

Molten
VCT

Molten Ventures VCT plc Half-yearly report

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Contents

- 3 Chairman's statement
- 5 Investment Manager's report
- 7 Summary of investment portfolio
- 8 Summary of investment movements
- 9 Unaudited balance sheet
- 10 Unaudited income sheet
- 11 Unaudited statement of changes in equity
- 12 Unaudited statement of cash flows
- 13 Notes to the unaudited financial statements
- 18 Company information
- 19 Shareholder information

Shareholder information

Recent performance summary	30 Sep 2023	31 Mar 2023	30 Sep 2022
	£'000	£'000	£'000
Net Asset Value ('NAV') per Share	49.9	53.3	52.8
Cumulative distributions paid per Share	115.1	113.6	113.6
Total Return per Share	165.0	166.9	166.4

Recent/forthcoming dividends

Recent	Amount per Share	Date of payment	Ex-dividend date	Record date
2023 Interim	1.0p	7 Apr 2023	2 Mar 2023	3 Mar 2023
2023 Final	0.5p	29 Sep 2023	24 Aug 2023	25 Aug 2023
Forthcoming				
2024 Interim	1.0p	5 Apr 2024	22 Feb 2024	23 Feb 2024

A full dividend history for the Company can be found via the VCT's website at: investors.moltenventures.com/investor-relations/vct

Dividends will be paid by the Company's registrar, The City Partnership, on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account, rather than by cheque to their registered address, can update their instructions at the Molten Ventures VCT plc Investor Hub: molten-ventures-vct.cityhub.uk.com

A Dividend Mandate Form is also available from this site that can be completed and emailed to registrars@city.uk.com or sent to The City Partnership (UK) Limited, The Mending Room, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH. If you have any queries, The City Partnership can be contacted by the email address above or on 01484 240910.

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

Share price

The Company's Share price can be found on various financial websites with the TIDM/EPIC code '**MVCT**'. A link to the share price is also available on the VCT's website as shown above.

Latest share price (13 December 2023): 48.0p per Share

Share scam warning

We are aware that a significant number of shareholders of VCTs continue to receive unsolicited telephone calls from a company purporting to be acting on behalf of a client who is looking to acquire their VCT shares at an attractive price. We believe these calls to be part of a 'Boiler Room Scam'.

Shareholders are warned to be very suspicious if they receive any similar type of telephone call.

If you have any concerns, please contact the Administrator on 020 7416 7780.

Shareholder information is continued at the back of this report.

Chairman's statement

Introduction

I am pleased to present the Half-Yearly Report for the Company for the six months ended 30 September 2023.

Market conditions have remained difficult throughout the period, however we have seen a steady level of new investment activity, utilising some of the funds raised from the successful offer for subscription earlier this year.

Net asset value and results

At 30 September 2023, the Company's Net Asset Value per share ('NAV') stood at 49.9p, a decrease of 1.9p or 3.6% since 31 March 2023 (after adding back the dividend paid during the period).

The loss on ordinary activities after taxation for the period was £3.8 million, comprising a revenue loss of £209,000 and a capital loss of £3.6 million.

Dividend

In 2023, the Company paid dividends in April and September 2023, totalling 1.5p. As explained in the 2023 Annual Report, VCT regulations restrict the payment of dividends out of reserves related to funds raised in the last three to four years. Following a series of successful fundraising offers in recent years, the Company has raised substantial levels of funds and as a result the Board currently has to carefully monitor reserves to ensure that the VCT regulations remain adhered to. The Board targets a total annual dividend of equal to 5% of net asset value, although ensuring continuing compliance with the VCT regulations will always take precedent.

As a result of the above, the Board is not proposing to pay a dividend prior to the end of the accounting period but intends to review this and continue a strong dividend policy once a greater level of reserves is 'unlocked' from the VCT regulation restrictions in future.

With this in mind, the Company will pay an interim dividend on 5 April 2024 of 1.0p per share, to Shareholders on the register at 23 February 2024.

Shareholders are reminded that the Company operates a Dividend Reinvestment Scheme, which allows Shareholders to automatically reinvest their dividends into new shares in the Company and obtain further income tax relief on that investment. Further details about how to opt-in can be found in the 'Shareholder Information' section on the inside cover of this report.

The last date for elections under the Dividend Reinvestment Scheme for the above dividend will be 8 March 2024.

Venture capital investments

During the period, the Company made four new and three follow-on investments, at a total cost of £13.2 million.

New investments were made in Morressier GmbH, Melio Healthcare Limited, Binalyze OU, and Oliva Health Holdings Inc. Follow-on investments were made in Global Satellite Vu Limited, Allplants Limited, and Apperio Limited.

At the period end, the Company held a portfolio of 52 venture capital investments, valued at £92.2 million.

As usual, the Board has reviewed the valuations of the unquoted investments as at 30 September 2023 and a number of adjustments to their carrying values have been made. This has resulted in a net valuation downturn of £2.6 million for the period across the whole portfolio.

The Company holds two AIM-quoted investments; Access Intelligence plc and Fulcrum Utility Services Limited, which are both valued at their share prices as at 30 September 2023. The valuation of the investment in Access Intelligence saw a decrease of £1.7 million over the period and that in Fulcrum of £383,000.

Fundraising

As noted in the last Annual Report, the Company closed a successful offer for subscription in February 2023, having raised £29.6 million.

In view of the strong demand from investors and the expectation of a continuing stream of good quality deal flow, the Company launched a new offer for subscription in October, seeking to raise up to £20 million (with an overallotment facility of £20 million to be used at the Directors' discretion). Approximately £3.5 million has been raised to date.

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

investors.moltenventures.com/investor-relations/vct

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

Chairman's statement CONTINUED...

Share buybacks

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

In line with this policy, during the period, the Company purchased 1,233,000 shares for cancellation at an average price of 48.91p per share.

As noted above in respect of the dividend, the Board is currently monitoring the Company's reserves to ensure continued compliance with the VCT regulations. In view of this, it is not expected that any further share buybacks will be made prior to the end of March 2024. However, the Board confidently expects to resume buybacks, subject to the above, in the Company's next financial year.

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

Outlook

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

We are hopeful that conditions will begin to improve in 2024 and that we may now be approaching a point in the cycle when excellent investment opportunities in the sectors in which your Company operates are available at attractive prices which can drive strong performance in future.

I look forward to updating Shareholders on progress in my statement in the Annual Report to 31 March 2024, which will be published in the summer.

David Brock

Chairman

14 December 2023

Investment Manager’s report

The challenging market backdrop has continued for the period however we continue to actively support our portfolio companies as well as making new investments.

The valuation movements in the first half of the year showed a NAV Total Return (NAVTR – adding back dividends paid in the period) decrease of 3.6%. While we are disappointed to report this small decline in NAVTR in the period, our long-held and consistent approach to valuations has enabled the manager to demonstrate relative resilience. Having acted quickly at the onset of the downturn in early 2022, we are now seeing evidence of greater stability in our valuations, and we anticipate further stabilisation, and in parts, recovery.

Following a successful fundraising season, deployment has been strong for the first seven months of the year. Including one new investment made post the period end, the team completed eight investments totalling £15.9 million. This compares with a total invested in the previous twelve months of £17.3 million. This comprised five new investments totalling £12.1 million alongside three follow-on investments totalling £3.8 million.

At the period end, Molten technology companies represented 87% of the portfolio and legacy companies 13%. The net asset valuation split was 76% in investments, and 24% in cash and other net current assets, which was reduced by the new investment made post the period end.

