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23 September 2024

Literacy Capital plc

Refinancing and extension of the fund's Revolving Credit Facility

Literacy Capital plc ("Literacy", "BOOK" or the "Company"), a listed investment trust primarily focused on investing directly into private, UK-based businesses, announces a new Revolving Credit Facility ("RCF") with OakNorth Bank plc ("OakNorth"):

- Literacy has replaced its existing £30m RCF, which was due to expire in December 2024, with a new facility provided by OakNorth.
- The new RCF has a three-year term, which will expire in September 2027, and provides Literacy with up to £40m of funding. £30m is fully committed, with an incremental £10m also available, which Literacy can utilise during the life of the RCF.
- The new RCF has several benefits for Literacy and its shareholders. It extends the term of the fund's RCF until 2027, whilst also providing additional capital and flexibility, at a lower cost than the existing facility.

Commenting on the new debt facility, CEO of BOOK's investment manager, Richard Pindar, said:

"We are pleased to agree a new debt facility for the fund, which will support Literacy and its investment activity over the medium term to continue delivering leading NAV performance and shareholder returns. It is testament to the maturity and growth achieved by Literacy that several competitive proposals were received from lenders, all of which offered more attractive terms than the original facility put in place in 2021.

We are encouraged by the large number of high-quality founder-led businesses in the UK and we continually appraise these new investment opportunities. We also continue to assess options regarding re-financing or selling portfolio companies to generate cash and recycle capital into newer investments."

Debt Refinance

Literacy has refinanced the fund's existing £30m RCF facility with Investec Bank plc. The new facility, provided by OakNorth, offers additional capacity (given its £40m limit) and flexibility for Literacy to continue its investment activity.

We are grateful for the support provided by Investec since 2021, which helped Literacy to deliver its leading NAV performance and returns for shareholders, during the life of this facility. We appreciate the speed with which OakNorth have completed this transaction and look forward to working together over the next three years.

The new RCF has a three-year term, meaning it expires in September 2027, providing a solid foundation for Literacy to continue making new investments and to support the existing portfolio. The cost (including margin, non-utilisation fees and arrangement fees) of the new facility is lower than the one that it replaces, whilst it also has greater flexibility for Literacy.

The loan-to-value ("LTV") financial covenant remains unchanged at 20%. The Company expects gearing to remain conservative throughout the term of this facility and it is considered unlikely that the LTV would exceed 10% for a sustained period of time.

-ENDS-

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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.

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

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