

Trust Statement – 11th November 2023

The Shrimpers Trust has been approached by a lot of members and fans who are shareholders, some of them vulnerable, with valid questions and concerns around the resolutions being proposed at the forthcoming EGM.

Of course, the shares in question carry no monetary value or voting power, but they do hold significant emotional and symbolic value to their holders. Some of these shares have already passed down a generation, or been left in wills. They mean something to the holders and their families far above and beyond their financial value, and they make them feel much more closely connected to the club that they support.

Out of recognition and respect for these feelings, the Trust has been seeking clarity around the reasons for the EGM resolutions, and an explanation for the hundreds of shareholders about precisely what will happen to their shares immediately after the resolution, and then upon completion of the sale.

We followed this up with both Ron Martin and Justin Rees and whilst it's clear that any purchaser would want as much control as possible, Justin stated that the increase in SEL's shareholding from 71% to 95% ahead of the sale was simply part of the general deal negotiations. In other words, not something that they were specifically asking for, just simply part of the process.

The key issue for us is what happens to the smaller shareholders after the EGM resolutions. We know the financial impact is irrelevant, however all shareholders, excluding SEL, will be diluted to around a 1/5th of their current stake.

The consortium, if the deal goes ahead, will own 95% of Southend United. However, the investors making up the new consortium will be putting in 100% of the money required without asking the remaining 5% to contribute. This is in fact a small bonus to minority shareholders, and they will still retain valid shares in Southend United FC, and the emotional significance which comes with them.

Justin Rees and the consortium need the EGM resolutions to be carried. With Ron Martin's proxy (presumably Michael Markscheffel's shares) taking his holding beyond 75% and therefore giving him the ability to push through the resolutions irrespective of other shareholders' votes, there is little risk that they will not be passed.

With all of this in mind, the Trust intends to vote for the resolutions in order to support the new ownership in getting their purchase of the club over the line as soon as possible. The Trust Board voted overwhelmingly in favour of this course of action.

The Shrimpers Trust Board.