Five new investments (including one made post the period end), alongside the Molten EIS and Molten Ventures plc funds, were made into the following companies:

	£'000
Oliva Health Holdings Inc <i>Non-clinical mental health solutions</i>	1,628
Morressier GmbH <i>Publishes workflow and integrity software</i>	3,162
Bianalyze OU <i>Cybersecurity forensics and incident response</i>	2,161
Melio Healthcare Limited (t/a IMU Bioscience) <i>Immune system bio diagnostics</i>	2,520
Anima Group Inc (made after the period end) <i>Care enablement platform</i>	2,653
	12,124

In the period, one portfolio company, Global Satellite Vu Limited, attracted a £12.7 million follow-on investment bringing their total investment to £30.5 million in venture capital funding. The round was led by Molten Ventures, with participation from Seraphim Space Investment Trust PLC, A/O Proptech, Lockheed Martin, Ridgeline Ventures, Earth Sciences Foundation, and Stellar Ventures – all existing investors.

Global Satellite Vu Limited, is a UK-based company that is launching a constellation of infrared satellites capable of monitoring the thermal footprint of any building on earth multiple times a day. The technology, built by Airbus, is proven, and there's commercial exclusivity over the intellectual property in perpetuity. The first satellite launched in June 2023 with SpaceX. By 2024/5 a constellation of just seven satellites will provide global coverage with the ability to capture data over specific areas of interest 10-20 times a day.

Global Satellite Vu is not just focusing on delivering geospatial intelligence for defence and government customers; its long-term vision is to create proprietary data, analytics, and solutions focusing on energy efficiency, retrofit, and net-zero markets. Global Satellite Vu has already secured customer commitments through its Early Access Option Program (EAP) valued at over £128 million.

Two further smaller follow-on investments were made into Apperio Limited and AllPlants Limited.

There were no successful exits in the period, however, post the period end Fluidic Analytics entered administration. While disappointing from a returns perspective, we are hopeful that the technology will be sold to continue the ground-breaking work achieved by the company.

Following the successful fundraise of £29.6 million in the last tax season, the Company recently launched its new fundraising offer with a target first close of £20 million.

The prospectus is available to download from the VCT's website at:

investors.moltenventures.com/investor-relations/vct

Access to the application portal and other documentation is also available on that page.

Investment Manager's report CONTINUED...

The Investment Manager is an active member of the VCT Association (VCTA) which represents 13 of the largest VCT fund managers and makes up over 90% of the £6.6 billion VCT industry. We were delighted to see that the Chancellor has officially confirmed the extension of the sunset clause on the VCT scheme to 2035. This fantastic result is a testament to the hard work of the VCTA and its members over the last few years. The data, resources and site visit opportunities provided by VCT managers were vital in helping to make the case to HM Treasury that the VCT scheme deserves to be extended and help the next generation of British businesses scale and grow.

As your Fund Manager, we are cautiously optimistic for the year ahead as the technology markets continue to stabilise and recover in places. Our focus remains on positioning ourselves to capture exceptional opportunities at attractive valuations in what is increasingly a buyers' market for venture capital.

Elderstreet Investments Limited

Part of the Molten Ventures Group
14 December 2023

Summary of investment portfolio

Investment Portfolio as at 30 September 2023

	Cost £'000	Valuation £'000	Valuation movement in period £'000	% of portfolio by value
Top ten venture capital investments (by value)				
Thought Machine Group Limited	2,400	9,688	(613)	8.0%
Endomagnetics Limited	2,147	8,698	63	7.2%
Form3 Limited	1,420	8,251	1,646	6.8%
Fords Packaging Topco Limited	2,433	5,867	–	4.8%
Focal Point Positioning Limited	3,300	5,561	–	4.6%
Global Satellite Vu Limited	4,089	4,688	583	3.9%
Access Intelligence plc*	2,586	4,488	(1,741)	3.7%
River Lane Research Limited	2,661	4,113	–	3.4%
IESO Digital Health Limited	3,567	3,758	(119)	3.1%
Evonetix Limited	2,999	3,383	–	2.8%
	27,602	58,495	(181)	48.2%
Other venture capital investments	46,847	33,673	(2,430)	27.8%
	74,449	92,168	(2,611)	76.0%
Cash at bank and in hand/Money market funds		29,104		24.0%
Total investments		121,272		100.0%

All venture capital investments are unquoted unless otherwise stated.

*Quoted on AIM.

Summary of investment movements

Investment additions

	£'000
Venture capital investments	
Morressier GmbH	3,162
Global Satellite Vu Limited	3,111
Melio Healthcare Limited	2,520
Binalyze OU	2,161
Oliva Health Holdings Inc	1,628
Allplants Limited	400
Apperio Limited	240
	13,222

All venture capital investments are unquoted unless otherwise stated.

Unaudited balance sheet

AS AT 30 SEPTEMBER 2023

	Note	30 September 2023 £'000	30 September 2022 £'000	31 March 2023 £'000
Fixed assets				
Investments	9	92,168	71,756	81,557
Current assets				
Debtors		143	8	27
Cash at bank and in hand		2,885	28,665	28,845
Money market fund investments		26,219	-	-
		29,247	28,673	28,872
Creditors: amounts falling due within one year		(101)	(1,083)	(117)
Net current assets		29,146	27,590	28,755
Net assets		121,314	99,346	110,312
Capital and reserves				
Called up Share capital	7	12,146	9,406	10,347
Capital redemption reserve		62	925	-
Share premium account		25,510	63,628	8,689
Special reserve	8	63,602	2,285	65,178
Capital reserve – unrealised		24,735	23,744	27,346
Capital reserve – realised	8	(2,431)	936	853
Revenue reserve	8	(2,310)	(1,578)	(2,101)
Total equity Shareholders' funds	6	121,314	99,346	110,312
Basic and diluted Net Asset Value per Share	6	49.9p	52.8p	53.3p

Unaudited income statement

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Note	Six months ended 30 Sep 2023			Six months ended 30 Sep 2022			Year ended 31 Mar 2023
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income – Interest		348	–	348	–	–	–	1
Gains on investments								
Realised		–	–	–	–	–	–	(1,036)
Unrealised		–	(2,611)	(2,611)	–	(6,922)	(6,922)	(3,890)
		348	(2,611)	(2,263)	–	(6,922)	(6,922)	(4,925)
Investment management fees		(324)	(973)	(1,297)	(289)	(867)	(1,156)	(2,167)
Performance incentive fees		–	–	–	–	(621)	(621)	–
Other expenses		(233)	–	(233)	(197)	–	(197)	(468)
(Loss) on ordinary activities before tax		(209)	(3,584)	(3,793)	(486)	(8,410)	(8,896)	(7,560)
Tax on total comprehensive income and ordinary activities		–	–	–	–	–	–	–
(Loss) attributable to equity Shareholders	4	(209)	(3,584)	(3,793)	(486)	(8,410)	(8,896)	(7,560)
Basic and diluted net asset value per Share	4	(0.1p)	(1.6p)	(1.7p)	(0.3p)	(4.4p)	(4.7p)	(4.0p)

All Revenue and Capital items in the above statement are derived from continuing operations.
The total column within the Income Statement represents the profit and loss account of the Company.

Unaudited statement of changes in equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Called up Share capital	Capital redemption reserve	Share premium account	Merger reserve	Special reserve	Capital reserve – unrealised	Capital reserve – realised	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	8,880	794	56,273	673	5,303	35,220	1,516	(1,092)	107,567
Total comprehensive income	-	-	-	-	-	(3,890)	(2,661)	(1,009)	(7,560)
Transfer between reserves	-	-	-	(673)	(3,239)	(3,984)	7,896	-	-
Cancellation of Share Premium	-	-	(63,628)	-	63,628	-	-	-	-
Cancellation of Capital Redemption	-	(925)	-	-	925	-	-	-	-
Transactions with owners									
Issue of new shares	1,598	-	16,915	-	-	-	-	-	18,513
Share issue costs	-	-	(871)	-	-	-	-	-	(871)
Purchase of own shares	(131)	131	-	-	(1,439)	-	-	-	(1,439)
Dividends paid	-	-	-	-	-	-	(5,898)	-	(5,898)
At 31 March 2023	10,347	-	8,689	-	65,178	27,346	853	(2,101)	110,312
Total comprehensive income	-	-	-	-	-	(2,611)	(973)	(209)	(3,793)
Transfer between reserves*	-	-	-	-	(973)	-	973	-	-
Transactions with owners									
Issue of new shares	1,861	-	17,838	-	-	-	-	-	19,699
Share issue costs	-	-	(1,017)	-	-	-	-	-	(1,017)
Purchase of own shares	(62)	62	-	-	(603)	-	-	-	(603)
Dividends paid	-	-	-	-	-	-	(3,284)	-	(3,284)
At 30 September 2023	12,146	62	25,510	-	63,602	24,735	(2,431)	(2,310)	121,314

*A transfer of £973,000 was made from the Special Reserve to the Capital Reserve – realised in respect of capital expenses for the period.

Unaudited statement of cash flows

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Six months ended 30 September 2023 £'000	Six months ended 30 September 2022 £'000	Six months ended 31 March 2023 £'000
Cash flow from operating activities			
Return on ordinary activities before taxation	(3,793)	(8,896)	(7,560)
Losses on investments	2,611	6,922	4,926
(Increase)/decrease in debtors	(113)	14	(5)
(Decrease)/increase in creditors	(16)	400	(179)
Net cash (outflow) generated from operating activities	(1,311)	(1,560)	(2,818)
Cash flow from investing activities			
Purchase of investments			
Venture capital investments	(13,223)	(8,209)	(17,370)
Money market funds	(45,219)	–	–
Sale of investments			
Venture capital investments	–	6,339	7,695
Money market funds	19,000	–	–
Net cash outflow from investing activities	(39,442)	(1,870)	(9,675)
Cash flow from financing activities			
Proceeds from Share issue	19,699	8,424	(5,898)
Share issue costs	(1,019)	(414)	18,513
Purchase of own Shares	(603)	(1,112)	(873)
Equity dividends paid	(3,284)	(5,898)	(1,499)
Net cash inflow from financing activities	14,793	1,000	10,243
Net (decrease) in cash	(25,960)	(2,430)	(2,250)
Net movement in cash			
Beginning of period	28,845	31,095	31,095
Net cash (outflow)	(25,960)	(2,430)	(2,250)
End of period	2,885	28,665	28,845

Notes to the unaudited financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Note 1

The unaudited Half-Yearly Report covers the six months to 30 September 2023 and has been prepared in accordance with the accounting policies set out in the statutory accounts for the period ended 31 March 2023, which were prepared in accordance with the Financial Reporting Standard 102 ('FRS 102') and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' issued in July 2022 ('SORP').

Note 2

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

Note 3

The comparative figures are in respect of the six months ended 30 September 2022 and the year ended 31 March 2023, respectively.

Note 4

Basic and diluted return per Share

	Six months ended 30 September 2023	Six months ended 30 September 2022	Six months ended 31 March 2023
Return per Share based on:			
Net revenue (loss) (£'000)	(209)	(486)	(1,009)
Capital return per Share based on:			
Net capital (loss) (£'000)	(3,584)	(8,410)	(6,551)
Weighted average number of Shares	224,828,251	189,766,121	190,419,643

Note 5

Dividends

	30 September 2023				31 March 2023
	Per Share Pence	Revenue £'000	Capital £'000	Total £'000	Total £'000
Forthcoming dividends					
2024 Interim (payable 5 April 2024)	1.0p	–	2,429	2,429	–
		–	2,429	2,429	–
Paid in the period					
2023 Final	0.5p	–	1,214	1,214	–
2023 Interim	1.0p	–	2,070	2,070	–
2022 Final	3.1p	–	–	–	5,898
		–	3,284	3,284	5,898

Notes to the unaudited financial statements CONTINUED...

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Note 6**Basic and diluted Net Asset Value per Share**

	at 30 September 2023	at 30 September 2022	at 31 March 2023
Net asset value per Share based on			
Net assets (£'000)	121,314	99,346	110,312
Number of Shares in issue at period end	242,913,196	188,123,911	206,931,912
Net Asset Value per Share	49.9p	52.8p	53.3p

Note 7**Called up Share capital**

	at 30 September 2023	at 30 September 2022	at 31 March 2022
Ordinary Shares of 5p each			
Number of Shares in issue at period end	242,913,196	188,123,911	206,931,912
Nominal value (£'000)	12,146	9,406	10,347

During the period, the Company allotted 36,846,664 Ordinary Shares of 5p each ('Shares') under an Offer for Subscription that launched in October 2022, at an average price of 52.96p per Share. Gross proceeds received thereon were £19.5 million, with issue costs in respect of the Offer amounting to £1.0 million.

During the period the Company allotted 367,620 Ordinary Shares of 5p each ('Shares') under a Dividend Reinvestment Scheme, at an average price of 50.29p per Share. Gross proceeds received thereon were £185,000.

During the period, the Company purchased Shares for cancellation for an aggregate consideration of £603,000, at an average price of 48.91p per Share (approximately equal to a 5.0% discount to the most recently published NAV at the time of purchase) and representing 0.6% of the share capital in issue as at 1 April 2023.

Notes to the unaudited financial statements CONTINUED...

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Note 8

Reserves

The special reserve is available to the Company to enable the purchase of its own shares in the market without affecting its ability to pay dividends and allows the Company to write back realised capital losses arising on disposals and impairments.

Distributable reserves are calculated as follows:

	at 30 September 2023 £'000	at 30 September 2022 £'000	at 31 March 2023 £'000
Special reserve	63,602	2,285	65,178
Capital reserve – realised	(2,431)	936	853
Revenue reserve	(2,310)	(1,578)	(2,101)
Unrealised losses – net of unquoted gains	(6,149)	(1,057)	(1,579)
	52,712	586	62,351

During the year ended 31 March 2023, the balances on the Share Premium account and the capital redemption reserve were cancelled and added to the special reserve, contributing an additional £64.5 million to distributable reserves. The VCT regulations place some restrictions on the use of these reserves during the first three to four years after the funds on which they arose were raised. Currently, £54.9 million of the special reserve is restricted by these regulations.

Note 9

Investments

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

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

- Level 1 Reflects financial instruments quoted in an active market (fixed interest investments, and investments in shares quoted on either the Main or AIM Markets);
- Level 2 Reflects financial instruments that have prices that are observable either directly or indirectly; and
- Level 3 Reflects financial instruments that use valuation techniques that are not based on observable market data (unquoted equity investments and loan note investments).

	at 30 September 2023				at 31 March 2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
AIM quoted shares	4,135	356	–	4,491	5,661	600	–	6,261
Loan notes	–	–	508	508	–	–	508	508
Unquoted shares	–	–	87,169	87,169	–	–	74,788	74,788
	4,135	356	87,677	92,168	5,661	600	75,296	81,557

Notes to the unaudited financial statements CONTINUED...

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Note 10

Risks and uncertainties

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

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

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

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

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

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

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

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

Notes to the unaudited financial statements CONTINUED...

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Note 11

Risks and uncertainties

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

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

Note 12

The unaudited financial statements set out herein do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The figures for the period ended 31 March 2023 have been extracted from the financial statements for that period, which have been delivered to the Registrar of Companies; the Auditor's report on those financial statements was unqualified.

Note 13

Copies of the unaudited Half-Yearly Report will be sent to Shareholders shortly.

Further copies can be obtained from the Company's registered office or downloaded from:

investors.moltenventures.com/investor-relations/vct

Company information

Directors

David Brock (Chairman)

Hugh Aldous (Senior independent director)

Nicholas Lewis

Richard Marsh

Company secretary and registered office

Grant Whitehouse

6th Floor, St. Magnus House

3 Lower Thames Street

London

EC3R 6HD

T: 020 7416 7780

Investment Manager

Elderstreet Investments Limited

c/o Molten Ventures Group

20 Garrick Street

London

WC2E 9BT

T: 020 7831 5088

investors.moltenventures.com/investor-relations/vct

Administration Manager

Downing LLP

6th Floor, St. Magnus House

3 Lower Thames Street

London

EC3R 6HD

T: 020 7416 7780

Registrar

The City Partnership (UK) Limited

The Mending Rooms

Park Valley Mills

Meltham Road

Huddersfield

HD4 7BH

T: 01484 240910

E: registrars@city.uk.com

molten-ventures-vct.cityhub.uk.com

Shareholder information CONTINUED...

