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MALAWI STOCK EXCHANGE MAGAZINE

MSE

9TH EDITION ISSUE 2025



THEME

INVEST IN YOU: UNLOCKING WEALTH THROUGH THE STOCK MARKET

The World Bank's New "Malawi Economic Monitor" Highlights the Need for Urgent Action on Macroeconomic Reforms and the Transformative Potential of Mining

Personal Investment in Financial Growth and Literacy: Leveraging on the stock market

The Stock Market as the Key to Unlocking Wealth

MZINGA INCUBATION PROGRAM

OUR PLATFORMS

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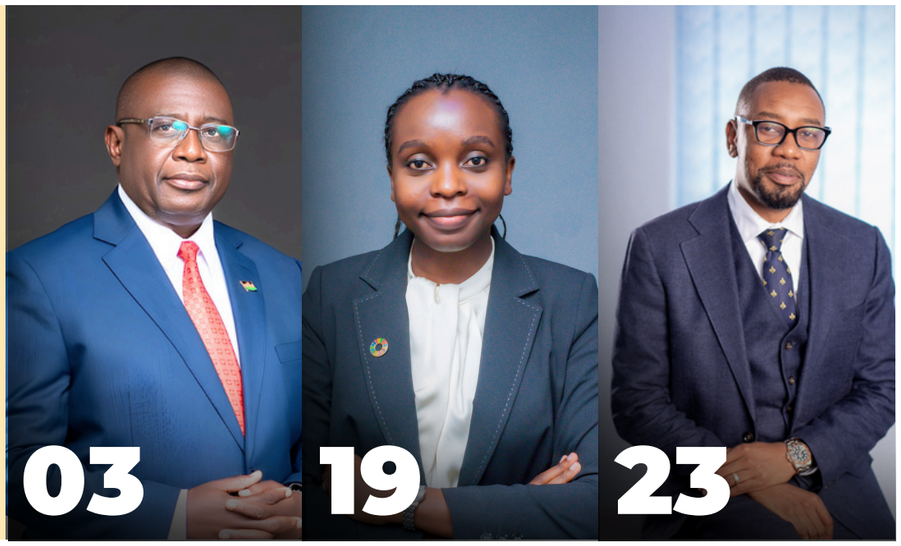



BENEFITS OF BEING A PUBLIC LISTED COMPANY?

- Access to large pools of capital
- Efficient way to raise capital
- Improve gearing and balance-sheet ratios
- Increase liquidity to shareholders
- Enhanced visibility and company profile
- Motivation to staff
- Market determined valuation

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ABOUT THE COVER



The cover of the 9th Edition of the Malawi Stock Exchange Magazine is more than a visual; it is a bold interpretation of this year's theme: "Invest in You: Unlocking Wealth Through the Stock Market." At the heart of the design, a man stares at a golden version of himself—a striking metaphor for the transformation that occurs when individuals choose to invest in their personal growth and financial future.

The real self, poised and thoughtful, represents untapped potential, while the golden figure symbolizes the elevated, wealth-empowered version of that same individual—refined through smart investments and long-term financial planning. This juxtaposition mirrors the journey that many Malawians can embark on through the platforms offered by the Malawi Stock Exchange.

Through this visual narrative, we invite every reader to look inward, to see themselves as assets, and to take deliberate steps toward unlocking their wealth.

Ian Khonje
Chief Executive Officer
Oasis Brands Limited

About the MSE

OUR VISION

To be an efficient securities market worthy of public trust characterized and underpinned by transparency and integrity.

OUR MISSION

To provide and operate a fair, orderly, transparent and properly regulated securities market for the creation of wealth and value for investors and listed companies.

OUR CORE VALUES

- TEAM WORK
- TRANSPARENCY
- FAIRNESS
- PROFESSIONALISM
- INTEGRITY

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CEO FOREWORD

By John Robson Kamanga,
Chief Executive Officer
Malawi Stock Exchange

I am greatly honoured to present to you, our esteemed stakeholders, the 9th Edition of the Malawi Stock Exchange (MSE) Magazine for the year ended 31st December 2024.

Since our inaugural publication in 2017, our readership has expanded significantly, becoming more diverse and engaged. The range of topics covered and the list of contributors have also grown over the years. Stakeholder feedback has been overwhelmingly positive, and as we continue this journey, we remain committed to delivering relevant content while keeping you informed about our market development initiatives. Transparency and accountability remain at the core of our mission.

Economic environment

The Malawian economy in 2024 experienced sluggish growth, registering a GDP growth rate of 1.8%, slightly below the 1.9% recorded in 2023. Economic activity was constrained by high inflation, elevated interest rates, persistent forex shortages, and fuel supply challenges. Annual inflation averaged 32.3%, up from 28.8% in 2023, prompting a 200-basis-point increase in the policy rate to 26% in an effort to curb inflation and restore price stability.

Looking ahead, the economy is projected to rebound to 4.0% growth in 2025, driven by improvements in key sectors such as agriculture, mining, and tourism. However, continued forex constraints, extreme weather events, and the withdrawal of foreign aid by USAID pose significant downside risks to this outlook.

Market performance

Despite economic challenges, the MSE delivered an outstanding performance in 2024, posting a return on index of 55.06% (50.53% in US$ terms), well above the 32.3% inflation rate. The market also registered an increase in both total volume of shares traded, and total value of shares traded compared to the corresponding period in 2023. The market transacted a total of 1.25 billion shares at a total consideration of MK124.67 billion (US$72.01 million) compared to a total of 612.18 million shares at a total consideration of MK77.21 billion (US$66.85 million) registered in the prior year. This represents an increase of 104.14% in traded volumes and an increase of 61.47% (7.73% in US$ terms) in traded value. Notably, the number of registered trades rose from 10,736 in 2023 to 14,471 in 2024, reflecting increased retail investor participation—an outcome of our ongoing market awareness initiatives. Market liquidity as measured by turnover velocity (Total Value of Trades to Market Capitalization), improved to 1.33% from 1.29% in 2023.

