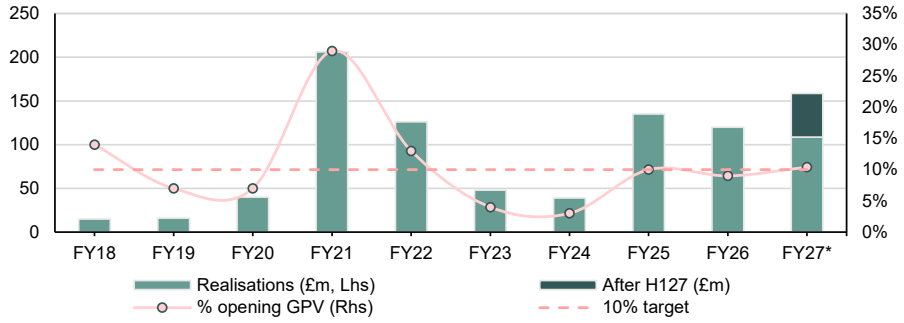
Molten Ventures

Recycling gains to capture Europe's growth opportunity

Molten Ventures posted a 14.9% NAV total return (TR) in H127 (to end-September 2026), bringing its last-12-month NAV and share price TR to 20.6% and 81.3%, respectively. The main contributor was ICEYE (satellite-based Earth observation), whose commercial progress and Series F funding round underpinned a £238m fair value uplift. Realisations reached £159m in FY27 to date, exceeding Molten's annual through-the-cycle target of 10% of opening gross portfolio value (GPV; see Exhibit 1). This supports management's plans to deploy around £100m in FY27 (ending March 2027) alongside continued NAV-accretive buybacks. The £175m first close of its Growth Fund, including a £75m cornerstone commitment from the British Business Bank, should further enhance Molten's ability to capture growth investment opportunities.

Exhibit 1: Molten Ventures delivered strong exit proceeds so far in FY27



Source: Molten Ventures data, Edison Investment Research. Note: *Includes £109m realised in H127 and £50m after the reporting date. Historical percentages are rounded.

European growth capital remains scarce

European venture capital (VC) deal value in the first nine months of 2026 nearly matched the whole of 2025, but investor appetite remains selective. European VC exits remain largely reliant on acquisitions, underlining the value of Molten's historical reliance on trade sales and partial realisations via the secondary market, while higher entry valuations in selected segments reinforce the importance of investment discipline.

Why consider Molten Ventures now?

Molten Ventures is a well-established listed VC player providing differentiated exposure to major themes such as AI, spacetech, fintech, crypto, blockchain and quantum computing, among others. It provides diversification to a listed tech portfolio while also capturing the growth of innovative businesses occurring in private markets. Molten blends direct, secondary and seed fund-of-funds investments, which provide it with flexibility at times of disruptive change. Its core holdings are budgeting average revenue growth of 33% y-o-y in 2027. Portfolio maturation and external capital should support more consistent deployment across cycles, while further realisations validating carrying values and NAV-accretive buybacks may support a narrowing of its c 30% discount to NAV.

Not intended for persons in the EEA.

Investment companies
Listed Venture Capital/TMT

27 November 2026

Price	**608.00p**
Market cap	**£1,052m**
Shares in issue	173.0m
Code/ISIN	GROW/GB00BY7QYJ50
Primary exchange	LSE
AIC sector	N/A
Financial year end	31 March
52-week high/low	722.5p 416.2p

Fund objective

Molten Ventures is a UK 250 index, London-based venture capital (VC) firm that invests in the European technology sector. It has a portfolio of 100+ investee companies and includes a fund-of-funds programme (as well as EIS and VCT schemes), as well as its flagship balance sheet VC fund.

Bull points

- Strong position in the European VC landscape coupled with an extensive partner network.
- Some downside protection from preference-share structures.
- Strong recent realisation activity supporting new investments and share buybacks.

Bear points

- Continued geopolitical uncertainty and higher-for-longer interest rates may weigh on long-duration assets such as VC.
- Impact of AI is difficult to predict accurately at this stage.
- Lack of broad-based recovery in investor appetite could negatively affect Molten's emerging portfolio.

