

The Merchants Trust PLC

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Proposals for further share issuance

The Board of The Merchants Trust PLC (the "Company") today announces that, in light of the continuing demand for the Company's shares, it will be publishing a circular to seek approval from its shareholders to disapply pre-emption rights in relation to the issue of shares pursuant to the Company's general authority to issue shares.

At the Company's Annual General Meeting held on 16 May 2019, shareholders granted the Directors authority to issue 5,446,423 new shares on a non-pre-emptive basis, being approximately 5% of the shares in issue at that date. Since then, demand for the Company's shares has been such that 5,250,000 of these shares have been issued as at the date of this announcement. The Board believes the existing authority will be exhausted in the near future and therefore, in order to meet the ongoing demand for new share issuances from investors at a time when the share price is at a premium to NAV, the Board intends to seek shareholder approval for the authority of a further 5% of the Company's issued share capital until the next Annual General Meeting of the Company when a renewal of shareholder approval will be sought.

New shares issued under the general authority will only be issued at a premium to the then net asset value, cum income with debt at market value ("NAV") at least sufficient to cover the costs of such issue.

General Meeting

The share issuance proposal requires shareholder approval. Accordingly, the Company expects to issue a shareholder circular (the "Circular") to convene a general meeting (the "General Meeting") at which shareholders will be asked to approve the issue of a further 5% of the shares in issue at that date on a non-pre-emptive basis.

Given the emerging risks posed by the spread of Covid-19 and in accordance with the Articles of Association, the Company may impose entry restrictions on certain persons wishing to attend the General Meeting. Such restrictions may include preventing attendance at the meeting in person of shareholders who may be exhibiting signs of possible infection. Other restrictions may be imposed as the chairman of the meeting may specify in order to ensure the safety of those attending the General Meeting.

Timetable

The Directors expect to issue the Circular on 20 March 2020. The Circular will contain a full explanation of the proposals, including full details of the resolutions to be put to shareholders and the Directors' formal recommendations. It is expected that the General Meeting will take place on 14 April 2020.

Enquiries:

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