In the primary market, Blantyre Hotels Plc achieved a historic milestone by raising MK62.4 billion through a Rights Issue, marking the largest capital-raising transaction on the MSE. Additionally, the Government of Malawi listed 44 securities, including five Development Bonds and 39 Treasury Notes, totaling MK3.18 trillion in nominal value. Market capitalization grew significantly from MK5.99 trillion (US$3.56 billion) on 2nd January 2024 to MK9.38 trillion (US$5.41 billion) on 31st December 2024, driven by share price gains and the listing of rights issue shares by BHL.

Accomplishments for the year 2024

The Exchange accomplished the following strategic activities during the year:

- The Exchange registered the largest capital raising transaction when Blantyre Hotels Plc raised over K62.4 billion through a Rights Offer
- The Malawi Government through the Reserve Bank of Malawi on 02nd December 2024 listed 5 Development Bonds and 39 Treasury Notes with a combined nominal value of K3.18 trillion following a successful capital raising of the same in the primary market.
- The Malawi Stock Exchange launched the guidelines for issuance of sustainable bonds as one way of developing a conducive regulatory framework for issuance of sustainable finance products.



CEO FOREWORD

KEY STATISTICS

K124Bn
Traded Value

K9.38tn
Market Capitalization

55%
Annual return on investment

K3.18tn
Nominal Value of listed Treasury Notes

44
Total number of listed Government securities

49%
Increase in Volume traded

- The Malawi Stock Exchange in 2024 signed a Memorandum of Understanding (MoU) with Public Private Partnership Commission (PPPC) as one way of fostering access of the stock market in financing Public Private Partnership (PPP) projects.
- The Malawi Stock Exchange facilitated and hosted the inaugural Capital Markets Association of Malawi (CMAM) annual conference under the theme “capital markets for economic recovery and sustainable finance”
- The Exchange continued implementation of one of its flagship projects, the Mzinga incubation program where it held 3 workshops covering various thematic areas ranging from corporate governance to corporate finance.
- The Exchange hosted a business breakfast with potential issuers as one way of raising awareness on the platforms that are available for raising patient capital
- The Exchange through the Financial Inclusion and Entrepreneurship Scaling (FInES) project continued implementation of the mobile trading platform project which is expected to launch in 2025.
- The Exchange continued its drive to bring new companies to list through implementing business development initiatives such as conducting business clinics with various companies during the year, lobbying for tax incentives for companies that want to list and conducting stakeholder engagements in order to raise awareness of the role of the Exchange in economic development.
- The Exchange held various financial literacy awareness activities including participating in the Global Money Week, Savings Week organized by the Reserve Bank of Malawi, hosting Facebook Live webinars, hosting various school visits to the Exchange and optimizing social media platforms.

Initiatives going forward

Looking ahead, the Exchange will continue with implementation of its strategic plan along the three thematic areas of market growth, process efficiency and financial sustainability. The Exchange particularly looks forward to the launch of the mobile trading platform which promises to improve accessibility of the market to the general public. The Exchange also looks forward to graduating the first cohort under the Mzinga incubation program which is being implemented with financial assistance from the Financial Inclusion and Entrepreneurship Scaling (FInES) project. The Exchange will continue to implement its market development initiatives including conducting business clinic meetings, hosting seminars and webinars targeted at potential issuers and investors, collaborating with the media and other key stakeholders on market awareness initiatives and optimizing its offline and online presence. The Exchange also intends to continue to engage Government and other key stakeholders to support growth of the capital markets as it holds the key to unlocking growth of the private sector.

Appreciation

The achievements registered in the year would not be possible without the support of our valued stakeholders. I would like to sincerely extend my profound gratitude to the Registrar of Financial Institutions, who is the Governor of the Reserve Bank of Malawi, for the support rendered to the Exchange and all capital market participants and members who share the MSE’s vision of promoting an efficient securities market worthy of public trust that is characterized and underpinned by transparency and integrity.

I also express my sincere appreciation to the MSE Board of Directors for their steadfast guidance and commitment to our vision. My heartfelt thanks go to all capital market participants, as well as the dedicated team at the MSE, whose professionalism and integrity have been instrumental in achieving our goals. Lastly to the investing public, I would like to assure you that the MSE remains committed in propelling the market to greater heights. We are confident that the Exchange will attain the aspirations encompassed in its goals so as to build trust and confidence in our market.

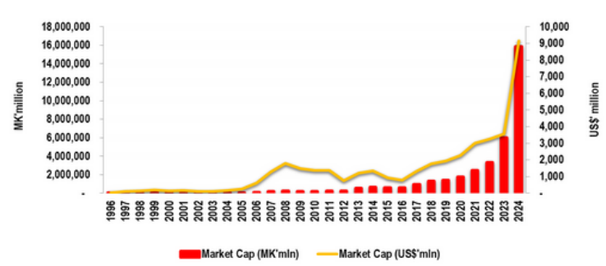
May God bless Malawi and all of us.

2024 MARKET PERFORMANCE SUMMARY

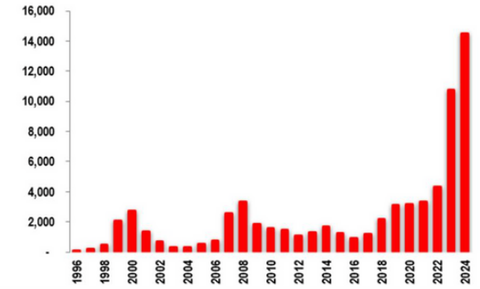


INVEST IN MALAWI'S MOMENTUM. AFRICA'S BEST-PERFORMING EXCHANGE AWAITS.

