vest below threshold. Vesting is on a straight-line basis between threshold, on-target and maximum performance points.

Chair and Non-Executive Directors Fees

No changes will be made to the Chair and Non-Executive Directors fees for FY23. A breakdown of the fee components for the Chair and Non-Executive Directors in FY23 is as follows:

Role	Fee (per annum)
Chair	£120,000
Non-Executive Director base fee	£60,000
Senior Independent Director	£10,000
Audit, Risk & Valuations Committee Chair	£10,000
Remuneration Committee Chair	£10,000

Remuneration for employees below Board level in FY23

A summary of the remuneration structure for employees below Board level is set out in the Remuneration Policy section on page 110.

Remuneration Committee composition and responsibilities

Composition

The UK Corporate Governance Code recommends that all members of the Remuneration Committee be Non-Executive Directors, independent in character and judgement and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgement.

Prior to the Company's admission to the Main Market in July 2021, the Committee was a combined Remuneration and Nominations Committee, and its members were Karen Slatford (Chair of the Committee), Richard Pelly, and Grahame Cook. This composition (the Board Chair plus two independent Non-Executive Directors) was in compliance with the QCA Corporate Governance Code which the Company had adopted while a constituent of AIM.

On Main Market admission, separate Remuneration and Nominations Committees were formed. In accordance with the requirements of the UK Corporate Governance Code, Karen Slatford ceased to be a member of the Remuneration Committee which, from admission until the appointment of Sarah Gentleman on 8 September 2021, was chaired by Richard Pelly. Membership of the Remuneration Committee since Main Market admission is summarised in the table below:

Member	Notes
Sarah Gentleman	Chair from 8 September 2021
Richard Pelly	Chair from Main Market admission to 8 September 2021
Grahame Cook	
Gervaise Slowey	

The composition of the Committee has therefore comprised at least three independent Non-Executive Directors since Main Market admission. In accordance with provision 32 of the UK Corporate Governance Code, Sarah Gentleman had served as a member of the Remuneration Committee of Rathbone Brothers plc for more than 12 months prior to her appointment as Chair of the Committee.

Role and responsibilities

The Committee operates under Terms of Reference, which are reviewed annually and approved by the Board. A copy of the Terms of Reference are available on our website - investors.moltenventures.com. The Remuneration Committee recommends the Group's policy on Executive remuneration, determines the levels of remuneration for the Company's Executive Directors and the Chair and other senior executives and prepares an annual remuneration report for approval by the Shareholders at the Annual General Meeting.

The Remuneration Committee receives assistance from the Chair of the Board, CEO, CFO, Company Secretary and independent external consultants, who attend meetings by invitation except when decisions relating to their own remuneration are being discussed.

The Remuneration Committee will normally meet at least three times per year. During FY22, the Committee met on 9 occasions, with the additional meetings outside the usual cycle principally relating to discussions around the development of the Remuneration Policy ahead of the Main Market admission.

Advisors

The Committee has appointed Mercer to provide independent advice on Executive remuneration matters. Mercer is a signatory to the Code of Conduct for Remuneration Consultants in the UK. The fees paid to Mercer in relation to advice provided to the Committee for FY22 were £52,300 (FY21: £5,910) which covered additional support in light of the admission to the Main Market, including supporting the Committee with the design of the new Remuneration Policy, shareholder consultation and benchmarking of pay levels.

The Committee evaluates the support provided by Mercer annually and is comfortable that they do not have any connections with Molten Ventures that may impair their independence. No non-remuneration related advice was provided by Mercer to the Group in the year

On behalf of the Board

Sarah Gentleman

Chair of the Remuneration Committee

12 June 2022

Directors’ report

The Directors present their report for the year ended 31 March 2022. Additional information which is incorporated by reference into this Directors’ Report, including information required in accordance with the Companies Act 2006 and the Listing Rule 9.8.4R of the UK Financial Conduct Authority’s Listing Rules, can be located as follows:

Disclosure	Location
Future business developments	Strategic Report – pages 6 to 81
Research and development activities	We do not perform any research and development activities
Greenhouse gas emissions	Sustainability – pages 56 to 57
People, culture and employee engagement	Sustainability – pages 64 to 65
Financial risk management objectives and policies (including hedging policy and use of financial instruments)	Note 29 to the Financial Statements – pages 164 to 166
Exposure to price risk, credit risk, liquidity risk and cash flow risk	Details can be found on pages 73 to 81 of the Strategic Report and Note 29 to the Financial Statements
Details of long-term incentive schemes	Directors’ Remuneration Report – pages 103 to 121
Statement of directors’ responsibilities	Page 125
Directors’ interests	Details can be found on page 116 of the Directors’ Remuneration Report
s172 Statement	Details can be found on pages 67 to 71 of the Strategic Report
Stakeholder engagement in key decisions	Details can be found on page 67
Corporate Governance Statement	Details can be found starting on page 86

Results and dividends

The Group’s profit for the year was £300.7 million (year ended 31 March 2021: £267.4 million). The Directors current intention is to reinvest any income received from investee companies as well as the net proceeds of any realisations in the Group’s portfolio. Accordingly, the Directors do not recommend the payment of a dividend in respect of the financial year ended 31 March 2022.

Directors

The Directors of the Company who held office during the year (and who have been appointed since the year-end) are:

- **Karen Slafford** (Chair)
- **Martin Davis** (Chief Executive Officer)
- **Stuart Chapman** (Chief Portfolio Officer)
- **Ben Wilkinson** (Chief Financial Officer)
- **Grahame Cook** (Senior Independent Director)
- **Sarah Gentleman** (Independent Non-Executive Director) (appointed 8 September 2021)
- **Richard Pelly** (Independent Non-Executive Director)
- **Gervaise Slowey** (Independent Non-Executive Director) (appointed 23 July 2021)

The roles and biographies of the Directors in office as at the date of this report are set out on pages 84 to 85. The appointment and replacement of Directors is governed by the Company’s Articles of Association (as detailed below), the UK Corporate Governance Code and the Companies Act 2006.

Articles of Association

The rules governing the appointment and replacement of Directors are set out in the Company’s Articles of Association. The Articles of Association may be amended by a special resolution of the Company’s Shareholders. A copy of the Articles of Association can be found on the Company’s website: <https://investors.moltenventures.com/investor-relations/plc/documents>

Directors' indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial period and at the date of approval of the financial statements.

The Company has purchased and maintained throughout the financial period Directors’ and Officers’ liability insurance in respect of itself and its Directors.

Compensation for loss of office

The Company does not have any agreements with any Executive Director or employee that would provide compensation for loss of office or employment resulting from a takeover except that provisions of the Company share schemes may cause options and awards outstanding under such schemes to vest on a takeover. Further information is provided in the Directors’ Remuneration Policy set out on page 110.

Regulation

The Company has three wholly owned subsidiaries which are authorised and regulated by the UK Financial Conduct Authority: (1) Esprit Capital Partners LLP (FRN: 451191) a full-scope AIFM and investment manager of Molten Ventures plc; (2) Encore Ventures LLP (FRN: 510101) a small authorised AIFM and investment manager of the EIS Funds; and (3) Elderstreet Investments Limited (FRN: 148527) a small authorised AIFM and, via Elderstreet Holdings Limited, manager to Molten Ventures VCT plc.

Esprit Capital Partners LLP does not employ any staff. Most employees are employed by Molten Ventures plc and provide regulated services to the regulated entities named above via services agreements as named on the FCA Register (<https://register.fca.org.uk/s/firm?id=001b000000Mfb37AAB>), with Elderstreet Investments Limited employing two people.

Political donations

The Company made no political donations during the year up to 31 March 2022.

Share capital structure

At 31 March 2022, the Company’s issued share capital consisted of 152,999,853 (2021: 139,097,075) ordinary shares of £0.01 each. Details of the movements in issued share capital in the year are set out in Note 24 to the financial statements.

Ordinary Shareholders are entitled to receive notice of, and to attend and speak at, any general meeting of the Company. On a show of hands, every Shareholder present in person or by proxy (or being a corporation represented by a duly authorised representative) shall have one vote, and on a poll every Shareholder who is present in person or by proxy shall have one vote for every share of which he or she is the holder. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies.

The holders of ordinary shares are entitled to one vote per share at meetings of the Company. There are no restrictions on the transfer of shares. No Shareholder holds securities carrying any special rights or control over the Company’s share capital.

The Directors are not aware of any agreements between holders of the Company’s shares that may result in the restriction of the transfer of securities or of voting rights. Shares held by the Company’s Employee Benefit Trust rank pari passu with the shares in issue and have no special rights, but voting rights and rights of acceptance of any offer relating to the shares rest with the plan’s Trustees and are not exercisable by employees.

Authority for the Company to purchase is own shares

Subject to authorisation by Shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase.

At the Company’s AGM held on 14 July 2021, the Company was generally and unconditionally authorised by its Shareholders to make market purchases (within the meaning of section 693 of the Companies Act 2006) of up to a maximum of 15,299,985 of its ordinary shares. The Company has not repurchased any of its ordinary shares under this authority, which is due to expire at the next AGM, and accordingly has an unexpired authority to purchase up to 15,299,985 ordinary shares with a nominal value of £153k.

Substantial shareholdings

The table below shows the interests in shares (whether directly or indirectly held) known to the Company as at 31 March 2022. There have been no changes in major interests in shares disclosed to the Company under DTR5 as at 8 June 2022 (being the latest practicable date prior to publication of the Annual Report):

Name of shareholder	At 31 March 2022		At 8 June 2022	
	Number of ordinary shares of 1 pence each held	Percentage of total voting rights held*	Number of ordinary shares of 1 pence each held	Percentage of total voting rights held
Baillie Gifford	17,504,490	11.44%	17,504,490	11.44%
National Treasury Management Agency	14,004,502	9.15%	14,004,502	9.15%
T Rowe Price Global Investments	10,040,461	6.56%	10,040,461	6.56%
BlackRock, Inc.	9,028,324	5.89%	7,324,953	4.98%
British Business Bank	7,142,857	4.67%	7,142,857	4.67%
Canaccord Genuity Group Inc	7,615,956	4.98%	7,615,956	4.98%
Schroders plc	7,453,284	4.87%	6,660,547	4.35%

* Percentages calculated based on issued share capital at 31 March 2022.

Directors’ report continued

Employee involvement and policy regarding disabled persons

Employees are encouraged to be involved in decision-making processes and are provided with information on the financial and economic factors affecting the Group's performance, through team meetings, updates from the Chief Executive Officer and via an open and inclusive culture. Further details of how the Company engages with its workforce can be found in the Stakeholder engagement section on page 68.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that workspace and other modifications are made as appropriate. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. Further details about our commitment to Diversity, Equality and Inclusion are set out in page 64.

Change of control – significant agreements

There are no significant agreements to which the Group is a party that take effect, alter or terminate upon a change of control of the Group.

Disclosure of information to auditors

As far as the Directors are aware, there is no relevant audit information of which the Group's auditors are unaware, and each Director has taken all reasonable steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information to establish that the Group's Auditors are aware of that information.

Going concern

The Directors confirm that they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for at least the next 12 months from the date of the approval of the financial statements and accordingly they continue to adopt the going concern basis in preparing the financial statements. A viability statement, as required by the Code, can be found on page 47.

External Auditors

PwC has indicated its willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The 2022 AGM of the Company will be held on 3 August 2022 at 10:00am. The notice convening the meeting, together with details of the business to be considered and explanatory notes for each resolution, will be published separately and will be available on the Company's website and distributed to Shareholders who have elected to receive hard copies of Shareholder information.

The Strategic Report on pages 6 to 81, the Corporate Governance Statement on pages 86 to 87 and this Directors' Report have been drawn up and presented in accordance with, and in reliance upon, applicable English company law and any liability of the Directors in connection with these reports shall be subject to the limitations and restrictions provided by such law.

By order of the Board

Ben Wilkinson
Chief Financial Officer
12 June 2022

Statement of directors’ responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards, and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the Directors to prepare the Group financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed for the Group financial statements, and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Annual Report on Remuneration comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Responsibility statement of the Directors in respect of the annual financial report

Each of the Directors, whose names and functions are listed on the Board of Directors section on pages 84 to 85 confirm that, to the best of their knowledge:

- the Group financial statements , which have been prepared in accordance with UK-adopted international accounting standards and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended), give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Group and financial position of the Company; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

We consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group and Company's position and performance, business model and strategy.

By order of the Board

Martin Davis
Chief Executive Officer
12 June 2022

Ben Wilkinson
Chief Financial Officer
12 June 2022

Financials

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Independent auditors’ report

to the members of Molten Ventures plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Molten Ventures plc’s Group financial statements and Company financial statements (the “financial statements”) give a true and fair view of the state of the Group’s and of the Company’s affairs as at 31 March 2022 and of the Group’s profit and the Group’s cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report FY22 (the “Annual Report”), which comprise: the Consolidated and Company Statements of Financial Position as at 31 March 2022; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit, Risk and Valuations Committee.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 4 to the financial statements, the Group, in addition to applying UK-adopted international accounting standards, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the Group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”), International Standards on Auditing issued by the International Auditing and Assurance Standards Board (“ISAs”) and applicable law. Our responsibilities under ISAs (UK) and ISAs are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, as applicable to listed public interest entities, and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by either the FRC’s Ethical Standard or Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Other than those disclosed in note 10 to the Group financial statements, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

- Valuation of unquoted investments (Group and Company)

Materiality

- Overall Group materiality: £28,676,000 (2021: £20,662,000) based on 2% of net assets.
- Overall Company materiality: £27,242,000 (2021: £19,629,000) based on 2% of net assets, capped at 95% of Group materiality.
- Performance materiality: £21,507,000 (2021: £15,497,000) (Group) and £20,431,000 (2021: £14,722,000) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors’ professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

COVID-19 (Group and Company), which was a key audit matter last year, is no longer included because of the judgement that, although the COVID-19 global pandemic is ongoing, it is now more stabilised and the impact of the pandemic has been incorporated into our audit responses including the review over going concern and within the key audit matter over the valuation of unquoted investments and as such a specific COVID-19 key audit matter is not determined to be necessary. Otherwise, the key audit matters below are consistent with last year.

Key audit matter

Valuation of unquoted investments (Group and Company)

Refer to Audit, Risk and Valuations Committee Report, Note 4 (Significant accounting policies), Note 5 (Critical accounting estimates and judgements), Note 16 (Financial assets held at fair value through profit and loss), Note 28 (Fair value measurements). The fair value of unquoted investments is an area of focus due to the fact that unquoted investments (“portfolio company” or “investment”) do not have readily determinable prices and involve a number of estimates and unobservable inputs. As detailed in Note 29 to the financial statements the risk in estimation uncertainty can produce a valuation range. The fair value of investments is established in accordance with IFRS and with reference to the International Private Equity and Venture Capital Valuation Guidelines as well as the IPEV Board, Special Valuation Guidance issued on 31 March 2020 in response to the COVID-19 crisis (“IPEV Guidelines”). The valuation methodologies primarily used by the Group are the ‘calibrated price of recent investment’, ‘revenue-multiple’ and ‘NAV of underlying fund’ approaches as detailed in Note 5 and 28 to the financial statements. Whilst the underlying investments are held within funds or other investment entities such as Molten Ventures (Ireland) Limited, which are valued by the Group at Net Asset Value, management look through these vehicles to value the underlying investments.

How our audit addressed the key audit matter

We understood and evaluated the valuation methodologies applied, by reference to industry practice, guidelines and applicable accounting standards, and tested the techniques used by management in determining the fair value of the investments. For a sample of investments, we performed the following, where applicable:

- Agreed the recent transaction price to supporting documentation such as purchase agreements, funding drawdown requests or bank statements;
- Obtained management’s calibration analysis to evaluate post transaction performance against relevant milestones and comparable public companies;
- Obtained management information, board reports and external market data to validate management’s calibration analysis and adjustments made, if any, to the recent transaction price and challenged assumptions made, where appropriate;
- Observed that alternative assumptions had been considered and evaluated by management, before determining the final valuation.
- For those investments valued using the revenue-multiple approach we held discussions with management to understand the performance of the portfolio company, any impact of COVID-19, and challenged estimates used in the valuations of the investments. These included but were not restricted to review of the comparable companies, rationale and consistency of discounts or premiums applied and basis for budgeted revenue figures used;
- We evaluated the range of comparable companies used in the valuation and verified revenue multiples to independent sources; and
- Agreed inputs into the valuation model to financial information and board papers from the portfolio companies and publicly available information.

Where the Group has invested capital into a separately managed fund (“a Fund”), the engagement team:

- Confirmed the commitments and capital drawn down with the Fund;
- Reviewed the latest investor reports of the Fund; and
- Reviewed the look-through valuation performed by management on individually material investments to the Group held in the Fund and any subsequent adjustments made.

Furthermore, for a sample of investments, we confirmed the capital structure with the portfolio company and reviewed the allocation of value between the capital structure to ensure the amount attributable to the Group entities was appropriate.

We considered the appropriateness and adequacy of the disclosures around the estimation uncertainty and sensitivities on the accounting estimates.

Overall, based on our procedures, we found that management’s valuation of investments and the assumptions used were supported by the audit evidence obtained and appropriately disclosed in the financial statements.

Independent auditors’ report continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

In establishing the overall approach to our audit, we assessed the risk of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements. The financial statements are produced using a single consolidation spreadsheet that takes information from the general ledger. The Group audit team performed all audit procedures over the consolidated Group. This allowed us to adequately address the key audit matters for the audit and, together with procedures performed over the consolidation, gave us sufficient appropriate audit evidence for our opinion on the Group financial statements as a whole.

