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29 July 2024

**Literacy Capital plc**

**Quarterly trading update and NAV announcement for Q2 2024**

***Positive Q2 NAV return continues BOOK's sector leading performance***

Literacy Capital plc ("Literacy", "BOOK" or the "Company"), a listed investment trust primarily focused on investing directly into private businesses based in the UK, today announces its quarterly trading and NAV update for the three months ending 30 June 2024.

**Q2 Highlights:**

- Total return in the quarter of +2.4%, an uplift of £7.4m (12.2p per share), taking net asset value ("NAV") per share to 522.6p (Q1'24: 510.4p), and NAV to £313.6m (Q1'24: £306.2m).
- Literacy celebrated its third anniversary during the quarter since listing in June 2021. During this period, BOOK's NAV performance (over 47% p.a. compound) was #1 out of all UK listed investment companies.
- RCI, the fund's largest holding, was the strongest contributor again in Q2, whilst Cubo Work and Wifinity have also traded particularly encouragingly. Revenue growth across BOOK's top ten holdings accelerated compared to recent quarters.
- Total charitable donations since the inception of Literacy Capital now amount to £10.0m, including a charitable donation provision of £735k in Q2'24.

**Commenting on the Q2 performance, CEO of BOOK's investment manager, Richard Pindar, said:**

*"BOOK delivered a further 2.4% NAV uplift in the quarter, with positive contributions from most portfolio companies.*

*We are pleased with the performance of the fund, which now has a three-year track record as a listed investment company, and nearly seven years since inception. Out of all UK-listed investment companies, BOOK's NAV performance in its first three years as a listed company positions it in 1<sup>st</sup> place.*

*We continue to believe that investing in smaller, private companies is where the most value can be added and most rapid growth can be achieved. We believe these types of investments will deliver the best returns for shareholders. M&A and realisation activity are also showing encouraging signs, which will enable us to continue to recycle the capital received from our existing portfolio into exciting smaller companies. The Company may also return capital to shareholders where this is considered more advantageous."*

**Net Asset Value**

The Company announces that, as at 30 June 2024, the NAV per ordinary share was 522.6 pence. This represents a 2.4%, or 12.2p per share, uplift since 31 March 2024, when NAV per ordinary share was 510.4p.

	At 30 Jun 24	At 31 Mar 24	At 30 Jun 23
Net asset value (£m)	313.6	306.2	293.1
NAV per ordinary share	522.6	510.4	488.5

The above NAV calculation is based on the Company's issued ordinary share capital as at 30 June 2024 of 60,000,000 ordinary shares of £0.001 each. This NAV calculation includes the cost to ordinary shareholders of the 675,000 warrants in issue. This cost is accrued on a straight-line basis over the vesting period of the warrants.

#### **Portfolio company performance**

Revenue growth across BOOK's top ten holdings accelerated compared to recent quarterly factsheets. RCI was the largest driver of this and was again the most significant contributor to the NAV uplift in the quarter. Other portfolio companies, including Cubo Work and Wifinity, are also trading particularly encouragingly, contributing to this improved level of revenue growth.

Less positive was the contribution from Techpoint in the quarter, which was the most significant detractor to NAV. Its reduced carrying value reflected the weaker market conditions and earnings for the group. Several changes to the management team have recently been made.

As predicted earlier in the year, M&A and realisation activity are showing encouraging signs. Proceeds received from third-party PE fund interests remained high in Q2 and we continue to receive inbound interest from prospective acquirors, both private equity and trade, for BOOK's portfolio companies.

#### **Transactions and investments**

In aggregate, £5.0m was invested by BOOK in Q2 2024. No new platform investments were completed in the period, with the full £5.0m injected into the existing portfolio. The largest recipient of additional capital was Cadro, a tech-enabled wealth management platform that Literacy originally invested in a year ago.

#### **Cash & liquidity**

In the quarter, cash inflows amounted to £5.6m. These receipts related to distributions (£3.3m) from two portfolio companies, with the balance (£2.3m) received courtesy of distributions from third-party fund investments.

Literacy's RCF was £6.4m drawn as at 30 June 2024 (the facility was £5.3m drawn on 02 April 2024). The fund has received several proposals to extend the term of this facility, which are more competitive than the existing terms. The current facility limit is £30m and this is not expected to increase.

#### **Post-balance sheet events**

No events occurred between the end of Q2 and the publication of the factsheet requiring reported NAV to be revised.

#### **Factsheet**

The Company's factsheet for the three months to 30 June 2024 is now available on the Company's website: [www.literacycapital.com/investors](http://www.literacycapital.com/investors)

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**About Literacy Capital plc**

Literacy Capital (BOOK.L) is a closed-end investment company that was co-founded by Paul Pindar and Richard Pindar in 2017 with £54m of capital. Literacy listed on the London Stock Exchange's Main Market in June 2021, before gaining Investment Trust status on 1 April 2022. 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 with its support.

It also has a unique charitable objective, to donate 0.9% of annual NAV to charities focused on improving UK literacy in children. £10.0 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](http://www.literacycapital.com).

A copy of this announcement will be available on the Company's website at [www.literacycapital.com](http://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. The information contained herein is unaudited.

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