

***HSQ Investment Limited***

***11-12 Hanover Square, London, United Kingdom, W1S 1J***

**Re: Unconditional Recommended Cash Offer for Kingswood Holdings Limited (“Kingswood”) by HSQ Investments Limited (“HSQ”)**

Dear Shareholder,

I am writing with regards to the unconditional recommended cash offer (the “Offer”) announced on 18 March 2025. Enclosed with the letter is the offer document (the “Offer Document”) relating to Offer by HSQ to acquire the issued and to be issued share capital of Kingswood not already owned by HSQ. Unless otherwise defined in this letter, capitalised terms shall have the meanings ascribed to them in the Offer Document.

Under the terms of the Offer, you will be entitled to receive:

**7 pence in cash for each Kingswood Share**

The Offer values Kingswood’s entire issued and to be issued share capital at approximately £48.03 million. HSQ already holds approximately 89.39% of Kingswood’s issued share capital. The Offer is unconditional from the outset. Kingswood Shareholders who accept the Offer early, i.e. on or prior to 1 pm on 15 April 2025, will receive the consideration payable to them under the Offer earlier (i.e. by 29 April 2025). Kingswood Shareholders who accept the Offer after 1 pm on 15 April 2025 and until the Offer remains open for acceptances will only receive the consideration payable to them under the Offer within 14 calendar days of receipt of such acceptance.

Following the announcement of the Offer on 18 March 2025, an application has been made for cancellation of the admission to trading of the Kingswood’s shares on AIM. It is expected that such cancellation will take effect no earlier than 7.00 a.m. on 17 April 2025. Following the de-listing, the Kingswood shares will no longer be able to be traded on AIM.

To accept the Offer, please follow the instructions in the Offer Document and, if your shares are held in certificated form, the Form of Acceptance. If your shares are held in CREST, please follow the electronic acceptance procedure.

The Offer will remain open for acceptance until such date as will be specified by HSQ through a Regulatory Information Service, with shareholders receiving at least 14 days’ notice prior to the specified closing date (which cannot be less than 21 days after the posting of the Offer Document).

As set out in the Offer Document, the Independent Kingswood Directors, who have been so advised by Cavendish as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. Cavendish is providing independent financial advice to the Independent Kingswood Directors for the purposes of Rule 3 of the Takeover Code. In providing its financial advice to the Independent Kingswood Directors, Cavendish has taken into account the commercial assessments of the Independent Kingswood Directors. Accordingly, the Independent Kingswood Directors are unanimously recommending that Kingswood Shareholders accept the Offer.

If you have any questions relating to the procedure for acceptance of the Offer, please telephone the Receiving Agent on +44 371 664 0300 between 9.00 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England & Wales). Calls to the helpline from outside the UK shall be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Please note that, for legal reasons, the Receiving Agent shall only be able to provide you with information contained in the Offer Document and cannot provide advice on the merits of the Offer nor give any legal, financial or tax advice. You are reminded that, if you are a CREST Sponsored Member, you should contact your CREST Sponsor before taking any action.

Yours faithfully,

***Duncan Gerard***

Director

For and on behalf of **HSQ Investments Limited**

If you are in any doubt as to the contents of the Offer Document or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser. If you have sold or otherwise transferred all of your Kingswood Shares (other than pursuant to the Offer), please send the Offer Document and the accompanying documents (other than documents or forms personalised to you) at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents must not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred only part of your holding of Kingswood Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise acquired Kingswood Shares, notwithstanding receipt of the Offer Document and any accompanying documents from the transferor, you should contact the Receiving Agent, on the telephone number set out above, to obtain a personalised Form of Acceptance. The release, publication or distribution of this letter, the Offer Document and any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom, and the availability of the Offer to Kingswood Shareholders who are not resident in the United Kingdom, may be restricted by the laws of those jurisdictions and therefore persons into whose possession the Offer Document comes should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. Neither this letter nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, in any jurisdiction in which such offer or invitation is unlawful.

### **Responsibility statement**

The HSQ Directors (whose names are set out in paragraph 2 (a) of Part V (Additional Information) of the Offer Document) accept responsibility for the information contained in this letter (including any expressions of opinion). To the best of the knowledge and belief of the HSQ Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **Right to request hard copies**

You may request a hard copy of the Offer Document (and any information incorporated by reference in the Offer Document) by contacting the Receiving Agent between 9.00 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England & Wales) on +44 371 664 0300 or by submitting a request in writing to the Receiving Agent at MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom.

### **Disclosure requirements of the Takeover Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent., or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the tenth (10th) Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the tenth (10th) Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent., or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <https://www.thetakeoverpanel.org.uk/>, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

