LITERACY CAPITAL Q1 2025 | Factsheet

Published on 28 April 2025

→ for the three months to 31 March 2025

Helping to build great businesses

Our purpose is to invest in and support UK companies and help their management teams to achieve long-term success. Our closed-ended, permanent capital structure means we can be a long-term, highly ambitious partner.

We are focused on smaller businesses, where our expertise can greatly enhance the size and value of these companies, contributing to superior returns for BOOK shareholders.

We are also proud to have a charitable mission helping disadvantaged children in the UK learn to read. Donations equivalent to 0.5% of NAV are made each year. Donations since the set up of Literacy Capital in 2017 **now amount to £11.6m.**

Literacy Capital plc highlights

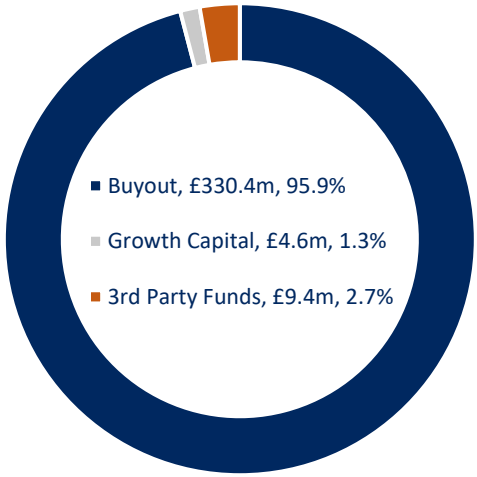
511.5p NAV per ord. share[1]	**£7.4m** Capital invested
3.8% Q1 NAV per share	**£5.7m** Proceeds received
0.2% Change in NAV per share in last 12 months	**£387k** Q1 charitable donation provision

Key facts on 31 March 2025

Net assets[1]	£307.8 million
Net assets per ord. share[1]	511.5p
Share price (mid-price)	433.0p
Premium / (discount)	(15.3)%
Management fee	1.5%
Trading on	Specialist Fund Segment (SFS)
Ticker	BOOK
Ordinary shares in issue[2]	60,175,000
ISIN	GB00BMF1L080

[1] Net assets per share calculated post dilution from the warrants in issue, which is calculated on a straight-line basis over the vesting period. This allows a single NAV figure to be reported (rather than diluted & undiluted figures).
[2] Excludes warrants in issue (647,500 allotted on 31 March 2025).

Breakdown of gross assets[3] by asset type



[3] Gross assets of £344.4m, before borrowings, compared to net assets of £307.8m. All figures and percentages rounded to one decimal place.

Performance to 31 March 2025

% total return	3 months	1 year	3 years	Since Admission[4]	Since inception[5]
BOOK net assets per share	**+3.8%**	**+0.2%**	**+59.9%**	**+218.4%**	**+411.5%**
BOOK share price	**(4.6)%**	**(10.2)%**	**+45.8%**	**+170.6%**	**n/a**
FTSE investment company index	(3.7)%	+2.3%	+0.2%	(3.1)%	+43.6%
FTSE all-share index	+4.5%	+10.5%	+23.3%	+30.2%	+43.9%

[4] BOOK was admitted to the London Stock Exchange on 25 June 2021
[5] Inception date treated as 30 April 2018. £54 million of capital raised

The Q2 2025 factsheet and next update to NAV will be published on Monday 28 July, please visit:

www.literacycapital.com/investors

Contact information

Literacy Capital plc, 3rd Floor, Charles House,
5-11 Regent Street St. James's, London, SW1Y 4LR

0203 960 0280 | www.literacycapital.com

LITERACY CAPITAL

Q1 2025 | Factsheet

Published on 28 April 2025

→ for the three months to 31 March 2025

Richard Pindar, CEO of BOOK's Manager:

"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, Q1 2025 saw the fewest PE exits completed since Q1 2023, with buyers being more cautious before deploying capital.

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 necessary and are considered the best use of the Company's capital."

Summary of Q1 performance

On 31 March 2025, net asset value (NAV) was £307.8m, or 511.5p per share. This is an increase in NAV (after costs and donations) of 3.8% since 31 December 2024, a net uplift of £11.2m (18.7p per share).

Velociti was the largest contributor to the NAV increase. Its strong performance and attractive metrics are generating attention, as awareness of the business grows. Halsbury Travel also contributed strongly in Q1. In part, this was due to the two acquisitions completed in January, but current trading and the rate of bookings in the core business for 2025 and 2026 are also excellent.

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

BOOK's share price fell by 4.6% in Q1, consistent with a similarly negative sentiment for the FTSE investment company index, which experienced a reduction of 3.7% in Q1.

