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4 March 2021

Honeycomb Investment Trust plc

Honeycomb Investment Trust plc (the “Company”) announces that the Investment Manager’s monthly factsheet for 31 January 2021 is now available on its website at <http://www.honeycombplc.com>.

Net Asset Value per Share

The Company announces that its unaudited Net Asset Value (“NAV”) per share as at 31 January 2021 on a cum-income basis was 1,019.9 pence, based on a NAV of £359.6 million, and on an ex-income basis was 1,017.9pence, based on a NAV of £358.9 million. The NAVs have been calculated by Apex Fund Services (UK) Ltd.

Following on from a successful quarter end, Honeycomb Investment Trust plc (the “Company” or “HONY”) delivered a NAV return of 0.67% for the month of January, which is equivalent to 7.9% per annum.

Portfolio Performance

2020 was a challenging year across all sectors, as businesses adjusted to the Covid-19 pandemic and ensured they had the necessary provisions in place to cushion the impact. The Investment Manager made the decision early on in the pandemic to ensure cash collection and proactive portfolio management took centre-stage and to ensure a robust performance for shareholders, and the continued delivery of both a strong NAV performance and dividend payment. Following a successful 2020, this resulted in a strong start to the year for HONY, with NAV returns back to pre-Covid levels in January following similar performance in Q4 2020.

The performance was driven by strong investment yield of 10.1% per annum, coupled with low impairment charges of 0.2% per annum. The modest impairment charge is supported by the Manager’s senior-secured strategy that protects the Company from underperformance in the asset base.

Whilst the investment assets were broadly flat month on month at £572m, a new senior facility to finance credit card receivables was signed in January that is expected to draw over the coming months. The facility offers an expected IRR in excess of 10% and good downside protection through a conservative LTV. Additional senior loans were added in the property sector, where the Investment Manager believes security and leverage ratios continue to offer a compelling risk-adjusted return for shareholders.

The pipeline of new potential investments remains strong with non-bank lenders seeing opportunities to grow and take market share from traditional banks. The Covid-19 pandemic has further accelerated this structural change and the Company continues to aim to be the market leading finance partner to the non-bank sector.

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