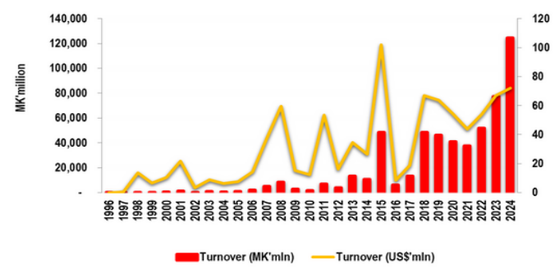
MARKET CAPITALISATION



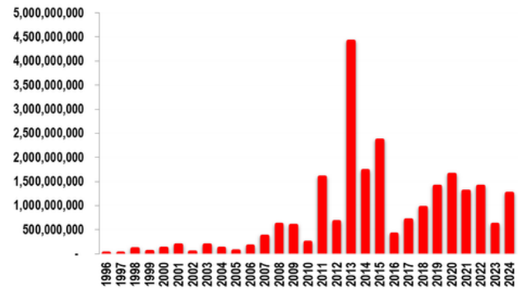
NUMBER OF TRANSACTIONS



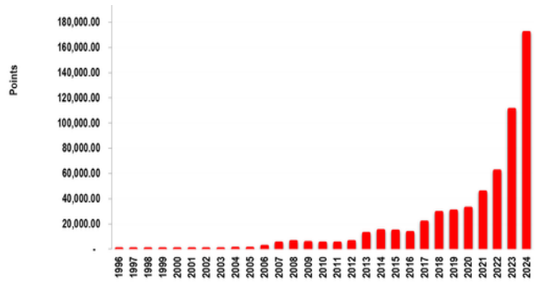
TURNOVER



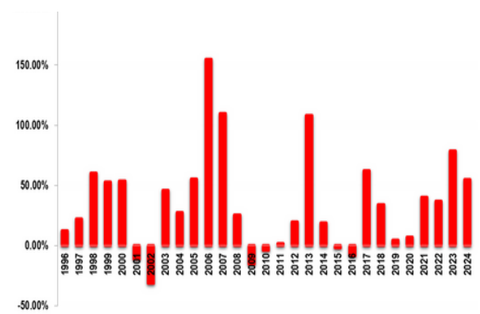
VOLUME OF SHARES TRADED



MASI



YEAR ON YEAR RETURN ON INDEX



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LISTING OF BHL RIGHTS ISSUE ON MSE

Blantyre Hotels Plc officially listed its rights shares on the Malawi Stock exchange (MSE) following a highly successful capital raise of MK662.4 billion. This marked a significant milestone, showcasing the Malawi capital market's ability to mobilize long-term, low-cost funding to support transformative projects.



BHL Board Chairperson Mr. Vizenge Kumwenda cuts the ribbon alongside Capital Markets officials to mark the official listing of Blantyre Hotels plc rights shares on the Malawi Stock Exchange.



Mr. John Robson Kamanga, Chief Executive Officer of the Malawi Stock Exchange, delivering opening remarks at the Blantyre Hotels plc listing ceremony.



Board Chairperson of Blantyre Hotels plc, Mr. Vizenge Kumwenda rings the listing bell to officially mark the company's listing on the Malawi Stock Exchange.



Mr. Vizenge Kumwenda, Chairman of Blantyre Hotels plc, delivering his speech during the company's listing ceremony.



Professor James Kamwachale Khomba delivering his speech during the Blantyre Hotels plc listing ceremony.



Group photo of executives, transaction advisors and participants during the listing ceremony of Blantyre Hotels plc on the Malawi Stock Exchange.



A cross-section of participants captured during the Blantyre Hotels plc listing ceremony.



Group photo of executives at the Blantyre Hotels plc listing ceremony on the Malawi Stock Exchange.



Group photo of transaction advisors and Malawi Stock Exchange team members taken during the Blantyre Hotels plc listing event.



Group photo of transaction advisors and event participants at the Blantyre Hotels plc listing ceremony.

MSE HOSTS INAUGURAL CMAM CONFERENCE

The CMAM Conference 2024, held on 6 December 2024 at Sunbird Mount Soche Hotel, Blantyre, focused on the role of capital markets in economic recovery and sustainable finance. The event brought together stakeholders, policymakers, and industry experts to discuss ESG principles, sustainable finance, and investment strategies. A Q&A session fostered insightful discussions, and the conference concluded with a call for collaboration and innovation to strengthen Malawi's capital markets.

During the event, the "***Guidelines for the Issuance of Sustainable Bonds"*** were also launched, marking a significant milestone in advancing sustainable finance initiatives in Malawi.



Mr. John Robson Kamanga, President of the Capital Markets Association of Malawi (CMAM) and Chief Executive Officer of the Malawi Stock Exchange, delivering the opening remarks at the CMAM Conference held at Sunbird Mount Soche.



Prof. James Kamwachale Khomba, Chairman of the Malawi Stock Exchange, delivering a speech at the CMAM Conference held at Sunbird Mount Soche.



A group photo of participants at the CMAM Conference held at Sunbird Mount Soche.



A cross-section of participants at the CMAM Conference held at Sunbird Mount Soche.



Mrs. Kelline Kondowe, Chief Operating Officer of the Malawi Stock Exchange, presenting on "The ESG Landscape in Africa and the Launch of Sustainable Bond Guidelines" at the CMAM Conference held at Sunbird Mount Soche.



Mr. Noel Kadzakumanja, Vice President of CMAM and CEO of Stockbrokers Malawi Limited, delivering the closing remarks at the CMAM Conference held at Sunbird Mount Soche.



Mr. Christopher Kapenda, Managing Partner at Deloitte, presenting on the topic "Sustainability Reporting: Overview of S1 and S2" at the CMAM Conference held at Sunbird Mount Soche.

MSE HOSTS BUSINESS BREAKFAST ON TOPIC OF CORPORATE GOVERNANCE

The Business Breakfast hosted by the Malawi Stock Exchange on 21 May 2024 aimed to emphasize the importance of corporate governance in fostering transparency, accountability, and sustainable growth within businesses. The event brought together key decision-makers from potential listing companies to discuss how good governance practices can attract investment, mitigate risks, and enhance long-term success. The MSE's goal was to promote governance standards among businesses, ultimately strengthening investor confidence and market integrity.



Mr. John Robson Kamanga, Chief Executive Officer of the Malawi Stock Exchange, delivering his welcome remarks at Ryalls Hotel during a MSE Equity business breakfast.



