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21 March 2025

Literacy Capital plc

Final results and audited financial statements for the year to 31 December 2024

Helping to build great businesses to generate superior returns

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 final results for the year to 31 December 2024.

A PDF copy of the results can be viewed at: www.literacycapital.com/investors/reports-and-results

An online presentation for retail investors will be held via the Investor Meet Company platform on 29 April 2025 and a Capital Markets Event will be held in London for institutional investors and research analysts on 13 May 2025. Details for both events will be announced in due course.

Performance Highlights:

- **NAV per ordinary share of 492.8p, with net assets of £296.6m**
 - NAV, adjusted for the post-period end event (Halsbury Travel's bolt-on acquisition), of **499.2p per ordinary share**, with adjusted net assets of £300.4m
 - The reported NAV per share as at 31 December 2024 declined 1.5% after the impact of all costs (including charitable donations and the impact of the warrant instruments) in the twelve months to 31 December 2024
 - BOOK's share price decreased 5.4% over the same period
- **Attractive opportunities to deploy capital into new investments, as well as building a pipeline of new opportunities**
 - **Three new platform investments** completed in 2024, with a strong pipeline of new opportunities
 - **£41.1m cash invested** in aggregate in 2024, an increase of 22.3% compared to calendar year 2023, to support growth in existing portfolio companies, as well as capital for new investments
- **M&A activity and cash distributions received in 2024 were more muted than the previous year**
 - **£30.1m cash received** by BOOK in 2024. Whilst lower than 2023 (cash received in 2023 was mostly due to the sale of two maturing assets at significant premiums), this was more than 2022
 - The majority of this cash was from **refinancing two existing portfolio companies**; further refinancings underway in early 2025 to fund new investment activity and pay down RCF debt
 - Literacy also completed the **sale of a private equity fund interest for an 8.2% premium** to its prior carrying value, reducing BOOK's exposure to private equity fund interests
- **A slight decline in overall carrying multiples, compared to the end of 2023, to reflect caution given the UK macroeconomic outlook; however, Literacy's investee companies remain modestly leveraged**
 - On 31 December 2024, the weighted average EV / EBITDA multiple for Literacy's ten largest

- On 31 December 2024, the weighted average EV / EBITDA multiple for Literacy's ten largest investments (comprising 87.7% of NAV) was 8.8x, compared to 9.4x on 31 December 2023
- The average net debt / EBITDA was 2.3x (calculated on the same basis as above), an increase on twelve months ago (1.6x at 31 December 2023) following the refinancing activity
- **Consistent charitable donations and a continued focus on helping children in the UK's most disadvantaged communities**
 - Total donations now amount to **£11.2m** since inception of Literacy Capital

Performance to 31 December 2024

% total return	3 months	1 year	3 years	Since Inception ¹
BOOK NAV per share	(2.3)%	(1.5)%	+77.8%	+392.8%
BOOK Share Price	(9.2)%	(5.4)%	+53.9%	n/a²
FTSE All-Share Closed End Investment Trust Index	+2.2%	+8.7%	(4.8)%	+49.1%
FTSE All-Share Index	(0.4)%	+9.5%	+18.5%	+37.7%

¹ Inception date is April 2018

² BOOK's shares were admitted for trading on the London Stock Exchange in June 2021. Share price data therefore starts at this point.

Comparison to prior periods

	At 31 December 2024	At 31 December 2023
Net asset value	£296.6m	£300.3m
NAV per ordinary share	492.8p	500.4p

	12 months to 31 December 2024	12 months to 31 December 2023
Capital invested	£41.1m	£33.6m
Cash realised	£30.1m	£46.3m
Charitable donation provision	£2.7m	£2.8m

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

"The performance of the fund in 2024, in terms of the NAV return delivered during the period, was below our original expectations and the high standards we have set in previous years. That said, it is important to note that a single twelve-month period is not sufficient to judge the track record of BOOK, or indeed any private equity fund. Over a longer, more appropriate timeframe, BOOK's performance compared to other listed investment companies remains extremely strong and we believe that its strategy will generate compelling absolute and relative performance in future periods.

The primary impediment to a better NAV return in 2024 was the performance of two portfolio companies. These two holdings were amongst the three largest at the start of the year and between them equated to nearly 25% of the fund's NAV at the start of 2024. In aggregate, they contributed to a £33.6m decline in NAV. Clearly, whilst disappointing, it is not realistic to expect the performance of each company to be linear or positive at all times.

As shareholders will be aware, we take a proactive approach to managing our investments and are able to make changes to management teams when necessary. These businesses both now have new leadership, their weighting has reduced to 16% of NAV, and both are showing more positive trends in 2025 than the last 18 months. We are confident that their performance will be more encouraging, and they will not be a drag on the fund's NAV return in 2025.

It is important to reemphasise all of the benefits of BOOK's strategy and approach. Literacy's focus is on smaller, private businesses; there are relatively few buyers for these types of businesses, due to their size, whilst they are characterised by often

incomplete or underdeveloped management teams and immature succession planning. As a result, there is frequently limited competition for many businesses that Literacy looks at and we focus on allocating our capital in a disciplined way to deliver sustainable long-term growth.

Ensuring we don't overpay is also crucial to protecting and growing shareholder capital. Our value-add is not solely in 'stock picking' but also ensuring our companies have appropriate leadership and complementary management teams to maximise their potential, which takes effort and patience.

Another key difference is the timespan over which we are prepared to invest. Allowing gains to compound over time results in better returns for shareholders, which is facilitated by the unusually strong financial alignment between the investment manager and fund's shareholders. The management fee for a fund making direct private equity investments remains below market, despite the uplift from 0.9% to 1.5% effective from 1 January 2025, and no performance fees are paid by BOOK to its Manager, which is virtually unheard of within private equity, and removes the incentive to prematurely sell assets."

-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 0.5% of annual NAV to charities focused on improving UK literacy in children. £11.2 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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