Analyst

Milosz Papst +44 (0)20 3077 5700

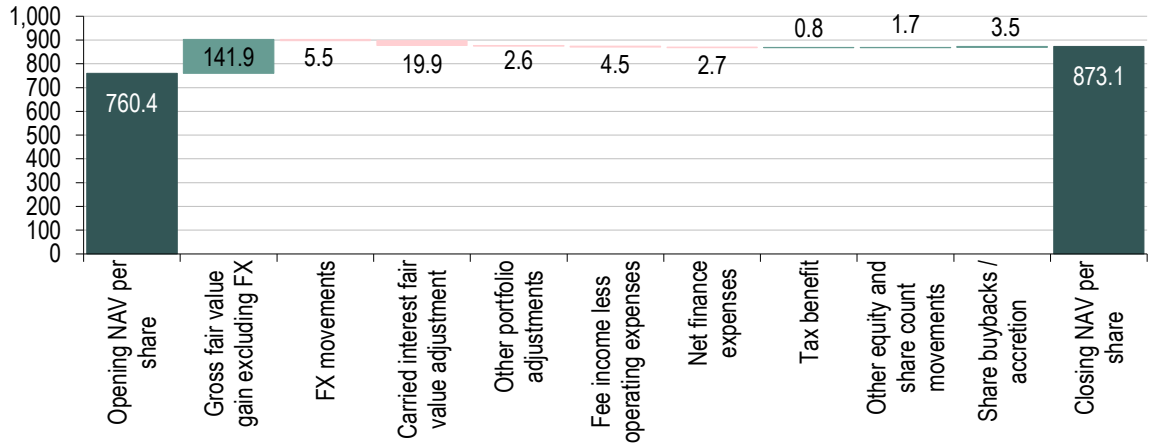
investmenttrusts@edisongroup.com
Edison profile page

Molten Ventures is a research client of Edison Investment Research Limited

Strong NAV growth, led by ICEYE

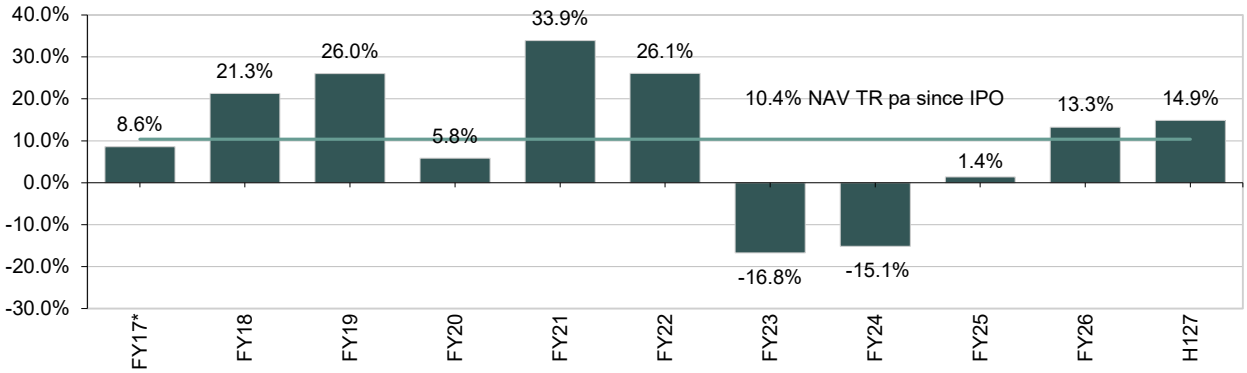
Molten's GPV increased from £1,525m at end-March 2026 to £1,699m at end-September 2026, reflecting a £247m fair value uplift (16.2% of opening GPV), partly offset by a £9.5m adverse currency movement and net realisations. After accrued carried interest and other portfolio adjustments, the net accounting fair value gain stood at £198m. This, coupled with accretive share buybacks, underpinned Molten's double-digit NAV TR in H127 (see Exhibit 3).

Exhibit 2: Drivers of Molten's NAV per share growth in H127 (pence)



Source: Molten Ventures, Edison Investment Research. Note: Income and valuation contributions use opening share count.

