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26 November 2025

Literacy Capital plc

B Share scheme apportionment ratio

Literacy Capital plc ("Literacy" or the "Company"), a listed investment trust primarily focused on investing directly into private businesses based in the UK, would like to confirm the apportionment ratio in relation to the initial B share return of capital (the "**B Share Return**") and the associated book cost, further to the announcement dated 10 November 2025. The circular in relation to the Company's shareholder-approved B share scheme, which contains further details in relation to returns of capital made by the Company pursuant to that scheme (including the B Share Return), may be found on the Company's website at <https://www.literacycapital.com/investors/reports-and-results/default.aspx> within the "2024" subsection, in the document titled "Notice of Annual General Meeting".

Pursuant to the authority received from Shareholders at the general meeting held on 15 May 2025, the Board resolved to return approximately £6 million in aggregate to Shareholders via an issue and immediate redemption of B Shares.

On 13 November 2025, 6,017,479 B Shares of £1 each were paid up from the Company's distributable reserve and issued to all Shareholders by way of a bonus issue on the basis of one B Share for every 10 Ordinary Shares held at the Record Date of 6.00 p.m. on 12 November 2025.

The B Shares were immediately redeemed at their nominal value of £1 per B Share with a Redemption Date of 13 November 2025. The proceeds from the redemption of the B Shares, which is equivalent to 10 pence per Ordinary Share, were sent to uncertificated Shareholders through CREST, with cheques posted to certificated Shareholders on 24 November 2025. Shareholders should note that no certificates were issued in respect of the B Shares.

For the purposes of United Kingdom taxation of capital gains and corporation tax on chargeable gains ("Capital Gains Tax"), the issue of B Shares constitutes a tax-free reorganisation of the share capital of the Company. Accordingly, (i) Shareholders receiving B Shares should not be treated as having made a disposal of all or any part of their holding of existing ordinary shares in the capital of the Company (the "Ordinary Shares") and (ii) the B Shares received by a Shareholder should, together with their existing holding of Ordinary Shares, be treated as the same asset as a Shareholder's existing holding of Ordinary Shares, and as having been acquired at the same time, and for the same consideration, as the Shareholder's holding of existing Ordinary Shares was acquired. A Shareholder's combined holding of Ordinary Shares and B Shares should have the same aggregate base cost as the Shareholder's holding of Ordinary Shares immediately before the issue of B Shares. The aggregate base cost should be apportioned between B Shares and the Ordinary Shares held by a Shareholder by reference to the market values of the Ordinary Shares and the B Shares on the first day of trading after the issue of B shares.

Due to the terms on which the B Shares were issued and subsequently redeemed, and as they were unlisted and non-transferable, their market value has been assessed, below, as equal to their nominal value of £1 on 13 November 2025. The market value of the Ordinary Shares is calculated with reference to their market value on the first day of trading after the issue of the B Shares, which is considered to be 13 November 2025.

Accordingly, the aggregate base cost of the Ordinary Shares which should be apportioned against the B Shares redemption proceeds, received by Shareholders on 24 November 2025, is 2.5707%, calculated as follows:

Class of share	Market value on first day of trading (pence per share)	Relevant ratio used for the issue of B Shares	Relevant value per (pence per B share)	Relevant percentage
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		Shares		
Ordinary Share*	379	10	3790	97.4293% (3790 / 3890)
B Share	100	1	100	2.5707% (100 / 3890)
Total			3890	100.0%

* The lower of the two prices for an Ordinary Share shown in the London Stock Exchange Daily Official List for 13 November 2025 as the closing price for an Ordinary Share on that day plus one-half of the difference between those two figures in accordance with SI 2015/616.

A worked example to provide guidance on the calculation of the UK capital gain will follow in the coming days on the Company's website at <https://www.literacycapital.com/investors/reports-and-results/default.aspx>.

United Kingdom taxation

The information above does not constitute legal or tax advice and is intended only as a general guide to United Kingdom legislation and HMRC published practice (which are both subject to change at any time, possibly with retrospective effect). The information is not exhaustive and relates only to certain limited aspects of the United Kingdom taxation treatment of the B Share Return and is intended to apply only to Shareholders who (i) are resident solely in the United Kingdom for United Kingdom tax purposes (and not subject to the foreign income and gains regime), (ii) who are, and were the absolute beneficial owners of their Ordinary shares and B Shares (iii) who hold, or held, them as investments (and not as securities to be realised in the course of a trade) (otherwise than through an Individual Savings Account or a pension arrangement) and (iv) in the case of individuals, who are not Scottish or Welsh taxpayers and to whom split year treatment does not apply. The information above may not apply to certain Shareholders, such as, but not limited to, dealers in securities, insurance companies, collective investment schemes, Shareholders who are exempt from taxation, Shareholders who have (or are deemed to have) acquired their Ordinary Shares or B Shares by virtue of an office or employment and Shareholders who provide investment management services to the Company or any affiliated entities. The position may be different for future transactions.

Shareholders who are in any doubt as to their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult an appropriate professional adviser.

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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.

This announcement is for information purposes only and is not an offer to invest. All investments are subject to risk. Past performance is no guarantee of future returns. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results. Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website for any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

LEI: 2549006P3DFN5HLFGR54

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