LITERACY CAPITAL Q4 2025 | Factsheet

Published on 27 February 2026

→ for the three months to 31 December 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 £12.7m.**

Literacy Capital plc highlights

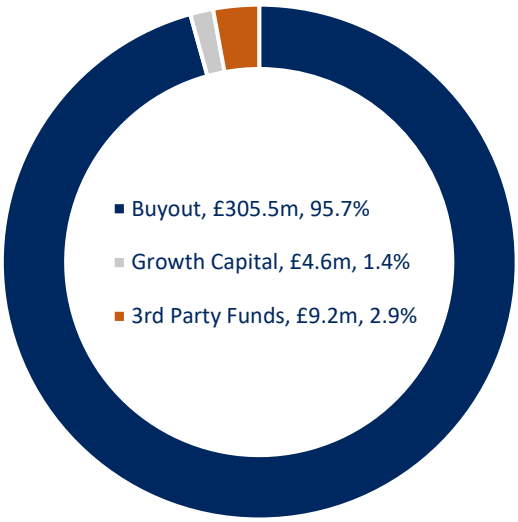
484.3p NAV per ord. share[1]	**£11.8m** Capital invested
(4.5)% Q4 NAV per share[2]	**£8.0m** Proceeds received
+0.3% Change in NAV per share[2] in last 12 months	**£301k** Q4 charitable donation provision

Key facts on 31 December 2025

Net assets[1]	£291.4 million
Net assets per ord. share[1]	484.3p
Share price (mid-price)	383.0p
Premium / (discount)	(20.9)%
Management fee	1.5%
Trading on	Specialist Fund Segment (SFS) of the LSE
Ticker	BOOK
Ordinary shares in issue[3]	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] The figures presented are the diluted NAV per share inclusive of the cash returned to shareholders.
[3] Excludes warrants in issue (597,500 allotted on 31 December 2025).

Breakdown of gross assets[4] by asset type



[4] Gross assets of £319.3m, before borrowings, compared to net assets of £291.4m. All figures and percentages rounded to one decimal place.

Performance to 31 December 2025

% total return	3 months	1 year	3 years	Since Admission[5]	Since inception[6]
BOOK net assets per share[7]	**(4.5)%**	**+0.3%**	**+17.5%**	**+207.7%**	**+394.3%**
BOOK total shareholder return	**+3.1%**	**(13.4)%**	**+6.8%**	**+145.6%**	**n/a**
FTSE investment company index	+3.7%	+16.1%	+32.4%	+16.8%	+73.0%
FTSE all-share index	+6.4%	+24.0%	+46.5%	+54.5%	+70.7%

[5] BOOK was admitted to the London Stock Exchange on 25 June 2021
[6] Inception date treated as 30 April 2018. £54 million of capital raised
[7] The figures presented are the diluted NAV per share inclusive of the cash returned to shareholders.

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Richard Pindar, CEO of BOOK's Manager:

"We were pleased to announce two disposals in the first three weeks of 2026. Together with the significant exit of Velociti in Q3 2025, these transactions generated substantial cash proceeds for BOOK, demonstrating both the strength of our portfolio and conservative valuation methodology.

In total, the three transactions realised £81.2m of value, representing a 39% premium to their carrying value and more than 25% of BOOK's 30 June 2025 NAV, which reflects a very healthy distribution rate relative to the broader PE market.

Despite this strong realisation activity, overall NAV return in Q4 and 2025 as a whole was disappointing, reflecting the volatile and uncertain economic backdrop. Public data reflects the fragile and inconsistent nature of UK economic growth in 2025, alongside subdued confidence, business and hiring activity.

Across our diverse portfolio, we saw clear effects of slower decision making and a reduced willingness to commit to spending and investment across both private and public sector customers. While these conditions stem from multiple external factors, our focus remains on the elements within our control - protecting and creating value within our portfolio companies."

Summary of Q4 performance

On 31 December 2025, net asset value (NAV) was £291.4m, or 484.3p per share. Overall, NAV per share decreased by 4.5% since 30 September (after all expenses and donations), including the £6m returned to shareholders during Q4.

Red Sky Food Group, BOOK's most recent platform investment, contributed the largest uplift to NAV in the quarter. The acquisition of Delenco Foods was an important step forward, with encouraging trading momentum and cash generation in Q4. Further bolt-on acquisitions in 2026 are likely for several portfolio companies, including Red Sky, to build further scale and value. Tyrefix was the second largest positive contributor in Q4, as it was written up by 59% to reflect the terms of the sale.

Conversely, RCI Group and Grayce were marked down during Q4, as market conditions and trading performance softened. Plans are in place to improve the performance of both businesses in 2026.

Total shareholder return in Q4 was +3.1%, including the £6m cash return. Deutsche Numis was appointed as sole broker and financial advisor in November. Further marketing initiatives have also been announced to build further awareness and interest in BOOK.

New investments and commitments

No new platform investments were completed in the period.

£11.8m was invested in Q4, primarily provided to the existing portfolio to fund bolt-on acquisitions or other growth initiatives.

Cash generation and liquidity

£8.0m was received in Q4, mostly relating to the refinancing of Bright Ventures.

On 31 December, the RCF was drawn £25.0m, with £1.2m held in cash.

Following the two sales announced in January (mentioned below), BOOK's cash inflows in Q1 2026 are expected to be an all-time high. As a result, the RCF is expected to be at a much lower level of utilisation during Q1 2026, materially strengthening the balance sheet and reducing financing costs.

Activity since the period end

In January 2026, BOOK announced the sales of both Wifinity (5.2x MoM; 22% IRR) and Tyrefix (2.5x MoM; 25% IRR). The carrying value achieved on the sale of each asset has been reflected in the Q4 net asset figures.

These two disposals are expected to result in BOOK receiving £29.7m in Q1, with the proceeds from the Tyrefix transaction received in early February.

"All the books you donated changed me into a person who loves books"
– Child at Bookmark partner school



In England, 1 in 4 children continue to leave primary school unable to read well. These children are more likely to experience unemployment, poverty and poor health. Literacy Capital's partnership with Bookmark is crucial to ensure that every child can read and achieve their full potential.

In Q4, Bookmark delivered more than 8,000 hours of one-to-one literacy support to children who need extra support. Of these children, almost half receive pupil premium.

Bookmark also expanded its Roots to Reading initiative (previously called the 'Your Story Corner' programme) to 31 disadvantaged primary schools in Oldham, distributing over £62,000 worth of books and resources for children to enjoy.

2026 is the National Year of Reading. Bookmark is delighted to collaborate with the National Literacy Trust, the Department for Education, and other key charities on the campaign, which aims to reignite a culture of reading for pleasure across the UK. 2026 will also see Bookmark expand its support to disadvantaged communities across London, as well as Cheshire and Merseyside.

Visit bookmarkreading.com to learn more.

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Portfolio overview	Date of investment	Carrying value	*Value as % of NAV*
RCI Group Healthcare, specialist clinical & support services	Sep-18	£76.4m	*26.2%*
Cubo Work Office & co-working space provider	May-23	£25.2m	*8.6%*
Velociti Solutions Provider of transportation software	Feb-20	£23.7m	*8.1%*
Techpoint Electronics manufacturer and supply chain solutions	Jun-20	£23.2m	*7.9%*
Oxygen Activeplay Operator of trampoline & adventure parks	Jul-21	£17.5m	*6.0%*
Top 5 investments		**£166.0m**	***56.9%***
Grayce Change & transformation for organisations	Jul-18	£17.4m	*6.0%*
Red Sky Food Manufacturer of premium meat products	Apr-25	£16.2m	*5.6%*
Wifinity Wi-fi provider to hard-to-reach campus locations	Dec-17	£15.4m	*5.3%*
Tyrefix Emergency plant tyre repair & replacement services	Nov-20	£14.7m	*5.0%*
Bright Ventures Education School travel operator	Jun-22	£11.6m	*4.0%*
Top 10 investments		**£241.3m**	***82.8%***
Other direct investments		£68.8m	*23.6%*
Private equity fund interests		£9.2m	*3.1%*
Borrowings (incl. donation provision & impact of warrants)		(£27.9)m	*(9.6%)*
Net asset value		**£291.4m**	***100.0%***

Top 10 investments[#]

+2%
YoY sales growth

+5%
YoY EBITDA growth

9.4x
EV / Earnings

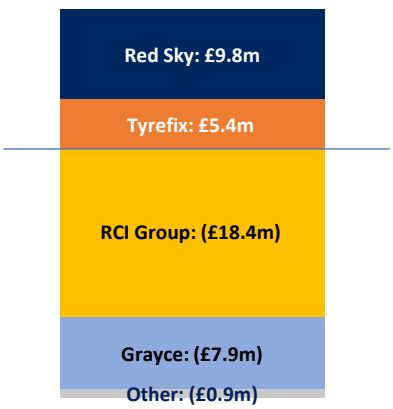
2.8x
Net debt / EBITDA

21.0%
EBITDA margins

4,026
Total headcount

[#] Data calculated on a weighted average basis (excl. headcount)

Breakdown of movement in Q4 by asset (before costs)



Portfolio highlights

BOOK's ten largest holdings saw two new entries in the quarter, with Red Sky making its first appearance, due to its recent progress with its M&A strategy and other improvements to the business, and Tyrefix making a final (re)appearance, due to the 59% uplift achieved on the sale to Citira AB announced on 21 January.

Overall, the rates of revenue and profit growth seen within the portfolio remain at subdued levels, reflecting the fragile and unpredictable trading conditions affecting UK businesses. Aggregate headcount across BOOK's ten largest holdings declined 2% in Q4 reflecting broader trends across the UK private sector, as businesses adapt to market conditions. This lack of certainty had an impact on demand for services from customers of both RCI and Grayce, resulting in a reduction in their carrying values.

Alongside Red Sky's strong contribution in Q4, we expect BOOK's other 2025-vintage platform investment, Trinitatum, also to become a top ten holding at the end of Q1 2026. Both these recent investments are demonstrating strong promise.

Net debt within the portfolio

Net debt (on a weighted average basis) of 2.8x EBITDA on 31 December was broadly consistent with the end of Q3 (2.7x).

This level of leverage remains prudent relative to typical PE-backed businesses. As performance across the portfolio strengthens, supported by a disciplined focus on strategic bolt-on M&A activity, we expect average net debt across the portfolio to decline.

Portfolio valuation

The weighted average EV / EBITDA multiple was 9.4x on 31 December 2025, which is in line with BOOK's historical averages. Since July 2025, three exits have been announced at an aggregate 39% premium to prior carrying values, providing support to BOOK's valuation methodology.

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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The Q1 2026 factsheet and next update to NAV will be published on Friday 24 April, please visit:

www.literacycapital.com/investors

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