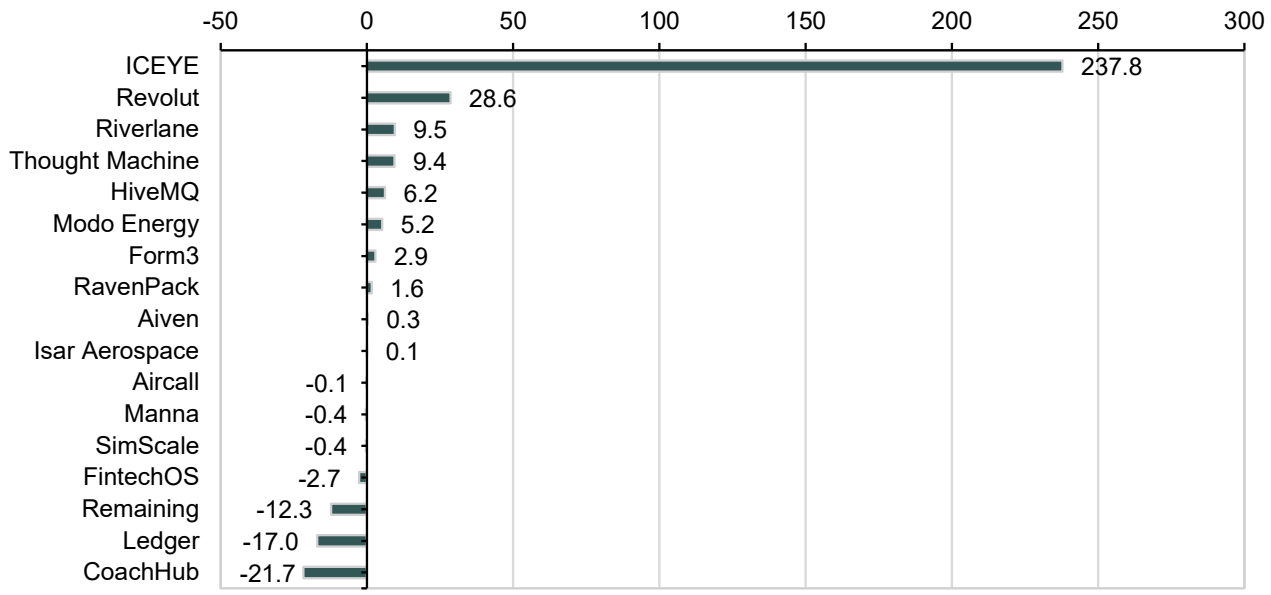
Exhibit 3: Molten Ventures historical NAV TR



Source: Molten Ventures data, Edison Investment Research. Note: *Since IPO in June 2016

ICEYE accounted for c 96% of the net increase in Molten's gross portfolio fair value at constant currency in H127. Valuation gains elsewhere reached c £100m, including at Revolut (digital banking), Riverlane (quantum error correction), Thought Machine (cloud-native core banking) and HiveMQ (connected-device data infrastructure), as well as the seed fund-of-funds programme. These were largely offset by c £90m of valuation reductions, notably at CoachHub (digital coaching) and Ledger (digital asset security).

Exhibit 4: Constant-currency fair value changes across Molten's portfolio in H127 (£m)



Source: Molten Ventures data

ICEYE: Building an integrated European space group

An important aspect of ICEYE's revaluation in H127 was Molten's decision to recognise the full uplift implied by its Series F funding round, which valued the business at over €10bn. Molten has historically recognised valuation uplifts more gradually in cases where funding rounds priced in commercial progress yet to materialise. In this case, management considers the increase justified by ICEYE's commercial traction, particularly in government procurement. The breadth of the investor group and substantial secondary transaction volume provide valuable external valuation evidence. The Series F exceeded €1bn including secondary transactions, of which €450m represented primary capital.

ICEYE's audited revenue reached €278m in 2025, with Molten's management indicating that revenue is expected to approach €500m in 2026 and exceed €1bn in 2027. ICEYE reports a contracted backlog of €1.5bn. Molten's management highlighted that c €1bn of the value of the €1.7bn contract awarded to ICEYE's joint venture with Rheinmetall by the German armed forces should accrue to ICEYE. It also sees scope for ICEYE's EBITDA margin to increase from c 34% towards 50% as the business scales.

ICEYE continues to expand its satellite production and capabilities. In October 2026, it launched eight additional synthetic aperture radar (SAR) satellites, bringing cumulative launches to 84, and targets annual output of 100 satellites from 2027. Its fifth-generation satellite system, unveiled in November 2026, offers improved imaging resolution, greater agility and onboard AI processing capabilities. Moreover, ICEYE announced a partnership with Nokia in October 2026 to develop sovereign satellite communications, followed by a letter of intent with Ukraine's Ministry of Defence.

In November 2026, ICEYE announced a c €2bn cash offer for Avio (space launch and propulsion systems). The proposed acquisition would give ICEYE greater control over access to space at a time of limited launch capacity and growing sovereign demand for satellite constellations. That said, the transaction would increase its exposure to capital-intensive industrial activities and introduce financing and integration risks. ICEYE intends to finance the offer with cash and debt and, conditional on completion and other assumptions, invest a further €1bn in Italy over five years. The transaction may require concessions to the Italian government given Avio's strategically important technologies.

Isar Aerospace: From technology validation to commercial execution

Isar Aerospace (space launch services) substantially reduced its technology development risk with its successful orbital launch and satellite deployment in September 2026, shortly after securing a €197.8m milestone-linked contract under the European Space Agency's European Launcher Challenge programme. The focus is now shifting towards demonstrating launch repeatability and scaling commercial operations. Following the successful launch, Isar secured an agreement with US-based SEOPS for five additional launches between 2028 and 2030. In November 2026, it commenced construction of a dedicated launch complex in Canada, targeting first orbital launches from the site in 2028. Its production facility near Munich will eventually have capacity to manufacture up to 40 launch vehicles a year.

Molten's management remains confident in Isar's growth prospects, citing limited launch capacity and demand well in excess of its planned near-term capacity. Following the £18.4m investment recognised in H127, Molten's holding was valued at £58.2m at end-September 2026. Management indicated that this carrying value does not reflect any valuation uplift associated with the successful orbital launch, providing potential for further valuation recognition as Isar progresses towards commercial scale.

ICEYE and Isar together accounted for c 22% of Molten's GPV at end-September 2026 (vs c 9% at end-March 2026), providing meaningful exposure to demand for European sovereign space capabilities.

Healthy top-line growth across the core portfolio

Molten's 16 core portfolio companies, representing 67% of GPV at end-September 2026, are budgeting average revenue growth of 33% y-o-y in 2027. Their average gross margin remains high at 74%, illustrating the scope for operating leverage as the businesses scale. While the proportion of core holdings funded for at least 18 months increased to 56% in H127, four of the 16 holdings appear to have a cash runway of less than 12 months. Management attributes the changes to the timing of individual funding rounds and has not identified broader fundraising difficulties across the portfolio (see Exhibit 5).

The number of profitable core holdings declined from seven to four in H127, partly reflecting changes in portfolio composition (including the removal of N26, a digital bank, from the core portfolio), as well as weaker revenue growth at Ledger and CoachHub.

Exhibit 5: Key metrics across the core portfolio in H127

Metric	H126	FY26	H127
Number of holdings	16	17	16
Share of GPV	62%	64%	67%
Average gross margin	68%	70%	74%
Funded for at least 12 months	81%	88%	75%
Funded for at least 18 months	56%	50%	56%
Number of profitable holdings	6	7	4

Source: Molten Ventures data

Commercial progress across selected infrastructure holdings

Revolut is benefiting from customer growth, increasing revenue per customer and a broadening product offering, with its UK banking licence providing scope to deepen customer relationships through lending products. Thought Machine continues to make good commercial progress, having secured Deutsche Bank as a client. Its revenue increased by 57% y-o-y in 2025 to over $100m, with annual recurring revenue surpassing the same threshold in Q226. The company also achieved positive free cash flow in H225. Riverlane's technical and commercial progress has attracted investment from NVIDIA. In November 2026, Form3 (payments infrastructure) announced a partnership with Coinbase to extend its platform to stablecoin payments.