Mr. Bryson Mkhomaanthu, Chief Executive Officer of Presscane Limited, during an interview with journalists at the MSE Equity Business Breakfast at Ryalls Hotel



Panellist during MSE Equity Business Breakfast Q&A Session. From left to right, Mr David Moyo, Chief Investment Officer, NICO Capital Limited, Mrs Kelline Kondowe, Chief Operating Officer, MSE & Mr Kenneth Mmadi, General Manager, Continental Capital Limited



Mrs Kelline Kondowe, Chief Operating Officer, MSE, delivering the closing remarks during MSE Equity Business Breakfast at Ryalls Hotel



A participant from Smile Insurance posing a question during Q&A session at MSE Equity Business Breakfast



A participant from Castel Malawi posing a question during Q&A session at MSE Equity Business Breakfast



A participant from Malawi Sun Hotel posing a question during Q&A session at MSE Equity Business Breakfast



A participant from Access Communications Limited posing a question during Q&A session at MSE Equity Business Breakfast

GLOBAL MONEY WEEK 2024 PICTORIAL FOCUS

The Malawi Stock Exchange (MSE) in collaboration with CMAM members successfully hosted Global Money Week 2024 from March 19th to March 22nd, with the theme "Protect your money, secure your future." The event aimed to equip youth with essential financial knowledge and skills. Learners from St. Andrews International High School and Hilltop Academy visited the MSE, engaging with experts and gaining insights into financial concepts. The MSE also shared financial literacy content on saving and investing through its social media platforms.

The MSE remains committed to expanding financial literacy through partnerships with educational institutions, government bodies, and industry stakeholders, contributing to Malawi's long-term economic growth. The success of the event highlights the MSE's dedication to promoting financial empowerment for a financially savvy future generation.



Cross-section of St Andrews International High School learners during their visit at the MSE Global Money Week 2024



St Andrews International High School Learners during their visit at MSE Global Money Week 2024



St Andrews International High School learners interacting with a Broker from Continental Capital Limited during Global Money Week Open Day at MSE



Mr Kondwani Makwakwa, Broker for Stockbrokers Malawi Limited, interacting with St Andrews International High School learners during their visit at MSE Global Money Week 2024.



Mrs Mary Chipofya Chikaonda, Business Development Officer, Malawi Stock Exchange, making a presentation to Hilltop Academy learners during the visit at MSE Global Money Week



Hilltop Academy Learners during their visit at MSE Global Money Week 2024



Global Money Week 2024 with Hilltop Learners at MSE

THE MALAWI STOCK EXCHANGE'S MZINGA INCUBATION PROGRAM FIRST, SECOND AND THIRD QUARTERLY MEETINGS

The Malawi Stock Exchange successfully conducted the first, second and third quarterly meetings of the Mzinga Incubation Program in 2024, bringing together incubates, corporate advisors and key stakeholders to review progress and enhance SME readiness for capital markets.

First quarterly meeting – 28 March 2024
Held at Ryalls Hotel in Blantyre, the inaugural meeting introduced the first cohort of incubates, including Agro-Input Suppliers Limited, Combine Cargo Limited, Nagowa Finance Limited, Wealthnet Finance Plc, Unified Technologies Limited and Ziweto Enterprises Limited. Key presentations were delivered by Mr. David Moyo, Chief Investment Officer and Mr. Mayamiko Mbendera, Corporate Finance Transactor, both from NICO Capital Limited, on ***"Corporate Governance"***. Mr. Madalitso Mittochi, Finance Manager and Company Secretary at MSE, presented on ***"Financial and Integrated Reporting"***. The event was opened and closed by Mr. John Robson Kamanga, Chief Executive Officer of MSE, who emphasized the program's strategic role in SME capacity building.

Second quarterly meeting – 19 July 2024
Held at Protea Ryalls Hotel, the second meeting focused on progress reports from incubates and strategic insights from corporate advisors, including CDH Investment Bank, Bridgepath Capital Limited, Old Mutual Investment Group, NICO Capital Limited and FDH Financial Holdings. The event featured a key presentation by Mr. Cuthbert Mnyenyembe, Head of Listed Investments at Old Mutual Investment Group, on the topic titled ***"Corporate Finance: Key Financial Strategies for Business Growth and Sustainability."*** The session concluded with remarks from Mrs. Kelline Christabel Kondowe, Chief Operating Officer of MSE, who encouraged continued collaboration and engagement.

Third Quarterly Meeting – 18 October 2024
The third meeting at Protea Ryalls Hotel emphasized investment readiness and market participation. Mr. Dennis Kawawa of CDH Investment Bank presented on ***"Investor considerations when making investment decisions,"*** offering insights into what investors seek when evaluating SMEs. Mrs. Kelline Kondowe, Chief Operating Officer of MSE, provided a detailed presentation on ***"MSE Listing Requirements"***, outlining the steps businesses need to take for future stock exchange listing. The meeting concluded with closing remarks from Mr. Madalitso Mittochi, Finance Manager and Company Secretary at MSE, who commended the progress made by incubates and emphasized MSE's commitment to SME growth.

Each meeting highlighted significant strides in the incubation journey, reinforcing MSE's dedication to financial literacy, mentorship, and SME integration into capital markets.





















MSE INVESTOR WEBINAR: THEME: “HOW TO INVEST IN BONDS THROUGH THE STOCK MARKET”



- On 30 May 2024, the Malawi Stock Exchange (MSE) hosted a webinar on investing in bonds to highlight their role in a balanced investment plan. Experts Mr. Douglas Nyirenda, Senior Operations and Compliance Officer at Malawi Stock Exchange and Mr. Kondwani Makwakwa, Team Leader – Equity Research & Business Development of Stockbrokers Malawi Limited, explained bonds, their characteristics, benefits and risks. Unlike stocks, bonds function as loans where investors earn regular interest and receive their principal at maturity. The webinar emphasized that bonds provide a stable, fixed income and are less risky than stocks. Malawi Stock Exchange aimed to equip investors with knowledge to make informed decisions and build secure investment portfolios.

