

Regulatory Story



Spinnaker Opportunities PLC - SOP - Proposed RTO and Suspension of Listing Correction
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Spinnaker Opportunities PLC
27 February 2019

The following amendment has been made to the 'Proposed Reverse Take-Over of Medicinal Cannabis Company and Suspension of Listing' announcement released on 27 February 2019 at 09:02 under RNS No 2606R.

The following sentence: 'Therefore, the Company has requested an immediate suspension pending its listing.' has been changed to read 'Therefore, the Company has requested an immediate suspension of its listing.'

All other details remain unchanged.

The full amended text is shown below.

27 February 2019

Spinnaker Opportunities plc

("Spinnaker" or the "Company")

Proposed Reverse Take-Over of Medicinal Cannabis Company Suspension of Listing Correction

Further to the announcements in the last quarter of 2018, discussing a refocusing of the Company's acquisition strategy towards the cannabis processing industry, and the appointment of Peterhouse Capital as financial adviser and joint broker, Spinnaker Opportunities plc (LON: SOP), the Standard Listed investment company, is pleased to announce that it has signed a non-binding Heads of Terms to acquire the entire issued share capital of Kanabo Research Limited ("Kanabo"), for new shares in the Company (the "Acquisition").

Kanabo, found at <http://www.kanaboresearch.com/>, is a multi-national medicinal cannabis oil company, with a growing portfolio of activities in Israel, Switzerland and Germany.

Kanabo Highlights:

- Focused on the European legal, medicinal cannabis market

- Four components to its business:
 - Formulation of medicinal cannabis oil
 - Distribution of the first medically approved vaporiser
 - Interests in cannabis cultivation and production
 - A 'market ready' supply chain
- Strong management team with over 30 years' combined experience in:
 - Bio-pharmaceutical research and development
 - Clinical research
 - Marketing
 - Cannabis extraction
 - Medicinal devices

The Acquisition, if completed, would result in Spinnaker shareholders having a minority interest in the enlarged group (the "Group") and would constitute a Reverse Take Over ("RTO") under the Listing Rules. Therefore, the Company has requested an immediate suspension of its listing.

Spinnaker Chairman, Andy Morrison, said:

"Kanabo represents a unique and exciting opportunity for Spinnaker stakeholders, thanks to its integrated market-ready supply chain, with its interests in the medicinal cannabis industry right the way from production and cultivation, to the distribution of a medicinal-grade vaporizer via which medicinal-grade cannabis oil is dispensed.

"We are absolutely delighted that we have reached this preliminary agreement with the Kanabo board and look forward to working with them to conclude a transaction which will result in the listing on the London market of one of the first, if not the first, operational cannabis company."

Kanabo CEO Avihu Tamir commented:

"Conclusion of this proposed merger with Spinnaker will represent a major milestone for Kanabo, enabling us to accelerate the European roll out of our medically validated cannabis oil formulas and delivery devices. Europe is on track to become the largest marketplace for legal cannabis in the world, with an anticipated valuation of €115.7 billion by 2028. Kanabo's products are designed to meet the higher quality and medical production standards required across the EU, and we are eager to expand our product development and distribution activities through this opportunity with Spinnaker in order to bring safe, trusted cannabis solutions to European patients and consumers."

For further information, please visit <http://www.spinnakeropportunities.uk/> or contact the following:

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Editors' Note

The €115.7 billion valuation mentioned by Avihu Tamir appeared in PR News Wire on 12 July 2018. Please see <https://www.prnewswire.com/news-releases/prohibition-partners-european-legal-cannabis-market-expected-to-exceed-115-billion-by-2028-300680103.html>

Kanabo develops, validates and patents formulas of medicinal cannabis as well as over-the-counter products. The company holds three licenses for cannabis research, two patents on its formulations, and has already conducted selected pre-clinical trials.

Kanabo holds distribution rights for a pharmaceutical-grade vaporizer, which it has further developed to include metered dosage. This innovation has enabled it to become the first medically approved vaporizer in the world. Kanabo has exclusive distribution rights to the vaporizer in Africa, Asia, the Middle East, and Europe.

Kanabo's supply chain includes equity interests in multiple international cultivation and production facilities, acquired in exchange for Kanabo's expertise. Kanabo brings operational expertise and management to these partners to ensure both steady biomass offtake and high quality production of finished products. These facilities are expected to produce around US\$100 million worth of cannabis oil per annum when fully operational.

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