

## VOTING INTENTIONS AT THE AGM

### KELSO GROUP HOLDINGS PLC

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

#### Voting intentions at the upcoming THG Plc AGM

Kelso, the main market listed acquisition vehicle, makes the following update on its largest investment, THG Plc ('THG' or the 'Group').

#### Highlights

- Kelso believes THG shares trade at a significant discount to its sum of the parts value.
- Kelso believes this discount would narrow significantly if THG moved from the Standard List to the Premium List and clarified the Group's future structure to avoid the current conglomerate discount.
- As a result of the lack of action and clarity on these matters, Kelso intends to vote against Resolution 5, the re-election of the Chair, whom we believe should be leading strategy, at the upcoming THG AGM.
- In the spirit of shareholder democracy, we are making this statement to encourage shareholder debate.

Kelso remains firmly convinced that the sum of the parts valuation of THG continues to significantly exceed the current market capitalisation. Of note, independent broker Peel Hunt recently initiated coverage with a 141p share price target and a 280p valuation on a sum of the parts basis. It is disappointing that the THG share price remains below 80p despite the recent positive annual results and Q1 trading statement. For context, THG listed at 500p and last raised capital at 590p per share.

Kelso has previously expressed a strong belief that shareholder value would be significantly enhanced if THG were to undertake two specific actions:

- (i) action the commitment to move to the Premium List from the Standard List which was given on 18 October 2021, the anniversary of the IPO; and
- (ii) provide clarification of the Group's future structure.

Whilst THG would be a mid-ranking constituent of the FTSE 250 index, it is the 4th largest company, by market capitalisation, amongst those companies with their main listing on the Standard List. Companies listed on the Standard List do not form part of the UK All Share Index or the FTSE 250 Index. Furthermore, most of the UK active funds including dedicated mid-cap active funds are benchmarked against the FTSE 250 index and are able to ignore companies on the Standard List. In June 2022, the FCA said that it was reviewing introducing one listing regime for issuers, merging the Standard List with the Premium List. Following a 23-month review of the proposed listing rules reform, this review is still ongoing. THG has said that it is awaiting the result of this review. Kelso believes the Board should take control of the timing of this value accretive decision. The Board of Kelso believes any cost of transition would be dwarfed by the value benefits to shareholders and would further improve corporate governance at THG.

On 16 January 2024, THG delivered a strategy update in which it stated that the Group's strategy, as previously set out by the Board in 2021, remained unchanged: "... to provide each division with its own growth and capital platform, through individual public market listings or partnerships, with THG retaining significant majority ownership". Disappointingly, after nearly four years, there has been no demonstrable public progress on this front. The Board of Kelso finds it particularly remiss that there is minimal comment on strategic progress relating to this matter in the Group's recent Annual Report, which spans over 200 pages. Kelso believes that this lack of clarity is a major factor contributing to the poor share price performance and the absence of new declarable shareholders to THG's register in the last eighteen months.

THG's AGM is on 24 June 2024. Each of the Directors of the Board will be voted on for re-election. In the context of shareholder democracy, we take our responsibility as a shareholder seriously and believe that these resolutions require careful consideration from all shareholders rather than just a rubber stamp. As a result of the lack of action on the workstreams outlined above, Kelso will be voting against Resolution 5, the re-election of the Chair whom we believe is ultimately responsible and should be held accountable for leading THG's strategy and communicating this in a clear and transparent manner to all shareholders.

#### Kelso commented:

"Whilst major strategic and structural issues remain unaddressed, the poor share price cannot be blamed on the London Stock Exchange. As a result of the lack of progress we plan to vote against the Chair at the upcoming AGM."

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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. Kelso is a shareholder in THG with c.5.5 million shares.

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