MSE HOSTS FB LIVE ON INVESTING IN BONDS



- The Capital Markets Association of Malawi (CMAM) hosted an Investor Webinar on 26th September 2024 at 10 am as part of Global Money Week, which ran from 23rd to 27th September 2024. The week featured the launch of the Financial Literacy Strategy (2024-2030), the Global Money Week event, and the Dzukani Financial Literacy Program organized by the Reserve Bank of Malawi. The main event took place at BICC on 23rd September 2024 from 8:30 AM to 12:00 noon, with Dr. Wilson T. Banda, Governor of the Reserve Bank of Malawi, as the Guest of Honor.

In collaboration with the Reserve Bank of Malawi and financial institutions, CMAM hosted Global Money Week activities under the theme ***"Protect Your Money, Save Your Future."*** The Investor Webinar aimed to enhance financial literacy, promote investment awareness, encourage a savings and investment culture and strengthen collaboration among financial institutions. It provided insights into different investment options, including stocks, bonds, portfolio management and collective investment schemes (CIS), equipping individuals with the knowledge and tools to make informed financial decisions.

Speakers for the webinar included:

- **Regina Kachingwe (Cedar Capital Limited):** Investing through a stockbroker
- **Mwai Wingolo (Bridgepath Capital Limited):** Investing through a portfolio manager
- **Sharon Mkandawire (Old Mutual Unit Trust):** Investing through a Collective Investment Scheme (CIS) and basics of saving and investing

MSE PARTICIPATES AT THE NKUMANO CONFERENCE

The Nkumano Entrepreneurial Ecosystem Conference, held from 2nd to 4th September 2024 at Ufulu Gardens in Lilongwe, focused on entrepreneurship and innovation under the theme "Bridging Gaps, Creating Opportunities, and Growing Together." Organized by GIZ Malawi and GOPA-AFC GmbH, the event brought together stakeholders to discuss access to finance, mentorship, and market opportunities for start-ups.

The Malawi Stock Exchange (MSE) participated to showcase the Mzinga Incubation Program, which helps SMEs raise capital through listing on the EDGEx platform. Mary Chipofya Chikaonda, MSE’s Business Development Officer, presented the program, emphasizing its role in supporting start-ups.

The goal was to increase awareness of capital-raising opportunities, engage with entrepreneurs and innovation hubs, and distribute investment guides to those interested in the stock market. The positive response reinforced the need to expand financial literacy initiatives, particularly targeting youth and entrepreneurial hubs, to promote financial inclusion and economic growth.



- Mary Chipofya Chikaonda, Business Development Officer at the Malawi Stock Exchange, presenting on the Mzinga Incubation Program, which focuses on capacity building for SMEs, with the goal of raising capital through listing on the MSE EDGEx.



- Caption: Group photo of participants from various regions across the country at the Nkumano Entrepreneurs Ecosystem Conference at Ufulu Garden in Lilongwe



- A cross-section of participants from various regions across the country at the Nkumano Entrepreneurial Ecosystem Conference at Ufulu Gardens, Lilongwe.



- Cross-section of participants from various regions across the country at the Nkumano Entrepreneurs Ecosystem Conference at Ufulu Garden in Lilongwe

MSE PARTICIPATES IN 34TH MALAWI INTERNATIONAL TRADE FAIR

The MSE participated in the MCCCI Trade Fair from 23 to 29 May 2024, under the theme "Boosting Malawi's Export Capacity through Production." The event provided a platform to showcase MSE's services, engage stakeholders, and promote financial literacy. Visitors received brochures on investing in shares and bonds, and the Mzinga Incubation Program was highlighted. The MSE also interacted with students and potential investors, reinforcing its role in economic growth and stock market development.



- Mary Chipofya Chikaonda, Business Development Officer, Malawi Stock Exchange, interacting with clients during the opening day of the trade fair.



- MSE stand managers at the 34th International Trade Fair. From left to right: Mr. Douglas Nyirenda, Senior Operations and Compliance Officer and Mrs. Mary Chipofya Chikaonda, Business Development Officer.



- Maxmillian Mmeya, IT Assistant Officer, Malawi Stock Exchange, interacting with clients at the trade fair



- Malawi Stock Exchange team conducting financial literacy sessions and engaging with clients at the Trade Fair



- Douglas Nyirenda, Senior Compliance and Operations Officer at MSE, engaging with clients at the Trade Fair.



- Students visiting the MSE stand during the Trade Fair's school days.



- Students visiting the MSE stand during the Trade Fair's school days.

MSE PARTNERS WITH CFA SOCIETY SOUTH AFRICA ON INTERNATIONAL WOMEN'S DAY

The Malawi Stock Exchange (MSE) celebrated International Women's Day on March 8, 2024, under the theme "Inspire Inclusion." The event aimed to empower women in the finance sector, promoting diversity and inclusion. It featured presentations from inspiring speakers covering essential topics such as financial planning, negotiation skills, business initiation and mental health awareness. The MSE partnered with the CFA Society, South Africa, to support women's advancement in finance. The event's goal was to celebrate women's achievements and inspire the next generation of female leaders in the industry, contributing to a dynamic and inclusive financial sector.



- Mrs Patricia Mwase ringing the bell for gender equality, a symbolic initiative observed by stock exchanges worldwide to promote gender equality and women's empowerment in the financial and corporate sectors.



- Presenters and participants at the International Women's Day event showcased the Pink Book from CFA Society South Africa, which collaborated with the Malawi Stock Exchange to foster partnerships and leverage resources in support of women's advancement in finance.



- Presenters during the International Women's Day 2024 at MSE. From left to right: Mrs. Kelline Kondowe, Chief Operating Officer, Malawi Stock Exchange, imparted knowledge on financial planning, equipping attendees with essential skills for securing their financial futures and achieving economic independence; Ms. Mwaiwathu Wirima, founder of the Art of Wellness, shed light on mental health awareness, emphasizing the importance of self-care and well-being amidst the pressures in life; Mrs. Patricia Mwase, the founder of Credit Data Malawi delivered a presentation offering guidance on initiating a business endeavour and Mrs. Memory Chipembere, Company Secretary and Compliance Manager at NICO Asset Managers, delved into negotiation skills, empowering women to assert themselves confidently in professional settings.



