Thalassa Holdings Ltd
Folio Chambers
PO Box 800
Road Town
Tortola
British Virgin Islands

25 April 2025

Newmark Security Plc - by email

Dear Members of the Board,

As you are aware Thalassa Holdings Ltd owns 2 million shares of NWT (21.3%) making us the Company's largest shareholder. Whilst we have a strong conviction in the opportunities present at the Company, we are disappointed with the Company's Financial-, Operational- and Share Price performance and the Board's indefensible Governance Record that has constantly rewarded Leadership for negative shareholder returns.

1. **Excessive Compensation, and complete Lack of Corporate Governance**

We consider the compensation of the Dwek family, at the expense of shareholders, to be wholly unacceptable, which was only achievable with the explicit support of the Independent Directors. In our opinion, Messrs Rapoport and Yap's actions have compromised their status as Independent Directors and forsaken all consideration for the financial health of the stakeholders they are supposed, as independent directors, to represent, namely ALL the Company's shareholders.

To be clear, we consider the compensation of Messrs. M and M-C Dwek to be not only unrelated to any normal 3 year rolling performance KPI's such as ROCE, ROA, Net Income, Free Cashflow, Book Value, and Share Price performance, but also excessive given the additional costs of the other Executive Director(s) and the Subsidiary Executive Directors.

The Company Leadership's (Executive and Subsidiary Executive Directors) compensation is, frankly, wholly inappropriate as well as disproportionate to NWT's size and financial performance whether measured from the time of listing, or over the past 12 years since M-C Dwek was appointed CEO. We would point out that the figures include our rather hopeful, positive estimates for 2025E.

We would draw the Board's attention to the enclosed xl spreadsheet, which starkly illustrates the Company's excessive compensation and cost structure. The following extract from our xl spreadsheet highlights the Company's inequitable and clearly uneconomical compensation policy.

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Compensation vs. Net Income attributable to Shareholders between 2014 and 2025E

Ms M-C Dwek	£3.36 million
Mr M Dwek	£1.303 million
M-C + M Dwek	**£4.663 million**
Total Board Compensation	£7.653 million
Total Executive Directors + Subsidiary Executive Directors	**£14.410 million**
Net Income attributable to shareholders	**-£1.6 million**, or -£1.258 million…

…including our 2025E of net income of +£467,800

2. Balance Sheet deterioration

Erratic Operational performance, unsustainably high fixed costs, and excessive compensation have resulted in a > **30% decline in the Company's Book Value between 2014 and 2024**. We are astonished, therefore by the reference in the CEO's statement in the 2024 AR that Strategic Growth Plans include, "increasing net assets". Why only now?

3. Upside-only Performance Bonuses

Performance bonuses that appear to be calculated only on increased Revenues and EBITDA, and based on the result of a single year rather than on a three-year rolling basis are a complete waste of time, rewarding Executives for reasonable results but never penalising them for poor or worse, bad results. It is like saying "The Executive are only responsible for positive-, but not negative results." We would argue that such "Golden Ticket" reward-schemes have are totally inappropriate in a public company.

We would also point out that we have not included Options or warrants in our analysis but note that the Board has awarded and replaced lapsed options with gay abandon and with no apparent relevance to the company's long-term performance.

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4. Poor Operational Performance

Divisional revenues and margins have been inconsistent over the past 12 years, and whilst HCM growth, particularly in the US, is a stand-out, Access Control and Physical Security revenues have fallen precipitously by 35% and 51% respectively. The net result is that total revenue growth over the entire period between 2014 and 2024 of 16.2%, 1.35% annually, has not even kept pace with inflation.

Revenue collapse of these magnitudes is often symptomatic of redundant or obsolete technology (Access Control) or a mature and declining market (Physical Security).

Given the Company's results we question the Board's strategy, particularly in respect of allocation of capital to the Group's subsidiaries, which suggest to us the immediate need for a Strategic Review.

5. Stagnant share Price Performance

Given NWT's economic performance and the Board's incomprehensible decision to reward such poor performance, it is hardly surprising that the Company's shares have languished, and why we have been able to increase our holding in the Company.

Frankly, it strikes us that NWT's Board has forgotten that the Company is Public. To wit, during a recent meeting with M-C Dwek, post Thalassa's acquisition of the Reid stake, the only question I was asked was "what are our intentions"? Sadly, not whether we consider the Company's performance to be satisfactory or whether we consider the share price performance to have met or exceeded our expectations!

In summary, we fully understand the issues of running a public company, as well as the challenges of Covid and other unpredictable economic potholes. Whilst we can live with those bumps in the road, we cannot tolerate leadership's enrichment at the expense of shareholders which we consider both morally and financially unacceptable. We are, in principle, supportive of performance related compensation, but only when based on 'real' not fictitious performance measures, such as Revenue Growth, and EBITDA, neither of which measure performance, nor enhance shareholder value.

6. Conclusion

We consider the current Board to be compromised, unfit for purpose, and in immediate need of change. It is our firm opinion that there is a long overdue need for accountability at Newmark, which can only be achieved by the appointment of

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Directors willing to serve all stakeholders not just a select few. We would suggest that Messrs Rapoport and Yap 'retire' and be replaced by me and two other nominees including one from the ranks of current shareholders and one from industry or finance.

Maurice, if you and the Board are willing to agree to our proposal, including a full Strategic Review, then we see no need for an avoidable public spat. If, however, the Board seeks to justify or defend their record or dismiss our constructive approach, as you did when we first met pre-Covid, we will seek shareholder support to replace the entire board.

We fully understand that you may not welcome our forthright approach, but we have watched and waited for over 5 years during which time we have seen no improvement in results, nor governance. We are unwilling to sit by any longer whilst you and the current board treat shareholders with utter disdain and run NWT as a private company.

During my conversation with M-C Dwek following our recent acquisition of shares, I was offered the opportunity of meeting with the Chairman during his annual trip to Monaco but, sadly, I have heard nothing further, which is completely consistent with the general treatment of shareholders.

Please be advised that if we do not hear from you by close of business on Wednesday 30 April 2025 that we will go public and seek shareholder approval to reconstitute the Board.

Sincerely,

Duncan Soukup
Chairman

Encl.:
Share price chart,
Xl spreadsheet