

NS Miscellaneous

UPDATE ON INVESTMENT: THEWORKS.CO.UK PLC

KELSO GROUP HOLDINGS PLC

Released 07:00:02 05 October 2023

RNS Number : 7329O
Kelso Group Holdings PLC
05 October 2023

Kelso Group Holdings Plc ("Kelso")

Update on Investment: TheWorks.co.uk Plc ("TheWorks")

The Board of Kelso notes the results yesterday of the TheWorks' AGM resolutions. In particular, we draw attention to Resolution 2, which was not passed, having been voted against by c.65% of shareholders, which proposed paying a final dividend.

Kelso holds 2.9 million shares, representing 4.6% of the issued shares. We are supportive of management and voted for all resolutions with the exception of Resolution 2. We believe, given the low valuation of TheWorks of c.1.4x EV/EBITDA¹ (excluding IFRS 16 lease liabilities) that the company's cash is better used by buying back its shares for cancellation. Kelso looks forward to engaging with the management of TheWorks on this matter.

We strongly believe that the intrinsic value of TheWorks is significantly higher than the current value. We also believe that its position in the UK high street with a dozen own brands at the value end of arts and craft products, stationery, games and books all in the creative and learning arena is a good defensive part of the market.

¹Calculated as current market capitalisation (£23.9m) less net cash (£10.2m), divided by expected FY24 EBITDA (£10.0m). Figures taken from TheWorks' announcement on 30 August 2023.

For further information please contact:

Kelso Group Holdings plc

+44 (0) 75 4033 3933

John Goold, Chief Executive Officer

Mark Kirkland, Chief Financial Officer

Jamie Brooke, Chief Investment Officer

About Kelso

Kelso was established in 2022 to identify, engage and unlock trapped value in the UK stock market. Kelso's strategy is to invest in situations where there is an anomaly between the intrinsic value and prospects of a company and its stock market

valuation. Kelso will, in particular, look for situations where it believes the sum of the parts of a business is greater than the current value.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lse.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCMIBFTMTJMBLJ

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

© 2023 London Stock Exchange plc. All rights reserved.