

The information contained in this announcement is restricted and is not for publication, release or distribution in the United States of America, any member state of the European Economic Area, Canada, Australia, Japan or the Republic of South Africa.

22 March 2023

Literacy Capital plc ("Literacy Capital", "BOOK" or the "Company")

Final results and audited financial statements for the nine months to 31 December 2022

Focus on helping to build great businesses to generate superior returns

Literacy Capital, the listed investment trust, is pleased to release its final results for the nine months ended 31 December 2022.

A PDF copy of the results can be viewed at www.literacycapital.com/investors/reports-and-results and a live investor webinar will be broadcast online at 14.00 GMT today. A link for this can be found [here](#) with the webinar ID for this being: 891 9742 8157.

Performance highlights

- **NAV per ordinary share of 420.6p**
 - Net assets of **£252.4m**, unchanged compared to the unaudited Q4 figure contained in the quarterly trading update. An increase of **31.4%** net of all costs and charitable donations, in the nine months to 31 December 2022
 - BOOK's share price increased **23.9%** over the same period
- **The portfolio is well-positioned, weighted towards profitable businesses enjoying strong trading momentum**
 - Year-on-year revenue growth of Literacy's buyout investments in its top ten holdings exceeded 100% at the end of 2022 (calculated on a weighted average basis). This is the highest figure reported since Literacy Capital's listing, demonstrating the strength of the momentum across these businesses
 - Since listing, BOOK has focused its capital and rebalanced its portfolio towards buyouts of profitable, cashflow positive businesses, away from earlier stage, more risky growth capital investments
- **Significant activity to find new investment opportunities and to create value across existing portfolio**
 - Completed **two new platform investments**, as well as **several bolt-on acquisitions** on behalf of four BOOK portfolio companies. Literacy's pipeline of new investment opportunities remains buoyant
 - Have helped to build and strengthen the management teams of a number of portfolio companies through several senior hires
- **Portfolio companies are maturing, positioning the Company for further uplifts and additional cash generation**
 - Cash proceeds received by BOOK amounted to £7.3m in the nine-month period, with £6.8m received in the final quarter. More cash is expected to be received in 2023 than 2022, which will be recycled into new investment opportunities
 - The sale of Kernel Global announced recently is the first involving a BOOK portfolio company

- The sale of Kerner Global announced recently is the first involving a BOOK portfolio company to generate significant cash for Literacy. It was at a significant premium to carrying value, demonstrating the attractiveness of Literacy's assets and conservative approach to valuations
- **Increasing charitable donations, helping disadvantaged children across the UK get a fair chance**
 - £1,879k of charitable donations provided for in the nine-month period, up 43% on the same period a year earlier, driven by growth in NAV
 - Total donations now **amount to £5.8m** since inception of Literacy Capital

Performance to 31 December 2022

% total return	3 months	9 months	1 year	3 years	Since Inception
BOOK Net asset value	+9.3%	+31.4%	+51.7%	+280.2%	+367.3%
BOOK Share Price	(5.2)%	+23.9%	+24.7%	n/a	n/a
FTSE Investment Company Index	+4.2%	(8.8)%	(16.6)%	+10.9%	+30.7%
FTSE All-Share Index	+8.3%	(2.7)%	(3.2)%	(2.9)%	(1.3)%

Inception: 30 April 2018

Comparison to prior periods

	At 31 December 2022	At 31 March 2022
Net asset value	£252.4m	£192.0m
NAV per ordinary share	420.6p	320.0p

	Nine months to 31 December 2022	Nine months to 31 December 2021
Capital invested	£20.3m	£11.4m
Cash realised	£7.3m	£6.9m
Charitable donation provision	£1,879k	£1,310k

Richard Pindar, CEO of the Investment Manager and Director of Literacy Capital plc, commented:

"We are pleased with the performance of BOOK's portfolio in this nine-month period, with the continued strong trading across its portfolio companies, contributing to a NAV uplift of 31.4%.

"The portfolio enters 2023 demonstrating strong tailwinds and momentum. We are optimistic regarding the composition of the portfolio and its weighting towards buyouts of smaller, private businesses, which have outperformed and contributed strongly to Literacy's performance in recent years.

"We are very aware of the current macroeconomic environment and challenges for businesses and consumers that are likely to persist into 2023. Despite this, we are confident that our businesses are well-positioned to overcome these challenges and to prosper."

Enquiries

For further information, please contact:

Literacy Capital plc / Literacy Capital Asset Management LLP:

Richard Pindar / Tom Vernon

+44 (0) 20 3960 0280

MHB Communications:

+44 (0) 20 3178 8276

MHP Communications:

T44 (0) 20 5126 6270

Reg Hoare / Ollie Hoare / Matthew Taylor

book@mhpgroup.com

Singer Capital Markets Securities Limited:

Robert Peel

+44 (0) 20 7496 3000

About Literacy Capital:

Literacy Capital (BOOK.L) is an investment trust that was launched in 2017 by Paul and Richard Pindar, before it listed on the London Stock Exchange's main market in June 2021. The Company focuses on opportunities to invest for the long-term in growing private businesses where a clear route to creating additional value can be seen. It also has a unique charitable objective to donate 0.9% of annual NAV to charities focused on improving literacy in UK children. £5.8 million has been donated or reserved for donation to charities since the trust's creation in 2017. For more information, please visit our website: www.literacycapital.com.

Website:

www.literacycapital.com

LEI: 2549006P3DFN5HLFGR54

A copy of this announcement will be available on the Company's website at www.literacycapital.com.

The information contained in this announcement regarding the Company's investments has been provided by the relevant underlying portfolio company and has not been independently verified by the Company.

This announcement is for information purposes only and is not an offer to invest. All investments are subject to risk. Past performance is no guarantee of future returns. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results. Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website for any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

This announcement may include "forward-looking statements". All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's products and services) are forward-looking statements. Forward-looking statements are subject to risks and uncertainties and accordingly the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the formal Prospectus. These forward-looking statements speak only as at the date of this announcement. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Listing Rules or Prospectus Regulation Rules made under Part VI of the Financial Services and Markets Act 2000 of the Financial Conduct Authority or other applicable laws, regulations or rules.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACSJBMPTMTJTBIJ