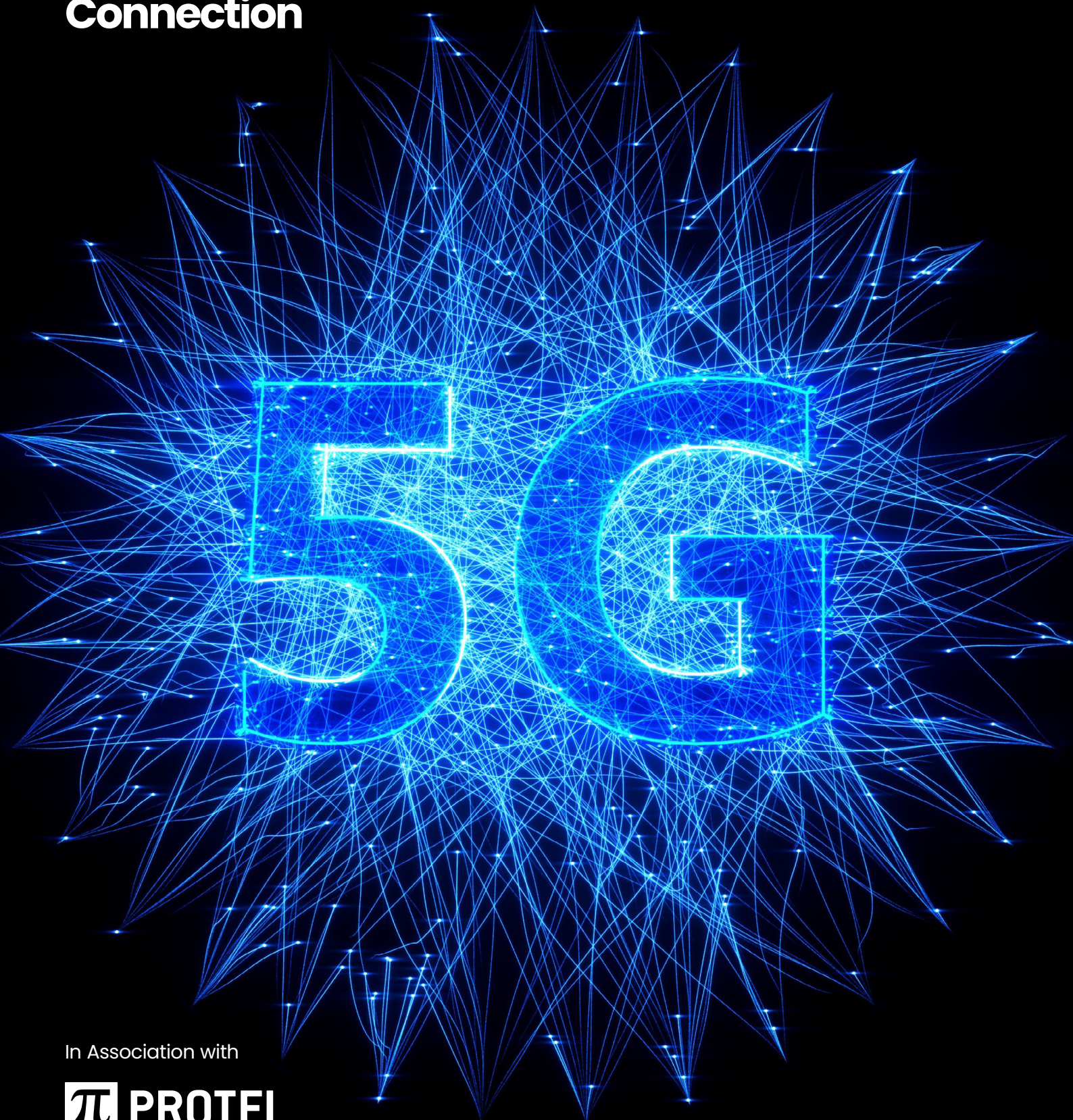




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DRIVING DIGITAL TRANSFORMATION IN MALAWI

An Exclusive Interview with Bonface Ndawala, Founder and
CEO of Malcel Plc

In this exclusive interview, Bonface Ndawala, the visionary Founder and CEO of Malcel Plc, shares his journey and ambitions for transforming Malawi's telecom landscape. With an extensive career spanning various African markets, Bonface has brought his wealth of experience to create Malawi's first digital network operator, Malcel Plc. Through a blend of innovation, strategic leadership, and a commitment to providing accessible technology, Bonface discusses Malcel's goals of expanding network coverage, improving customer experiences, and contributing to the country's economic growth. As Malcel sets its sights on revolutionising Malawi's telecom industry, Bonface's insights shed light on the future of connectivity and innovation in one of Africa's most promising markets.

Professional Journey

Can you share your career path and what led you to establish Malcel PLC?

I am a Chartered Accountant by profession, a Fellow of the Chartered Association of Certified Accountants (FCCA), and a Certified Public Accountant (CA). After qualifying while at Deloitte in 1999, I moved to Automotive Products Limited in Malawi, then to Celtel Malawi, where I worked in various roles, eventually becoming the Acting Finance Director. In 2006, I was seconded to Zain Madagascar, and later promoted within the group, where I held several roles across East and West Africa.

I then joined Cell C in South Africa as Finance Director, followed by a role as Group Finance Executive at Globacom Group. Afterward, I moved to South Sudan with Zain as CFO, followed by a short stint in Tanzania. I then returned to South Africa and joined Seamless Distribution Systems as Global Accounts Director for Africa.

In 2021, I left Seamless to found Malcel PLC, where I applied for and was awarded a 10-year operating license to roll out mobile services in Malawi.

Vision for Malcel

What inspired you to return to Malawi and establish Malcel PLC as the country's first digital network operator?

While I was working in various countries, I always returned home to visit my mother and extended family. Each time I landed back in Malawi, I couldn't help but notice the deterioration in the mobile experience. It became clear to me that the two incumbent operators had become too comfortable, with no real competition in the market. This sparked the idea that it was time for a new operator—one that would prioritise customer experience and bring back the high-quality mobile service that we once had under Celtel and Zain.