In planning our audit, we made enquiries with management to understand the extent of the potential impact of climate change risk on the Group’s financial statements. Management concluded that there was no material impact on the financial statements. Our evaluation of this conclusion included challenging key judgements and estimates in areas where we considered that there was greatest potential for climate change impact such as the valuation of unquoted investments. We found management’s assessment to be consistent with our understanding of the investment portfolio. We also considered the consistency of the climate change disclosures included in the Strategic Report with the financial statements and our knowledge from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£28,676,000 (2021: £20,662,000).	£27,242,000 (2021: £19,629,000).
How we determined it	2% of net assets	2% of net assets, capped at 95% of Group materiality
Rationale for benchmark applied	Net assets is the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark for a business such as the Group, which invests in other businesses for capital appreciation.	Net assets is the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted auditing benchmark for a business such as the Company, which invests in other businesses for capital appreciation.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was the lower of 95% of the Group materiality and the component materiality as calculated based on 2% of its net assets.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £21,507,000 (2021: £15,497,000) for the Group financial statements and £20,431,000 (2021: £14,722,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit, Risk and Valuations Committee that we would report to them misstatements identified during our audit above £1,434,000 (Group audit) (2021: £1,033,000) and £1,362,000 (Company audit) (2021: £981,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors’ assessment of the Group’s and the Company’s ability to continue to adopt the going concern basis of accounting included:

- Obtained the Directors’ going concern assessment, attended the Audit, Risk and Valuations Committee meeting where the assessment was discussed and corroborated key assumptions to underlying documentation and ensured this was consistent with our audit work in these areas;
- Assessed the appropriateness of the key assumptions used both in the base case and in the severe but plausible downside scenario, including assessing whether we considered the downside sensitivities to be appropriately severe;
- Tested the integrity of the underlying formulae and calculations within the going concern and cash flow models;
- Considered the appropriateness of the mitigating actions available to management in the event of the downside scenario materialising. Specifically, we focused on whether these actions are within the Group’s control and are achievable;
- Evaluated access to credit facilities through review of the facility agreements; and
- Reviewed the disclosures provided relating to the going concern basis of preparation and found that these provided an explanation of the Directors’ assessment that was consistent with the evidence we obtained.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group’s and the Company’s ability to continue as a going concern.

In relation to the directors’ reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors’ statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors’ Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors’ Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors’ Report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors’ Report.

Directors’ Remuneration

In our opinion, the part of the Directors’ Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors’ statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company’s compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Strategic Report and Governance Report section is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors’ confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors’ statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group’s and Company’s ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors’ explanation as to their assessment of the Group’s and Company’s prospects, the period this assessment covers and why the period is appropriate; and
- The directors’ statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors’ statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors’ process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors’ statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group’s and Company’s position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit, Risk and Valuations Committee.

We have nothing to report in respect of our responsibility to report when the directors’ statement relating to the Company’s compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors’ Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors’ report continued

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the potential for manipulation of financial data or management bias in accounting estimates in the financial statements such as the valuation of financial assets held at fair value through profit or loss. Audit procedures performed by the engagement team included:

- Challenging assumptions and judgements made by management in their significant areas of estimation such as procedures relating to the valuation of unquoted investments described in the related key audit matter above;
- Reviewing financial statement disclosures to underlying supporting documentation;
- Reviewing correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Enquiring with management as to any actual or suspected instances of fraud or non-compliance with laws and regulations;

- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
 - Identifying and testing journal entries with unusual characteristics such as unexpected account combinations and words; and
 - Reviewing relevant meeting minutes, including those of the Board of Directors, for additional matters relevant to the audit.
- There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.
- Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.
- A further description of our responsibilities for the audit of the financial statements in accordance with ISAs (UK) is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors’ report.
- As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group and Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinions, has been prepared for and only for the Company’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors’ Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the directors on 25 September 2018 to audit the financial statements for the year ended 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement is 4 years, covering the years ended 31 March 2019 to 31 March 2022.



Richard McGuire (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 June 2022

Consolidated statement of comprehensive income

for the year ended 31 March 2022

	Notes	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Change in gains on investments held at fair value through profit or loss	6	329.4	276.3
Fee income	7	21.8	12.5
Total investment income		351.2	288.8
Operating expenses			
General administrative expenses	8	(19.5)	(13.8)
Depreciation and amortisation	15, 18	(0.8)	(0.7)
Share-based payments – resulting from Company share option scheme	14	(3.7)	(1.5)
Investment and acquisition costs		(0.2)	(0.3)
Exceptional items	34	(2.4)	–
Total operating costs		(26.6)	(16.3)
Other income		–	0.1
Profit from operations		324.6	272.6
Finance income	11	1.8	0.2
Finance expense	11	(1.4)	(5.4)
Profit before tax		325.0	267.4
Income taxes	12	(24.3)	–
Profit for the year		300.7	267.4
Other comprehensive income		–	–
Total comprehensive income for the year		300.7	267.4
Earnings per share attributable to owners of the parent:			
Basic earnings per weighted average shares (pence)	13	200	208
Diluted earnings per weighted average shares (pence)	13	198	206

The consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 31 March 2022

	Notes	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Non-current assets			
Intangible assets	15	10.7	10.9
Financial assets held at fair value through profit or loss	16	1,410.8	867.1
Deferred tax	23	1.6	–
Property, plant and equipment	18	0.9	1.4
Total non-current assets		1,424.0	879.4
Current assets			
Trade and other receivables	20	2.8	3.7
Cash and cash equivalents		75.8	158.4
Restricted cash	22(ii)	2.3	2.3
Total current assets		80.9	164.4
Current liabilities			
Trade and other payables	21	(14.3)	(9.7)
Financial liabilities	22	(0.4)	(0.3)
Total current liabilities		(14.7)	(10.0)
Non-current liabilities			
Deferred tax	23	(26.1)	(0.4)
Provisions		(0.3)	–
Financial liabilities	22	(30.0)	(0.3)
Total non-current liabilities		(56.4)	(0.7)
Net assets		1,433.8	1,033.1
Equity			
Share capital	24	1.5	1.4
Share premium account	24	615.9	508.3
Own shares reserve	25	(8.2)	(0.3)
Other reserves	25	28.9	26.2
Retained earnings		795.7	497.5
Total equity		1,433.8	1,033.1
Net assets per share (pence)	13	937	743

The consolidated financial statements should be read in conjunction with the accompanying notes. The consolidated financial statements on pages 134 to 169 were authorised for issue by the Board of Directors on 12 June 2022 and were signed on its behalf.



Ben Wilkinson
Chief Financial Officer

Molten Ventures plc registered number 09799594

Consolidated statement of cash flows

for the year ended 31 March 2022

	Notes	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Cash flows from operating activities			
Operating profit after tax		300.7	267.4
Adjustments to reconcile operating profit to net cash (outflow)/inflow in operating activities	26	(294.8)	(264.4)
Purchase of investments	16	(311.2)	(128.0)
Proceeds from disposals in underlying investment vehicles	16	126.3	206.3
Net loans made (to)/returned from underlying investment vehicles and Group companies	16	(29.4)	(8.1)
Share options exercised and paid to employees		(3.4)	(2.6)
Tax paid		(0.4)	(0.0)
Net cash (outflow)/inflow from operating activities		(212.2)	70.6
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		–	(0.7)
Payments for property, plant and equipment	18	(0.1)	(0.1)
Net cash (outflow) from investing activities		(0.1)	(0.8)
Cash flows from financing activities			
Loan repayments	22	–	(80.0)
Loan proceeds	22	30.0	35.0
Fees paid on issuance of loan	22	(0.3)	(0.3)
Interest paid		(1.0)	(2.2)
Interest received		0.2	0.3
Acquisition of own shares	25	(8.0)	(2.3)
Sale of own shares	25	–	1.6
Repayments of leasing liabilities	22	(0.4)	(0.4)
Gross proceeds from issue of share capital	24	111.2	111.9
Equity issuance costs	24	(3.6)	(3.5)
Net cash inflow from financing activities		128.1	60.1
Net (decrease)/increase in cash and cash equivalents		(84.2)	129.9
Cash and cash equivalents at beginning of year		160.7	34.1
Exchange differences on cash and cash equivalents	11	1.6	(3.3)
Cash and cash equivalents at end of year		75.8	158.4
Restricted cash at year end		2.3	2.3
Total cash and cash equivalents and restricted cash at year end		78.1	160.7

The consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 31 March 2022

Year ended 31 March 2022

£'m	Note	Share capital	Share premium	Own shares reserve	Other reserves	Retained earnings	Total equity
Brought forward as at 1 April 2021		1.4	508.3	(0.3)	26.2	497.5	1,033.1
Comprehensive income/(expense) for the year							
Profit for the year		–	–	–	–	300.7	300.7
Total comprehensive income/(expense) for the year		–	–	–	–	300.7	300.7
Contributions by and distributions to the owners:							
Contributions of equity, net of transaction costs and tax	24	0.1	107.6	–	–	–	107.7
Options granted and awards exercised	14, 25	–	–	0.1	2.7	(2.5)	0.3
Acquisition of treasury shares	14, 25	–	–	(8.0)	–	–	(8.0)
Total contributions by and distributions to the owners		0.1	107.6	(7.9)	2.7	(2.5)	100.0
Balance as at 31 March 2022		1.5	615.9	(8.2)	28.9	795.7	1,433.8

Year ended 31 March 2021

£'m	Note	Share capital	Share premium	Own shares reserve	Other reserves	Retained earnings	Total equity
Brought forward as at 1 April 2020		1.2	400.7	–	26.2	231.4	659.5
Comprehensive income/(expense) for the year							
Profit for the year		–	–	–	–	267.4	267.4
Total comprehensive income/(expense) for the year						267.4	267.4
Contributions by and distributions to the owners:							
Contributions of equity, net of transaction costs	24	0.2	106.3	–	–	–	106.5
Options granted and awards exercised	14, 25	0.0	1.3	2.0	(0.0)	(1.3)	2.0
Acquisition of treasury shares	25	–	–	(2.3)	–	–	(2.3)
Total contributions by and distributions to the owners		0.2	107.6	(0.3)	(0.0)	(1.3)	106.2
Balance as at 31 March 2021		1.4	508.3	(0.3)	26.2	497.5	1,033.1

The consolidated financial statements should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. General information

Name of the Company	Molten Ventures plc
LEI code of the Company	2138001PCR3SAYJWSW10
Domicile of Company	United Kingdom
Legal form of the Company	Public limited company
Country of incorporation	United Kingdom
Address of Company's registered office	20 Garrick Street, London, WC2E 9BT
Principal place of business	20 Garrick Street, London, WC2E 9BT
Description of nature of entity's operations and principal activities	Venture capital firm
Name of parent entity	Molten Ventures plc
Name of ultimate parent of Group	Molten Ventures plc
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	Molten Ventures plc was formerly known as Draper Esprit plc (company name change in November 2021)
Period covered by financial statements	1 April 2021 – 31 March 2022

Molten Ventures plc (the “Company”) is a public limited company incorporated and domiciled in England and Wales. During FY22, as part of a rebrand, Draper Esprit plc has changed its name to Molten Ventures plc. On 23 July 2021, the Company’s ordinary shares were admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange’s Main Market for listed securities, as well as to the secondary listing of the Official List of the Irish Stock Exchange plc and to trading on the regulated market of Euronext Dublin. Prior to this, between 15 June 2016 and 22 July 2021, the Company was listed on the London Stock Exchange’s AIM market and the Irish Stock Exchange’s Euronext Growth market.

The Company is the ultimate parent company in which results of all subsidiaries are consolidated in line with IFRS 10 (see Note 4(b) below for further details). The consolidated financial statements for the year ending 31 March 2022 and for the comparative year ending 31 March 2021 comprise the consolidated financial statements of the Company and its subsidiaries (together, “the Group”).

The consolidated financial statements are presented in Pounds Sterling (GBP/£), which is the currency of the primary economic environment in which the Group operates. All amounts are rounded to the nearest million, unless otherwise stated.

2. Going concern assessment and principal risks

Going concern

The Group’s primary sources of liquidity are the cash flows it generates from its operations, realisations of its investments and borrowings. The primary use of this liquidity is to fund the Group’s operations (including the purchase of investments). Responsibility for liquidity risk management rests with the Board, which has established a framework for the management of the Group’s funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and with ongoing monitoring of forecast and actual cash flows. The Group has undertaken a going concern assessment and the latest assessment showed sufficient headroom for liquidity for at least the next 12 months from the date of approval of these financial statements. The assessment of going concern considered both the Group’s current performance and future outlook, including:

- An assessment of the Group’s liquidity and solvency position using a number of severe but plausible scenarios to assess the potential impact on the Group’s operations and portfolio companies. These downside scenarios include unpredictability of exit timing and portfolio company valuations subject to change. The Group manages and monitors liquidity regularly and continually assesses investments, commitments, realisations, operating expenses, and receipt of portfolio cash income including under stress scenarios ensuring liquidity is adequate and sufficient. As at 31 March 2022, the Directors believe the Group has sufficient cash resources and liquidity and is well placed to manage the business risks in the current economic environment.
- The Group must comply with financial and non-financial covenants as part of the revolving credit facility with Silicon Valley Bank and Investec (see Note 22(ii) for further details). An assessment of forecast covenant compliance was undertaken using a number of severe but plausible scenarios on valuations. Under each adverse scenario the Group still had sufficient headroom in order to comply with the covenant obligations.

After making enquiries and following challenge and review, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for 12 months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

For further information, please refer to the Audit, Risk and Valuations Committee Report on pages 99 to 102 and the Directors’ Report on pages 122 to 124.

Principal risks

The Group has reviewed its exposure to its principal risks and concluded that these did not have a significant impact on the financial performance and/ or position of the Group for the year and as at 31 March 2022, respectively. For further details on the Group’s principal risks, as well as its risk management processes, please see the Risk Management and Principal Risks section in the Strategic Report to these financial statements.

3. Adoption of new and revised standards

i. Adoption of new and revised standards

No changes to IFRS have impacted this year’s financial statements.

ii. Impact of standards issued not yet applied

No upcoming changes under IFRS are likely to have a material effect on the reported results or financial position. Management will continue to monitor upcoming changes.

4. Significant accounting policies

a) Basis of preparation

The Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards (IAS) and the requirements of the Companies Act 2006 as applicable to companies reporting under those standards and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. On 31 December 2020, EU-adopted IFRS at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Molten Ventures plc transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 April 2021. There was no impact or changes in accounting policies from the transition.

UK-adopted International Accounting Standards differ in certain respects from International Financial Reporting Standards as adopted by the EU. The differences have no material impact on the Financial Statements for the periods presented, which therefore also comply with International Reporting Standards as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention as modified for the revaluation of certain financial assets and financial liabilities held at fair value. A summary of the Group’s principal accounting policies, which have been applied consistently across the Group, is set out below. The consolidated financial statements have been approved for issue by the Board of Directors on 12 June 2022.

The financial reporting framework that has been applied in the preparation of the Company’s financial statements (beginning on page 170) is Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. The Company has taken advantage of disclosure exemptions available under FRS 101 as explained further in Note 1 of the Company’s financial statements. The financial statements are prepared on a going concern basis as disclosed in the Audit, Risk and Valuations Committee Report (pages 99 to 102), in the Directors’ Report (pages 122 to 124) and in Note 2.

In preparing the financial statements we have considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report this year. There has not been a material impact on the financial reporting judgements and estimates arising from our considerations. Specifically, we note the following:

- For the third year running, we have offset 100% of our Scope 1 and Scope 2 and select Scope 3 emissions for the financial year (see more details on page 57).
- We have engaged ESG Consulting Partner, ITPenergised.
- As stated in Note 28, based on work performed so far, management have considered climate-related risks and consider these to be currently immaterial to the value of our portfolio for FY22 (FY21: immaterial).

A summary of the Group’s principal accounting policies, which have been applied consistently across the Group, is set out below.

b) Basis of consolidation

The consolidated financial statements comprise the Company (Molten Ventures plc, 20 Garrick Street, London, England, WC2E 9BT) and the results, cash flows and changes in equity of the following subsidiary undertakings as well as the Molten Ventures Employee Benefit Trust:

Name of undertaking	Nature of business	Country of incorporation	% ownership
Esprit Capital Partners LLP [^]	AIFM to the Company and the Esprit Funds	England and Wales	100%
Elderstreet Holdings Limited [^]	Intermediate holding company	England and Wales	100%
Elderstreet Investments Limited [^]	AIFM to Molten Ventures VCT plc (formerly Draper Esprit plc)	England and Wales	100%
Grow Trustees Limited [^]	Trustee of the Group’s employment benefit trust	England and Wales	100%
Molten Ventures Advisors Ltd [^] (incorporated 24th January 2022)	Investment Advisor to the Growth Fund	England and Wales	100%
Molten Ventures (Nominee) Limited [^] (formerly Draper Esprit (Nominee) Limited)	Nominee company	England and Wales	100%
Encore Ventures LLP [^]	AIFM to the Encore Funds	England and Wales	100%
Esprit Capital I (GP) Limited [^]	General Partner and co-invest vehicle	England and Wales	100%
Esprit Capital I General Partner [^]	General Partner	England and Wales	100%
Esprit Capital II GP Limited [‡]	General Partner	Cayman Islands	100%
Esprit Capital III Founder GP Limited [*]	General Partner	Scotland	100%
Esprit Capital III GP LP [*]	General Partner	Scotland	100%
Encore I Founder GP Limited [‡]	General Partner	Cayman Islands	100%
Encore I GP Limited [‡]	Intermediate holding company	Cayman Islands	100%
Esprit Capital Holdings Limited [^]	Dormant	England and Wales	100%
Esprit Nominees Limited [^]	Nominee company	England and Wales	100%
Esprit Capital I (CIP) Limited [^]	Dormant	England and Wales	100%
Esprit Capital III MLP LLP [^]	Intermediate holding company	England and Wales	100%
Esprit Capital III GP Limited [^]	General Partner (dormant)	England and Wales	100%

Registered addresses

- [^] 20 Garrick Street, London, England, WC2E 9BT
- ^{*} 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ
- [‡] c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

Notes to the consolidated financial statements

continued

4. Significant accounting policies continued

Subsidiaries

Subsidiaries are entities controlled by the Group. Control, as defined by IFRS 10, is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which the Group effectively obtains control. They are deconsolidated from the date that control ceases. Control is reassessed whenever circumstances indicate that there may be a change in any of these elements of control.

All transactions and balances between Group subsidiaries are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with consolidated accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Employee Benefit Trust

On 27 November 2020, Molten Ventures Employee Benefit Trust (the “Trust”) was set up to operate as part of the Molten Ventures employee share option schemes. The substance of the relationship is considered to be one of control by the Group and, therefore, the Trust is consolidated, and all assets and liabilities are consolidated into the Group. Grow Trustees Limited was appointed trustee of the Trust and the substance of this relationship is also considered to be one of control by the Group and, as such, Grow Trustees Limited is consolidated.

Associates

Associates are all entities over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of movements in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. The carrying amount of equity-accounted investments is tested for impairment where there are indications that the carrying value may no longer be recoverable. Following the acquisition of the remaining interest in Elderstreet Holdings Limited on 9 February 2021, no associates are recognised in the consolidated financial statements. For related undertakings held at fair value through profit or loss, refer to Note 17.

