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28 April 2025

Literacy Capital plc

Quarterly trading update and NAV announcement for Q1 2025

BOOK recycles capital into new investments and delivers positive NAV growth for Q1

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 31 March 2025.

Q1 Highlights:

- Q1'25 net asset value ("NAV") of £307.8m, equating to NAV of 511.5 pence per share. This equates to a 3.8% increase in NAV per share in the quarter.
- Velociti was the largest contributor for the third consecutive quarter and became BOOK's second largest holding due to its strong trading performance. This momentum is expected to continue for the remainder of 2025. Halsbury Travel also contributed positively, resulting in it rejoining Literacy's top ten holdings.
- BOOK deployed £7.4m of capital in Q1'25. This included the majority investment in Trinitatum, a test automation business in the energy and financial trading markets, announced in March.
- There remains a focus on actively managing and recycling capital from the portfolio to maximise returns. The refinancing of two portfolio companies completed in Q1'25, returning £5.6m to BOOK. Both of these companies are demonstrating strong growth in revenue and profitability. Further refinancings are expected in the next six months, with cash inflows expected to remain healthy in 2025.
- Total charitable donations since the inception of Literacy Capital now amount to £11.6m, including a charitable donation provision of £387k in Q1'25.

Commenting on the Q1 performance, CEO of BOOK's investment manager, Richard Pindar, said:

"We are pleased with the Q1 NAV return (+3.8%), driven by positive trading across the portfolio. This is particularly encouraging set against the recent market instability.

One upside of this backdrop is an increase in the opportunities to invest in resilient businesses, with relatively little competition from other investors, that offer the potential for strong returns for the fund. We believe that the two new deals completed in 2025 firmly meet these criteria.

Whilst there are clear benefits when investing capital, the lack of certainty does make selling assets more challenging. Notably, [it has been reported that](#) Q1 2025 saw the fewest PE exits completed since Q1 2023¹, with buyers being more cautious before deploying capital. Unfortunately, many investors are being very tentative and slow moving, given the changeable political and market environment.

We are disappointed by the share price return in 2025 to date, which we do not feel is reflective of the Company's progress. The two new investments that were completed recently were an attractive use of BOOK's capital, whilst liquidity also has to be retained to support portfolio companies as required. However, buybacks remain an option, if additional marketing efforts do not reduce the current discount and this is considered the best use of the Company's capital."

[1] S&P Global, Private equity exits fall to 2-year low in Q1 2025, April 2025

Net Asset Value

The Company announces that, as at 31 March 2025, the NAV per ordinary share was 511.5 pence. This represents a 3.8%, or 18.7p per share increase since 31 December 2024, when NAV per ordinary share was 492.8p.

	At 31 Mar 25	At 31 Dec 24	At 31 Mar 24
Net asset value (£m)	307.8	296.6	306.2
NAV per ordinary share (pence)	511.5	492.8	510.4

The above NAV calculation is based on the Company's issued ordinary share capital as at 31 March 2025 of 60,175,000 ordinary shares of £0.001 each. This NAV calculation includes the cost to ordinary shareholders of the 647,500 warrants in issue. This cost is accrued on a straight-line basis over the vesting period of the warrants.

Portfolio company performance

At a portfolio company level, year-on-year revenue and EBITDA growth improved modestly compared to three months earlier. This is encouraging given the recent political turbulence in the US and relatively weak UK growth. None of BOOK's portfolio companies experienced a noticeable deterioration in market conditions or trading performance during the period.

Velociti was the standout performer in Q1, with Halsbury Travel also contributing well. The former was marked up to reflect the business' successful delivery of revenue growth and stronger profitability. Halsbury's contribution was driven by a combination of the bolt-on acquisitions made in the quarter, as well as strong current trading in the core business. Both continue to demonstrate progress and are expected to deliver further growth in the remainder of 2025.

There was a modest reduction in the carrying values of RCI and Grayce, which were small relative to the size of these holdings and not a concern looking ahead to Q2.

Transactions and investments

£7.4m was invested by BOOK during Q4, which included one new platform investment. This involved Literacy taking a majority stake in Trinitatum, a provider of test automation software and services to the energy and financial trading markets. The rest of this capital investment was injected into the existing portfolio. The largest recipients of additional capital were Halsbury, Alufold and Oxygen, in order to support their growth.

Cash & liquidity

Cash inflows amounted to £5.7m in Q1. These receipts related almost exclusively to the two refinancings completed in the quarter (£5.6m), with the balance (£0.1m) received courtesy of a distribution from our third-party fund investments.

Literacy's RCF was £32.7m drawn as at 31 March 2025 (£30.1m drawn on 31 December 2024). During the quarter, the fund extended its committed portion of the facility with OakNorth Bank plc to £40m, on the same three-year term (expiring in September 2027).

The combination of good growth rates and low leverage at a portfolio company level mean that several assets are likely to be refinanced or sold in 2025, which would generate healthy cash inflows and release additional capital for BOOK.

Activity since the period end

Whilst not being events that impact Q1 NAV, BOOK completed a platform investment for a significant minority stake in Langford's, shortly after the end of Q1. In early April, BOOK also further increased the limit of its RCF facility from £40m to £50m to provide BOOK with additional flexibility to support its portfolio.

Factsheet

The Company's factsheet for the three months to 31 March 2025 is now available on the Company's website: www.literacycapital.com/investors.

Investor Meet Company presentation

Paul Pindar (Chair) and Richard Pindar (CEO) of Literacy's Investment Manager will provide a live presentation and update on BOOK's recent investment activity and performance, as well as the outlook for 2025, on **29 April 2025 at 10:30 BST**. The presentation is open to all existing and potential shareholders, and investors can sign up at the following link:

<https://www.investormeetcompany.com/companies/literacy-capital-plc>.

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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 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. £11.6 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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