My objective was to establish a quality network where subscribers wouldn't need to carry two SIM cards from different networks just to ensure a good experience. I wanted to create a service where customers not only enjoy good call quality and fast data speeds but also a service that is relevant to them, with a focus on solving their everyday problems.



5G and 4G LTE Deployment

Malcel plans to deploy 5G in cities and 4G LTE in suburban areas, aiming to roll out 1,400 sites within five years. What challenges and opportunities do you foresee in achieving this ambitious goal?

We anticipate facing challenges with the low penetration of 5G initially, as the devices that support this technology are still quite expensive. As a result, 5G adoption will take time to pick up. However, we expect the corporate sector to quickly adopt this technology, given the vast range of solutions it offers businesses.

On the other hand, we see significant opportunities in the market. Real mobile penetration in Malawi is still under 50%, with internet penetration below 25%, and financial inclusion under 30%. This indicates an untapped market that is ready to be exploited. With a median population age of just 17 years, we believe this market is on the verge of rapid growth. The youth in this demographic are highly tech-savvy and will demand 5G and other evolving technologies, which will push the market forward. We're positioning ourselves to serve this market effectively, ensuring we are ready to meet the demand as it emerges. We want to be ahead of the curve and avoid being caught off guard as the market shifts towards higher technological expectations.

Investment and Economic Impact

With a planned investment of \$220 million over the next five years, how do you envision Malcel contributing to Malawi's digital economy and overall economic growth?

We believe Malcel will play a critical role in digitising Malawi's economy by introducing business lines that are currently unavailable in the market. Our slogan is "a solutions-based digital network provider," and we are committed to living by that slogan. Our aim is to replace manual processes with digital solutions, ultimately making people's lives easier and more efficient.

Through our fintech arm, MCASH, we intend to offer services that have never been available before, reaching the masses across various sectors. Malawi's economy is primarily agro-based, so we will introduce agritech solutions that can directly benefit farmers, as well as edutech initiatives to enhance educational opportunities for children.

