

CAPITAL POOL SPACE ON NSX SEES FLURRY OF ACTIVITY WITH TWO LISTINGS ON THE SAME DAY

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The Namibian Stock Exchange ended a very busy July on a high note. Not only did the local index posted its highest one-day drop in history earlier in the month but on the last day of the month, two so-called Capital Pool Companies (CPCs) listed on the Development Capital Board (Dev-X).

The first, MCUBE Investment One Limited, is a listing shell whose mandate is to find prospects too small for a conventional listing, and bring them to the bourse through a reverse listing. The second, Omajowa Properties Limited, targets property companies in distress that need an infusion of equity investment to reduce their gearing.

MCUBE is headed by its Executive Director, John Mandy, who, amongst many others, is a former general manager of the NSX. Omajowa is lead by Carel Fourie, a former managing director of the NSX-listed Oryx Properties.



Omajowa Properties Ltd Chief Executive, Carel Fourie (second from right) with directors, and the Chief Executive of the Namibian Stock Exchange, Tiaan Bazuin on the right. (Photograph courtesy of the Namibian Stock Exchange)

Upon MCUBE's listing, Mandy said it is their intention to act as catalyst to increase the number and diversity of local companies represented on the Namibian Stock Exchange.

Capital Pool Companies are vehicles to enable companies that operate as going concerns, to improve their liquidity by releasing capital captured in equity. As an example, the first CPC to have listed on the NSX, the Nimbus Infrastructure Fund listed by Cirrus Capital, took over Paratus Namibia and brought it to the NSX through a reverse listing. Subsequently the name was changed to Paratus Namibia Holdings Ltd, it exited the Development Capital Board and is now listed on the NSX main board.

A similar role is foreseen for both MCUBE and Omajowa.

The cash-shell nature of CPCs, and the listing requirements for CPCs, require that at the time of listing these companies have no on-going operations. "MCUBE, which is listed by way of Introduction, will not raise any additional capital in conjunction with the Listing," stated Mandy.

The stock exchange was obviously elated over this spate of activity with its Chief Executive, Tiaan Bazuin, stating “The NSX is glad to see another CPC listing. This product is ever-evolving, and we hope to see more such endeavours to allocate our capital in the local market usefully.”

“In the current market where companies struggle to raise capital, we believe that MCUBE and the CPC product provides a versatile mechanism to growing companies with capital needs, giving them access to alternative capital markets to fund their new projects and/or growth,” said Romé Mostert, the Co-founder of Cirrus Capital, the sponsor of MCUBE.



MCUBE Investment One Ltd’s Executive Director, John Mandy (seated left) with directors Amos Shiyuka, Bryan Mandy and Vincia Cloete, and the stock exchange Chief Executive, Tiaan Bazuin. (Photograph courtesy of the Namibian Stock Exchange)
