

NS Statement re Company Event

FURTHER INVESTMENT IN NCC GROUP PLC

[KELSO GROUP HOLDINGS PLC](#)

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Kelso Group Holdings Plc ("Kelso" or the "Company")

Further investment in NCC Group Plc ("NCC")

Kelso, the main market listed acquisition vehicle, makes the following announcement regarding its investment in NCC alongside Kelso's annual results which were also announced this morning.

Kelso announces that it has purchased a further 700,000 ordinary shares in NCC following our initial purchase of shares in October 2023. This purchase takes Kelso's total holding to 2.2m shares at an average cost price of 117p. NCC's has two principal businesses, namely in software escrow (Escode) and the other in cyber security, each of which operate independently. Software escrow is the process whereby companies protect the core code of their business software provided by a third party in the event of the software supplier becoming insolvent or failing to deliver on its contract. Software escrow is increasingly becoming part of regulators requirements.

In our view, the value of the Escode division has historically not been fully appreciated. The NCC capital markets presentation on 25 April 2024 at the London Stock Exchange was well attended and gave the investment community much greater insight into the potential of the business.

Escode is the global market leader in software escrow with over 14,000 clients including c.57% of the Fortune 500 and c.40% of the Forbes 2000. It had revenue in 2023 of £64.3m with EBIT of £30.8m. With its market leading position, first rate client retention rates and long term contracts, Escode has extremely high quality earnings. Coupled with steady industry growth, principally driven by regulatory change in particular in the finance and infrastructure markets, we believe this makes Escode a highly valuable business.

We look forward to attending the Cybersecurity capital markets day on 20 June 2024 which we expect will be equally informative. The Cybersecurity division had revenue to 31 May 2023 of £270.8m and EBIT of £6.9m (2022: £31.9m) following a pull back in the market. In January 2024, NCC reported its interim results which were in line with market expectations and as such this gives confidence that the turnaround is gathering pace.

Kelso believes that the sum of the parts of NCC is significantly greater than the current market capitalisation. We applaud management's clarity and initial execution of its strategy and for the significant effort made to include and educate its existing and new shareholders at the capital markets day.

John Goold, CEO of Kelso, commented:

"Well executed capital markets days are a vital part of any listed company's investor relations strategy, allowing holders and non-holders to deepen their knowledge. Last week's presentation of Escode allowed investors to hear from the senior management within the business and also one long term customer, NatWest Bank. We look forward to the Cybersecurity division capital markets day in June."

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About Kelso

Kelso was established in November 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.

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