Additionally, in partnership with others, we aim to revolutionise microcredit access, providing smallholder businesses with the support they need to thrive. These businesses will be empowered to do what they do best—helping to support their families while providing essential services to society. We are excited to contribute to Malawi's development by offering solutions that will improve lives and drive growth in key sectors.



Competition in the Telecom Market

As the third mobile operator in Malawi, how does Malcel plan to differentiate itself from existing providers and capture market share?

For subscribers to choose Malcel, we need to offer them something they don't already have. Simply stating that we have a better network—though true—won't be enough, especially with the Gen Z population we are targeting. We need to go beyond offering a faster network with better speeds and a higher network availability rate than our competitors.

Our focus is not only on providing a fantastic customer experience but also on offering solutions that solve everyday challenges. These solutions must be accessible to all, not just those with the latest 5G devices. We are committed to delivering these solutions to anyone and everyone who needs and demands them—that's the only way we can truly differentiate ourselves.

Our fintech subsidiary, MCASH, follows the motto "Leaving No Malawian Behind." Our promise to the market is that the innovative solutions we bring to urban areas for heavy users will also be available to the masses in rural areas. We don't want people with feature phones to be left out, while only smartphone users enjoy the benefits of digital solutions that address everyday challenges. With MCASH, we strive to ensure that these solutions are accessible to all, in line with our commitment to truly leaving no Malawian behind.



Innovating Communication and Transforming Connectivity

Private LTE / 5G 2G / 3G / 4G core IMS DPI / PCEF MVNO / MVNE
Roaming, Messaging and VAS Customer Care Smart / Safe City IoT / M2M

Nowadays, the traditional telco market is very competitive whereas mobile telco income and revenues especially in developing countries is relatively low. Thus, newcomers who are ready to start telco business in African countries in such circumstances are to be very bold but realistic to build the sustainable and profitable business and make the network live and make services attractive and affordable for subscribers. It means, Operator need to combine two targets that is really hard to combine – to use the cost efficient but fully functional and scalable solutions. This target is really challenging but MALCEL team has found the way – they placed a bet not on traditional telco giants but on let say ‘alternative’ infrastructure suppliers whose solutions will provide similar functionality but cooperation conditions will be more flexible and attractive for the operator. One of such companies helping MALCEL to solve ‘not-so-easy-task’ is the network infrastructure supplier named PROTEI.

Since its founding in 2009, Professional Telecommunications Incorporation (PROTEI) has been an industry pioneer in providing innovative telecom solutions on a worldwide scale. Having its HQ in Amman, Jordan, PROTEI offers an extensive portfolio, including core network platforms (HLR/HSS, STP/DRA, EPC and others), roaming, messaging, value-added services (VAS), data management (DPI/PCEF), and customer care solutions. With offices across the Middle East, Europe, Africa, Latin America, Central Asia, and the Commonwealth of Independent States (CIS), PROTEI provides world-class commercial and technical support to a global client base.

The core portfolio prosed by PROTEI will let MALCEL team to build and maintain their network with maximum efficiency.





Financial Inclusion Initiatives

Malcel intends to introduce the mobile money service MCASH to penetrate previously unserved communities. How will this service enhance financial inclusion in Malawi?

For us, MCASH will be a game changer in many ways. We don't want it to become just another mobile money platform, where users only cash in and cash out. Instead, we want people to trust that when they have MCASH, they truly have access to cash at all times.

To make MCASH stick, we need to ensure it's relevant to people's daily lives. We will create products and services that are essential and only available on MCASH, making it a platform people can't live without. To be successful, we must deliver solutions on MCASH that are not just better than what's available today, but ones that people truly need and can seamlessly access.

As I mentioned earlier, we are also introducing new business lines that are currently not available in the market. By acting as enablers for new businesses, we will not only enhance financial inclusion but also make people's lives better and easier. By digitising manual processes, MCASH will provide solutions to problems that can currently only be addressed through traditional, offline means. We aim to bring a superior customer experience, making a tangible, positive impact on the lives of Malawians.