Ledger's trading performance has been affected by weaker demand for hardware wallets and lower activity in digital asset markets. The October 2026 discovery of tampered devices sold via a third-party reseller adds reputational and

distribution risk; Ledger reported no indication that its own systems or direct sales channel were compromised. Ledger also unveiled its Atom security device in October 2026, with shipping expected in 2027. Meanwhile, CoachHub has faced weaker discretionary corporate demand and has adjusted its cost base in response to slower growth.

Mixed performance across earlier-stage investments

Molten's seed fund-of-funds programme delivered a 7% fair value uplift in H127, supported by funding rounds at underlying investments including Lovable (AI-powered software development) and Fluidstack (AI cloud infrastructure). Performance across the emerging portfolio was mixed in H127, with valuation reductions at companies yet to demonstrate sufficient commercial or product traction, alongside fair value uplifts at Pliant (corporate payments, 51%), General Index (commodity pricing data, 18%) and HiLo (blood pressure monitoring, 15%). We note the migration of successful emerging holdings into the core portfolio, illustrated by Modo Energy (energy market analytics) and Manna (drone delivery services). The £12m positive fair value movement from the seed fund-of-funds portfolio was offset by a £24m negative movement from the emerging Earlybird and SPVs portfolio.

European VC market recovery remains selective

European VC deal value reached €68.4bn in the first nine months of 2026, versus €69.6bn in the whole of 2025, according to PitchBook. Rounds of €100m or more accounted for 59% of deal value and only 1.5% of deal count. Median pre-money valuations of companies completing Series A–B and Series C–D rounds were 39% and 260% higher, respectively, than in 2025, reflecting the changing mix of transactions. Valuation momentum moderated in Q326. European VC exits remain largely reliant on acquisitions, underlining the value of Molten's historical reliance on trade sales and partial realisations, while higher entry valuations in selected segments reinforce the importance of investment discipline.

Strong realisations support the next phase of growth

Molten generated £109m of realisation proceeds in H127 (H126: £62m), primarily from partial sales of its holdings in Revolut (£71m at a 19.0x multiple on invested capital (MOIC)) and ICEYE (£22m at a 14.1x MOIC). Other proceeds included £7m of distributions from its fund-of-funds programme, £4m from secondary fund positions and £4m from emerging portfolio holdings. H127 realisations were completed at or above the respective carrying values at the previous reporting date.

The further £50m partial realisation of Revolut in November 2026, completed at its end-September 2026 carrying value at a 36.6x MOIC, followed Revolut's announcement of a transaction establishing its valuation at $115bn. This brought Molten's cumulative proceeds from Revolut to £180m at a 21x MOIC, with a residual holding valued at c £83m based on the end-September 2026 mark. The ability to generate liquidity while retaining exposure to further upside is an important feature of Molten's investment model. Recent transactions provide valuable external valuation evidence, particularly for its mature winners: Revolut and ICEYE accounted for c 90% of FY27 realisation proceeds to date.

Increasing capital deployment into growth opportunities

Molten invested £44.5m in H127 (H126: £32.8m), with a further £4m deployed through its managed Enterprise Investment Scheme (EIS) and Venture Capital Trust (VCT) funds. Direct investments accounted for c £35m, with the remainder in fund investments. Beyond Isar Aerospace, Molten invested £3.5m in Qureight (AI-powered clinical trial imaging), leading its $20m Series B round, and made a £4.9m follow-on investment in Ctrl Alt (asset tokenisation infrastructure). Supported by the pace of realisations, management expects FY27 deployment of around £100m (FY26: c £89m), including existing committed investments.

Third-party capital enhances scalability of Molten's investment model

Molten's expanding third-party capital platform builds on established growth investment capabilities, with management highlighting over £750m invested across more than 40 growth companies over the last 10 years. Isar Aerospace was the first investment of its Growth Fund, and additional external capital should improve Molten's ability to lead larger funding rounds, deploy consistently across vintages and retain meaningful ownership of successful holdings for longer. Molten East will broaden its geographical reach, while its dedicated secondaries strategy should enhance access to more mature technology businesses with potentially shorter timelines to liquidity (see Exhibit 6). Management targets first closes for Molten East and its dedicated secondaries fund by end-FY27, having previously indicated potential fund sizes of c €150m each.