Selling Shares

The Company's Shares are listed on the London Stock Exchange and can be bought or sold like any other listed Shares using a stockbroker. If you wish to sell your Shares, you should ask your stockbroker to contact Panmure Gordon (UK) Limited, who act as the Company's Corporate Broker.

The Company will usually buy back shares several times each year. If you have any queries regarding the process, please contact the Administration Manager, Downing LLP on 020 7416 7780. Any Shareholder considering selling some or all of their Shareholding should ensure that they are fully aware of any tax consequences, especially if they purchased shares within the last five years. If you are in any doubt, please contact your financial adviser.

Notification of change of address

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

Other information for Shareholders

Up-to-date Company information is available on the VCT's website at:

investors.moltenventures.com/investor-relations/vct

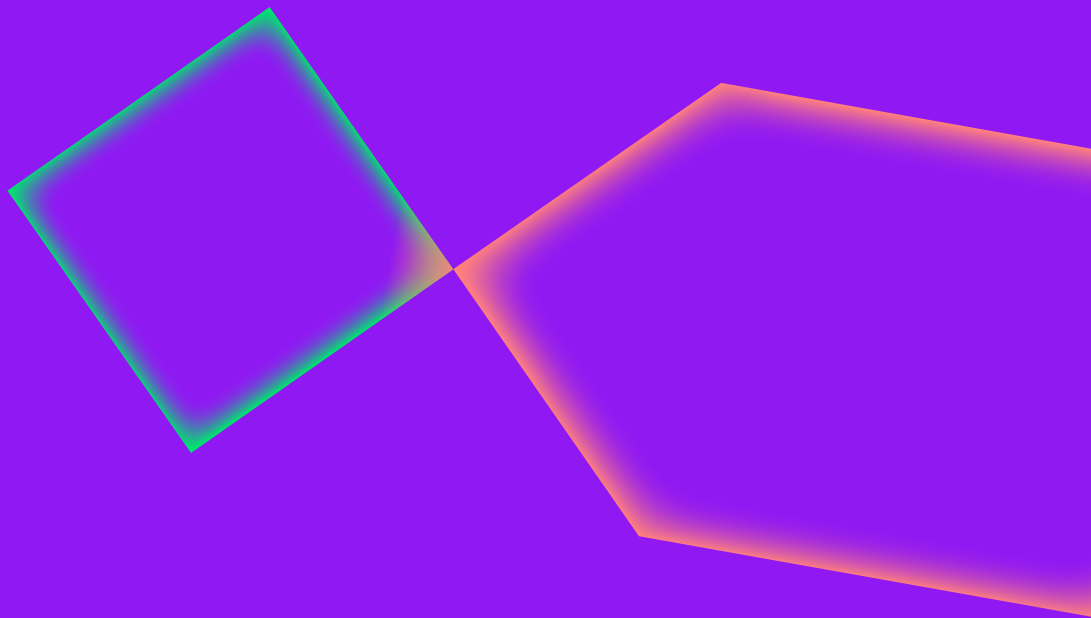
If you have any queries regarding your Shareholding in Molten Ventures VCT plc, please access the Investor Hub at:

molten-ventures-vct.cityhub.uk.com

Or contact the Registrar:

E: registrars@city.uk.com

T: 01484 240910



Molten VCT

Molten Ventures VCT plc

Managed by:
Elderstreet Investments Limited

Molten Ventures Group
20 Garrick Street
London
WC2E 9BT

T: 020 7831 5088

moltenventures.com