- Cross section of participants at International Women's Day 2024



The listing process

Armstrong Kamphoni - Chief Executive Officer
Cedar Capital Limited

Writer Getrude Stein once said, “A rose is a rose is a rose”, but the same cannot be said about listing companies on the stock exchange. Every company has its peculiarities and the listing process might vary from the most complex; involving company restructuring, takeovers and mergers to the simplest approach called listing by introduction. My discussion of the listing process will therefore attempt to cover the basics of listing a company which every listing, if not most of the listings, is expected to go through.

Preparation for a listing

For most family run businesses and small enterprises, the listing process should start well ahead of time, as early as one year ahead with a thorough preparation. Listing a company involves making its shares to be available to the public to buy and sell. The company that brings its shares to the public is called the Issuer and the first time this is done on the stock market is called the Initial Public Offer (IPO).

Given the need to protect the public from losing their money, the regulatory authorities involved in admitting a company to be listed have a duty to ensure that the companies that are available to the general public are sound and are run by reliable people who will not dupe the members of the public. So the most important factors that any company intending to list should consider is increased transparency in the way they do business, accountability to a wide range of stakeholders and enforcement of reporting standards.

Accounting system and reporting

A company needs to carry out an internal due diligence to ensure that its accounting system is reliable and capable of producing accurate and reliable financial statements. It is important that the system should be able to keep records in a manner that any person with the requisite training in accounting can draw similar accounting reports without much difficulty. So a company intending to list on the stock exchange needs to ensure it has a reliable accounting system and people who can maintain financial records for the purpose of producing accurate financial reports.

The company needs also to have audited financial statements carried out by a recognized public accounting institution. This is important as the investing public will have faith in a professional accounting firm – duly licensed by the accounting governing bodies. Audited financial statements are therefore a must for any company that is contemplating listing.

Corporate governance structure

As a minimum, a company needs to have a Board of Directors who direct the company’s policy and it is important for the Board to include independent members who also are not part of the executive management. Independent members need not only be independent but they must be seen to be independent. It does not help to put names of directors on paper but they have little or no say in directing the company’s policies.

Advisors to the transaction and internal champion

The company intending to list its shares needs to identify a champion within its management ranks; typically the head of finance. The person identified needs to have unrestricted access to the chairman and board of directors as there are a number of resolutions, undertakings and commitments that directors are required to sign; mostly in the heat of the assignment and against tight deadlines.

The company also needs to appoint independent advisors who will hold its hand throughout the listing process. The main advisor is the lead transaction advisor – who takes responsibility for the success of the transaction and coordinates all advisors input into the transaction. Other key advisors are reporting accountant, sponsoring broker; to guide on matters regarding stock exchange requirements and act as a link with the stock exchange, Legal advisor; ensures that the transaction conforms to applicable laws and regulations.

Booking and provisional listing

The lead advisor and sponsoring broker will book a tentative listing date with the stock exchange. This helps the stock exchange manage their transaction calendar in case of more than one transaction and also helps them schedule meetings of the listing committee. Once the booking is done, an application process begins with submission of various documentation which include memorandum articles of association as amended to reflect a listed company, prospectus as referenced to applicable laws and regulations, various resolutions and undertakings by directors of the company. This stage also involves identification of underwriters to the proposed issue- typically pension funds and institutional investors who guarantee the uptake of the shares to be offered. Underwriter(s) are a must-have in any listing which involves an offer to the public for cash.

These submissions make up what is known as part one documents on the basis of which the committee of the stock exchange may grant a provisional listing – which is a listing granted subject to the company or issuer meeting other key requirements, including necessary approvals from the Registrar of financial institutions who is the custodian of the Securities Act – the specific act regulating the capital market and getting the minimum number of shareholders.

The offer process and listing

Once the approvals to issue a prospectus are secured, the transaction advances to the offer stage where publications are circulated to members of the public. The main document at this stage is the prospectus which, among other things, gives details about the company, its management and directors as well as its financial statements and forecasts. This is an important document as it is the basis for the investing public for making a decision to subscribe for the company’s shares. Normally the offer period spans three weeks during which time applications from investors to buy shares in the company are received.

Once the offer results are compiled, the company’s directors guide the allocation of shares to applicants, especially where there is an oversubscription. The final results of the Offer together with the shareholder register after allocations is then submitted to the stock exchange who will grant a listing to the company on a specific date. The entire process can take 12 to 15 weeks or more depending on the availability of information from the company. Any excess moneys received in an oversubscription are refunded to the applicants and share certificates for new shareholders are sent to the applicants. The company’s shares start trading on the stock exchange in what is called the secondary market in which shareholders in a listed company buy and sell shares to each other.

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> **Every company has its peculiarities and the listing process might vary from the most complex; involving company restructuring, takeovers and mergers to the simplest approach called listing by introduction.**