Investment entity

In accordance with the provisions of IFRS 10, Molten Ventures plc considers itself to be an investment entity. As a result of its listed status, it obtains funds from its Shareholders to acquire equity interests in multiple high-growth technology businesses (indirectly) with the purpose of capital appreciation over the life of the investments. These investments are made on behalf of investors in Molten Ventures plc across a number of deployment strategies – see page 15. Exit strategies for the portfolio vary depending for each investment, with realisations occurring typically five to ten years after the investment is made. Exit strategies for each of the portfolio companies are documented and discussed as part of regular portfolio reviews. The Group reviews exit opportunities regularly and each member of the Deal Team is responsible for an exit thesis for the investee companies they are responsible for prior to any investment being made. An exit thesis is set out in the original investment papers and it is reiterated or amended thereafter, as appropriate, in the Group’s regular quarterly reports. Exit strategies include the sale of the investment via private placement or in a public market, IPO, trade sale of a company, and distributions to investors from funds invested into. All exits are approved by a sub-committee of the Investment Committee, following a similar approval process to any approval of a new investment, requiring a majority vote. Although Molten Ventures plc holds these investments indirectly, it has been deemed appropriate to directly consider the investment strategies for the portfolio as the intermediary investment vehicles discussed below were formed to hold investments on behalf of Molten Ventures plc. Molten Ventures plc evaluates its investments on a fair value basis and reports this financial information to its Shareholders.

The Directors have also satisfied themselves that Molten Ventures plc’s wholly owned subsidiary, Molten Ventures (Ireland) Limited, as well as certain partnerships listed below, meet the characteristics of an investment entity. Although they have one or two investors, in substance these partnerships and companies are investing funds on behalf of the Shareholders of Molten Ventures plc. They have obtained funds for the purpose of acquiring equity interests in high-growth technology businesses with the purpose of capital appreciation over the life of the investments for the benefit of Shareholders of Molten Ventures plc and this has been communicated directly to the Shareholders. Exit strategies for investments (directly or indirectly) are discussed above. The Group evaluates its portfolio on a fair value basis and this financial information is communicated directly to the Molten Ventures plc Shareholders. In line with the IFRS 10 consolidation exemption, entities meeting the definition of investment entity do not consolidate certain subsidiaries and instead measure those investments that are controlling interests in another entity (i.e. their subsidiaries) as investments held at fair value through profit or loss on the consolidated balance sheet. Loans to investment vehicles are treated as net investments at fair value through profit or loss.

The below is a list of entities that are controlled and not consolidated but held as investments at fair value through profit or loss on the consolidated balance sheet.

Name of undertaking	Principal activity	Country of incorporation	% ownership
Molten Ventures (Ireland) Limited¹	Investment entity	Republic of Ireland	100%
• Esprit Capital III LP ²	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
• Esprit Capital III (B) LP ²	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
• Esprit Capital IV LP ²	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
– DFJ Europe X LP ³	Limited partnership pursuant to which the Group makes certain investments	Cayman Islands	100%
• Esprit Investments (1) LP ²	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
• Esprit Investments (2) LP ²	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
Esprit Investments (1) (B) LP²	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
• Seedcamp Holdings LLP ²	Limited liability partnership pursuant to which the Group makes certain investments	England and Wales	100%
– Seedcamp Investments LLP ⁴	Limited liability partnership pursuant to which the Group makes certain investments	England and Wales	100%
– Seedcamp Investments II LLP ⁴	Limited liability partnership pursuant to which the Group makes certain investments	England and Wales	100%
Esprit Investments (2) (B) LP²	Limited partnership pursuant to which the Group makes certain investments	England and Wales	100%
• SC_4_OF1 LP ⁵	Limited partnership pursuant to which the Group holds certain investments	England and Wales	100%

¹ 32 Molesworth Street, Dublin 2, Ireland, D02 Y512
² 20 Garrick Street, London, England, WC2E 9BT
³ c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
⁴ 16 Great Queen Street, London, England, WC2B 5AH
⁵ 35 New Bridge Street, London, England, EC4V 6BW

Limited partnerships (co-invest and carried interest)

Carried interest vehicles / co-investment limited partnerships (CLPs) – the Group’s general partners are members of these limited partnerships. These vehicles are set up with two purposes: 1) to facilitate payments of carried interest from the fund to carried interest participants, and 2) in certain circumstances to facilitate co-investment into the funds. Carried interest and co-investment partnerships are investment entities and are measured at FVTPL with reference to the performance conditions described in Note 4(x) and held at FVTPL, which equates to the net asset value attributable to the Group, in the statement of financial position in line with our application of IFRS 10 for investment entities. The vehicles in question are as follows:

Name of undertaking	Principal activity	Country of incorporation
Encore I GP LP [^]	General partner	Cayman Islands
Esprit Capital II Founder LP [^]	Co-investment limited partnership	Cayman Islands
Esprit Capital II Founder 2 LP [^]	Co-investment limited partnership	Cayman Islands
Encore I Founder LP [^]	Co-investment limited partnership	Cayman Islands
Encore I Founder 2014 LP [^]	Co-investment limited partnership	Cayman Islands
Encore I Founder 2014-A LP [^]	Co-investment limited partnership	Cayman Islands
Esprit Capital III Founder LP [*]	Co-investment limited partnership / carry partner	Scotland
Esprit Investments (2) (Carried Interest) LP [*]	Carry vehicle	Scotland
Esprit Capital III Carried Interest LP [*]	Carry vehicle	Scotland
Esprit Investments (1) (Carried Interest) LP [*]	Carry vehicle	Scotland
Molten Ventures Growth I Special Partner LP [*]	Carry vehicle	Scotland
Molten Ventures Growth SP GP LLP [†]	Carry vehicle	England and Wales

[^] c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
^{*} 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3
[†] 20 Garrick Street, London, WC2E 9BT

Notes to the consolidated financial statements

continued

4. Significant accounting policies continued

Each carry vehicle indirectly hold interests in a vintage of investments within our portfolio with the purpose of producing profits for distribution amongst the carried interest partners. The Group evaluates its interest in carried interest at fair value as part of the valuations cycle. Indirectly, the carry partnerships have exit strategies for each investment within which they have an interest as the manager of both the carry partner and the investment vehicles regularly considers exit strategies as discussed above.

Limited partnerships (managed by Group entities)

A number of limited partnerships are managed by entities within the Group but are not considered to be controlled and, therefore, they are not consolidated in these financial statements.

Legacy funds

The Group continues to manage three legacy funds, Esprit Fund 1, Esprit Fund 2, Esprit Fund 3(i), and their general partners are consolidated within the Group. These funds are in run-off. The Group does not have any direct beneficial interests in the assets owned by these funds and the Group is not exposed to variable returns from these funds. Management considers that this results in an agency relationship with the funds where the Group acts as an agent, which is primarily engaged to act on behalf, and for the benefit, of the fund investors rather than for its own benefit. Although the manager (Esprit Capital Partners LLP, subsidiary to Molten Ventures plc) has the power to influence the returns generated by the fund, the Group does not have an interest in their returns. As a result, the Group is not deemed to control these managed funds and they are not consolidated.

The legacy funds have the following details:

Esprit Fund 1 : Esprit Capital I Fund No.1 Limited Partnership and Esprit Capital I Fund No.2 Limited Partnership - c/o Molten Ventures plc, 20 Garrick Street, London WC2E 9BT.

Esprit Fund 2 : Esprit Capital II L.P. - c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Esprit Capital 3(i) : Esprit Capital Fund III(i) LP and Esprit Capital Fund III(i) A LP - c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

EIS/VCT funds

Enterprise Investment Scheme funds and Molten Ventures VCT plc are managed by the Group. The Group has no direct beneficial interest in the assets being managed and its sole exposure to variable returns are to performance fees payable on exits above a specified hurdle and management fees based on subscriptions (and Promoter’s fees in certain cases), which is a small proportion of the total capital within each fund. The Board believes that this results in an agency relationship with the funds where the Group acts as an agent, which is primarily engaged to act on behalf, and for the benefit, of the fund investors rather than for its own benefit. Although the managers (Encore Ventures LLP - EIS funds, Elderstreet Investments Limited - VCT funds) have the power to influence the returns generated by the fund, the Group only has an insignificant interest in their returns. As a result, the Group is not deemed to control these managed funds and they are not consolidated.

The EIS/VCT funds have the following details:

EIS funds : DFJ Esprit Angels’ EIS Co–Investment Fund, DFJ Esprit Angels’ EIS Co–Investment II, DFJ Esprit EIS III, DFJ Esprit EIS IV, Draper Esprit EIS S, and Draper Esprit EIS (renamed Molten Ventures EIS post-period end).

VCT funds : Molten Ventures VCT plc - 6th Floor St Magnus House, 3 Lower Thames Street, London, England, EC3R 6HD.

Audit exemption for members of the Group

The following entities are included in the parent’s consolidated accounts. As a result of section 479A of the Companies Act 2006, these subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 475 of the Companies Act 2006.

Esprit Capital Holdings Limited, Esprit Capital I (CIP) Limited, Molten Ventures (Nominee) Limited, Esprit Nominees Limited, Grow Trustees Limited, Esprit Capital III MLP LLP, Esprit Capital III GP Limited, Esprit Capital I GP Limited, Esprit Capital III Founder GP Limited, Elderstreet Holdings Limited, Encore I GP Limited, Encore I Founder GP Limited, Esprit Capital I General Partner, Esprit Capital III GP LP.

Esprit Foundation

The Esprit Foundation was set up during the year. Molten Ventures plc is sole member. However, this is not controlled by Molten Ventures plc or the Group, as the Esprit Foundation has a separate Board of Trustees with a separate governance and decision-making process. No activity took place in the year ending 31 March 2022. Charitable Incorporated Organisation status was entered onto the Register of Charities with the Registered Charity Number 1198436 on 30 March 2022. Stuart Chapman is one of the three Trustees of the Esprit Foundation and is also an Executive Director on the Board of Molten Ventures plc.

c) Operating segment

IFRS 8, “Operating Segments”, defines operating segments as those activities of an entity about which separate financial information is available and which are evaluated by the Chief Operating Decision Maker to assess performance and determine the allocation of resource.

The Board of Directors have identified Molten’s Chief Operating Decision Maker to be the Chief Executive Officer (“CEO”). The Group’s investment portfolio engages in business activities from which is earns revenues and incurs expenses, has operating results which are regularly reviewed by the CEO to make decisions about resources and assess performance, and the portfolio has discrete financial information available. The Group’s investment portfolio has similar economic characteristics, and investments are similar in nature. Dealflow for the investment portfolio is now consistent across all funds (except for the Legacy funds - see below) and the Group’s Investment Committee reviews and approves (where appropriate) investments for all of the investment portfolio in line with the strategy set by the Molten Ventures plc Board of Directors (approvals from the Molten Ventures plc Board of Directors

is required for higher value investments where the proposed value of the investment to be made by plc is above £15.0 million). Although the managers of our EIS funds, VCT funds and plc funds have a management committee, the majority of those sitting on the committees are consistent across all. Taking into account the above points and in line with IFRS 8, the investment portfolio (across all funds) has been aggregated into one single operating segment.

Legacy funds – the legacy funds (Esprit Capital I Fund No 1 LP, Esprit Capital Fund No 2 LP, Esprit Capital II LP, Esprit Capital IIIi Fund LP and Esprit Capital IIIiA fund LP) continue to be managed by the Group (Esprit Capital Partners LLP). These funds are in run-off. Although the investments held within these funds are not consistent with the rest of the investment portfolio (although there has been some cross-over in the past), they are similar in nature and the Group does not earn material revenue (neither is material expenditure incurred) from the management of these funds which would meet the quantitative thresholds set out in IFRS 8. Management does not believe that separate disclosure of information relating to the legacy funds would be useful to users of the financial statements.

As such and as the Group’s investment portfolio represents a coherent and diversified portfolio with similar economic characteristics, the individual investments and funds have been aggregated into a single operating segment.

The majority of the Group’s revenues are not from interest, and the chief operating decision maker does not primarily rely on net interest revenue to assess the performance of the Group and make decisions about resource allocation. Therefore, the Group reports interest revenue separately from interest expense.

The Group’s management considers the Group’s investment portfolio represents a coherent and diversified portfolio with similar economic characteristics and as a result these individual investments have been aggregated into a single operating segment. In the view of the Directors, there is accordingly one reportable segment under the provisions of IFRS 8.

d) Revenue recognition

Revenue is comprised of management fees from EIS/VCT funds, as well as performance fees and promoter fees. Priority Profit Share/management fees are also generated from management fees charged on the funds underlying the plc fund. Revenue is also generated from directors’ fees from a small number of portfolio companies where members of the Investment Team act as directors for portfolio companies. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. All revenue from services is generated within the UK and is stated exclusive of value added tax. Revenue from services comprises:

- i. Fund management services
The basis of calculation of fund management fees differs depending on the fund and its stage. Fund management fees are either earned at a fixed annual rate or are set at a fixed percentage of funds under management, measured by commitments or invested cost, depending on the stage of the fund being managed. Revenues are recognised as the related services are provided.
- ii. Portfolio Directors’ fees
Portfolio Directors’ fees are annual fees charged to an investee company. Directors’ fees are only charged on a limited number of the investee companies. Revenues are recognised as services are provided.
- iii. Performance fees
Performance fees are earned on a percentage basis on returns over a hurdle rate in the statement of comprehensive income. Amounts are recognised as revenue when it can be reliably measured and is highly probable funds will flow to the Group, which is generally at the point of invoicing or shortly before due to the unpredictability associated with realisations, but is assessed on a case-by-case basis.
- iv. Promoter’s fees
Promoter’s fees are earned by Elderstreet Investments Limited, as manager of the VCT funds, based on amounts subscribed during each offer. Fees are agreed on an offer-by-offer basis and are receivable when the shares are allotted. Elderstreet Investments Limited may also be entitled to Promoter’s Fees when it promotes offers for new subscriptions into the funds it manages. Promoter’s fees are earned at a percentage of subscriptions received. Revenue is recognised in full at the time valid subscriptions are received.

e) Deferred income

The Group’s management fees are typically billed quarterly or half-yearly in advance. Where fees have been billed for an advance period, the amounts are credited to deferred income, and then subsequently released through the statement of comprehensive income during the period to which the fees relate. Certain performance fees and portfolio Directors’ fees are also billed in advance and these amounts are credited to deferred income, and then subsequently released through the statement of comprehensive income accounting during the period to which the fees relate.

f) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination, regardless of whether they have been previously recognised in the acquiree’s financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: a) fair value of consideration transferred; b) the recognised amount of any non-controlling interest in the acquiree; and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Notes to the consolidated financial statements

continued

4. Significant accounting policies continued

g) Goodwill and other intangible assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceed the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Other intangible assets

Certain previously unrecognised assets acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values, e.g. brand names, customer contracts and lists. All finite-lived intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described below. Customer contracts are amortised on a straight-line basis over their useful economic lives, typically the duration of the underlying contracts. The following useful economic lives for customer contracts are applied:

- i. Encore Ventures LLP: 8 years
- ii. Elderstreet Investments Limited: 3 years.

h) Impairment

For the purposes of assessing impairment, assets are grouped at the lowest level for which there are largely independent cash inflows ("cash generating units" or "CGU"). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in the consolidated statement of total comprehensive income for the amount by which the assets or cash generating units carrying amount exceeds its recoverable amount that is the higher of fair value less costs to sell and value-in-use.

To determine value-in-use, management estimates expected future cash flows over five years from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profile as assessed by management. Impairment losses for cash generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit with the exception of goodwill, and all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount where there has been a change in estimates used for the calculation of the recoverable amount.

i) Foreign currency

Transactions entered into by Group entities in a currency other than the functional currency in which they operate are recorded at the rates prevailing when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the profit and loss.

The individual financial statements of the Group's subsidiary undertakings are presented in their functional currency. For the purpose of these consolidated financial statements, the results and financial position of each subsidiary undertaking are expressed in Pounds Sterling, which is the presentation currency for these consolidated financial statements.

The assets and liabilities of the Group's undertakings, whose functional currency is not Pounds Sterling, are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period.

j) Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned and are initially measured at fair value, plus transaction costs, except for those financial assets classified at "fair value through profit or loss" (FVTPL), which are initially measured at fair value.

Financial assets are classified by the Group into the following specified categories: financial assets "FVTPL" and "amortised cost". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets through profit or loss

A financial asset may be designated as at FVTPL upon initial recognition if:

- a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- b. the financial asset forms part of a group of financial assets or financial liabilities, or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Molten Venture Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- c. it forms part of a contract containing one or more embedded derivatives, and IFRS 9 Financial Instruments permits the entire combined contract (asset or liability) to be designated as at FVTPL.

The Group considers that its investment interests referred to in Note 4(b) are appropriately designated as at FVTPL as they meet criteria (b) above.

Amortised cost

A financial asset is held at amortised cost under IFRS 9 where it is held for the collection of cash flows representing solely payments of principal and interest. These assets are measured at amortised cost using the effective interest method, less any expected losses.

The Group's financial assets held at amortised cost comprise intangible assets, deferred tax, property, plant and equipment, trade and most other receivables, and cash and cash equivalents in the consolidated statement of financial position.

k) Financial liabilities

The Group's financial liabilities may include borrowings, and trade and other payables. All of the Group's financial liabilities are measured at amortised cost.

Trade and other payables

Trade and other payables are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned and are initially measured at fair value, plus transaction costs.

Financial liabilities are measured subsequently at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. All interest-related charges are reported in profit or loss and are included within finance costs or finance income.

l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the outflow of resources embodying the economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

m) Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's shares are classified as equity instruments. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Shares held by Molten Ventures Employee Benefit Trust are held at cost and disclosed as own shares and deducted from other equity.

n) Defined contribution scheme

Contributions to the defined contribution pension scheme are charged to the consolidated statement of comprehensive income in the years to which they relate.

o) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period on a straight-line basis. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period. Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

The employee share option plans are administered by the Molten Ventures Employee Benefit Trust, which is consolidated in accordance with the principles in Note 4.

p) Leased assets

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "financial liabilities" in the statement of financial position.

