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27 October 2025

Literacy Capital plc

Quarterly trading update and NAV announcement for Q3 2025

BOOK receives significant cash proceeds in Q3, with NAV remaining broadly stable

Literacy Capital plc ("Literacy", "BOOK", the "fund", 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 30 September 2025 (Q3'25).

Q3 Highlights:

- Q3'25 net asset value ("NAV") of £311.6m, equating to NAV of 517.8 pence per share. This represents a 0.3% decrease in NAV per share in the quarter.
- BOOK completed the sale and reinvestment into its second largest holding, Velociti, at a 52% premium to carrying value as at 31 March 2025 (already reflected in the Q2 NAV) and delivering a 14.8x MoM (70% IRR) return (as announced 28 July 2025).
- Another portfolio company refinancing completed in the period, with Literacy remaining focused on actively managing and recycling capital from the portfolio to maximise returns. Further refinancing activity is expected before the end of 2025.
- Together, these portfolio transactions enabled BOOK to generate its strongest quarterly cash inflow since inception (£28.7m).
- Techpoint was the largest positive contributor in the period, with recent investments, particularly Trinitatum, again contributing positively and continuing to show encouraging early signs.
- Total charitable donations since the inception of Literacy Capital now amount to £12.4m, including a charitable donation provision of £397k in Q3'25.

Commenting on the Q3 performance, CEO of BOOK's investment manager, Richard Pindar, said:

"There has been a lot of activity in Q3 and several milestones achieved. We completed our most successful exit to-date in July, which helped BOOK to generate its strongest quarterly cash inflow (£28.7m) since inception. This was achieved despite M&A volumes remaining relatively low against historical levels.

Whilst NAV in the quarter was stable, we believe we have laid important foundations for progress in the next 12 months. We have continued to strengthen our senior management teams within the portfolio, whilst also positioning certain companies for exit over the next 12 months, which would deliver further cash inflows for the fund.

Our long-term focus remains on delivering strong NAV growth for shareholders, and we are committed to increasing investor awareness of the track record, points of difference and prospects of BOOK, along with other initiatives to reduce the frustrating discount to NAV."

Net Asset Value

The Company announces that, as at 30 September 2025, the NAV per ordinary share was 517.8 pence. This represents a 0.3%, or 1.7p per share decrease since 30 June 2025, when NAV per ordinary share was 519.5p.

At 30 Sep 25

At 30 Jun 25

At 30 Sep 24

Net asset value (£m)	311.6	312.6	303.7
NAV per ordinary share (pence)	517.8	519.5	504.7

The above NAV calculation is based on the Company's issued ordinary share capital as at 30 September 2025 of 60,175,000 ordinary shares of £0.001 each. This NAV calculation includes the cost to ordinary shareholders of the 597,500 warrants in issue. This cost is accrued on a straight-line basis over the vesting period of the warrants.

Portfolio company performance

Techpoint was the largest positive contributor to NAV in the period, representing a recovery from a weaker performance and contribution in the past two years. The business unveiled its new state-of-the-art facility in Basingstoke in Q3, which will allow Techpoint to sustain positive momentum into 2026. Grayce was the largest detractor in the quarter as it continued to face market headwinds making growth more difficult. Despite this, we are optimistic that the new CEO who was appointed in September, will help to realise the potential of what is already a highly profitable investment for BOOK.

The positive early signs and momentum from some of BOOK's most recent investments have also been maintained. Whilst these businesses (such as Trinitatum, which contributed the second largest uplift in Q3) are currently smaller holdings and outside the top ten, they are showing encouraging potential to develop into larger assets that can generate significant returns for Literacy shareholders upon exit.

Whilst annual sales and EBITDA growth metrics in the top ten holdings were more subdued in Q3 than historically, the equivalent figures at the end of Q4 are expected to show improvement, with a consequent positive impact on NAV.

Transactions and investments

No new investments were completed in the period and only £0.2m of capital was invested into an existing portfolio company in Q3. The focus for Q3 was, and continues to be going into Q4, cash inflow activity.

Cash & liquidity

Cash inflows in Q3 were the highest of any previous quarter for BOOK, at £28.7m. The Velociti transaction that completed in July was the main contributor to this, added to by a refinancing in the period, as well as distributions from Literacy's fund investments.

Literacy's RCF was £14.1m drawn as at 30 September 2025 (£37.9m drawn on 30 June 2025), with £2.4m held in cash. As a result of the cash received during Q3 from the sale of Velociti, the balance drawn on the RCF is materially lower than Q2, which has substantially reduced financing costs for BOOK.

Activity since the period end

No events occurred between the end of Q3 and the publication of the factsheet requiring reported NAV to be revised.

Factsheet

The Company's factsheet for the three months to 30 September 2025 is now available on the Company's website: www.literacycapital.com/investors.

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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. £12.4m 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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