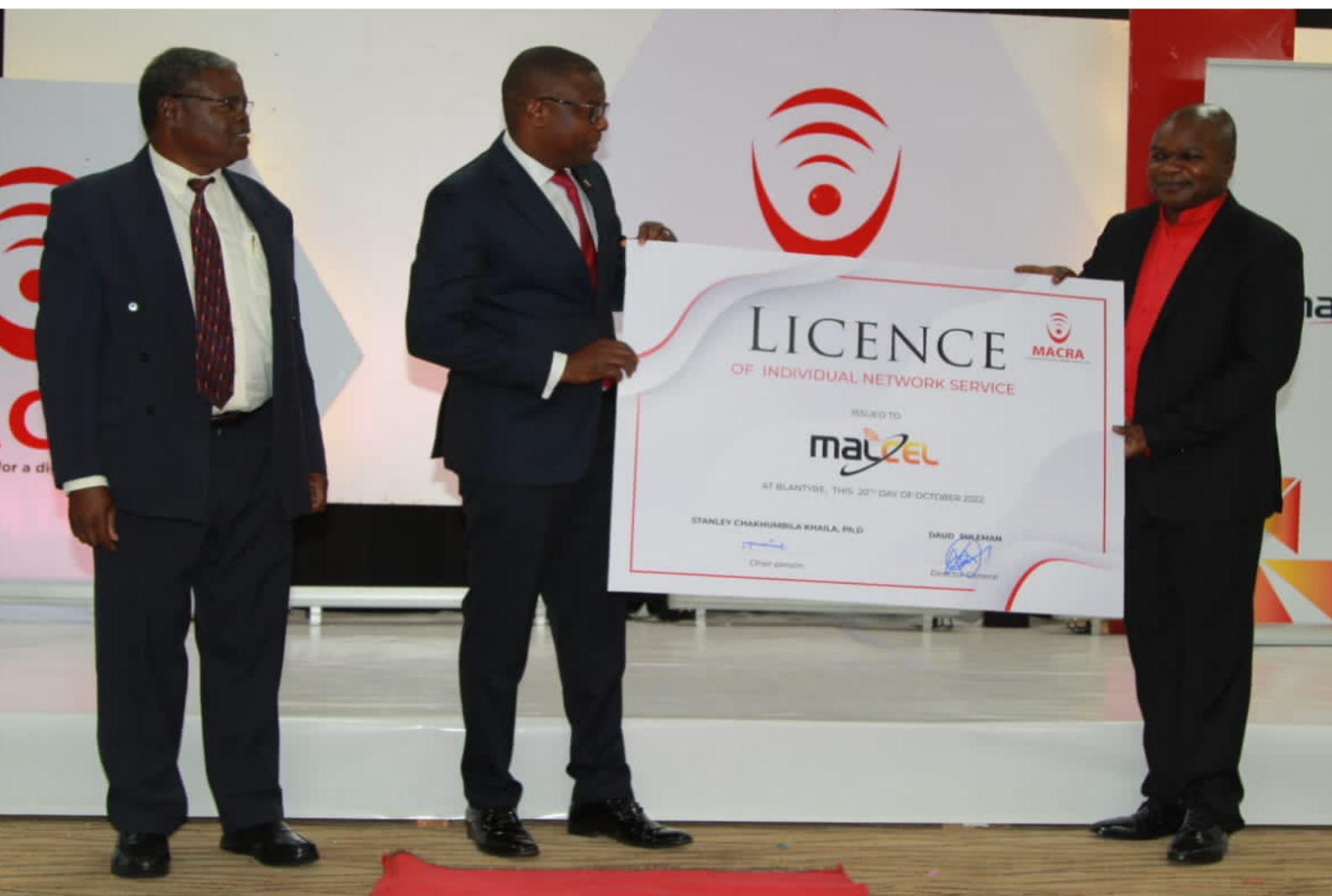
Leveraging Pan-African Experience

Your extensive experience across various African markets has provided you with unique insights. How are you applying this knowledge to Malcel's operations and strategy?

My experience in various markets across the African continent gives me a unique perspective on what is possible. We are not reinventing the wheel at Malcel; what we're doing is bringing proven solutions to Malawi that have worked successfully in other markets. This is critical because we can't introduce solutions, technologies, or vendors without a track record of success.

Having worked as a CFO in numerous operations across the continent, I gained insights into what works and what doesn't. After that, I transitioned into delivering solutions, knowing firsthand what operators needed, which allowed me to provide relevant and practical solutions. Now, I'm back in a position where I'm a customer once again, and my experience in the solutions world opened my eyes to the incredible potential of what can be achieved.

The mobile device has already replaced so many products and services, and the possibilities are astounding. Yet, we still haven't fully unlocked the power of digitisation and mobile technology. When we do, the transformation in Malawi will be profound, as we will be living in an entirely different world. This isn't an experiment—we've seen the success of these solutions in other markets like South Africa, Kenya, and Ghana, and I want to bring the same impact to Malawi.



Technological Innovation

What state-of-the-art technologies is Malcel implementing to ensure a robust and competitive network infrastructure?

At Malcel, we are set to unleash the full power of 5G on the market, showcasing its potential to revolutionise the business sector. By enabling businesses to automate many of their current manual processes, we will demonstrate just how transformative this technology can be. The integration of AI with 5G will allow businesses to access information that once took weeks or months to gather, now available in mere minutes. This rapid access to data will greatly improve decision-making and drive efficiencies, ultimately helping businesses become more profitable, contributing to higher tax revenues, and stimulating the economy of Malawi. For the regular customer, the benefits will be equally significant. They will be able to derive greater value from their existing spend by gaining access to valuable insights that help them maximise the use of their resources. This will not only enhance their customer experience but also play a key role in the continued growth of the Malawian economy.

Regulatory Environment

How has the support from the Malawi Communications Regulatory Authority (MACRA) facilitated Malcel's entry into the market, and what regulatory challenges do you anticipate?

Unlike in the past two decades, when the regulator was more passive, we now have a regulator that I can confidently describe as an enabler. Previously, the role of the regulator was largely limited to collecting fees and levies, without driving meaningful changes to foster industry growth. However, since 2021, we've seen a dynamic shift. The current regulator has had a massive positive impact on the telecoms sector, implementing reforms that have truly transformed the landscape. These changes include reducing data rates, scrapping regional termination rates, and introducing mobile number portability, among many others. All the changes that we as operators had been advocating for over the past 20 years are either in place or in the pipeline for implementation. This has created an environment that's not just supportive but actively enabling, and it's helping the telecom sector grow at a pace that far exceeds anything we've seen before. At Malcel, we are excited to work alongside such an informed and forward-thinking regulator, as their leadership and progressive approach continue to drive the growth of ICT services in Malawi. Moving forward, we expect continued positive momentum, which will further enhance the country's digital transformation.



Future Outlook

Looking ahead, what are your key objectives for Malcel in the next decade, particularly concerning innovation, customer experience, and market expansion?

Our objectives are centered around driving the digital transformation of Malawi and contributing to the government's vision for a digitised nation. We aim to be a key enabler in helping the government, in partnership with the regulator, achieve full digitisation, which will significantly boost the market and positively impact the lives of Malawians.

We are committed to being among the first to introduce innovative technologies that enhance people's lives, ensuring that our customers have a seamless and exceptional experience when accessing our network. Our ambition is to align with the government's Vision 2063, contributing to the creation of a middle-income economy in Malawi.

As we look toward the future, we aspire to become the technology leaders in this industry. When people think of innovation in Malawi, we want Malcel to be the first name that comes to mind. By focusing on innovation, market expansion, and customer satisfaction, we aim to be at the forefront of the digital revolution in Malawi.



Malcel is a public limited liability company registered in Malawi, aiming to become the country's first digital network operator. The company is owned by several institutional investors and Bedrock Holdings Limited, representing the founding members, all of whom are Malawians. Malcel plans to introduce its mobile money service, MCASH, to penetrate previously unserved communities and offer superior services.



Bonface Ndawala
Founder and CEO