Notes to the consolidated financial statements

continued

4. Significant accounting policies continued

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group would recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

q) Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity Shareholders, this is when the dividend is paid. In the case of final dividends, this is when the dividend is approved by the Shareholders at the AGM.

r) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

s) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

t) Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following basis:

- Leasehold improvements – over the term of the lease
- Fixtures and equipment – 33% p.a. straight line
- Computer equipment – 33% p.a. straight line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. See (p) above for PPE relating to right-of-use assets resulting from leases.

u) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits at bank and highly liquid investments with a term of no more than 90 days that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value. Where they are not readily convertible into known amounts of cash, they will be reflected as restricted cash on the consolidated statement of financial position.

v) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

w) Interest income

Interest income earned on cash and deposits and short-term liquidity investments is recognised when it is probable that the economic benefits will flow to the Group and the amount of income recognised can be measured reliably. Interest income is accrued on a time basis, with reference to the principal outstanding and at the effective interest rate applicable.

x) Carried interest

The Company has established carried interest plans for the Executive Directors (see associated note below), other members of the Investment Team and certain other employees (together the "Plan Participants") in respect of any investments and follow-on investments made from IPO. To 31 March 2020 each carried interest plan operates in respect of investments made during a 24-month period and related follow-on investments made for a further 36-month period. From 1 April 2020 the carried interest plan operates for a five-year period in respect of any investment. From April 2020 onwards, the Executive Directors were not eligible to participate in new carried interest plans, and instead now participate in the Long-Term Incentive Plan. Continued participation in existing carried interest schemes that pre-dated the start of the 2021 financial year were not affected.

Subject to certain exceptions, Plan Participants will receive, in aggregate, 15% of the net realised cash profits from the investments and follow-on investments made over the relevant period once the Company has received an aggregate annualised 10% realised return on investments and follow-on investments made during the relevant period. The carried interest plan from 1 April 2020 has an aggregate annualised 8% realised return on investments and follow-on investments made during the relevant period, to bring the plans more in line with market. The Plan Participants' return is subject to a "catch-up" in their favour. Plan Participants' carried interests vest over five years for each carried interest plan and are subject to good and bad leaver provisions. Any unvested carried interest resulting from a Plan Participant becoming a leaver can be reallocated by an adjudication committee formed by Esprit Capital Partners LLP as manager of the carried interest plan at their discretion, including to the Group, and therefore an assumption is made in the financial statements that any unvested carried interest as at the reporting date would be reallocated to the Group.

Carried interest is measured at FVTPL with reference to the performance conditions described above. This is deducted from the gross value of our portfolio as an input to determine the fair value of our investment vehicles, which are held at FVTPL in the statement of financial position in line with our application of IFRS 10 for investment entities. Where the Group has a holding in the carried interest, this is recognised at FVTPL.

y) Fair value movement

Management uses valuation techniques to determine the fair value of financial assets. This involves developing estimates and assumptions consistent with how market participants would price the assets. Management bases its assumptions on observable data as far as possible, but this is not always available, in that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (See Note 5(a)).

z) Exceptional items

The Group classifies items of income and expenditure as exceptional when the nature of the item or its size is likely to be material, to assist the reader of the financial statements to better understand the results of the operations of the Group. Such items by their nature are not expected to recur and are shown separately on the face of the consolidated statement of comprehensive income.

5. Critical accounting estimates and judgements

The Directors have made the following judgements and estimates that have had the most significant effect on the carrying amounts of the assets and liabilities in the consolidated financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Actual results may differ from estimates. The key estimate, (5)(a), and judgement, (5)(b), are discussed below. There have been no new critical accounting estimates and judgements in the financial year ended 31 March 2022.

Estimates:

a) Valuation of unquoted equity investments at fair value through profit or loss

The Group invests into Limited Companies and Limited Partnerships which are considered to be investment companies that invest for the benefit of the Group. These investment companies are measured at fair value through profit or loss based on their NAV at the year end. The Group controls these entities and is responsible for preparing their NAV, which is mostly based on the valuation of their unquoted investments. The Group's valuation of investments measured at fair value through profit or loss is, therefore, dependent upon estimations of the valuation of the underlying portfolio companies.

The Group, through its controlled investment companies also invests in investment funds, which primarily focus on German or seed investments. These investments are considered to be "Fund of Fund investments" for the Group and are recognised at their NAV at the year-end date. These Fund of Fund investments are not controlled by the Group and some do not have coterminous year ends with the Group. To value these investments, management obtains the latest audited financial statements or partner reports of the investments and discusses further movements with the management of the funds. Where the Fund of Funds hold investments that are individually material to the Group, management perform further procedures to determine that the valuation of these investments has been prepared in accordance with the Group's valuation policies for portfolio companies outlined below and these valuations will be adjusted by the Group where necessary based on the Group valuation policy for valuing portfolio companies.

The estimates required to determine the appropriate valuation methodology of investments means there is a risk of material adjustment to the carrying amounts of assets and liabilities. These estimates include whether to increase or decrease investment valuations and require the use of assumptions about the carrying amounts of assets and liabilities that are not readily available or observable.

The fair value of investments is established with reference to the International Private Equity and Venture Capital Valuation Guidelines as well as the IPEV Board, Special Valuation Guidance issued on 31 March 2020 in response to the COVID-19 crisis ("IPEV Guidelines"). An assessment will be made at each measurement date as to the most appropriate valuation methodology.

The Group invests in early-stage and growth technology companies, through predominantly unlisted securities. Given the nature of these investments, there are often no current or short-term future earnings or positive cash flows. Consequently, although not considered to be the default valuation technique, the appropriate approach to determine fair value may be based on a methodology with reference to observable market data, being the price of the most recent transaction. Fair value estimates that are based on observable market data will be of greater reliability than those based on estimates and assumptions and accordingly where there have been recent investments by third parties, the price of that investment will generally provide a basis of the valuation. Recent transactions may include post-year-end as well as pre-year-end transactions depending on the nature and timing of these transactions.

If this methodology is used, its initial use and the length of period for which it remains appropriate to use the calibration of last round price depends on the specific circumstances of the investment, and the Group will consider whether this basis remains appropriate each time valuations are reviewed. In addition, the inputs to the valuation model (e.g. revenue, comparable peer group, product roadmap) will be recalibrated to assess the appropriateness of the methodology used in relation to the market performance and technical/product milestones since the round and the company's trading performance relative to the expectations of the round.

Notes to the consolidated financial statements

continued

5. Critical accounting estimates and judgements continued

The Group considers alternative methodologies in the IPEV Guidelines, being principally price-revenue or price-earnings multiples, depending upon the stage of the asset, requiring management to make assumptions over the timing and nature of future revenues and earnings when calculating fair value. When using multiples, we consider public traded multiples as at measurement date (31 March 2022 and 31 March 2021 for this report) in similar lines of business, which are adjusted based on the relative growth potential and risk profile of the subject company versus the market and to reflect the degree of control and lack of marketability.

Where a fair value cannot be estimated reliably, the investment is reported at the carrying value at the previous reporting date unless there is evidence that the investment has since been impaired.

In all cases, valuations are based on the judgement of the Directors after consideration of the above and upon available information believed to be reliable, which may be affected by conditions in the financial markets. Due to the inherent uncertainty of the investment valuations, the estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material. Due to this uncertainty, the Group may not be able to sell its investments at the carrying value in these financial statements when it desires to do so or to realise what it perceives to be fair value in the event of a sale. See Note 28 for information on unobservable inputs used and sensitivity analysis on investments held at fair value through profit or loss.

Judgement:

b) Investment entity

The Group has a number of entities within its corporate structure and a judgement has been made regarding which should be consolidated in accordance with IFRS 10 and which should not. The Group consolidates all entities where it has control, as defined by IFRS 10, over the following:

- power over the investee to significantly direct the activities;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

The Company does not consolidate qualifying investment entities it controls in accordance with IFRS 10 and instead recognises them as investments held at fair value through profit or loss. An investment entity, as defined by IFRS 10, is an entity that:

- obtains funds from one or more investors for the purpose of providing those investor(s) with the investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

When judging whether an entity within the Group is an investment entity, the Group structure as a whole is considered. As a Group, the investment entities listed in Note 3(b) have the characteristics of an investment entity. This is because the Group has:

- more than one investment;
- more than one investor;
- unrelated investors; and
- equity ownership interests.

See Note 4(b) for further details on the consolidation status of entities.

6. Changes in gains on investments held at fair value through profit or loss

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Changes in unrealised gains on investments held at fair value through profit or loss	217.6	183.6
Changes in realised gains on investments held at fair value through profit or loss	95.9	143.9
Net foreign exchange gain/(loss) on investments held at fair value through profit or loss	15.9	(51.2)
Total movements on investments held at fair value through profit or loss	329.4	276.3

7. Fee income

Revenue is derived solely within the UK, from continuing operations for all years. An analysis of the Group's revenue is as follows:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Management fees	17.8	12.5
Performance fees	2.5	–
Promoter's fees	1.4	–
Directors' and other fees	0.1	–
Total fee income	21.8	12.5

8. General administrative expenses

Administrative expenses comprise:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
General employee and employee related expenses (Note 9)	11.9	10.0
Legal and professional	2.5	1.4
Performance fees payable	2.0	0.1
Marketing expenses	1.1	0.7
Building costs and rates	0.4	0.4
Travel expenses	0.3	0.1
IT expenses	0.3	0.1
Listing fees	0.2	0.1
Other administrative costs	0.8	0.9
Total administrative expenses	19.5	13.8

9. Employee and employee-related expenses

Employee benefit expenses (including Directors) comprise:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Wages and salaries	9.0	7.6
Defined contribution pension costs	0.8	0.7
Benefits (healthcare and life assurance)	0.3	0.2
Recruitment costs	0.2	–
Social security contributions and similar taxes	1.6	1.5
General employee and employee-related expenses	11.9	10.0
Share-based payment expense arising from Company share option scheme	3.7	1.5
Total employee benefit expenses	15.6	11.5

Infrastructure comprises finance, marketing, human resources, legal, IT, and administration.

The monthly average number of persons (including Executive and Non-Executive Directors) employed by the Group during the year was:

	Year ended 31 March 2022 Number	Year ended 31 March 2021 Number
Executive Directors	3	3
Non-Executive Directors	4	3
Investment	16	12
Infrastructure	25	19
Total	48	37

At 31 March 2022, there were 5 Non-Executive Directors (31 March 2021: 3).

10. Auditors' remuneration

The profit for the year has been arrived at after charging:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Fees paid to the Company's auditor for the audit of the Company and Group consolidated financial statements	0.3	0.2
Fees payable to the Company's auditors and associates for other services:		
Audit of the financial statements of the subsidiaries and related undertakings	0.1	0.1
Audit-related assurance services	0.1	–
Non-audit services	0.3	–
Total fees payable to the Company's auditors	0.8	0.3

Audit-related assurance services paid to the Company's auditors in the year were £18k related to CASS reporting to the FCA in respect of certain subsidiaries (for the year ended 31 March 2021: £17k), £46k in respect of the review of the Group's interim financial statements (for the year ended 31 March 2021: £27k).

Non-audit services paid to the Company's Auditors in the year were, £305k in respect of reporting accountant services (for the year ended 31 March 2021: £Nil) and £Nil in respect of ESG advisory work (for the year ended 31 March 2021: £31k).

Notes to the consolidated financial statements

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11. Net finance income/(expense)

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Interest on leases (Note 22(ii))	(0.1)	(0.1)
Interest and expenses on loans and borrowings	(1.3)	(2.0)
Net foreign exchange loss	–	(3.3)
Finance expense	(1.4)	(5.4)
Interest income on cash and cash equivalents	0.2	0.2
Net foreign exchange gain	1.6	–
Finance income	1.8	0.2
Net finance income/(expense)	0.4	(5.2)

12. Income taxes

The charge to tax, which arises in the Group and the corporate subsidiaries included within these financial statements, is:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Current tax expense		
Current tax on profits for the year	–	0.3
Adjustments for under/(over) provision in prior years	(0.1)	–
Total current tax expense	(0.1)	0.3
Deferred tax expense		
Arising on business combinations	–	–
Prior year correction on deferred tax	(20.5)	–
Movement on deferred tax	(3.7)	(0.3)
Total deferred tax (expense)/benefit	(24.2)	(0.3)
Income tax expense	(24.3)	–

The UK standard rate of corporation tax is 19% (for the year ended 31 March 2021: 19%). From 1 April 2023, the UK rate of corporation tax will rise to 25% for companies with profits greater than £250,000. The UK rate of corporation tax will remain 19% for companies with profits of not more than £50,000, with marginal relief for profits of up to £250,000. It is anticipated that Molten Ventures plc will have profits of greater than £250,000 in FY24, and therefore in FY24 a corporation tax rate of 25% is anticipated to apply. The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profit/(loss) for the year before tax are as follows:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Profit for the year before tax	325.0	267.4
Tax at the UK tax rate of 19% (2021: 19%)	61.8	50.8
Taxable gains	1.1	–
Gains on investments	(62.6)	(50.7)
Prior year correction on deferred tax	20.5	-
Movement on deferred tax	3.7	0.3
Other	(0.2)	(0.4)
Income tax expense	24.3	–

13. Earnings per share and net asset value

The calculation of basic earnings per weighted average shares is based on the profit attributable to Shareholders and the weighted average number of shares. When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effect of all dilutive share options and awards.

Basic earnings per ordinary share

	Profit after tax £'m	No. of shares m	Pence per share
For the year ended 31 March 2022	300.7	150.1	200
For the year ended 31 March 2021	267.4	128.9	208

Diluted earnings per ordinary share

	Profit after tax £'m	No. of shares ¹ m	Pence per share
For the year ended 31 March 2022	300.7	151.9	198
For the year ended 31 March 2021	267.4	129.7	206

¹ The basic number of shares is 150.1m (FY21: 128.9m). This has been adjusted to calculate the diluted number of shares by accounting for options of 1.8m in the year (FY21: 0.8m) to get to the diluted number of shares of 151.9m (FY21: 129.7m).

Net asset value per share is based on the net asset attributable to Shareholders and the number of shares at the relevant reporting date. When calculating the diluted earnings per share, the number of shares in issue at balance sheet date is adjusted for the effect of all dilutive share options and awards.

Net asset value per ordinary share

	Net assets £'m	No. of shares m	Pence per share
As at 31 March 2022	1,433.8	153.0	937
At at 31 March 2021	1,033.1	139.1	743

Diluted net asset value per ordinary share

	Net assets £'m	No. of shares ¹ m	Pence per share
As at 31 March 2022	1,433.8	154.9	926
As at 31 March 2021	1,033.1	140.0	738

¹ The basic weighted average number of shares is 153.0m (FY21: 139.1m). This has been adjusted to calculate the diluted weighted average number of shares by accounting for options of 1.9m in the year (FY21: 0.9m) to get to the diluted weighted average number of shares of 154.9m (FY21: 140.0m).

14. Share-based payments

	Date of Grant	b/f 1 April 2021 (No.)	Granted in the year (No.)	Lapsed in the year (No.)	Exercised in the year (No.)	c/f 31 Mar 2022 (No.)	Approved options	Vesting period	Exercise Price (pence)	Fair value per granted instrument (pence)
Molten Ventures plc 2016 Company Share Option Scheme ("CSOP")	28-Nov-16	612,959	–	–	(90,540)	522,419	25,350	3 years	355	64.1
	28-Nov-16	101,685	–	–	(101,685)	–	–	3 years	355	89.3
	11-Nov-17	120,000	–	–	–	120,000	8,356	3 years	359	89.8
	28-Nov-17	407,007	–	–	(100,623)	306,384	–	3 years	387	70.9
	28-Nov-17	77,344	–	–	(77,344)	–	–	3 years	387	97.9
	30-Jul-18	842,550	–	–	(178,100)	664,450	–	3 years	492	152.9
	30-Jul-18	102,750	–	–	(102,750)	–	–	3 years	492	186.4
	12-Feb-19	735,302	–	–	(178,434)	556,868	–	3 years	530	67.8
	12-Feb-19	75,000	–	–	(75,000)	–	–	3 years	530	95.2
	26-Nov-19	200,000	–	–	–	200,000	–	3 years	467	71.5
	29-Jun-20	200,000	–	–	–	200,000	–	3 years	449	81.2
	26-Jul-21	–	56,314	(3,044)	–	53,270	–	1 year	1	986.0
	29-Jun-20	581,696	–	(20,119)	–	561,577	–	3 years	1	449.0
	16-Jul-21	–	581,212	(20,325)	–	560,887	–	1 year	1	940.0
	Total	4,056,293	637,526	(43,488)	(904,476)	3,745,855	33,706			

Notes to the consolidated financial statements

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14. Share-based payments continued

Both the CSOP and LTIP are, as of 31 March 2022, partly administered by the Molten Ventures Employee Benefit Trust ("Trust"). The Trust is consolidated in these consolidated financial statements. The Trust may purchase shares from the market and, from time to time, when the options are exercised, the Trust transfers the appropriate number of shares to the employee or sells these as agent for the employee. The proceeds received, net of any directly attributable transaction costs, are credited directly to equity. Shares held by the Trust at the end of the reporting period are shown as own shares in the consolidated financial statements (see Note 25(i)). Of the 0.9 million options exercised during the year, none were satisfied with new ordinary shares issued by Molten Ventures plc (FY21: 1.4 million options exercised with 0.4 million satisfied with new ordinary shares issued) (see Note 24).

For share options granted under the CSOP, the Black-Scholes Option Pricing Model has been used for valuation purposes. All options are settled in shares. Volatility is expected to be in the range of 20-30% based on an analysis of the Company's and peer group's share price. The risk-free rates used were taken from zero coupon United Kingdom government bonds on a term consistent with the vesting period. There are no non-market performance conditions attached to the share options granted under the CSOP.

Share options granted during the year under the LTIP vest if certain performance standards are met. The amount of options that will vest depends on performance conditions included within the agreement relating to realisations, assets under management, and Total Shareholder Return. These options are granted under the plan for no consideration and are granted at a nominal value of 1 pence. All options are settled in shares. The fair value of the LTIP shares will be valued using the Black-Scholes model which includes a Monte Carlo simulation model. A six-monthly review takes place of non-market performance conditions and as at 31 March 2022 we are currently on target for LTIPs.

The share-based payment charge for the year is £3.7 million (year ended 31 March 2021: £1.5 million).