UNLOCKING SME GROWTH THROUGH THE MZINGA INCUBATION PROGRAM

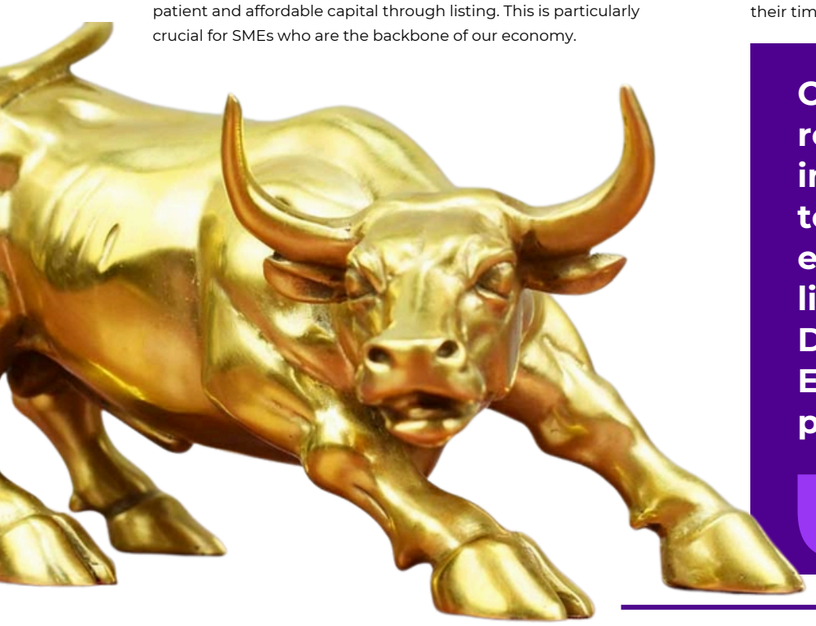


By Kelline Christabel Kondowe, Chief Operating Officer, Malawi Stock Exchange

The Mzinga incubation program was launched on 28th July 2023 with an aim of improving Small and Medium Enterprise's (SME's) access to patient and affordable capital, through listing.

A The program which is being financed under the Financial Inclusion and Entrepreneurship Scaling (FInES) project aims to achieve this goal by building capacity of SMEs, particularly in the topics of corporate governance, financial and integrated reporting, corporate finance, the listing rules, preparation of listing documentation and the role of transaction advisors. Through the program, SMEs are equipped with comprehensive insights on key considerations that investors make when deciding to invest in a company. Once equipped with the requisite knowledge and insights, the participants to the program are expected to graduate and list on the Enterprise Development and Growth Exchange (EDGEx) platform.

B It is widely acknowledged that one of the biggest challenges facing the Malawi capital markets has been attracting companies that are commercially viable to come to list on the Malawi Stock Exchange. This has meant that the number of listed companies has stagnated at 16 companies, with no listings on the EDGEx platform. With the Mzinga incubation program, we aim to create a pipeline of potential issuers who will have the capacity to raise patient and affordable capital through listing. This is particularly crucial for SMEs who are the backbone of our economy.



The participants in the program have been working with registered corporate advisors who have been providing technical assistance in line with the program course outline. This technical assistance includes conduct of due diligence assessments on the participants, development and review of strategic plans, and conduct of assessments on eligibility for the EDGEx platform. Through the collaborative efforts, roadmaps have been agreed with the participants to ensure they tackle and address all concerns that might hinder their ability to raise capital. To foster networking and knowledge sharing, the Exchange has also facilitated quarterly workshops which were held throughout the year. In these workshops, presentations on topics on interest are made by experts within the capital markets ecosystem.

It is our belief that this program is transformative for our country as it strives to unlock growth of the SMEs through improving their access to patient and affordable capital. We thus would like to take this opportunity to thank all our valued stakeholders for the support rendered towards implementation of the Mzinga incubation program. We give special thanks to the World Bank under the FInES project for the financial support towards implementation of the program. We also extend our gratitude to all the advisors and participating companies who have embraced this initiative and dedicated their time and resources towards its implementation.

Once equipped with the requisite knowledge and insights, the participants to the program are expected to graduate and list on the Enterprise Development and Growth Exchange (EDGEx) platform.

Since its official launch, the Mzinga incubation program has admitted six companies which are operating in various sectors of the economy. The participating companies are:

1 Agro-Input Suppliers:
This company uses productivity enhancing technologies promoting sustainable production and climate smart technologies through production and distribution of bio fertilizer and bio pesticides products; hermetic storage solutions; provision of smart soil testing services; aflatoxin and mycotoxins tests on food and feed products and do grain trading in Malawi.

2 Combine Cargo:
Combine Cargo (Malawi) Limited is a Private Limited Company which was conceived in 1994 but was registered in August, 1995. The company is duly licenced as a customs clearing agent by Malawi Revenue Authority and provides freight forwarding, customs clearing, warehousing, distribution and household and office removal services.

3 Nagowa Finance Limited:
This is a licensed Non deposit taking Microfinance Institution providing financial services to micro, small, and medium enterprises and personal

4 Unified Technologies Limited (Unitech):
Unitech was established in 2008 with the aim of helping organizations to improve their business using IT. The company started its operations in 2008. Their customers are in the financial services sector, manufacturing, agribusiness, public sector, retail, travel and tourism, NGO's and education sector.

5 Wealthnet Finance Plc:
This is a licensed Deposit Taking Microfinance Institution (DTMFI). The company does banking and mobile money business. Their banking products targets the local Micro Small and Medium Enterprises (MSMEs) and the marginalized women and youths in businesses from un-reached rural areas.

6 Ziweto Enterprises Limited:
This is a Malawian business operating in the livestock sector offering animal health, nutrition, and breeding solutions to livestock farmers. Ziweto Enterprises Limited raises the value of livestock for better human lives by providing access to quality and affordable veterinary and animal nutrition products and livestock production equipment among livestock farmers through its network of "Ziweto Agrovet Shops".



The “Invest In You” initiative: Making investing accessible to all



By Mary Chipofya Chikaonda, Business Development Officer, Malawi Stock Exchange (MSE)

The landscape of financial literacy in Malawi has evolved significantly over recent years, with an increasing number of Malawians recognizing the importance of understanding personal finance and investment opportunities. As the country progresses, financial literacy plays a crucial role in fostering economic growth and empowering individuals to make informed financial decisions. One area where this impact is most evident is the rising awareness and participation in the stock market.

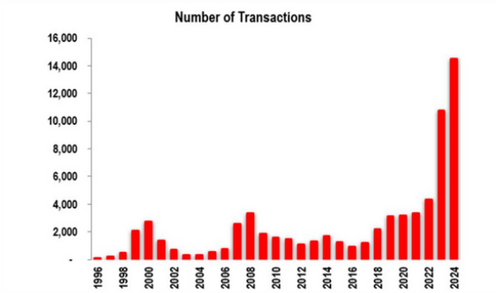
The role of the Malawi Stock Exchange in financial literacy

The Malawi Stock Exchange (MSE) has been instrumental in driving financial literacy initiatives that enhance public understanding of capital markets. Over the years, MSE has implemented various programs aimed at making the stock market more accessible, fostering financial independence, and contributing to sustainable economic growth.

