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This announcement contains inside information.

28 July 2025

Literacy Capital plc ("Literacy Capital", "BOOK" or the "Fund")

Literacy Capital completes transaction to sell and re-invest into Velociti Solutions alongside CBPE, at a significant premium to carrying value

Transaction highlights

- Transaction involving BOOK's second largest holding (11.0% of NAV) at a 52% premium to latest carrying value
- Total return of 14.8x MoM (IRR of 70%) for Literacy Capital's shareholders
- Significant proportion of proceeds being re-invested alongside CBPE, with Velociti remaining a top three holding by value
- Cash proceeds will predominantly be used to repay the RCF
- Current intention to return no less than £6m of capital to shareholders before the year end

Literacy Capital is pleased to announce the completion of a transaction involving its portfolio company, Velociti Solutions ("Velociti"). Velociti is a software provider to the bus and rail sectors in the UK and internationally.

EPM Solutions was the platform business originally acquired to create the group in February 2020, almost five and a half years ago. A further three small acquisitions were subsequently completed before the business was rebranded as Velociti last year.

As at 31 March 2025 (the date of BOOK's most recent published NAV), Velociti was Literacy Capital's second largest holding. Its carrying value was £33.8 million (equating to 11.0% of NAV) at the end of Q1.

This transaction values Literacy Capital's stake in Velociti at £51.4 million (after all transaction related costs), a 52.0% premium to the most recently stated carrying value in the Q1 2025 factsheet.

Literacy Capital is pleased that Velociti has performed very strongly for the Fund, with the value achieved from this transaction being approximately 100% (2.0x) greater than the carrying value as at 31 December 2024.

The total value of cash consideration and amounts re-invested total £51.4 million, with no carried interest or performance fees payable by Literacy Capital. The total return for BOOK shareholders from this investment, including cash distributions previously received and amounts reinvested, is 14.8x MoM (IRR of 70.0%), before future uplifts.

This transaction announced today involves CBPE and is the first investment from their £714m fund raised earlier this year. Literacy Capital will retain a significant minority stake alongside CBPE, as a result of its re-investment. Velociti at completion of this transaction will remain the Fund's third largest holding by value, allowing it to benefit from the continued growth of the business.

The cash received by BOOK following completion will be used to repay amounts drawn under its Revolving Credit Facility. The Fund expects to receive additional, smaller amounts of cash from the refinancing of two other portfolio companies before the end of Q3. Following these events, the current intention is a return of capital to all shareholders of no less than £6 million, currently equivalent to approximately 10 pence per share, using the B Share Scheme before the end of 2025.

Richard Pindar, CEO of BOOK's Investment Manager, commented:

"Velociti has been an extremely successful investment for Literacy Capital and has generated a significant premium to carrying value, so we are really pleased to announce this transaction today.

The leadership team, led by Jeff Hewitt and Carly Wilson, deserve considerable credit for the significant progress Velociti has made and the exceptionally strong performance of the business since they joined.

The journey with Velociti over the past five and a half years actively demonstrates how Literacy Capital supports businesses to add significant value. With a degree of patience, BOOK's shareholders have benefitted from very strong returns as a collection of small, founder-owned businesses have been developed into an

enlarged software group with excellent management, making it highly sought after by larger private equity investors. Once again, a significant premium to previously reported carrying value has been achieved on a sale to private equity.

We look forward to remaining on this journey, with the Velociti team and CBPE, and continuing to provide our support during the next few years."

Notes

This announcement does not constitute or describe an updated NAV for the Company. Shareholders should take note that the calculation of the NAV per share as at 30 June 2025 will take account of the latest valuations of all the Company's investments as at this date.

Given the timing of completion of this transaction, the publication of the Q2 2025 factsheet and update to NAV will be delayed by 24 hours and take place tomorrow (Tuesday 29 July) at 7am.

Enquiries

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About Literacy Capital:

Literacy Capital (BOOK.L) is an investment trust that was co-founded by Paul Pindar and Richard Pindar in 2017 with £54 million of capital. Literacy subsequently listed on the London Stock Exchange in June 2021. The Fund 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. The fund structure is evergreen, allowing it to be more flexible and to accommodate the wishes or needs of founders.

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.

Website:
www.literacycapital.com

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

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