15. Intangible assets

Year ended 31 March 2022	Goodwill £'m	Customer contracts ² £'m	Total £'m
Cost			
Cost carried forward as at 1 April 2021	10.4	1.1	11.5
Additions during the period	–	–	–
Cost as at 31 March 2022	10.4	1.1	11.5
Accumulated amortisation			
Amortisation carried forward as at 1 April 2021	–	(0.6)	(0.6)
Charge for the period	–	(0.2)	(0.2)
Accumulated amortisation as at 31 March 2022	–	(0.8)	(0.8)
Net book value:			
As at 31 March 2022	10.4	0.3	10.7

Year ended 31 March 2021	Goodwill ¹ £'m	Customer contracts ² £'m	Total £'m
Cost			
Cost carried forward as at 1 April 2020	9.7	0.8	10.5
Acquisition of business	0.7	0.3	1.0
Cost as at 31 March 2021	10.4	1.1	11.5
Accumulated amortisation			
Amortisation carried forward as at 1 April 2020	–	(0.4)	(0.4)
Charge for the year	–	(0.2)	(0.2)
Accumulated amortisation as at 31 March 2021	–	(0.6)	(0.6)
Net book value:			
As at 31 March 2021	10.4	0.5	10.9

¹ In FY21, goodwill of £0.7 million arose on the step acquisition of all issued share capital in Elderstreet Holdings Limited. Elderstreet Holdings Limited is the holding company of Elderstreet Investments Limited, a VCT manager incorporated in the UK, on 9 February 2021 and represents the value of the acquired expertise and knowledge of the Investment Team. The Directors have identified the fund managers as the cash-generating unit ("CGU") being the smallest group of assets that generates cash inflows independent of cash flows from other assets or groups of assets. The fund managers are responsible for generating dealflow and working closely with the investee companies to create value and maximise returns for the Group. The Group tests goodwill annually for impairment comparing the recoverable amount using value in use calculations and the carrying amount. Value in use calculations are based on future expected cash flows generated by the CGU fee income from management fees over the next three years with reference to the most recent financial budget and forecasts. A three-year cash flow period was deemed appropriate for value in use calculation given the terms of the Investment Management Agreement. The key assumptions for the value in use calculations are the discount rate using pre-tax rates that reflect the current market assessments of the time value of money and risks specific to the CGU. The internal rate of return ("IRR") will be based on past performance and experience.

² In FY21, an intangible asset of £0.3 million was recognised in respect of the anticipated profit from the participation in Elderstreet Investments Limited following the acquisition of the remaining issued share capital the Group did not previously own on 9 February 2021.

The amortisation charge for the year is shown in the "depreciation and amortisation" line of the consolidated statement of comprehensive income.

16. Financial assets held at fair value through profit or loss

The Group holds investments through investment vehicles it manages. The investments are carried at fair value through profit or loss. The Group's valuation policies are set out in Note 5(a) and Note 28. The table below sets out the movement in the balance sheet value of investments from the start to the end of the year, showing investments made, cash receipts and fair value movements.

	Year ended 31 March 2022 £'m	Year ended 31 Mar 2021 £'m
As at 1 April	867.1	657.3
Investments made in the period ¹	311.2	128.0
Investments settled in shares	–	–
Loans repaid from underlying investment vehicles	(126.3)	(206.3)
Carry external	13.5	–
Non-investment cash movement ²	15.9	11.8
Unrealised gains on the revaluation of investments	329.4	276.3
As at 31 March	1,410.8	867.1

¹ Investments and loans made in the period/year are amounts the Group has invested in underlying investment vehicles. This is not the equivalent to the total amount invested in portfolio companies as existing cash balances from the investment vehicles are reinvested.

² In FY21, there is a difference between the movement in the loans made to underlying investment vehicle in Note 16 and in the statement of cash flows. This difference is due to the fact that in FY21 the Company loaned £3.7 million to Esprit Capital Fund No 1 & No 2 LP. The loan was repaid during the year ending 31 March 2021. For further details, see Note 30.

17. Related undertakings

For further details of other related undertakings within the Group, see Note 4(b).

Please see below details of investments held by the Group's investment companies, where the ownership percentage or partnership interest exceeds 20%. These are held at fair value through the profit or loss in the statement of financial position.

Name	Address	Principal activity	Type of shareholding	Interest FD category* at reporting date/ partnership interest
Ravenpack Holding AG	Churerstrasse 135, CH-8808 Pfäffikon, Switzerland	Trading company	Ordinary shares Preference shares	D
FinalCAD	4, rue Jules Lefebvre 75009 Paris	Trading company	Ordinary shares Preference shares	D
Allplants Ltd	Solar House, 282 Chase Road, London, United Kingdom, N14 6NZ	Trading company	Ordinary shares Preference shares	D
Earlybird GmbH & Co. Beteiligungs-KG IV	c/o Earlybird Venture Capital, Maximilianstr. 14, 80539, München	Limited partnership pursuant to which the Group holds certain investments	Partnership interest	27%
Earlybird Special Opportunities LP	c/o Earlybird Venture Capital, Maximilianstr. 14, 80539, München	Limited partnership pursuant to which the Group holds certain investments	Partnership interest	35%
Earlybird DWES Fund VI GmbH & Co. KG	c/o Earlybird Venture Capital, Maximilianstr. 14, 80539, München	Limited partnership pursuant to which the Group holds certain investments	Partnership interest	57%

*Fully diluted interest categorised as follows: Cat A: 0-5%, Cat B: 6-10%, Cat C: 11-15%, Cat D: 16-25%, Cat E: >25%.

Details of the fair value of the core companies are detailed as part of the Gross Portfolio Value table on page 46.

Below sets out the latest publicly available accounts for the related undertakings above. These reflect the net asset and profit or loss position. These relate to historic periods. No other publicly available accounts for the related undertakings above are available.

- Allplants Ltd: Net assets at 31 August 2020 of £2.9 million and a loss for the 12 month period ending 31 August 2020 of £5.2 million. The numbers in these accounts are unaudited.

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18. Property, plant and equipment

Year ended 31 March 2022	Right-of-use assets £'m	Leasehold improvements £'m	Computer equipment £'m	Total £'m
Cost				
Cost carried forward as at 1 April 2021	1.6	0.8	0.1	2.5
Additions during the period	–	–	0.1	0.1
Disposals during the year	–	–	–	–
Cost as at 31 March 2022	1.6	0.8	0.2	2.6
Accumulated depreciation				
Depreciation carried forward as at 1 April 2021	(0.7)	(0.4)	–	(1.1)
Charge for the period	(0.3)	(0.2)	(0.1)	(0.6)
Disposals during the year	–	–	–	–
Accumulated depreciation as at 31 March 2022	(1.0)	(0.6)	(0.1)	(1.7)
Net book value:				
As at 31 March 2022	0.6	0.2	0.1	0.9

Year ended 31 March 2021	Right-of-use assets £'m	Leasehold improvements £'m	Computer equipment £'m	Total £'m
Cost				
Cost carried forward as at 1 April 2020	1.6	0.7	0.1	2.4
Additions during the period	–	0.1	–	0.1
Disposals during the year	–	–	–	–
Cost as at 31 March 2021	1.6	0.8	0.1	2.5
Accumulated depreciation				
Depreciation carried forward as at 1 April 2020	(0.3)	(0.3)	–	(0.6)
Charge for the period	(0.3)	(0.2)	–	(0.5)
Disposals during the year	–	–	–	–
Accumulated depreciation as at 31 March 2021	(0.6)	(0.5)	–	(1.1)
Net book value:				
As at 31 March 2021	1.0	0.3	0.1	1.4

The depreciation charge for the year is shown in the “depreciation and amortisation” line of the consolidated statement of comprehensive income.

For further information on right-of-use assets, please see the leases note – Note 22(i).

19. Operating segments

The Group follows the accounting policy on operating segments laid out in Note 4(c).

20. Trade and other receivables

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Trade receivables	1.1	2.5
Other receivables and prepayments	1.7	1.2
Total	2.8	3.7

Expected credit losses for these receivables are expected to be immaterial.

The ageing of trade receivables at reporting date is as follows:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Not past due	1.0	0.7
Past due 1-30 days	–	0.8
Past due 31-60 days	–	0.7
More than 60 days	0.1	0.3
Total	1.1	2.5

Trade receivables are held at amortised cost. The maximum exposure to credit risk of the receivables at the reporting date is the fair value of each class of receivable mentioned above, which is as shown above due to the short-term nature of the trade receivables. The Group does not hold any collateral as security.

21. Trade and other payables

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Trade payables	(0.5)	(0.6)
Other taxation and social security	(0.5)	(0.4)
Other payables	(1.9)	(0.2)
Accruals and deferred income	(11.1)	(8.2)
Accrued tax expense	(0.3)	(0.3)
Total	(14.3)	(9.7)

All trade and other payables are short term.

22. Financial liabilities

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Current liabilities		
Leases	(0.4)	(0.3)
Loans and borrowings	–	–
Total current financial liabilities	(0.4)	(0.3)
Non-current liabilities		
Leases	(0.3)	(0.7)
Loans and borrowings	(29.7)	0.4
Total non-current financial liabilities	(30.0)	(0.3)
Total	(30.4)	(0.6)

Notes to the consolidated financial statements

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22. Financial liabilities continued

The below table shows the changes in liabilities from financing activities.

	Borrowings £'m	Leases £'m
At 1 April 2020	(44.6)	(1.4)
Capitalisation of costs	0.3	–
Amortisation of costs	(0.3)	–
Drawdowns	–	–
Repayment of debt	45.0	–
Other changes - Interest payments (presented as cash flows)	–	–
Payment of lease liabilities	–	0.4
At 31 March 2021	0.4	(1.0)
Capitalisation of costs	0.3	–
Amortisation of costs	(0.4)	–
Drawdowns	(30.0)	–
Repayment of debt	–	–
Other changes - Interest payments (presented as cash flows)	–	(0.1)
Payment of lease liabilities	–	0.4
At 31 March 2022	(29.7)	(0.7)

22 (i). Leases

The Group leases office buildings in London for use by its staff. Information about leases for which the Group is a lessee is presented below. The Group also has an office in Dublin, however this contract is classified as a service contract and not a lease. This is not deemed to be a lease as it has been assessed not to be controlled by the Group as these are managed offices with no alterations to the space allowed by the Group.

The Group leases IT equipment such as printers for use by staff. The Group has elected to apply the recognition exemption for leases of low value to these leases.

i. Amounts recognised on the consolidated statement of financial position

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Property	0.6	1.0
Total	0.6	1.0
Lease liabilities		
	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Current	(0.4)	(0.3)
Non-current	(0.3)	(0.7)
Total	(0.7)	(1.0)

Additions to the right-of-use assets during the year ending 31 March 2022 were £Nil (year ending 31 March 2021: £Nil).

ii. Amounts recognised in the consolidated statement of comprehensive income

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Interest on lease liabilities	(0.1)	(0.1)
Depreciation charge for the period on right-of-use assets	(0.3)	(0.3)

The total cash outflow for leases in the year ending 31 March 2022 was £0.4 million (year ending 31 March 2021: £0.4 million).

22 (ii). Loans and borrowings

In May 2021, the Company's existing revolving credit facility with Silicon Valley Bank and Investec ("the Financiers") was extended by £5.0 million to £65.0 million with a maturity of June 2024. The Company incurred costs of £0.3 million in respect of the increase and extension of the facility during the period, which are presented within loans and borrowings on the statement of financial position and are amortised over the life of the facility. Interest-related charges are reported in the consolidated statement of comprehensive income as finance costs (see Note 11). The bank loans are secured on agreed assets of the Group within the asset class of investments, updated as agreed with the Financiers from time to time, and are subject to customary financial and non-financial covenant conditions with which the Group must comply.

The facility agreement contains financial and non-financial covenants.

- a. There must be a minimum of ten core investments at all times (core investments are not defined in the same way as in this Annual Report (as it is more broadly defined));
- b. The ratio of the NAV of all investments (as defined in the agreement) to original investment cost should not be less than 1.1:1.0 at any time; and
- c. The ratio of the NAV (as defined in the agreement) plus amounts in the collateral account to financial indebtedness (as defined in the agreement) should not be less than 10:1 at any time.

In addition, the borrowing base (as defined in the agreement) must exceed the facility amount.

The debt facility is repayable on maturity (June 2024) but may become repayable earlier under certain conditions, including it becoming unlawful for Molten Ventures plc to perform any of its obligations per the legal agreement, voluntary cancellation of the loan, the principal outstanding on the loan exceeding the facility limit, or the principal outstanding exceeding the maximum permitted amount. As collateral for interest payments, an amount equal to the aggregate amount of interest costs due for the coming six months, all being equal, must be held in an Interest Reserve Account at all times. The balance of this at 31 March 2022 was £2.3 million (31 March 2021: £2.3 million) and is reflected on the consolidated statement of financial position as restricted cash.

As at 31 March 2022, the Company has drawn down £30.0 million of the £65.0 million facility (31 March 2021: £Nil of the £60.0 million facility)

	31 Mar 2022 £'m	31 Mar 2021 £'m
Bank loan senior facility amount	65.0	60.0
Interest rate	BOE base rate + 6.25%	BOE base rate + 6.75% / 7.50% floor
Drawn at balance sheet date	(30.0)	–
Arrangement fees	0.3	0.4
Loan liability balance	(29.7)	0.4
Undrawn facilities at balance sheet date	35.0	60.0

23. Deferred tax

Deferred tax is calculated in full on temporary differences under the balance sheet liability method using the tax rate expected to apply when the temporary differences reverse. See breakdown below:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Arising on share-based payments	1.6	–
Deferred tax asset	1.6	–
Arising on business combination	(0.1)	(0.1)
Arising on co-invest and carried interest	(0.3)	(0.6)
Arising on the investment portfolio	(25.6)	–
Other timing differences	(0.1)	0.3
Deferred tax liability	(26.1)	(0.4)
At the end of the period	(24.5)	(0.4)

24. Share capital and share premium

	Number	Pence	£'m
31 March 2022 - Allotted and fully paid			
As at 1 April	139,097,075	1	1.4
Issue of share capital during the year for cash ¹	13,902,778	1	0.1
As at 31 March	152,999,853	1	1.5

¹ In June 2021, the Company raised gross proceeds of £111.2 million at a placing price of 800 pence per share by way of a placing of 13,902,778 new ordinary shares.

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24. Share capital and share premium continued

31 March 2021 - Allotted and fully paid	Number	Pence	£'m
As at 1 April	118,918,124	1	1.2
Issue of share capital during the year for share options being exercised ¹	359,131	1	–
Issue of share capital during the year for cash ²	19,819,820	1	0.2
As at 31 March	139,097,075	1	1.4

¹ Between August 2020 and March 2021, 359,131 new 1 pence ordinary shares were issued in association with share options being exercised.

² In October 2020, the Company secured commitments to raise gross proceeds of £110.0 million at a placing price of 555 pence per share by way of a conditional placing of 19,819,820 new ordinary shares.

Share premium

Allotted and fully paid	Year ended 31 Mar 2022 £'m	Year ended 31 Mar 2021 ¹ £'m
As at 1 April	508.3	400.7
Premium arising on the issue of ordinary shares ²	111.2	111.1
Equity issuance costs	(3.6)	(3.5)
As at 31 March	615.9	508.3

¹ There is a difference between the share premium balance sheet movement and cash flow movement. This difference results from the fact that, in respect of shares issued for share options exercised during FY21, the cash is the market value of shares, whereas the amount recognised in share premium is the exercise price less share capital.

² The movement on share premium during the year ending 31 March 2022 has arisen as a result the issue of 13,902,778 ordinary shares issued by way of a conditional placing in June 2022. The movement on share premium during the year ending 31 March 2021 has arisen as a result of 359,131 ordinary shares issued in association with share options being exercised during the year and the issue of 19,819,820 ordinary shares issued by way of a conditional placing in October 2020.

25. Own shares and other reserves

i. Own shares reserve

Own shares are shares held in Molten Ventures plc that are held by Molten Ventures Employee Benefit Trust ("Trust") for the purpose of issuing shares under the Molten Ventures plc 2016 Company Share Options Plan and Long-Term Incentive Plan. Shares issued to employees are recognised on a weighted average cost basis. The Trust holds 0.61% of the issued share capital at 31 March 2022.

	Year ended 31 Mar 2022		Year ended 31 Mar 2021	
	No. of shares m	£'m	No. of shares m	£'m
As at 1 April	(0.1)	(0.3)	–	–
Acquisition of shares by the Trust	(0.8)	(8.0)	(0.3)	(2.3)
Disposal or transfer of shares by the Trust*	–	0.1	0.2	2.0
As at 31 March	(0.9)	(8.2)	(0.1)	(0.3)

*Disposals or transfers of shares by the Trust also include shares transferred to employees net of exercise price with no resulting cash movements. Cash receipts in respect of sale of shares in the year ending 31 March 2022 were £Nil (year ending 31 March 2021: £1.6 million).

ii. Other reserves

The following table shows a breakdown of the "other reserves" line in the consolidated interim statement of financial position and the movements in those reserves during the period. A description of the nature and purpose of each reserve is provided below the table.

	Merger relief reserve £'m	Share-based payments reserve resulting from Company share option scheme £'m	Share-based payments reserve resulting from acquisition of subsidiary £'m	Total other reserves £'m
Year ending 31 March 2022				
As at 1 April	13.1	2.3	10.8	26.2
Share-based payments	–	3.7	–	3.7
Share-based payments – exercised during the year	–	(1.0)	–	(1.0)
As at 31 March	13.1	5.0	10.8	28.9

	Merger relief reserve £'m	Share-based payments reserve resulting from Company share option scheme £'m	Share-based payments reserve resulting from acquisition of subsidiary £'m	Total other reserves £'m
Year ending 31 March 2021				
As at 1 April	13.1	2.3	10.8	26.2
Share-based payments	–	0.8	–	0.8
Share-based payments – exercised during the year	–	(0.8)	–	(0.8)
As at 31 March	13.1	2.3	10.8	26.2

Merger relief reserve

In accordance with the Companies Act 2006, a Merger Relief Reserve of £13.1 million (net of the cost of share capital issued of £80k) was created on the issue of 4,392,332 ordinary shares for 300 pence each in Molten Ventures plc as consideration for the acquisition of 100% of the capital interests in Esprit Capital Partners LLP on 15 June 2016.

Share-based payment reserve

Where the Group engages in equity-settled share-based payment transactions, the fair value at the date of grant is recognised as an expense over the vesting period of the options. The corresponding credit is recognised in the share-based payment reserve. Please see Note 14 for further details on how the fair value at the date of grant is recognised.

26. Adjustments to reconcile operating profit to net cash (outflow)/inflow in operating activities

	Notes	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Adjustments to reconcile operating profit to net cash (outflow)/inflow in operating activities:			
Revaluation of investments held at fair value through profit or loss	6	(329.4)	(276.3)
Depreciation and amortisation	15, 18	0.8	0.7
Share-based payments – resulting from Company share option scheme	14	3.7	1.5
Finance income	11	(1.8)	(0.2)
Finance expense	11	1.4	5.4
Deferred tax on investment portfolio	23	25.6	–
(Increase)/decrease in trade and other receivables and other working capital movements		(0.6)	0.4
Increase/(decrease) in trade and other payables		5.5	4.1
Adjustments to reconcile operating profit to net cash (outflow)/inflow in operating activities:		(294.8)	(264.4)

Please see Note 22 for the changes in liabilities from financing activities.

