

Trident Estates plc

2 For 5 Rights Issue

Company Profile

Trident Estates plc acts as a property holding company. It owns and manages properties for rental and investment purposes. Currently, Trident Estates plc is developing the Trident Park Project in Mriehel which previously held the old Simonds Farsons Cisk plc brewery and bottling hall in the late 1940s.

The tenants that occupy its properties are mainly the franchises represented by Simonds Farsons Cisk plc and they include Pizza Hut, Burger King and KFC. The properties are located in Valletta, Sliema, St. Julian's, Gzira, Marsa and Birkirkara (Mriehel). The aggregate value of the properties held by Trident Estates plc is that of €23.1 million having a total area of almost 7,300 sqm.

The Rights Issue

The Rights Issue will be eligible to shareholders that held shares in Trident Estates plc as at 4th October 2019 (i.e. the record date). The Rights Issue is a '2 for 5' issue which implies that shareholders are eligible to apply for two ordinary shares for every five ordinary shares held. Therefore, by way of example, if a shareholder held 1,000 shares as at 4th October 2019, then they are eligible to apply for a maximum of 400 shares through the Rights Issue. The Rights Issue is being offered at €1.25 per ordinary share as the new ordinary shares will form part of the same class as the current issued shared capital of the company.

In total 12,000,003 shares will be available for participation in the Rights Issue with the company's three major shareholders, comprising 74.9% of the current number of outstanding shares, indicating that they will be undertaking the Rights Issue in full.

Use of Proceeds

Funds from the rights issue will be used to part finance the Trident Park Project which is budgeted to cost €50 million. The project consists of seven low-rise buildings with a total area of 14,600 sqm, a 170-seat conference facility and an above ground car park able to house up to 700 vehicles. As at July 2019, the project has incurred development costs of €8.5 million (barring the €10.5 million to purchase the land), and it is expected that an additional €34.5 million in development costs will be incurred to complete the project.

The project will be financed through a mix of both equity and debt capital as apart from the proceeds from the Rights Issue, the company has secured debt funding for the project in the form of two bank loans totalling €28.5 million which will cost the company €2.4 million per annum to service. Upon completion the project is expected to generate revenues of €4 million per annum of which €0.8 million will result in net income.

Author : Simon Gauci Borda

Company Details

Share Price as at 11.10.2019	€1.92
No. of Shares Outstanding	30,000,000
Market Capitalisation	€57,600,000
Net Asset Value per Share	€1.25
Sector	Real Estate
Price to Earnings Ratio	73.8x
Dividend Yield	0.36%
Earnings Per Share	€0.026



Financial Highlights

Total Assets	€42,752,000
Total Liabilities	€4,923,000
Total Debt	Nil
Revenue	€1,076,000
Net Income	€775,000

The project is expected to be completed by the end of 2020 while the first tenants are expected to move into the offices during the first quarter of 2021.

Application Procedure & Lapsed Rights

Eligible shareholders have four options, and application forms, in terms of their participation in the Rights Issue. These are:-

- i) Apply for their proportionate entitlement in full by filling in the PAL A form
- ii) Apply for part of their entitlement and renounce or transfer their rights to third parties by filling in the PAL B form
- iii) Renounce their entitlement in favour of third parties by filling in the PAL C form
- iv) Apply for Lapsed Rights (i.e. The remaining shares which were not taken up in the Rights Issue by Eligible shareholders but which are available to those eligible shareholders that applied for their full rights) by filling in the Lapsed Rights application form

In the case that not all of the lapsed rights are taken up by eligible shareholders, these will be offered to the general public via an intermediaries offer.

Shareholders that would like to apply for lapsed rights have to do so by indicating the amount for which they intend to apply for (a minimum of 1,000 shares) together with the price (best bid) that they would like to offer for the additional shares (the best bid can not be lower than the Rights Issue price of €1.25). The results of the Rights Issue will be announced within six business days of the closing of the Rights Issue period, or the closing of the intermediaries offer period, by means of a company announcement.

Shareholding Dilution through Non-Participation

It is important to note that eligible shareholders that fully participate in the Rights Issue will not suffer any dilution to their shareholding within Trident Estates plc. On the other hand, eligible shareholders that do not participate at all will suffer a dilution of approximately 29% in the company.

Rights Issue Timetable

Record Date	4th October 2019
Availability of PALs and Lapsed Rights Application Forms	14th October 2019
Opening of Rights Issue Period	15th October 2019
Closing of Rights Issue Period	29th October 2019
Opening of Intermediaries' Offer (if any)	6th November 2019
Closing of Intermediaries' Offer (if any)	8th November 2019
Allotment of the New Ordinary Shares	14th November 2019
Payment of Premium (if any) made to Lapsed Rights Holders	14th November 2019
Commencement of trading of the New Ordinary Shares	15th November 2019

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