



August 26, 2022

Dear Shareholder,

You are receiving this communication because you are listed as a shareholder of Heritage Southeast Bancorporation, Inc. traded under the symbol "HSBI". Heritage Southeast Bancorporation, Inc. is the parent company to Heritage Southeast Bank which operates in its local communities as **Heritage Bank, The Heritage Bank and Providence Bank**. Heritage Southeast Bancorporation, Inc. was formed in September 2019 and all shareholders of Heritage Bank, The Heritage Bank and Providence Bank became shareholders of Heritage Southeast Bancorporation, Inc. at the completion of the merger.

In July, it was announced that a definitive merger agreement was signed between HSBI and The First Bancshares, Inc. that upon the completion of the acquisition, Heritage Southeast Bank will merge with and into The First Bank. The definitive merger agreement has been unanimously approved by the boards of directors of HSBI and The First, and the transaction is expected to close in the fourth quarter of 2022 or first quarter of 2023, following receipt of approvals from regulatory authorities, the approval of HSBI's shareholders, the approval of The First's shareholders, and the satisfaction of other customary closing conditions.

As a courtesy to you, we are including information on our merger agreement with The First Bancshares, Inc. For more information, please check our website at www.myhsbi.com for recent news and announcements. You can also "Sign up for notifications" when news is posted to the website. We would also like to provide you with the contact information for Mike Acampora with D.A. Davidson. Mike has been the primary market maker for HSBI stock since our inception and can assist with any purchase or sale questions. He can be reached at macampora@dadco.com or 904.456.6153.

Thank you for your trust in our company and again check www.myhsbi.com for updated information.

Sincerely,

Leonard A. Moreland
Chief Executive Officer



Heritage Southeast Bancorporation, Inc. Enters into Agreement to be Acquired by The First Bancshares, Inc.

The First Bancshares, Inc. (NASDAQ: “FBMS”) (“First Bancshares” or “the Company”), parent company of The First Bank (“The First”) and Heritage Southeast Bancorporation, Inc. (OTCQX: HSBI) (“HSBI”), parent company of Heritage Southeast Bank, announced an execution of a definitive merger agreement, pursuant to which the Company has agreed to acquire HSBI. Upon the completion of the acquisition, Heritage Southeast Bank will merge with and into The First Bank. The proposed transactions will deepen The First’s presence in Georgia and Florida, including providing The First with entry points into the Atlanta, Savannah, and Jacksonville markets.

First Bancshares, headquartered in Hattiesburg, Mississippi, is the parent company of The First Bank. Founded in 1996, The First Bank has operations in Mississippi, Louisiana, Alabama, Florida and Georgia. The Company’s stock is traded on the NASDAQ Global Market under the symbol “FBMS”. Additional information is available on the Company’s website: www.thefirstbank.com.

Upon completion of the transaction, the combined company is expected to have approximately \$8 billion in assets, \$7 billion in deposits, \$5 billion in loans, and over 100 branches across five states in the Southeast.

Subject to the terms of the definitive merger agreement, HSBI shareholders will receive 0.965 shares of First Bancshares common stock for each share of HSBI common stock upon the closing of the transaction. The exchange ratio for the transaction is fixed, which means that the transaction value will fluctuate as a result of changes in the First Bancshares stock price.

The definitive merger agreement has been unanimously approved by the boards of directors of each of HSBI and the Company, and the transaction is expected to close in the fourth quarter of 2022 or first quarter of 2023, following receipt of approvals from regulatory authorities, the approval of HSBI’s shareholders, the approval of the Company’s shareholders, and the satisfaction of other customary closing conditions.

A proxy statement containing important information about the proposed transaction will be mailed to the shareholders of HSBI later this year. The shareholders of HSBI are urged to read this proxy statement and related documents carefully when it becomes available.