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Carey Olsen advises on first Guernsey SPAC listed on Euronext

Carey Olsen has acted on the first Guernsey Special Purpose Acquisition Company (SPAC) to be listed on Euronext Amsterdam.

Together with London firm Weil Gotshal, Carey Olsen partner Tom Carey and associates David Crosland and Alwyn Fouché advised Germany1 Acquisition Limited which raised €250 million in its recent IPO despite the current challenging financial climate.

SPACs are investment vehicles that allow public investors to invest in areas generally dominated by private equity firms. As blank-cheque companies, SPACs have no operations but go public with the intention of merging with or acquiring a company with the proceeds of its IPO.

Germany1 intends to acquire one or more operating businesses where the principal businesses are based in Germany, Austria or Switzerland, at valuations between €1.0bn and €3.0bn.

Although a mainstream product in the US, volatile and difficult market conditions have meant that SPACs have not proved popular in Europe to date.

However, unlike other SPACs Germany1 has achieved a high quality and diverse investor base by attracting family offices and mutual funds, in addition to traditional SPAC buyers and hedge funds.

‘This transaction demonstrates the importance of Guernsey’s strong relationship with Euronext and its status as a jurisdiction of choice for SPAC companies,’ said Advocate Carey.

‘Germany1 is a prime example of what the right combination of structure, listing and jurisdiction can achieve, even in challenging market conditions. Guernsey is well placed to attract and maintain this type of business going forward.’

Peter Niven, chief executive of Guernsey Finance, the promotional agency for the island’s finance industry, added: ‘It is great news that Guernsey has been able to record yet another successful first and in such difficult market conditions.

‘This enhances our reputation for providing an excellent home to SPAC companies and a domicile from which funds can be speedily listed on Euronext.’

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