

Spinnaker Opportunities Plc

11:34 19 May 2017

Cash shell Spinnaker Opportunities built for success as it looks to fast-track a deal

Veteran small-cap trouble-shooter turned entrepreneur, Andy Morrison, seems intent on fast-tracking his latest venture, which made its stock market debut earlier this week at 5p a share.

Morrison is the chairman of and a leading investor in Spinnaker Opportunities (LON:SOP), which eschewed AIM to take a £1.2mln London Stock Exchange standard listing. Reverse takeover (RTO) deals are already being sifted.

WATCH: Spinnaker Opportunities eyeing up deals in the energy and industrial sectors

The board and advisory team brings a broad range of experience in energy, oil and gas and the industrial sectors as well as legal and accountancy expertise.

Directors' and shareholders' interest aligned

Looking at the listing documentation, the principals are incentivised to get a transformational RTO across the line very quickly as they won't receive a penny in pay until it is sewn up. So this isn't a jobs-for-the-boys, lifestyle company.

There is a share option scheme and a facility for a bonus pool set at 2% of the value of the transaction when it is finally completed.

So the rewards are back-end load and in the case of Morrison, who invested £200,000 of his own money, accrued via a material uplift in the value of the business.

If the shell works the way it is intended then management and shareholders' interests should be perfectly aligned.

It is understood that Morrison and his team have assessed opportunities in the oil and gas sector, mid-stream and down-stream energy and cleantech.

Thirty companies screened

So far they have seen around 30 different companies and has whittled that down to a long-list of seven to eight.

Spinnaker is thought to be keeping the phone lines open for a further few weeks to assess another wave of potential deals.

After that it will be case identifying the two most attractive options, a process which it is thought could take as a little as three months.

Realistically, any movement will to be delayed by the summer break, so autumn looks the most likely timing for an RTO, although it is understood the Spinnaker team has given itself up to a year to enact the transformation and there is a three-year hard deadline.

Price: 4.65
Market Cap: £1.37 m

Share Information

Code: SOP
Listing: LSE
52 week **High** **Low**
5.2 3.73

Sector: Investments and investor services

Website www.spinnakeropportunities.uk

Company Synopsis:

Spinnaker Opportunities PLC is a new cash shell listed on the standard List of the London Stock Exchange. The company, formed by experts in the Oil & Gas and Energy sectors is seeking to target a single business opportunity worth some £5-30m.

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Deal size could be anywhere from £5-£30m. The shares were issued with a warrant attached at 7.5p, so you would suspect an RTO would be completed with a share issue above that level.

One market participant noted: "Being a new cash shell there is no baggage, no legacy shareholders; so this looks like a new approach to listing a shell."

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