NS Response to Statement/Event

THEWORKS.CO.UK PLC - FULL RESPONSE FROM KELSO

KELSO GROUP HOLDINGS PLC

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Kelso Group Holdings Plc

("Kelso")

TheWorks.co.uk plc: Kelso's Response and Recommendation to Vote FOR Resolution 15

"That, Graeme Coulthard be and he is hereby appointed as a Director of the Company with immediate effect."

Kelso, the main market listed investment vehicle and a 10% shareholder in TheWorks.co.uk plc ("The Works", or the "Company"), encourages shareholders to vote FOR Resolution 15, the appointment of Graeme Coulthard as a Director of The Works, at the AGM on 7 September 2026. On 14 August 2026, Kelso said that it would respond more fully to the statement issued by the Board of The Works recommending that shareholders vote against Resolution 15. This announcement sets out Kelso's full response and explains why it believes Mr Coulthard's appointment would enhance the Board and support long-term shareholder value.

The summary of the points below is as follows;

1. It is a modest and reasonable request. Kelso holds 10% of The Works and Mr Coulthard holds over 8%. The appointment of one additional director, supported by shareholders holding approximately 18% of the Company, is in Kelso's view a modest and reasonable request. Since our request, none of The Works' three independent non-executive directors have met or spoken to Mr Coulthard before recommending that shareholders vote against his appointment. Indeed, the two new independent non-executive directors have never met or spoken to Mr Coulthard at all. The strength of the Board's resistance to Kelso's proposal and its lack of effort to engage with Mr Coulthard is difficult to understand.
2. Mr Coulthard has highly relevant experience. Mr Coulthard served on the Board of Card Factory for five years, during a period of significant store expansion, profit growth and its successful flotation in 2014. Kelso believes his experience in value retail, corporate strategy and capital allocation would be directly relevant to The Works and support long-term value creation. The Board has stated that Mr Coulthard has 'no executive experience in multi-site value retail operations'. Kelso believes that description to be misleading and unfairly reflects the relevance of his experience. Under the AIM Rules a company must take reasonable care that the information it announces is not misleading. Kelso has asked the Board of The Works to correct this point before the AGM.
3. Mr Coulthard is strongly aligned with shareholders. Mr Coulthard first invested in The Works in 2020 and now owns over 8% of the Company. He has therefore committed significant personal capital to the long-term success of the business. Kelso believes that this alignment, combined with his relevant experience, would bring a valuable shareholder perspective to the Board. Kelso asks the independent non-executive directors to confirm how they opined so quickly and without speaking to Mr Coulthard that he would 'undermine, rather than enhance shareholder value'. Mr Coulthard's 30-plus year career has demonstrated successful shareholder value creation.
4. The shareholder register should be broadened. Despite the Company's improved operating performance and share-price recovery, Kelso notes that no new institutional investor has declared a new holding above 3% since Kelso first invested almost three years ago. Kelso believes greater focus on broadening the shareholder register, research coverage and investor engagement could help close The Works' continuing valuation gap. A Board more focussed on broadening the shareholder register and less on resisting existing shareholders, that have materially helped the business, would serve all investors better.
5. Governance and Board engagement. Kelso believes shareholders would benefit from greater clarity regarding Steve Bellamy's (Chairman, The Works) physical attendance and in-person engagement with the business. Kelso asks how much time he spends in the UK with the business and how many of the Company's seven plc board meetings during the last year the Chair attended in person. Kelso notes the most recent filing at Companies House that Mr Bellamy is a New Zealand resident. This is a filing from October 2025 where Mr Bellamy was removed from the Board of Empresaria Group plc following a shareholder requisitioned vote, where 82% of votes cast were in favour of his removal.

Mr Coulthard's relevant experience

The Board of The Works has described Mr Coulthard as having "limited experience as a director of a listed company and no executive experience in multi-site value retail operations". Kelso believes this description to be misleading and which unfairly reflects the relevance of Mr Coulthard's experience to The Works. Mr Coulthard joined the board of Card Factory in 2010 following its acquisition by Charterhouse Capital Partners and served for five years through a period of significant store expansion, profit growth and the Company's successful flotation in 2014. Card Factory is a multi-site value retailer operating in a closely related segment to The Works. Mr Coulthard has also served on the boards of a number of retail, consumer and leisure businesses in the UK and overseas.

The Board has emphasised that much of Mr Coulthard's experience was gained as a private equity investor rather than an operating executive. Mr Coulthard is being proposed as a non-executive director, not as an operating executive. Kelso believes his experience of strategy, capital allocation, governance and value creation is precisely the type of experience relevant to that role.

Kelso has therefore asked the Board of The Works to reconsider its description of Mr Coulthard's experience and correct the record before the AGM.

Mr Coulthard first invested in The Works in January 2020 and has subsequently increased his holding to over 8%, representing more than five million shares. His substantial personal investment demonstrates a clear alignment with the long-term interests of shareholders. Kelso is disappointed that the independent directors concluded that his appointment would 'undermine, rather than enhance long-term shareholder value' without first meeting or speaking to him. Mr Coulthard's 30-plus year career has demonstrated successful shareholder value creation.

Kelso's constructive engagement with The Works

Kelso first invested in The Works in September 2023, when the Company's market capitalisation was approximately £20 million and its shares were trading close to post-pandemic lows.

In February 2024, Kelso's CEO, John Goold, and then-CFO, Mark Kirkland, joined the Board of The Works as non-independent non-executive directors with the support of major shareholders. During their tenure, they participated in the reshaping of the Board, including the appointment of Steve Bellamy as Chair, and supported the Company's move from the Main Market to AIM.

