

17 October 2024

Kelso Group Holdings Plc

("Kelso" or the "Company")

Update on Kelso Investments

Kelso, the main market listed acquisition vehicle, is pleased to announce a further update on its new strategy as initially set out on 30 September 2024. In that announcement, Kelso stated that it will now look to seed and invest in listed single company acquisition vehicles which target listed, unlisted and divisions of undervalued UK businesses where we believe there is considerable upside. Selkirk Group Plc ("**Selkirk**") was announced as the first of these such vehicles.

Kelso is pleased to announce that Selkirk's Intention to Float ("**ITF**") announcement was released today alongside its Schedule 1 to raise £7.5m on the AIM market. Kelso is pleased, as part of this listing, to have partnered with Belerion Capital ("**Belerion**"), a London based investor and adviser specialising in the e-commerce and technology and digital media sectors. Selkirk has stated in its Schedule 1 announcement, that its investment strategy will focus on these sectors and the first acquisition will be a company with an enterprise value of between £30.0 million and £1.0 billion. We are extremely pleased with the quality of the Selkirk board, which will comprise Iain McDonald, Angus Munro and Alan Bannatyne who between them have significant experience in both the target sectors but also in listed companies generally and in corporate governance.

The ITF contains further details of the offering. The Executive Directors of Kelso will help advise Selkirk and its board and Kelso will participate in the long-term management incentive plan established within Selkirk, which we hope in time will create considerable value uplift for Kelso shareholders.

At the same time and as previously announced, Kelso confirms that it has participated in the THG Plc ("**THG**") placing announced on Friday 11 October and acquired 2.5m new THG shares at the placing price of 49p. This 50% increase in our holding takes Kelso's resulting holding to 7.5m shares in THG, at an average in price of 57.5p.

There are no other changes to Kelso's investments.

Kelso has a strong balance sheet with currently no company debt borrowings and in order to finance our increased investments in both Selkirk and THG, Kelso has taken a short-term loan of £1.0 million from Tenn Capital Limited.

Sir Nigel Knowles, Chairman, Kelso Group, said:

"Kelso is moving into the next phase of its corporate development with pace, to try and capitalise and unlock value on the undervalued UK stock market. We are pleased to have created Selkirk and that it has partnered with Belerion Capital to create value within its defined sectors. We are pleased to support AIM with Selkirk's IPO which we believe, despite a large reduction in companies listed in recent years, is one of the best growth exchange platforms in the world. We would encourage the British government to do everything in its power to support the AIM market as it is the lifeblood for many small and growing British businesses."

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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 it believes 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. The Kelso team is led by an experienced and well-invested Board and management team with a track record of identifying and creating value in the UK small and mid-cap public markets. There may be instances where Kelso itself could be used as a vehicle by an undervalued company to spin off a subsidiary into its own listing. The board of Kelso owns 20.5% of the equity having invested in each of the last three fundraising rounds.

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