27. Retirement benefits

The Molten Ventures Group makes contributions to personal pension schemes set up to benefit its employees. The Group has no interest in the assets of these schemes and there are no liabilities arising from them beyond the agreed monthly contribution for each employee or member that is included in employment costs in the profit and loss account as appropriate.

28. Fair value measurements

i. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. This section should be read with reference to Note 5 and Note 16. As noted Note 5, valuation of unquoted equity investments at fair value through profit or loss is a critical accounting estimate and actuals may differ from estimates. Based on work performed so far, management have considered climate-related risks and consider these to be currently immaterial to the value of our portfolio for FY22 (FY21: immaterial). For further discussion of our climate-related risks, please see our TCFD and Principal Risks sections of the Strategic Report.

The Group classifies financial instruments measured at fair value through profit or loss ("FVTPL") according to the following fair value hierarchy prescribed under the accounting standards:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (31 March 2022, and 31 March 2021 for comparatives);
- Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs are unobservable inputs for the asset or liability.

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28. Fair value measurements continued

All financial instruments measured at FVTPL in FY21 and FY22 are financial assets relating to holdings in high-growth technology companies. The Group invests in special purpose vehicles and limited partnerships which are considered to be investment companies that invest in equities for the benefit of the Group. As set out in Note 4(b), these are held at their respective net asset values and, as such, are noted to be all Level 3 for FY21 and FY22. For details of the reconciliation of those amounts please refer to Note 16. The additional disclosures below are made on a look-through basis and are based on the Gross Portfolio Value ("GPV"). In order to arrive at the Net Portfolio Value ("NPV"), which is the value recognised as investments held at FVTPL in the statement of financial position, the GPV is subject to deductions for the fair value of carry liabilities and adjustments for Irish deferred tax. UK deferred tax is recognised in the consolidated statement of financial position as a liability to align the recognition of deferred tax to the location in which it will likely become payable on realisation of the assets. For details of the GPV and its reconciliation to the investment balance in the financial statements, please refer to the extract of the Gross Portfolio Value table below:

Investments	Fair Value of Investments 31-Mar-21 £m	Investments £m	Realisations £m	Non-investment cash movement £m	Movement in Foreign Exchange £m	Movement in Fair Value £m	Fair Value movement 31-Mar-22 £m	Fair Value of Investments 31-Mar-22 £m
Total Portfolio	981.2	311.2	(126.3)	–	15.9	347.7	363.6	1,529.7
Co-Invest	2.6	–	–	–	–	(0.8)	(0.8)	1.8
Gross Portfolio Value	983.8	311.2	(126.3)	–	15.9	346.9	362.8	1,531.5
Carry External	(97.0)	–	13.5	–	–	(38.0)	(38.0)	(121.5)
Portfolio Deferred tax	(20.0)	–	–	–	–	20.5	20.5	0.5
Trading carry & co-invest	0.3	–	–	–	–	–	–	0.3
Non-investment cash movement	–	–	–	15.9	–	(15.9)	(15.9)	–
Net Portfolio Value	867.1	311.2	(112.8)	15.9	15.9	313.5	329.4	1,410.8

Investments	Fair Value of Investments 31-Mar-20 £m	Investments £m	Realisations £m	Non-investment cash movement £m	Movement in Foreign Exchange £m	Movement in Fair Value £m	Fair Value of movement 31-Mar-21 £m	Fair Value of Investments 31-Mar-21 £m
Portfolio	701.1	128.0	(205.7)	–	(51.2)	409.0	357.8	981.2
Total	701.1	128.0	(205.7)	–	(51.2)	409.0	357.8	981.2
Co-Invest	1.8	–	(0.6)	–	–	1.4	1.4	2.6
Gross Portfolio Value	702.9	128.0	(206.3)	–	(51.2)	410.4	359.2	983.8
Carry External	(40.6)	–	–	–	–	(56.4)	(56.4)	(97.0)
Portfolio Deferred tax	(5.3)	–	–	–	–	(14.7)	(14.7)	(20.0)
Trading carry & co-invest	0.3	–	–	–	–	–	–	0.3
Non-investment cash movement	–	–	–	11.8	–	(11.8)	(11.8)	–
Net Portfolio Value	657.3	128.0	(206.3)	11.8	(51.2)	327.5	276.3	867.1

Carry external – this relates to accrued carry that is due to former and current employees or managers external to the group. These values are calculated based on the reported fair value, applying the provisions of the limited partnership agreements to determine the value which would be due to the carried interest partnerships.

Portfolio deferred tax – this relates to tax accrued against gains in the portfolio to reflect those portfolio companies where tax is expected to be payable on exits. These values are calculated based on unrealised fair value of investments at reporting date at the applicable tax rate.

Trading carry & co-invest – this relates to accrued carry that is due to the Group.

Non-investment cash movements – this relates to cash movements relating to management fees and other non-investment cash movements to the subsidiaries held at FVTPL.

During the year ending 31 March 2022, there were transfers out of Level 3 and into Level 1 following the listing of two investments, one is held directly and one of which is held via our partnership with Earlybird - see below for the breakdown of investments by fair value hierarchy and (iii) below for movements. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Fair value measurements At 31 March 2022	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
Financial assets at fair value through profit or loss				
Quoted investments	64.0	–	–	64.0
Unquoted investments	–	–	1,465.7	1,465.7
Total financial assets	64.0	–	1,465.7	1,529.7

Fair value measurements At 31 March 2021	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
Financial assets at fair value through profit or loss				
Quoted investments	85.5	–	–	85.5
Unquoted investments	–	–	895.7	895.7
Total financial assets	85.5	–	895.7	981.2

ii. Valuation techniques used to determine fair values

The fair value of unlisted securities is established with reference to the IPEV Guidelines. In line with the IPEV Guidelines, the Group may base valuations on earnings or revenues where applicable, market comparables, calibrated price of recent investment in the investee companies, or on net asset values of underlying funds ("NAV of underlying funds"). An assessment will be made at each measurement date as to the most appropriate valuation methodology, including that for investee companies owned by third-party funds that Molten Ventures plc invests in and which are valued on a look-through basis.

Financial instruments, measured at fair value, categorised as Level 3 can be split into three main valuation techniques:

- Calibrated price of recent investment
- NAV of underlying fund
- Revenue-multiple

Each portfolio company will be subject to individual assessment.

For a valuation based on a revenue-multiple, the main assumption is the multiple. The multiple is derived from comparable listed companies or relevant market transaction multiples. Companies in the same industry and geography, and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. They are also adjusted to represent our longer-term view of performance through the cycle of our existing assumption.

For a valuation based on calibrated price of recent investment, the recent round enterprise value is calibrated against the equivalent value at year end using a revenue-multiple valuation methodology as well as in relation to technical/product milestones since the round and the company's trading performance relative to the expectations of the round.

Where the Group invests in Fund of Fund investments, the value of the portfolio will be reported by the fund to the Group. The Group will ensure that the valuations comply with the Group policy and that they are adjusted with any cash and known valuation movements where reporting periods do not align.

See also Note 5(a) where valuation policies are discussed in more detail.

iii. Fair value measurements using significant unobservable inputs (Level 3)

The table below presents the changes in Level 3 items for the years ending 31 March 2022 and 30 March 2021.

Level 3 valuations	£'m
Opening balance at 1 April 2020	701.1
Investments	128.0
Gains	357.8
Realisations	(205.7)
Unadjusted closing balance at 31 March 2021	981.2
Transfer to Level 1	(85.5)
Closing balance at 31 March 2021	895.7
Investments	309.1
Gains	435.7
Realisations	(86.2)
Unadjusted closing balance at 31 March 2022	1,554.3
Transfer to Level 1	(88.6)
Closing balance at 31 March 2022	1,465.7

Notes to the consolidated financial statements

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28. Fair value measurements continued

iv. Valuation inputs and relationships for fair value

The following table summarises the methodologies used by the Group to measure the fair value of Level 3 instruments:

FY22			Sensitivity – effect of % enterprise value movement on total fair value £'m		
Investments	Fair value £'m	Valuation technique	Significant input	+10%	-10%
	806.7	Calibrated price of recent investment	Calibrated round enterprise value – Pre and post year-end round enterprise values have been calibrated with appropriate discounts taken to reflect movements in publicly listed peer multiples, future revenue projections and timing risk. Discounts were applied to 52% of the fair value of investments measured at calibrated price of recent investment. The range of discounts taken is between 15%-89%.The weighted average discount taken is 25%.	881.0	739.6
Unquoted equity			Revenue-multiples are applied to the revenue of our portfolio companies to determine their enterprise value.		
			Implied revenue-multiple – the portfolio we have is diversified across sectors and geographies and the companies which have valuations based on revenue-multiples have a range of multiples of between 0.9x-13.8x and a weighted average multiple of 7.8x.		
	418.1	Market comparables	Revenue - we select forward revenues from our portfolio companies mostly with reference to financial updates in their board packs, adjusted where required in the event we do not have forward-looking information.	458.0	378.3
	240.8	NAV of underlying fund	NAV of funds, adjusted where required – net asset values of underlying funds reported by the manager. These are reviewed for compliance with our policies and are calibrated for any cash and known valuation movements where reporting periods do not align.	264.9	216.8
Total	1,465.7			1,603.9	1,334.7

FY21			Sensitivity – effect of % enterprise value movement on total fair value £'m			
Investments	Fair value £'m	Valuation technique	Significant input	+10%	-10%	
	450.5	Calibrated price of recent investment	Calibrated round enterprise value – recent round enterprise value is calibrated against the equivalent value using a revenue-multiple valuation methodology, amongst other factors.			
			Pre and post year-end round enterprise values have been calibrated with appropriate discounts taken to reflect movements in publicly listed peer multiples, future revenue projections and timing risk.	495.6	405.4	
	Unquoted equity	326.6	Market comparables	Revenue-multiples are applied to the revenue of our portfolio companies to determine their enterprise value.		
				Implied revenue-multiple – the portfolio we have is diversified across sectors and geographies and the companies which have valuations based on revenue-multiples have a range of multiples of between 0.6x-9.1x and a weighted average multiple of 4.8x.		
			Revenue – We select revenues from our portfolio companies mostly with reference to financial updates in their board packs, adjusted where required in the event we do not have forward-looking information.	359.2	294.0	
	118.6	NAV of underlying fund	NAV of funds, adjusted where required – net asset values of underlying funds reported by the manager. These are reviewed for compliance with our policies and are calibrated for any cash and known valuation movements where reporting periods do not align.	130.4	106.8	
Total	895.7			985.2	806.2	

v. Valuations processes

The Audit, Risk and Valuations Committee is responsible for ensuring that the financial performance of the Group is properly reported on and monitored. In addition to continuous portfolio monitoring through the Board positions held in portfolio companies and the Investment Committee, a bi-annual strategy day is held every six months to discuss the investment performance and valuations of the portfolio companies. The Investment Team leads discussions focused on business performances and key developments, exit strategy and timelines, revenue and EBITDA progression, funding rounds and latest capitalisation table, and valuation metrics of listed peers. Valuations are prepared every six months by the Finance Team during each reporting period, with direct involvement and oversight from the CFO. Challenge and approvals of valuations are led by the Audit, Risk and Valuations Committee every six months, in line with the Group's half-yearly reporting periods.

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29. Financial instruments risk

Financial risk management

Financial risks are usually grouped by risk type: market, liquidity and credit risk. These risks are discussed in turn below.

Market risk – Foreign currency

A significant portion of the Group's investments and cash deposits are denominated in a currency other than Sterling. The principal currency exposure risk is to changes in the exchange rate between GBP and USD/EUR. Presented below is an analysis of the theoretical impact of 10% volatility in the exchange rate on Shareholder equity.

Theoretical impact of a change in the exchange rate of +/-10% between GBP and USD/EUR would be as follows:

	31 Mar 2022 £'m	31 Mar 2021 £'m
Foreign currency exposures – Investments		
Investments – exposures in EUR	614.3	286.6
10% decrease in GBP	682.6	318.4
10% increase in GBP	558.5	260.5
Investments – exposures in USD	484.5	477.8
10% decrease in GBP	538.3	530.8
10% increase in GBP	440.5	434.4

Certain cash deposits held by the Group are denominated in Euros and US Dollars. The theoretical impact of a change in the exchange rate of +/-10% between GBP and USD/EUR would be as follows:

	31 March 2022 £'m	31 March 2021 £'m
Foreign currency exposures – Cash		
Cash denominated in EUR	24.5	40.6
10% decrease in EUR: GBP	22.0	36.5
10% increase in EUR: GBP	26.9	44.6
Cash denominated in USD	32.5	26.3
10% decrease in USD: GBP	29.3	23.6
10% increase in USD: GBP	35.8	28.9

The combined theoretical impact on Shareholders' equity of the changes to revenues, investments and cash and cash equivalents of a change in the exchange rate of +/- 10% between GBP and USD/EUR would be as follows:

	31 March 2022 £'m	31 March 2021 £'m
Foreign currency exposures – Equity		
Shareholders' Equity	1,433.8	1,033.1
10% decrease in EUR: GBP/USD : GBP	1,290.5	929.8
10% increase in EUR: GBP/USD : GBP	1,577.3	1,136.5

Market risk – Price risk

Market price risk arises from the uncertainty about the future prices of financial instruments held in accordance with the Group's investment objectives. It represents the potential loss that the Group might suffer through holding market positions in the face of market movements. As stated in Note 5 and Note 28, valuation of unquoted equity investments at fair value through profit or loss is a critical accounting estimate and actuals may differ from estimates.

The Group is exposed to equity price risk in respect of equity rights and investments held by the Group and classified on the balance sheet as financial assets at fair value through profit or loss (Note 28). These equity rights are held mostly in unquoted high growth technology companies and are valued by reference to revenue or earnings multiples of quoted comparable companies (taken as at the year-end date), last round price (calibrated against market comparables), or NAV of underlying fund, and also in certain quoted high growth technology companies – as discussed more fully in Note 5(a). These valuations are subject to market movements.

The Group seeks to manage this risk by routinely monitoring the performance of these investments, employing stringent investment appraisal processes.

Theoretical impact of a fluctuation in equity prices of +/-10% would be as follows:

£'m	Valuation methodology							
	Quoted equity		Revenue-multiple		NAV of underlying fund		Calibrated price of recent investment	
	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%
As at 31 March 2022	(6.4)	6.4	(39.8)	39.9	(24.1)	24.1	(67.2)	74.3
As at 31 March 2021	(8.6)	8.6	(32.6)	32.6	(11.8)	11.8	(45.1)	45.1

Given the impact on both private and public markets from current market volatility, which could impact the valuation of our unquoted and quoted equity investments, we further flexed by 20% in order to analyse the impact on our portfolio of larger market movements. For further details of movements in our quoted investments post year-end, please see the Note 35, Subsequent events. Theoretical impact of a fluctuation of +/- 20% would have the following impact:

£'m	Valuation methodology							
	Quoted equity		Revenue-multiple		NAV of underlying fund		Calibrated price of recent investment	
	-20%	+20%	-20%	+20%	-20%	+20%	-20%	+20%
As at 31 March 2022	(12.8)	12.8	(80.2)	79.7	(48.2)	48.2	(132.2)	151.4
As at 31 March 2021	(17.1)	17.1	(65.2)	65.2	(23.7)	23.7	(90.1)	90.1

Liquidity risk

Cash and cash equivalents comprise of cash and short-term bank deposits with an original maturity of three months or less held in readily accessible bank accounts. Restricted cash includes £2.3 million of collateral for interest payments on the revolving credit facility (see Note 22). The carrying amount of these assets is approximately equal to their fair value. Responsibility for liquidity risk management rests with the Board of Molten Ventures plc, which has established a framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows. The utilisation of the loan facility and requirement for utilisation requests is monitored as part of this process. For the contractual maturities of the Group's liabilities see tables below.

Contractual maturities of liabilities at 31 March 2022	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Total contractual cash flows	Carrying amount
Trade and other payables	(13.3)	(1.0)	–	–	(14.3)	(14.3)
Fees on facility	–	–	–	–	0.3	0.3
Facility	(1.2)	(1.2)	(2.3)	(30.3)	(35.0)	(35.0)
Provisions	–	–	(0.2)	–	(0.2)	(0.2)
Current lease liabilities	(0.2)	(0.2)	–	–	(0.4)	(0.4)
Non-current lease liabilities	–	–	(0.3)	–	(0.3)	(0.3)
Total shown in the statement of financial position	(14.7)	(2.4)	(2.8)	(30.3)	(49.9)	(49.9)

Contractual maturities of liabilities at 31 March 2021	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Total contractual cash flows	Carrying amount
Trade and other payables	(8.1)	(1.6)	–	–	(9.7)	(9.7)
Fees on facility	–	–	–	–	0.4	0.4
Facility	–	–	–	–	–	–
Current lease liabilities	(0.2)	(0.1)	–	–	(0.3)	(0.3)
Non-current lease liabilities	–	–	(0.4)	(0.3)	(0.7)	(0.7)
Total shown in the statement of financial position	(8.3)	(1.7)	(0.4)	(0.3)	(10.3)	(10.3)

Lease liabilities fall due over the term of the lease – see Note 22(i) for further details. The debt facility has a term of three years – for further details, see Note 22. All other Group payable balances at balance sheet date and prior periods fall due for payment within one year.

As part of our Fund of Funds strategy, we make commitments to funds to be drawn down over the life of the fund. Projected drawdowns are monitored as part of the monitoring process above. For further details, see Note 31.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits. As part of the Group's investments, the Group invests in debt instruments such as bridging loans and convertible loan notes. The Group's trade receivables are amounts due from the investment funds under management, or underlying portfolio companies. The Group's maximum exposure to credit risk is limited to the carrying amount of trade receivables, cash and cash equivalents, and restricted cash at 31 March is summarised below:

	31 March 2022 £'m	31 March 2021 £'m
Classes of financial assets impacted by credit risk, carrying amounts		
Trade and other receivables	2.8	3.7
Cash at bank and on hand	75.8	158.4
Restricted cash	2.3	2.3
Total	80.9	163.2

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continued

29. Financial instruments risk continued

The Directors consider that expected credit losses relating to the above financial assets are immaterial for each of the reporting dates under review as they are of good credit quality. In respect of trade and other receivables, the Group is not exposed to significant risk as the principal customers are the investment funds managed by the Group, and in these the Group has control of the banking as part of its management responsibilities. Investments in unlisted securities are held within limited partnerships for which Esprit Capital Partners LLP acts as manager, and consequently the Group has responsibility itself for collecting and distributing cash associated with these investments. The credit risk of amounts held on deposit is limited by the use of reputable banks with high quality external credit ratings and as such is considered negligible. The Group has an agreed list of authorised counterparties. Authorised counterparties and counterparty credit limits are established within the parameters of the Group Treasury Policy to ensure that the Group deals with creditworthy counterparties and that counterparty concentration risk is addressed. Any changes to the list of authorised counterparties are proposed by the CFO after carrying out appropriate credit worthiness checks and any other appropriate information, and the changes require approval from the Board. Cash at 31 March 2022 and 31 March 2021 is held with the following institutions: (1) Barclays Bank plc; (2) Silicon Valley Bank plc; (3) Investec Bank plc; and (4) EFG Private Bank Limited.

Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for Shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure.

The Group is funded through equity and debt at balance sheet date. The Group has a revolving credit facility in place. During the year drawdowns of £30.0 million took place, with £30.0 million drawn at 31 March 2022 (31 March 2021: no drawdowns). Please refer to Note 22(ii) for further details regarding the revolving credit facility.

In order to maintain or adjust the capital structure, the Group may make distributions to Shareholders, return capital to Shareholders, issue new shares or sell assets to manage cash.

Interest rate risk

The Group's interest rate risk arises from borrowings on the £65.0 million loan facility with Silicon Valley Bank and Investec, which was entered into in June 2019. Prior to the period ending 30 September 2019, the Group did not have any borrowings. The Group's borrowings are denominated in GBP and are carried at amortised cost.

Drawdowns of £30.0 million were made during the year (maximum drawn during the year of £30.0 million) at an interest rate of 6.75%, rising to 7% from 17 March 2022 – an amount of £30.0 million was drawn at 31 March 2022. Future drawdowns may be subject to a different interest rate. The facility agreement has an interest rate calculated with reference to the Bank of England base rate (currently 1.0% at date of publication) with a margin of 6.25%. At 31 March 2022, the agreement does not have an interest rate floor (at 31 March 2021: interest rate floor of 7.50%). If the base rate increases, the interest charged on future drawdowns will increase.

If the Bank of England base rate had been 1.0% higher during the year to 31 March 2022 the difference to the consolidated statement of comprehensive income would have been an increase in finance costs of £0.1 million. If the Bank of England base rate had been 1.0% higher during the year to 31 March 2022 the difference to the consolidated statement of cash flows would have been an increase in expenditure of £0.1 million.

30. Related party transactions

The Group has various related parties stemming from relationships with Limited Partnerships managed by the Group, its investment portfolio, its advisory arrangements/Directors fees (board seats) and its key management personnel.

On 30th March 2022, Molten Ventures plc entered into an agreement with Softcat plc to provide Molten Ventures plc with fractional CIO services. Karen Slatford is both the Chair of Softcat plc's Board and the Chair of Molten Ventures plc's Board.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, and are considered to be the Directors of the Company listed on pages 84 to 85.

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Wages and salaries	2.6	2.2
Short-term non-monetary benefits	–	-
Defined contribution pension costs	0.2	0.1
Share-based payment expense	–	1.0
Social security contributions and similar taxes	0.4	0.4
Carried interest paid	2.6	0.2
Total	5.8	3.9

The details of individual Directors' remuneration and pension benefits, as set out in the tables contained in the Directors' Remuneration Report on page 112, form part of these consolidated financial statements.

During the year, employees of Molten Ventures plc, including key management personnel were granted and exercised share options – see Note 14 for further details.

Transactions with other related parties

In addition to key management personnel, the Company has related parties in respect of its subsidiaries and other related entities.

Management fees

Fees are received by the Group in respect of the EIS and VCT funds as well as unconsolidated structured entities managed by Esprit Capital Partners LLP, which is consolidated into the Group. The EIS funds are managed by Encore Ventures LLP under an Investment Management Agreement; Encore Ventures LLP is a consolidated subsidiary of the Group. Molten Ventures VCT plc is managed under an Investment Management Agreement by Elderstreet Investments Limited, which is a consolidated subsidiary of the Group. Management fees are received by the Group in respect of these contracts. See Note 4(b) for further information on consolidation.

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Management fees recognised in the statement of comprehensive income resulting from related party transactions		
Management fees from unconsolidated structured entities	12.7	9.2
Management fees from EIS and VCT funds	5.1	3.4

Directors' fees

Administration fees for the provision of Director services are received where this has been agreed with the portfolio companies. These amounts are immaterial. At times, expenses incurred relating to Director services can be recharged to portfolio companies – these are also immaterial. Molten Ventures does not exercise control or management through any of these non-executive positions.

Carry payments

Carry was paid to 16 beneficiaries in the year, of which the below was to related parties. Carry payments have been made in respect of Esprit Capital III LP, Esprit Capital IV LP and Esprit Capital (1) (B) LP to key management personnel in FY21 and FY22. Please see the Directors' Remuneration Report for further details.

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Carry payments	2.6	0.2

Performance fees

Performance fees have been paid during the year by the EIS and VCT funds to Encore Ventures LLP. At 31 March 2022, £0.8 million was unpaid (31 March 2021: £Nil).

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Performance fees	2.5	–

Loans to related parties

In addition to the above, during the year ended 31 March 2021, the Company loaned £3.7 million to Esprit Capital Fund No 1 & No 2 LP on an arm's length basis. The loan was repaid during the year ending 31 March 2021 along with accrued interest of £0.4 million.

Notes to the consolidated financial statements

continued

30. Related party transactions continued

Unconsolidated structured entities

The Group has exposure to a number of unconsolidated structured entities as a result of its venture capital investment activities.

The Group ultimately invests all funds via a number of limited partnerships and some via Molten Ventures plc's wholly owned subsidiary, Molten Ventures (Ireland) Limited. These are controlled by the Group and not consolidated, but they are held as investments at fair value through profit or loss on the consolidated statement of financial position in line with IFRS 10 (see Note 4(b) for further details and for the list of these investment companies and limited partnerships). The material assets and liabilities within these investment companies are the investments, which are held at FVTPL in the consolidated accounts. Please see further details in the table below.

Name of undertaking	Registered office	Activity	Holding	Country	31 March 2022 £'m	31 March 2021 £'m
Esprit Investments (1) (B) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	18.0	12.0
Esprit Investments (2) (B) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	240.0	157.6
Molten Ventures (Ireland) Limited	32 Molesworth Street, Dublin 2, Ireland	Investment entity	100%	Ireland	1,121.7	670.6
Esprit Capital III LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	50.8	71.4
Esprit Capital IV LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	34.8	79.6
DFJ Europe X LP	c/o Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Limited Partnership pursuant to which the Group makes certain investments	100%	Cayman Islands	15.8	62.7
Esprit Investments (1) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	248.3	211.1
Esprit Investments (2) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	787.2	307.8

Molten Ventures (Ireland) Limited invests via the following limited partnerships: Esprit Investments (1) LP, Esprit Investments (2) LP, Esprit Capital IV LP (which also holds investments via DFJ Europe X LP), Esprit Capital III LP.

The investments balance in the consolidated statement of financial position also includes investments held by consolidated entities.

The Group also co-invests or historically co-invested with a number of limited partnerships (see Note 4(b) for further details). The exposure to these entities is immaterial.

31. Capital commitments

The Group makes commitments to seed funds (including funds invested in as part of our partnership with Earlybird) as part of its investment activity, which will be drawn down as required by the funds over their investment period. Contractual commitments for the following amounts have been made as at 31 March 2022 but are not recognised as a liability on the consolidated statement of financial position:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Undrawn capital commitments	74.2	68.2
Total capital commitments	263.5	218.9

Total exposure for the Group to these seed funds (including Earlybird) is £399.5 million of investments (31 March 2021: £328.8 million).

32. Ultimate controlling party

The Directors of Molten Ventures plc do not consider there to be a single ultimate controlling party of the Group.

33. Alternative Performance Measures ("APM")

The Group has included the APMs listed below in this report as they highlight key value drivers for the Group and, as such, have been deemed by the Group's management to provide useful additional information to readers of this report. These measures are not defined by IFRS and should be considered in addition to IFRS measures.

Gross Portfolio Value ("GPV")

The GPV is the gross fair value of the Group's investment holdings before deductions for the fair value of carry liabilities and any deferred tax. The GPV is subject to deductions for the fair value of carry liabilities and deferred tax to generate the net investment value, which is reflected on the consolidated statement of financial position as financial assets held at FVTPL. Please see Note 28 for a reconciliation to the net investment balance. This table also shows the Gross to Net movement, which is 92% in the current year calculated as the net investment value (£1,410.8 million) divided by the GPV (£1,531.5 million). The table reflects a Gross fair value movement of £362.8 million, on an opening balance of £983.8 million, which is a 37% percentage change on the 31 March 2021 GPV. This is described in the report as the Gross fair value increase.

Net Portfolio Value ("NPV")

The NPV is the net fair value of the Group's investment holdings after deductions for the fair value of carry liabilities and any deferred tax from the GPV. The NPV is the value of the Group's financial assets classified at "fair value through profit or loss" on the statement of financial position.

NAV per share

The NAV per share is the Group's net assets attributable to Shareholders divided by the number of shares at the relevant reporting date. See the calculation in Note 13.

Platform AuM

The latest available fair value of investments held at FVTPL and cash managed by the Group, including funds managed by Elderstreet Investments Limited, Encore Ventures LLP, and Esprit Capital Partners LLP. This includes a deduction for Molten Ventures plc operating costs budget for the year. We also refer to the EIS and VCT fund AUM separately within the report.

34. Exceptional items

Exceptional costs were recognised in the year ending 31 March 2022 relating to the Company's Main Market Move of £2.4 million (31 March 2021: £Nil). The majority of these costs include fees relating to brokers, legal advisory, listing, reporting accountant, NED recruitment, remuneration advisory, IT consultancy, and PR services.

35. Subsequent events

Post period-end, we have deployed £73.7 million in investments including our announced deal in HiveMQ.

We announced the funding rounds of Thought Machine and Aiven (Aiven is held via our partnership with Earlybird).

At 31 March 2022, we held interests in three listed companies – Trustpilot, UiPath, and Cazoo. Their valuations are based on their quoted share price on 31 March 2022. Their value using the closing quoted share price on 8 June 2022 was £43.9 million.

There are no further post balance sheet events requiring comment.

Company statement of financial position

as at 31 March 2022

	Notes	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Non-current assets			
Financial assets held at fair value through profit or loss	6	1,379.7	840.2
Investments in subsidiary undertakings	7	14.2	14.2
Deferred tax		1.6	–
Property, plant and equipment	4, 9	0.9	1.4
Total non-current assets		1,396.4	855.8
Current assets			
Trade and other receivables	8	11.8	6.7
Cash and cash equivalents		61.9	150.6
Restricted cash		2.3	2.3
Total current assets		76.0	159.6
Current liabilities			
Trade and other payables	11	(8.2)	(11.2)
Lease liabilities	9	(0.4)	(0.3)
Total current liabilities		(8.6)	(11.5)
Non-current liabilities			
Deferred tax		(25.7)	–
Provisions		(0.3)	–
Loans and borrowings	10	(29.7)	0.4
Lease liabilities	9	(0.3)	(0.7)
Total non-current liabilities		(56.0)	(0.3)
Net assets		1,407.8	1,003.6
Equity			
Share capital	12	1.5	1.4
Share premium account	12	615.9	508.3
Other reserves	13	28.9	26.2
Retained earnings		761.5	467.7
Equity attributable to owners of Molten Ventures plc		1,407.8	1,003.6

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and have not presented a statement of comprehensive income for the Company. The Company's profit for the year ended 31 March 2022 was £296.3 million (31 March 2021: £262.0 million).

The Company financial statements should be read in conjunction with the accompanying notes. The Company financial statements on pages 170 to 178 were authorised for issue by the Board of Directors on 12 June 2022 and were signed on its behalf.



Ben Wilkinson
Chief Financial Officer

Molten Ventures plc registered number 09799594

Company statement of changes in equity

for the year ended 31 March 2022

Year ended 31 March 2022 £'m	Note	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Brought forward as at 1 April 2021		1.4	508.3	26.2	467.7	1,003.6
Comprehensive income/(expense) for the year						
Profit for the year		–	–	–	296.3	296.3
Total comprehensive income/(expense) for the year		–	–	–	296.3	296.3
Contributions by and distributions to the owners:						
Issue of share capital	12	0.1	–	–	–	0.1
Share premium	12	–	107.6	–	–	107.6
Options granted and awards exercised	13	–	–	2.7	(2.5)	0.2
Total contributions by and distributions to the owners		0.1	107.6	2.7	(2.5)	107.9
Balance as at 31 March 2022		1.5	615.9	28.9	761.5	1,407.8

Year ended 31 March 2021 £'m	Note	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Brought forward as at 1 April 2020		1.2	400.7	26.2	207.1	635.2
Comprehensive income/(expense) for the year						
Profit for the year		–	–	–	261.9	261.9
Total comprehensive income/(expense) for the year					261.9	261.9
Contributions by and distributions to the owners:						
Issue of share capital	12	0.2	106.3	–	–	106.5
Options granted and awards exercised	13	–	1.3	–	(1.3)	–
Total contributions by and distributions to the owners		0.2	107.6	–	(1.3)	106.5
Balance as at 31 March 2021		1.4	508.3	26.2	467.7	1,003.6

The consolidated financial statements should be read in conjunction with the accompanying notes.

Notes to the company financial statements

1. Basis of preparation

The financial reporting framework that has been applied in the preparation of the Company’s financial statements is Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. The Company has taken advantage of disclosure exemptions available under FRS 101 as explained below. The financial statements are prepared on a going concern basis.

A summary of the more important Company accounting policies, which have been consistently applied except where noted, is set out in the relevant notes below.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined);
- IAS 7 Statement of Cash Flows;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into and between two or more members of a group;
- IAS 1 Presentation of Financial Statements and the following paragraphs of IAS 1: 10(d) (statement of cash flows), 16 (statement of compliance with all IFRS), 111 (cash flow statement information), and 134-136 (capital management disclosures).

No new Standards have been adopted in the current financial year ending 31 March 2022 or in the prior financial year ending 31 March 2021.

2. Critical accounting estimates and judgements

The Directors have made judgements and estimates with respect to those items that have made the most significant effect on the carrying amounts of the assets and liabilities in the financial statements. The Directors have concluded that the critical judgements and estimates in the Company financial statements are consistent with those applied in the consolidated financial statements, further details of which can be found in Note 5 of the consolidated financial statements.

3. Investments in subsidiary undertakings

Unlisted investments are held at cost less any provision for impairment with the exception of unconsolidated investment entity subsidiaries that are held at fair value.

4. Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following basis:

- Leasehold improvements – over the term of the lease
- Fixtures and equipment – 33% p.a. straight line
- Computer equipment – 33% p.a. straight line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

	Right-of-use assets £'m	Leasehold improvements £'m	Computer equipment £'m	Total £'m
31 March 2022				
Cost				
Cost carried forward as at 1 April 2021	1.6	0.8	0.1	2.5
Additions during the year	–	–	0.1	0.1
Disposals during the year	–	–	–	–
Cost as at 31 March 2022	1.6	0.8	0.2	2.6
Accumulated depreciation				
Depreciation carried forward as at 1 April 2021	(0.7)	(0.4)	–	(1.1)
Charge for the year	(0.3)	(0.2)	(0.1)	(0.6)
Disposals during the year	–	–	–	–
Accumulated depreciation as at 31 March 2022	(1.0)	(0.6)	(0.1)	(1.7)
Net book value				
As at 31 March 2022	0.6	0.2	0.1	0.9
As at 31 March 2021	1.0	0.3	0.1	1.4

	Right-of-use assets £'m	Leasehold improvements £'m	Computer equipment £'m	Total £'m
31 March 2021				
Cost				
Cost carried forward as at 1 April 2020	1.6	0.7	0.1	2.4
Additions during the year	–	0.1	0.0	0.1
Disposals during the year	–	–	(0.0)	(0.0)
Cost as at 31 March 2021	1.6	0.8	0.1	2.5
Accumulated depreciation				
Depreciation carried forward as at 1 April 2020	(0.3)	(0.2)	(0.0)	(0.5)
Charge for the year	(0.3)	(0.3)	(0.0)	(0.6)
Disposals during the year	–	–	0.0	0.0
Accumulated depreciation as at 31 March 2021	(0.6)	(0.5)	(0.0)	(1.1)
Net book value				
As at 31 March 2021	1.0	0.3	0.1	1.4
As at 31 March 2020	1.3	0.4	0.0	1.8

No “fixtures and equipment” are held by the Company.

5. Results for the Parent Company

The Auditors’ remuneration for audit services and other services is disclosed in Note 10 to the consolidated financial statements.

Notes to the company financial statements

continued

6. Financial assets held at fair value through profit or loss

Name of undertaking	Registered office	Activity	Holding	Country	31 March 2022 £'m	31 March 2021 £'m
Esprit Investments (1) (B) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	18.0	12.0
Esprit Investments (2) (B) LP	20 Garrick Street, London, WC2E 9BT	Limited Partnership pursuant to which the Group makes certain investments	100%	England	240.0	157.6
Molten Ventures (Ireland) Limited	32 Molesworth Street, Dublin 2, Ireland	Investment entity	100%	Ireland	1,121.7	670.6
Totals					1,379.7	840.2

	31 March 2022 £'m	31 March 2021 £'m
As at 1 April	840.2	631.4
Investments made in the year ¹	311.2	128.0
Loans made/repaid from underlying investment vehicles ¹	(90.1)	(194.5)
Changes on gains on investments held at fair value through profit or loss	318.4	275.3
Totals	1,379.7	840.2

¹ Investments and loans made in the year are amounts the Company has invested in underlying investment vehicles. This is not the equivalent to the total amount invested in portfolio companies, as existing cash balances from the investment vehicles are reinvested.

See Note 4(b) in the consolidated financial statements for the accounting policies in respect of investments held at fair value through profit or loss.

7. Investments in consolidated subsidiary undertakings, associates and Employee Benefit Trust

On 15 June 2016, the Company acquired the entire capital interests of Esprit Capital Partners LLP for £13.2 million, which was satisfied in shares and is held at cost on the Company's balance sheet within investments in subsidiary undertakings as at 31 March 2022 (2021: £13.2 million).