Both Kelso directors stepped down from the Company in October 2024 when they were happy with the shape of the Board. Kelso has subsequently continued to engage constructively with the Board, including proposals on capital allocation and closing the valuation gap, while increasing its investment to 10% of the Company. Kelso welcomes the progress made by the executive team and believes management deserves significant credit for the Company's improved performance. However, that progress does not diminish the case for additional shareholder representation on the Board.

Independence, board balance and stability

Mr Coulthard has not been proposed as an independent director. Given his shareholding of over 8%, Kelso recognises that he would not be considered independent. Kelso supports meaningful director share ownership. Mr Coulthard would, like every director, be required to act in the interests of the Company and shareholders as a whole and is ready to complete the Company's normal vetting process.

The Board has described itself as 'strong and settled'. However, there have been four non-executive director changes (excluding Kelso) in under two years. Simon Hathway joined in November 2024 and left in January 2026. Harry Morley departed during FY26. Nicholas Wharton and Angela Rushforth both joined within the last year. Mr Coulthard, by contrast, has held shares in The Works since 2020, longer than the tenure of any serving non-executive director. Kelso believes his appointment would add continuity of ownership perspective rather than disrupt Board stability.

Voting at the AGM

The Company's Employee Benefit Trust holds 2,705,500 shares, representing approximately 4.3% of the Company. The trustee has waived its entitlement to dividends on those shares. Kelso understands that accepted governance practice is that shares held by an employee benefit trust are not voted on contested resolutions. Kelso therefore asks the Board to confirm before the AGM whether the trustee intends to vote on Resolution 15 and, if so, on whose recommendation.

Shareholders should note that proxy appointments giving discretion to the Chair have historically been counted in favour of the Board's recommendation. Shareholders wishing to support Mr Coulthard's appointment should therefore mark their proxy FOR Resolution 15 rather than leave their vote to the Chair's discretion. Proxies must be submitted before 2.00 p.m. on Thursday 3 September 2026.

Governance and Board engagement

Kelso believes that effective oversight of a multi-site UK retailer benefits from appropriate in-person engagement by its Board and Chair. Kelso therefore asks the Chair of The Works to clarify the amount of time he spends in the UK and how many of the Company's seven plc board meetings during the last year he attended in person. Kelso believes transparency on these matters would provide useful reassurance to shareholders regarding the level of Board engagement with the business.

Kelso notes the most recent filing at Companies House that he is a New Zealand resident. This is a filing from October 2025 where Mr Bellamy was removed from the Board of Empresaria Group plc in a shareholder requisitioned vote, where 82% of votes cast were in favour of his removal.

Broadening The Works' shareholder register

Despite the Company's improved performance, Kelso notes that no new institutional investor has declared a holding above 3% since Kelso first invested. Kelso has itself increased its holding from 3% to 10%.

Kelso believes there remains an opportunity to broaden the institutional shareholder register, increase research coverage and strengthen engagement with private investors. Kelso has consistently encouraged greater investor outreach, including supporting the executive team's presentation at the Mello private investor conference in June 2026. Kelso believes that a broader shareholder base and greater capital-markets engagement could contribute to closing The Works' continuing valuation gap.

A modest and reasonable request

Kelso holds 10% of the voting rights of The Works. Mr Coulthard holds over 8%, having first invested in 2020. The Board itself recognises that he is a significant shareholder with whom it has claimed to maintain a regular dialogue. The appointment of one additional director to a current board of five, supported by shareholders holding approximately 18% of the Company, is a modest and reasonable request. If maintaining a majority of independent directors is a concern, the Board can always appoint a further independent non-executive director, as it has twice done during the past year. Kelso would support such an appointment. Kelso believes the Board would benefit from Mr Coulthard's experience and shareholder perspective. It is therefore particularly disappointing that the independent directors recommended voting against his appointment without first meeting or speaking to him.

Kelso encourages all shareholders to vote FOR Resolution 15.

Graeme Coulthard - biography

Graeme Coulthard qualified as a Chartered Accountant and is a former partner of Charterhouse Capital Partners, where he focused principally on investments in the UK retail, consumer and leisure sectors.

During his career he served on the boards of businesses including Tussauds Group, Avent Limited and Card Factory.

Mr Coulthard led Charterhouse's acquisition of Card Factory in 2010 and served on its board as the business expanded from approximately 485 stores to approximately 750 stores. He supported the management team through the Company's successful flotation on the London Stock Exchange in 2014 and remained on the board until 2015.

Card Factory and The Works are both multi-site value retailers and are frequently co-located. Mr Coulthard also worked closely with Gavin Peck during Mr Peck's time at Card Factory.

Mr Coulthard retired from Charterhouse in 2017 and now focuses on investing his own capital in undervalued UK growth companies. He first invested in The Works in 2020 and now owns over 8% of the Company.

Note to Editors

Kelso Group Holdings Plc. Kelso is a listed investment vehicle founded in January 2023 which is backed by over 80 business acquaintances of the Board and a small number of institutions. The Board own c.17% of Kelso and between them have approaching 150 years of experience in UK listed companies through a mixture of fund management, corporate broking, M&A, private equity and law. Kelso's aim is to capitalise on an under-valued UK small and mid-cap stock market by investing in a small and focussed selection of stocks of around ten stocks, being less than ten. Kelso then tries to actively help its investee companies by offering constructive advice and ideas predominantly around strategy, capital allocation and investor relations in order to unlock trapped value.

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