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This announcement contains inside information.

29 January 2025

Literacy Capital plc

Portfolio update - Continued activity and progress

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 provides shareholders with an update on recent activity.

In line with the announcement released on 28 October 2024, the Company is not providing an updated NAV figure or publishing its usual quarterly factsheet for the three-month period ending 31 December 2024. However, the Company expects to publish its Q4 factsheet around the end of February 2025, and its audited results for the year ended 31 December in early March.

Recent Highlights:

- Confidence and business activity across the UK was clearly adversely affected both in the run up to, and subsequent to, the government's Budget announcement on 30 October 2024. However, very few of our businesses are in sectors significantly impacted by the Budget.
- In January 2025, one of BOOK's portfolio companies, Halsbury Travel, bought two profitable outdoor activity centres based in Devon. Literacy funded this acquisition after the parent of the centres, Kingswood Learning and Leisure Group (part of Inspiring Learning Group), entered administration.
- We continue to be focused on generating cash inflows in order to i) fund new investment activity; ii) reduce the Company's RCF debt; iii) return capital to shareholders.
- In relation to the above, the refinancing of two portfolio companies is on track. Both companies are performing strongly and both had very conservative levels of leverage due to their strong earnings growth and cash generation, hence the opportunity to refinance them. The first refinancing completed in January 2025, and we expect the second to do so in February.
- Literacy is currently appraising several new investment opportunities and has two new platform investments in exclusivity. The amount of capital invested into these two transactions will be more than covered by the amounts received from the two refinancings mentioned above. Discussions relating to the sale of assets owned by BOOK continue to progress.

Comment from Richard Pindar, CEO of BOOK's investment manager:

"We are pleased with the continued activity and progress within Literacy's portfolio. Based on the performance of portfolio companies in Q4, we are not expecting a material movement to the last published NAV, being net assets of £303.7 million; or 504.7p per share as at Q3.

Acknowledging that BOOK shares are currently trading at a discount to NAV, which has not historically been the case, it may provide an opportunity for the Company to consider accretive share buy backs in due course.

We look forward to announcing the Q4 factsheet in approximately a month and year end results in March, whilst providing further updates on the portfolio throughout 2025."

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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 0.5% of annual NAV to charities focused on improving UK literacy in children. £10.6 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.

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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