New investments and commitments

In March, BOOK acquired a majority stake in Trinitatum, a provider of test automation software and related services within the energy and financial trading markets. Capital was also invested into several existing portfolio companies to buy additional equity or to fund growth, working capital or capex.

Cash generation and liquidity

£5.7m was received during Q1, the vast majority of which was from two portfolio company refinancings.

During Q1, the fully committed element of the RCF was extended to £40m. £32.7m was drawn at the end of Q1, with £1.0m of cash held.

Activity since the period end

Whilst not being events that impact 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 increased the limit of its RCF facility from £40m to £50m to provide BOOK additional flexibility to support its portfolio.

"The support we have received from Bookmark has been incredible. We feel so fortunate to be a Bookmark school and all children have benefitted so much from the support and resources we have received. It is reassuring to know that others feel as strongly about reading for pleasure as we do, but also to not feel like we're facing an uphill battle alone." Teacher, from a Bookmark Partner school



Last year, 38% of disadvantaged children left primary school without foundational skills in reading, putting them at risk of unemployment, poor health, and even reduced life expectancy. Literacy Capital's partnership with Bookmark is vital to ensure that every child can read and access a future filled with opportunity.

In Q1, Bookmark volunteers reached 1,358 children with 6,766 hours of one-to-one reading support. Teachers consistently praise the impact of Bookmark's Reading Programme, with one teacher in Birmingham reporting that it has "opened up a wider world" for the children, boosting their reading skills, confidence, and motivation.

The National Literacy Trust reports that 1 in 4 children say, "no one inspires them to read". To boost family engagement in children's reading, Bookmark has partnered with Kahoot! to develop new online resources. This exciting initiative gives parents and carers access to online games and quizzes linked to Bookmark's The Story Corner magazine, providing a fun and engaging way for families to help children develop reading motivation, comprehension, and fluency.

Visit bookmarkreading.com to learn more.

The Q2 2025 factsheet and next update to NAV will be published on Monday 28 July, please visit:

www.literacycapital.com/investors

Contact information

Literacy Capital plc, 3rd Floor, Charles House,
5-11 Regent Street St. James's, London, SW1Y 4LR

0203 960 0280 | www.literacycapital.com

LITERACY CAPITAL | Q1 2025 | Factsheet

Published on 28 April 2025

→ for the three months to 31 March 2025

Portfolio overview

Companies / assets	Date of investment	Carrying value	*Value as % of NAV*
RCI Group	Sep 18	£96.4m	*31.3%*
Velociti Solutions	Feb 20	£33.8m	*11.0%*
Grayce	Jul 18	£31.8m	*10.3%*
Cubo Work	May 23	£24.1m	*7.8%*
Oxygen Activeplay	Jul 21	£23.2m	*7.5%*
Top 5 investments		**£209.3m**	***68.0%***
Wifinity	Dec 17	£17.1m	*5.6%*
Halsbury Travel	Jun 22	£14.8m	*4.8%*
Techpoint	Jun 20	£14.7m	*4.8%*
Antler Homes	Jun 18	£13.3m	*4.3%*
Hanmere	Dec 17	£10.9m	*3.5%*
Top 10 investments		**£280.0m**	***91.0%***
Other direct investments		£55.0m	*17.9%*
Private equity fund interests		£9.4m	*3.1%*
Borrowings (incl. donation provision & impact of warrants)		(£36.6)m	*(11.9)%*
Total net asset value		**£307.8m**	***100.0%***

Top 10 investments[#]

+20%
YoY sales growth

+26%
YoY EBITDA growth

9.0x
EV / Earnings[1]

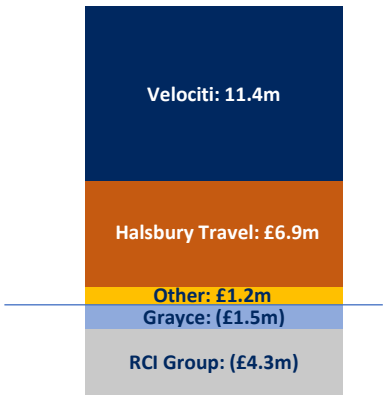
2.4x
Net debt / EBITDA[1]

21.2%
EBITDA margins

4,024
Total headcount

[#] Data calculated on a weighted average basis (excl. headcount)
[1] Excludes Antler Homes

Breakdown of Q1 uplift by asset (before costs)



Portfolio highlights

Year-on-year revenue and EBITDA growth improved modestly on three months earlier. This is quietly encouraging given the period of political turbulence in the US and relatively weak growth in the UK.

The Q1 highlight and standout performer is the contribution from Velociti. It is delivering strong revenue growth, profitability and improved margins after a successful reorganisation of the group by the management team that joined a year ago. Based on its current trajectory and revenue visibility, it is likely that it will continue to generate further uplifts in the remainder of 2025.

In terms of negative contributors in the quarter, these were relatively few in number and modest in size. No holding was marked down by 6% or more, reflecting the fact that no company experienced a meaningful deterioration in trading or outlook in the early part of 2025.

Net debt within the portfolio

Net debt (on a weighted average basis) at 2.4x EBITDA on 31 March 2025 was broadly in line with the figures reported at previous quarter end dates. This was despite refinancing and increasing leverage within two portfolio companies, which was offset by strong performance and EBITDA growth. Proceeds from these refinancings funded the two new investments completed this year.

This level of leverage remains prudent relative to typical PE-backed businesses, with further refinancing activity expected over the next few months to generate additional cash for the fund.

Portfolio valuation

The weighted average EV / EBITDA multiple was 9.0x on 31 March 2025 (slightly higher than 8.8x at the end of Q4 2024). This was primarily due to Velociti, with a) its weighting growing quarter-on-quarter and b) its carrying multiple increasing, reflecting its increasing scale, performance and attractiveness to acquirers.

The EBITDA multiple used for each portfolio company is applied to an earnings figure for the business that is deemed to be 'maintainable', in line with IPEV Valuation Guidelines.

The Q2 2025 factsheet and next update to NAV will be published on Monday 28 July, please visit:

www.literacycapital.com/investors

Contact information

Literacy Capital plc, 3rd Floor, Charles House,
5-11 Regent Street St. James's, London, SW1Y 4LR

0203 960 0280 | www.literacycapital.com

LITERACY CAPITAL

Q1 2025 | Factsheet

Published on 28 April 2025

→ for the three months to 31 March 2025

Disclaimer

This document is issued by and has been approved for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 by Book Asset Management LLP (the "**Investment Manager**"). The Investment Manager is registered in England and Wales (number: OC425626) and is authorised and regulated by the Financial Conduct Authority (FRN: 914046). Its registered office is at Third Floor, Charles House, 5-11 Regent Street St James's, London, United Kingdom, SW1Y 4LR.

The Investment Manager only acts for Literacy Capital plc (the "**Company**") to which it provides regulated investment management and transaction services and does not act for or advise potential investors in connection with acquiring shares in the Company and will not be responsible to potential investors for providing them with protections afforded to clients of the Investment Manager. Prospective investors are strongly advised to take their own legal, investment and tax advice from independent and suitably qualified advisers. The value of investments may go up as well as down and you may not get back the full amount of your investment. Past performance is not a guide to future performance.

This document contains only summary information and is incomplete. The information and opinions contained in this document are provided as at the date of the document and are subject to change and no representation or warranty, express or implied, is or will be made in relation to the accuracy or completeness of the information contained herein and, save in the case of fraud, no responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) is or will be accepted by the Investment Manager or the Company or by any of their respective directors, partners, officers, employees or advisers ("**Affiliates**") in relation thereto.

All projections, estimations, target returns and the like in this document are illustrative exercises involving significant elements of judgement and analysis and using the assumptions described herein, which assumptions, judgements and analyses may or may not prove to be correct. The actual outcome may be materially affected by changes in, for example, economic and/or other circumstances. Each of the Investment Manager, the Company and their respective Affiliates expressly disclaims any and all liability which may be based thereon. In particular, no representation or warranty is given as to the achievement or reasonableness of future projections, estimates, or target returns, if any. Any views contained herein are based on financial, economic, market and other conditions prevailing as of the date of this document. The information contained in this document will not be updated.

This document may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and will not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person (as defined under Regulation S under the US Securities Act). The Company has not been, and will not be, registered under the U.S. Investment Company Act of 1940, as amended. Neither this document nor any copy of it may be: (i) taken or transmitted into or distributed in any member state of the European Economic Area, Canada, Australia or the Republic of South Africa or to any resident thereof, or (ii) taken or transmitted into or distributed in Japan or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this document in other jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

By accepting this document, you agree to be bound by the foregoing provisions, limitations and conditions and, in particular, you have represented, warranted and undertaken that you have read and agree to comply with the contents of this notice including without limitation the obligation to keep the information given in this document and its contents confidential.



The Q2 2025 factsheet and next update to NAV will be published on Monday 28 July, please visit:

www.literacycapital.com/investors

Contact information

Literacy Capital plc, 3rd Floor, Charles House,
5-11 Regent Street St. James's, London, SW1Y 4LR

0203 960 0280 | www.literacycapital.com