On 26 November 2016, the Company acquired 30.77% of the capital interests in Elderstreet Holdings Limited, the holding company of Elderstreet Investments Limited (manager of Molten Ventures VCT plc) for £0.26 million which was held at cost on the Company's balance sheet at 31 March 2020 within investments in associates. On 9 February 2021, Molten Ventures plc acquired the remaining 69.23% of the issued share capital in Elderstreet Holdings Limited. Elderstreet Holdings Limited was held as an Investment in Associate on the consolidated statement of financial position as at 31 March 2020. Total consideration for the remaining issued share capital not previously held was cash consideration of £0.79 million (with an amount withheld for tax on share options). This transaction is accounted for under IFRS 3 as a business combination achieved in stages (or "step acquisition") as this transaction resulted in Molten Ventures plc obtaining control over Elderstreet Holdings Limited and Elderstreet Investments Limited (as its 100% owned subsidiary). At 31 March 2022, the total investment in subsidiary undertaking is £1.05 million made up of initial ownership and the cash consideration (31 March 2021: £1.05 million).

On 27 November 2020, Molten Ventures Employee Benefit Trust (the "Trust") was set up to operate as part of the employee share option schemes. The Trust is funded via a loan from Molten Ventures plc, which is included in trade and other receivables on the company statement of financial position.

8. Trade and other receivables

	31 March 2022 £'m	31 March 2021 £'m
Trade receivables	0.3	0.1
Other receivables and prepayments	1.0	1.1
Loans made to Group companies	9.5	4.6
Intercompany debtors	1.0	0.9
Total	11.8	6.7

9. Leases

The Group applied IFRS 16 leases from the prior year ending 31 March 2021. The Company has the same leases as the Group. Refer to Note 22(i) of the consolidated financial statements.

10. Loans and borrowings

In June 2019 the Company entered into a revolving credit facility agreement with Silicon Valley Bank and Investec (together the "Financiers") of £50.0 million over a three-year term to fund the future growth plans of investee companies. This was extended in June 2020 by £10.0 million to £60.0 million with a maturity of June 2023, and again extended in June 2021 by £5.0 million to £65.0 million with a maturity of June 2024. Refer to Note 22(ii) of the consolidated financial statements.

11. Trade and other payables

	31 March 2022 £'m	31 March 2021 £'m
Trade payables	(0.4)	(0.5)
Other taxation and social security	(0.4)	(0.4)
Intragroup creditors	(0.3)	(3.0)
Other payables	–	–
Accruals and deferred income	(7.1)	(7.3)
Total	(8.2)	(11.2)

All trade and other payables amounts are short term. The net carrying value of all financial liabilities is considered a reasonable approximation of fair value.

12. Share capital and share premium

31 March 2022 - Allotted and fully paid	Number	Pence	£'m
At the beginning of the year	139,097,075	1	1.4
Issue of share capital during the year ¹	13,902,778	1	0.1
At the end of the year	152,999,853	1	1.5

¹ In June 2021, the Company raised gross proceeds of £111.2 million at a placing price of 800 pence per share by way of a placing of 13,902,778 new ordinary shares.

31 March 2021 - Allotted and fully paid	Number	Pence	£'m
At the beginning of the year	118,918,124	1	1.2
Issue of share capital during the year ¹	359,131	1	–
Issue of share capital during the year ²	19,819,820	1	0.2
At the end of the year	139,097,075	1	1.4

¹ Between August 2020 and March 2021, 359,131 new 1 pence ordinary shares were issued in association with share options being exercised.
² In October 2020, the Company secured commitments to raise gross proceeds of £110.0 million at a placing price of 555 pence per share by way of a conditional placing of 19,819,820 new ordinary shares.

Movements in share premium in the statement of changes in equity are shown net of directly attributable costs relating to the share issuance. Movements in share capital and share premium are explained in Note 24 of the consolidated financial statements.

13. Other reserves

Movements in other reserves are explained in Note 25(ii) of the consolidated financial statements.

14. Share-based payments

The Company operates a share option scheme that is explained in Note 14 of the consolidated financial statements. The Company operates the share option scheme within the Group, therefore the details provided in Note 14 are also applicable to the Company.

Notes to the company financial statements

continued

15. Employee information

Employee benefit expenses (including Directors) comprise:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Wages and salaries	8.7	7.6
Defined contribution pension costs	0.8	0.7
Benefits (healthcare and life assurance)	0.2	0.2
Recruitment costs	0.2	0.0
Social security contributions and similar taxes	1.5	1.5
General employee and employee related expenses	11.4	10.0
Share-based payment expense arising from Company share option scheme	3.6	1.5
Total employee benefit expenses	15.0	11.5

Infrastructure comprises finance, marketing, human resources, legal, IT, and administration.

The monthly average number of persons (including Executive and Non-Executive Directors) employed by the Company during the year was:

	Year ended 31 March 2022 Number	Year ended 31 March 2021 Number
Executive Directors	3	3
Non-Executive Directors	4	3
Investment	16	12
Infrastructure	23	19
Total	46	37

At 31 March 2022, there were 5 Non-Executive Directors (31 March 2021: 3).

16. Deferred tax

Deferred tax is calculated in full on temporary differences under the balance sheet liability method using the tax rate expected to apply when the temporary differences reverse. See breakdown below:

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Arising on share-based payments	1.6	–
Deferred tax asset	1.6	–
Arising on the investment portfolio	(25.6)	–
Other timing differences	(0.1)	–
Deferred tax liability	(25.7)	–
At the end of the period	(24.1)	–

17. Subsidiary undertakings

The Company has a number of subsidiary undertakings. For a breakdown of the subsidiaries and related undertakings of the Group, of which Molten Ventures plc is the ultimate parent entity, see Note 4(b) and Note 17 of the consolidated financial statements. See below the list of direct subsidiaries of Molten Ventures plc.

Name of subsidiary undertaking	Activity	Holding	Registered office
Esprit Capital Partners LLP	AIFM to the Company and Esprit Funds	100%	20 Garrick Street, London, WC2E 9BT, United Kingdom
Molten Ventures (Nominee) Limited ¹	Nominee company	100%	20 Garrick Street, London, WC2E 9BT, United Kingdom
Elderstreet Holdings Limited ²	Intermediate holding company	100%	20 Garrick Street, London, WC2E 9BT, United Kingdom
Molten Ventures (Ireland) Limited	Investment entity	100%	32 Molesworth Street, Dublin 2, Ireland
Esprit Investments (1) (B) LP	Limited Partnership pursuant to which the Group makes certain investments	100%	20 Garrick Street, London, WC2E 9BT, United Kingdom
Esprit Investments (2) (B) LP	Limited Partnership pursuant to which the Group makes certain investments	100%	20 Garrick Street, London, WC2E 9BT, United Kingdom
Grow Trustees Limited	Trustee of the Group's employment benefit trust	100%	20 Garrick Street, London, WC2E 9BT, United Kingdom
Molten Ventures Advisors Ltd ³	Investment Advisor to the Growth Fund	100%	20 Garrick Street, London, WC2E 9BT, United Kingdom

¹ Molten Ventures (Nominee) Limited is held at cost £Nil (2021: £Nil) on the Company's balance sheet.

² The remaining interest in Elderstreet Holdings Limited, holding company of Elderstreet Investments Limited, was purchased by Molten Ventures plc on 9 February 2021. For further details, see Note 18 of the FY21 consolidated financial statements.

³ Molten Ventures Advisors Ltd was incorporated on 24 January 2022

18. Fair value measurements

The investments are held through the investment companies as set out in Note 4b in the consolidated financial statements at their respective net asset values and as such are all noted to be Level 3 for FY22 and FY21. The difference between investments disclosed in Note 28 of the consolidated financial statements and the Company investments relate to interests in unvested carried interest held by subsidiaries of Molten Ventures plc, which are included in the consolidated financial statements at FVTPL but are not included in the Company financial statements. Unvested carried interest is carried interest, which is yet to vest, but would be due on realisation of assets based on measurement date fair values of investemnts. See table below for a reconciliation to the investment figure in Note 28 of the consolidated financial statements and the investments figure on the Company statement of financial position.

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Molten Ventures plc investments held at fair value through profit or loss	1,379.7	840.2
Fair value of investments held in other Group entities	31.1	26.9
Total	1,410.8	867.1

The Company holds investments at FVTPL. Refer to Note 28 for the Group's policies with respect to fair value measurements and Note 6 of the Company financial statements.

19. Financial instruments risk

In the normal course of business, the Company uses certain financial instruments including cash, trade and other receivables and investments. The Company is exposed to a number of risks through the performance of its normal operations. Refer to Note 29 of the consolidated financial statements.

Notes to the company financial statements

continued

19. Related party transactions

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and are considered to be the Directors of the Company listed on pages 84 to 85.

	Year ended 31 March 2022 £'m	Year ended 31 March 2021 £'m
Wages and salaries	2.6	2.2
Short-term non-monetary benefits	0.0	0.0
Defined contribution pension costs	0.2	0.1
Share-based payment expense	0.0	1.0
Social security contributions and similar taxes	0.4	0.4
Carried interest paid	2.6	0.2
Total	5.8	3.9

The details of individual Directors' remuneration and pension benefits, as set out in the tables contained in the Remuneration Committee Report on page 112, form part of these financial statements.

Other related party transactions

Please refer to Note 30 in the consolidated financial statements for further details on related party transactions. In addition to the transactions referenced in Note 30, the below transactions eliminate on consolidation but are relevant for the Company:

As at 31 March 2022, Molten Ventures plc has a receivable relating to an intercompany loan with Grow Trustees Limited relating to the purchase of own shares for the benefit of the Molten Ventures Employee Benefit Trust of £9.5 million (31 March 2021: £4.6 million).

During the year, £2.3 million (year ending 31 March 2021: £0.9 million) was invoiced from Molten Ventures plc to Encore Ventures LLP for overheads, including use of office space at 20 Garrick Street, staff, and fixed assets. At year-end a balance of £0.1 million (31 March 2021: £Nil) remained outstanding. Encore Ventures LLP is a subsidiary of Molten Ventures plc, and has a management contract with the EIS funds.

During the year, the Company invoiced Elderstreet Investments Limited, previously an associate and now a subsidiary, £0.3 million (year to 31 March 2021: £0.1 million), with a balance outstanding at year end of £Nil (31 March 2021: £0.01 million) for overheads, including use of office space at 20 Garrick Street, staff, and fixed assets.

20. Post-balance sheet events

Please refer to Note 35 of the consolidated financial statements.

Board, management and administration

Directors

Karen Slatford (Non-Executive Director)

Martin Davis (Chief Executive Officer)

Stuart Chapman (Chief Portfolio Officer)

Ben Wilkinson (Chief Financial Officer)

Gervaise Slowey (Non-Executive Director), appointed 23 July 2021

Grahame Cook (Non-Executive Director)

Richard Pelly (Non-Executive Director)

Sarah Gentleman (Non-Executive Director), appointed 8 September 2021

Registered office

20 Garrick Street, London, England, WC2E 9BT

Website

www.moltenventures.com

investors.moltenventures.com/investor-relations/plc

Broker and Joint Financial Adviser

Numis Securities Limited

45 Gresham Street

London

EC2V 7BF

United Kingdom

Broker and Euronext Dublin Sponsor

Goodbody Stockbrokers UC

Ballsbridge Park

Ballsbridge

Dublin 4

Ireland

Legal Advisers to the Company (as to English law)

Gowling WLG (UK) LLP

4 More London Riverside

London

SE1 2AU

United Kingdom

Legal Advisers to the Company (as to Irish law)

Maples and Calder

75 St. Stephen's Green

Dublin 2

Ireland

Depositary

Langham Hall UK Depositary LLP

1 Fleet Place

8th Floor

London

EC4M 7RA

United Kingdom

Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

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United Kingdom

Public Relations Adviser

Powerscourt Limited

1 Tudor Street

London

EC4Y 0AH

United Kingdom

Principal Bankers

Barclays Bank Plc

1 Churchill Place

London

E14 5HP

United Kingdom

Silicon Valley Bank

Alphabeta

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London

EC2A 1BR

Registrar

Equiniti Limited

Aspect House

Spencer Road

Lancing

West Sussex

BN99 6DA

United Kingdom

Company Secretary

c/o 20 Garrick Street, London, England, WC2E 9BT

Data Provider

PitchBook

1st Floor Saffron House

6-10 Kirby Street

London

EC1N 8TS

United Kingdom

Glossary

In this document, where the context permits, the expressions set out below shall bear the following meaning:

“Act”	the UK Companies Act 2006.
“AIM”	AIM, the market of that name operated by the London Stock Exchange.
“Audit, Risk and Valuations Committee”	the Audit, Risk and Valuations Committee of the Board.
“AUM”	assets under management.
“BoE”	Bank of England.
“BVCA”	British Private Equity & Venture Capital Association.
“Company” or “Molten Ventures” or “plc”	Molten Ventures plc, a company incorporated in England and Wales with registered number 09799594 and having its registered office at 20 Garrick Street, London, WC2E 9BT.
“Core Portfolio” or “Core Portfolio Companies” or “Core Companies”	the companies that represent approximately 68% of the overall portfolio value.
“COVID-19”	Coronavirus disease, the infectious disease caused by a new strain of coronavirus in 2019/20.
“DEF” or “Digital East Fund”	Digital East Fund 2013 SCA SICAR
“Directors” or “Board”	the Directors of the Company from time to time.
“EB GO” / “Earlybird Growth Opportunities fund”	Earlybird Growth Opportunities Fund I GmbH & Co. KG
“EB IV” / “Earlybird Fund IV”	Earlybird GmbH & Co. Beteiligungs-KG IV
“EB VI” / “Earlybird Fund VI”	Earlybird DWES Fund VI GmbH & Co. KG
“EB VII” / “Earlybird Fund VII”	Earlybird DWES Fund VII GmbH & Co. KG
“EIS”	The EIS funds managed by Encore Ventures LLP. EIS funds being Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007.
“Elderstreet”	Elderstreet Investments Limited, a private company limited by shares incorporated in England and Wales under registration number 01825358 with its registered office at 20 Garrick Street, London, WC2E 9BT.
“Encore Funds” / “EIS funds”	DFJ Esprit Angels’ EIS Co–Investment Fund, DFJ Esprit Angels’ EIS Co–Investment II, DFJ Esprit EIS III, DFJ Esprit EIS IV, Draper Esprit EIS 5, and Draper Esprit EIS (renamed Molten Ventures EIS post-period end), and each an “Encore Fund”.
“Encore Ventures”	Encore Ventures LLP, a limited liability partnership incorporated in England and Wales under the registration number OC347590 with its registered office at 20 Garrick Street, London, WC2E 9BT.
“ESG”	Environmental, Social and Governance.
“Esprit Capital” / “ECP”	Esprit Capital Partners LLP (previously Draper Esprit LLP) , a limited liability partnership incorporated in England and Wales under the registration number OC318087 with its registered office at 20 Garrick Street, London, WC2E 9BT, the holding vehicle of the Group immediately prior to IPO.
“Esprit funds”	Esprit Capital I Fund No.1 Limited Partners and Esprit Capital I Fund No.2 Limited Partnership, Esprit Capital II LP, Esprit Capital Fund III(I) LP and Esprit Capital Fund III(i) A LP and each an “Esprit Fund”.
“Euronext Dublin”	the trading name of the Irish Stock Exchange plc.
“Exclusion list”	the Group’s exclusion list setting out the sectors, businesses and activities in which the Group will not invest due to having as their objective or direct impact any of the following: 1. Slavery, human trafficking, forced or compulsory labour, or unlawful/harmful child labour. 2. Production or sale of illegal or banned products, or involvement in illegal activities. 3. Activities that compromise endangered or protected wildlife or wildlife products. 4. Production or sale of hazardous chemicals, pesticides and wastes. 5. Mining of fossil fuels. 6. Manufacture, distribution or sale of arms or ammunitions which are not systems or services generally regarded as having defensive/non-offensive objectives as their core focus. 7. Manufacture of, or trade in, tobacco or alcohol. 8. Manufacture or sale of pornography. 9. Trade in human body parts or organs. 10. Animal testing other than for the satisfaction of medical regulatory requirements. 11. Production or other trade related to unbonded asbestos fibres.

“FCA”	the UK Financial Conduct Authority.
“Fund of Funds”	seed funds invested in by the Group.
“Gross Portfolio fair value growth”	the increase in the fair value of the portfolio of investee companies held by funds controlled by the Company before accounting for deferred tax, external carried interest and amounts co-invested.
“Gross Portfolio Value”	Gross portfolio value is the value of the portfolio of investee companies held by funds controlled by the Company before accounting for deferred tax, external carried interest and amounts co-invested.
“Group”	the Company and its subsidiaries from time to time and, for the purposes of this document, including Esprit Capital LLP and its subsidiaries and subsidiary undertakings.
“HMRC”	HM Revenue & Customs.
“IFRS” or “IFRSs”	International Financial Reporting Standards, as adopted for use in the European Union.
“International Private Equity and Venture Capital Valuation Guidelines” / “IPEV Guidelines”	the International Private Equity and Venture Capital Valuation Guidelines, as amended from time to time.
“IPO”	the Admission of the enlarged share capital to trading on AIM and Euronext Growth (formerly the Enterprise Securities Market operated and regulated by the Irish Stock Exchange) on 15 June 2016 and such admission becoming effective in accordance with the AIM Rules and the Euronext Growth Rules respectively. The IPO included the acquisition of Esprit Capital Partners LLP and Molten Ventures (Ireland) Limited.
“IRR”	the internal rate of return.
“Investment Committee”	voting members of the Investment Committee of ECP.
“Investment Team”	The Partnership Team and Platform Team as described on the Company’s website.
“Main Market move”	Molten Ventures plc’s admission to the premium listing segment of the Official List of the Financial Conduct Authority and the secondary listing segment of the Official List of the Irish Stock Exchange plc, trading as Euronext Dublin and to trading on the London Stock Exchange plc’s main market for listed securities and the regulated market of Euronext Dublin.
“Main Market”	the London Stock Exchange plc’s main market for listed securities.
“NAV” / “Net Asset Value”	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time.
“Net Portfolio Value”	the value of the portfolio of investee companies held by funds controlled by the Company after accounting for deferred tax, external carried interest and amounts co-invested and recognised on the statement of financial position.
“Ordinary Shares”	ordinary shares of £0.01 pence each in the capital of the Company.
“PricewaterhouseCoopers” or “PwC”	PricewaterhouseCoopers LLP, a limited liability partnership registered in England and Wales with registered number OC303525 and having its registered office at 1 Embankment Place, London, WC2N 6RH.
“SECR”	Streamlined Energy and Carbon Reporting.
“SM&CR”	the Senior Managers and Certification Regime.
“SVB”	Silicon Valley Bank.
“TCFD”	Task Force on Climate-Related Financial Disclosures.
“VC”	venture capital.
“VCT” / “VCT funds”	the VCT funds of Molten Ventures VCT plc (Co. Reg. No.03424984), under the management of Elderstreet. VCT being Venture Capital Trusts under the provisions of part 6 of the Income Tax Act 2007.