Exhibit 6: Molten's expanding third-party capital platform

Strategy	Investment focus	Scale and fundraising progress
EIS and VCT funds	Qualifying UK technology businesses	Over £300m under management
Growth Fund	Series B and later-stage UK and European technology	£175m first close (£100m Molten, £75m British Business Bank); £350m target
Molten East	Central and Eastern Europe and Turkey	First close targeted by end-FY27 (£150m potential size, first close below £100m)
Secondaries fund	Secondary investments in private technology businesses	First close targeted by end-FY27 (£150m potential size for the inaugural fund)

Source: Molten Ventures data

Scope for improved operating cost efficiency

General administrative expenses increased by 21% y-o-y to £14.6m in H127, reflecting higher employment costs and the establishment of new fund strategies, while fee income declined by 20% y-o-y to £8.8m. Annualised operating costs, net of fee income and exceptional items, increased to 0.8% of NAV (H126: 0.2%), but remain within management's target of less than 1%. Fee income includes priority profit share from underlying plc funds, EIS and VCT management fees and performance and promoter fees. Group assets under management (AUM) have reached £2.4bn and incremental fee income will depend on external capital raised and fund terms. We see scope for improved cost efficiency over time given that much of the investment infrastructure is already in place.

Balancing investment opportunities and shareholder returns

Molten's group cash increased from £51.7m at end-March 2026 to £76.0m at end-September 2026, with net bank debt declining to £44.0m. Group cash subsequently exceeded £100m following the Revolut partial realisation in November 2026. At the same time, outstanding fund commitments increased to £136.5m from £50.3m, reflecting the expansion of its investment platform. These commitments will be drawn progressively over the funds' investment periods (see Exhibit 7).

The debt facility comprises a fully drawn £120m term loan and an undrawn revolving credit facility (RCF) of up to £60m, both maturing in September 2027. The interest rate is Sterling Overnight Index Average (SONIA) plus 550bp. Drawings under the RCF are subject to a maximum loan-to-value ratio of 12.5%, based on portfolio valuations adjusted for concentration limits and specified cash balances, alongside other covenants. Management has commenced refinancing discussions and sees scope for securing a larger facility, mirroring its portfolio growth. Successful debt refinancing will be important to preserve investment flexibility beyond FY27.

Exhibit 7: Molten's liquidity and outstanding commitments

£m unless otherwise stated	End-March 2026	End-September 2026
Group cash	51.7	76.0
Drawn term loan	120.0	120.0
Net bank debt	68.3	44.0
Undrawn RCF	60.0	60.0
Potential liquidity including RCF*	111.7	136.0
Outstanding fund commitments	50.3	136.5
Cash/commitments	1.03x	0.56x
Potential liquidity/commitments*	2.22x	1.00x

Source: Molten Ventures data, Edison Investment Research. Note: *Assumes full RCF availability, subject to applicable drawing conditions. Both facilities mature in September 2027.

Continued NAV-accretive share buybacks

Molten returned £16.2m through share buybacks in H127, equivalent to c 15% of realisation proceeds and above the minimum 10% stipulated in its capital allocation policy. It repurchased 2.5m shares at an average price of 636p, with a further £6m deployed after the reporting date. We estimate that H127 repurchases added c 3.5p to NAV per share (see Exhibit 2). In October 2026, Molten announced a further £10m programme extension, bringing the aggregate amount authorised since July 2024 to £85m.

We consider the flexible capital allocation policy appropriate given the breadth of investment opportunities. Additional external capital should allow Molten to participate in larger rounds without a proportionate increase in its own capital deployment. That said, its £100m Growth Fund commitment represents a meaningful future call on balance sheet resources, alongside other fund drawdowns and debt refinancing needs.

General disclaimer and copyright

This report has been commissioned by Molten Ventures and prepared and issued by Edison, in consideration of a fee payable by Molten Ventures. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2026 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or sol icitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom