LITERACY CAPITAL Q3 2025 | Factsheet

Published on 27 October 2025

→ for the three months to 30 September 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 £12.4m.**

Literacy Capital plc highlights

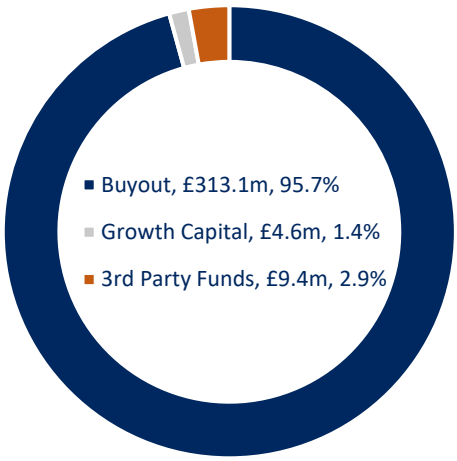
517.8p NAV per ord. share[1]	**£0.2m** Capital invested
(0.3)% Q3 NAV per share	**£28.7m** Proceeds received
+2.6% Change in NAV per share in last 12 months	**£397k** Q3 charitable donation provision

Key facts on 30 September 2025

Net assets[1]	£311.6 million
Net assets per ord. share[1]	517.8p
Share price (mid-price)	381.0p
Premium / (discount)	(26.4)%
Management fee	1.5%
Trading on	Specialist Fund Segment (SFS) of the LSE
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 (597,500 allotted on 30 September 2025).

Breakdown of gross assets[3] by asset type



[3] Gross assets of £327.1m, before borrowings, compared to net assets of £311.6m. All figures and percentages rounded to one decimal place.

Performance to 30 September 2025

% total return	3 months	1 year	3 years	Since Admission[4]	Since inception[5]
BOOK net assets per share	**(0.3)%**	**+2.6%**	**+34.5%**	**+222.4%**	**+417.8%**
BOOK share price	**(12.6)%**	**(23.8)%**	**(1.8)%**	**+138.1%**	**n/a**
FTSE investment company index	+6.9%	+14.3%	+33.0%	+12.6%	+66.8%
FTSE all-share index	+6.9%	+16.2%	+50.0%	+45.3%	+60.5%

[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

BOOK's FY25 year-end and Q4 reporting date are 31 December. As a result, the next factsheet is expected to be published before the end of February 2026

www.literacycapital.com/investors

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Richard Pindar, CEO of BOOK's Manager:

"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."

Summary of Q3 performance

On 30 September 2025, net asset value (NAV) was £311.6m, or 517.8p per share. A modest gain was generated by the portfolio but overall there was a (0.3)% movement in NAV per share since 30 June (after all expenses and donations).

In Q3, Techpoint contributed the largest NAV uplift (in £ terms), representing a recovery from a weaker performance and contribution in the past two years. The investment and move into its new, state-of-the-art facility in Basingstoke should help to sustain positive momentum into 2026.

Despite more encouraging signs in early 2025, Grayce has continued to face market headwinds, making growth more difficult. A new CEO was appointed in September, and we are confident that she will help to realise the potential of what is already a highly profitable investment for BOOK.

BOOK's share price declined 12.6% during Q3, meaning it ended the quarter on an unusually wide 26.4% discount to NAV. Further initiatives will be announced during Q4 to address and improve this position.

New investments and commitments

No new investments were completed in the period and very little capital was invested in Q3 (less than £0.2m).

Several significant bolt-on acquisitions are expected to complete in Q4.

Cash generation and liquidity

In Q3, cash inflows (£28.7m) were higher than any previous quarter in BOOK's history. The majority of these proceeds related to the partial sale of Velociti Solutions. This transaction completed in July and delivered 14.8x MoM (IRR of 70%) for shareholders. Literacy also completed the refinancing of a portfolio company and received distributions from its fund investments.

On 30 September, £14.1m was drawn under the RCF, with £2.4m held in cash, marking a significant reduction in net borrowings and reducing the ongoing costs of the facility 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.

"I love reading because I learn new words and my imagination becomes wild" – Child at Bookmark partner school.



Disadvantaged children leave primary school on average 10 months behind their peers, and just 10% passing their English and Maths GCSEs. Literacy Capital's partnership with Bookmark is crucial to ensure that every child can read and has a fair chance in life. In Q3, Bookmark closed the 2024/25 academic year having reached 417 disadvantaged primary schools, with their 10 literacy programmes, benefitting 180,979 children. Over 20,000 hours of one-to-one reading support were delivered, with 86% of teachers reporting improvements in pupils' reading skills. To further enrich reading environments and boost reading for pleasure, Bookmark also distributed 70,329 high-quality books to schools and sent 563,256 copies of The Story Corner magazine home to children.

Looking ahead, the 2025/26 academic year will see Bookmark expand its Your Story Corner initiative to three new areas of need: Oldham, South-East & East London, and Cheshire & Merseyside. This expansion will help to develop whole-school reading cultures in more disadvantaged primary schools, ensuring that every child develops the literacy skills they need to thrive.

Visit bookmarkreading.com to learn more.

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Portfolio overview

Companies / assets	Date of investment	Carrying value	*Value as % of NAV*
RCI Group	Sep-18	£94.8m	*30.4%*
Cubo Work	May-23	£24.9m	*8.0%*
Grayce	Jul-18	£24.1m	*7.7%*
Velociti Solutions	Feb-20	£24.0m	*7.7%*
Techpoint	Jun-20	£19.8m	*6.3%*
Top 5 investments		**£187.6m**	***60.2%***
Oxygen Activeplay	Jul-21	£16.3m	*5.2%*
Bright Ventures (formerly Halsbury Travel)	Jun-22	£16.1m	*5.2%*
Wifinity	Dec-17	£15.5m	*5.0%*
Antler Homes	Jun-18	£11.5m	*3.7%*
Hanmere	Dec-17	£10.6m	*3.4%*
Top 10 investments		**£257.5m**	***82.6%***
Other direct investments		£60.2m	*19.3%*
Private equity fund interests		£9.4m	*3.0%*
Borrowings (incl. donation provision & impact of warrants)		(£15.5)m	*(5.0%)*
Total net asset value		**£311.6m**	***100.0%***

Top 10 investments#

+4%
YoY sales growth

+9%
YoY EBITDA growth

9.5x
EV / Earnings[1]

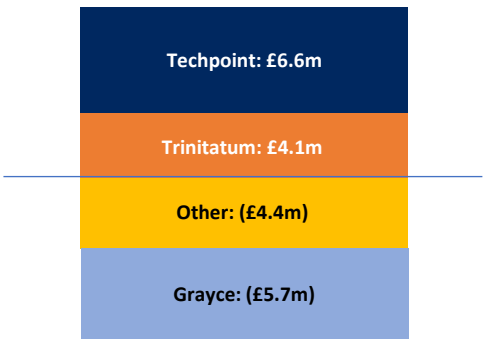
2.7x
Net debt / EBITDA[1]

21.4%
EBITDA margins

4,107
Total headcount

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

Breakdown of Q3 uplift by asset (before costs)



Portfolio highlights

The companies comprising BOOK's ten largest holdings remained unchanged quarter-on-quarter albeit there was some movement in their relative positions within the top ten.

Velociti saw the most meaningful movement, due to the transaction announced on 28 July, which saw BOOK sell a little over 50% of its stake (at a 52% premium to prior carrying value). This transaction also rebalanced the overall portfolio (the top 10 investments equating to 82.6% of NAV, compared to an average of 91.0% over the past two years) and repaid a significant proportion of fund-level borrowings.

It is pleasing to see that the more recent investments, completed since the beginning of 2024 and currently outside the top ten, are already demonstrating strong momentum (e.g. Trinitatum, which contributed the second largest uplift in Q3).

Whilst the annual growth metrics presented above are more subdued than historical ones, the equivalent figures at the end of Q4 are expected to show improvement, with a consequent positive impact on NAV.

Net debt within the portfolio

Net debt (on a weighted average basis) of 2.7x EBITDA on 30 September was slightly higher than 30 June (2.3x). The largest contributor to this, despite its reduced weighting, was the additional debt within Velociti, following its buyout in July.

This level of leverage remains prudent relative to typical PE-backed businesses. Further refinancing activity is expected during Q4, generating additional cash for the fund.

Portfolio valuation

The weighted average EV / EBITDA multiple was 9.5x on 30 September 2025, a reduction from 10.1x at the end of 2025, following the sale of part of BOOK's stake in Velociti, which brings the EV / EBITDA multiple closer to historical averages.

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.

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Disclaimer

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