The Invest In You campaign: Empowering individuals through investment education

One of MSE’s flagship initiatives is the Invest In You campaign, which aims to inspire and educate individuals about the benefits of investing in the stock market. This campaign underscores the idea that financial well-being is a form of personal development, just as individuals invest in education, business, health, etc., they should also invest in financial security for long-term prosperity.

Through this initiative, MSE has shifted public perceptions about investing, demonstrating that the stock market is not just for institutional investors, but is accessible to individuals from all backgrounds. The campaign provides practical guidance on how to start investing, the benefits of long-term financial planning and how wealth accumulation can be achieved through smart financial decisions. As a result, we have seen increased interest in the stock market, particularly among young professionals and university students who are beginning to appreciate the value of investing early.



As part of the Invest In You campaign, MSE has been running an educational broadcast covering key investment topics. Some of the episodes aired so far include:

- **Introduction to shares and bonds:** Understanding what shares and bonds are and their role in wealth creation.
- **The benefits of investing and how to invest:** Learning how to invest through a stockbroker, portfolio manager or collective investment scheme.
- **The process of buying shares and bonds:** A step-by-step guide on how investors can participate in the market.
- **How to select shares and companies to invest in:** Factors to consider when choosing investment opportunities.
- **The importance of staying informed:** Keeping up with market news to make informed investment decisions.
- **Understanding dividends and capital gains:** How investors earn returns from their investments.
- **The importance of diversification:** Strategies for minimizing risk by spreading investments across different assets.
- **Understanding the importance of timing in investing:** How market timing impacts investment outcomes.
- **Diversifying your investment portfolio:** Key strategies to build a balanced and resilient portfolio.
- **Understanding the daily market trading summary:** Learning how to interpret stock market data.
- **Understanding stock market news and setting personal financial goals:** The role of financial news and goal setting in successful investing.

Listeners can also catch up on previous episodes of Invest In You on Spotify, brought to you by the Malawi Stock Exchange.

Educational programs and their tangible impact

MSE actively conducts financial literacy workshops, webinars and educational visits to schools, universities and corporate institutions. These events equip participants with essential knowledge to navigate the stock market, understand shares and bonds and make informed investment decisions.

Notably, following financial literacy sessions conducted at Hilltop Academy and St. Andrew’s International High School, several students were inspired to take their learning beyond the classroom and began actively participating in the stock market. This tangible outcome is a testament to the effectiveness of MSE’s educational efforts we aim not only to impart knowledge, but also to encourage real-world engagement with financial markets.

The MSE investor education series has further strengthened this impact by providing beginners and experienced investors with insights into reading market data, understanding investment strategies and developing confidence in their financial decisions.

Leveraging digital platforms to expand reach

Recognizing the power of digital transformation, the Malawi Stock Exchange (MSE) has embraced social media and other online platforms to extend financial literacy beyond physical workshops. Through engaging content such as educational videos, infographics and real-time market updates, MSE ensures that financial literacy is accessible to a wider audience. This digital strategy has particularly resonated with the youth, who now make up a growing segment of market participants.

As part of its commitment to enhancing accessibility and participation in the capital markets, MSE will soon be launching its mobile trading application. This innovative platform will allow investors to track market performance, place trades and access financial insights directly from their mobile devices. By integrating technology into trading, MSE is making investment opportunities more convenient and inclusive, further driving financial inclusion in Malawi.

Invitation for collaboration: Fostering a culture of financial literacy

The growth of financial literacy in Malawi is directly linked to increased market participation. As more individuals become financially literate, the number of people engaging with the stock market continues to rise, contributing to the overall development of the country’s capital markets
.
MSE remains committed to expanding financial literacy and invites all educational institutions both private and public as well as workplaces, corporate organizations and government entities to engage with us. We are open to conducting customized financial literacy sessions tailored to different audiences, ensuring that knowledge is translated into action. Institutions interested in hosting such sessions are encouraged to reach out, and we will facilitate visits to provide practical investment education.

Conclusion

The impact and growth of financial literacy in Malawi have been transformative. Through targeted educational programs, strategic digital outreach and collaborative engagements, MSE continues to play a critical role in empowering individuals to make better financial decisions. By fostering a culture of investment and financial responsibility, we are not only helping individuals secure their financial futures, but also contributing to the broader economic development of the nation. The journey towards financial literacy is ongoing, and

> MSE REMAINS DEDICATED TO ENSURING THAT MORE MALAWIANS EMBRACE THE OPPORTUNITIES AVAILABLE IN THE STOCK MARKET TO BUILD LASTING WEALTH.



PERSONAL INVESTMENT IN FINANCIAL GROWTH AND LITERACY:

LEVERAGING ON THE STOCK MARKET

By William C Mpinganjira, Group Chief Executive Officer, FDH Bank



Sometime around mid year 2024 I received a request from a friend Dr Mulinda Nyirenda to give a talk to a team of young Medical Practioners she was mentoring. The focus she told me was about financial security and investments. We eventually got together and it was quite an interesting discussion with the young boys and girls. We spoke about various investments an individual can undertake and why one would choose one asset class over another. However I had made one huge assumption during my talk. The assumption was that these young medical professionals had gone through some modules on business inclusive of basics of finance during their time at medical school.

Why that assumption? Medical Practioners tend to work for themselves as consultants or at some point set up their own medical practice. In other words the majority end up as entrepreneurs in the medical field even though most people don't classify them as such. They will be required to submit returns to the regulators (MRA Registrar General), pay personal and in some cases corporate taxes on their income and investment

I was very wrong. The majority of these medical professionals were not aware of these things I was talking about and had not gone through professional education in these areas. At this point I could literally hear my Professor's voice at university in my head that always verbalise your assumptions in order to bridge the communication gap.

I'm very passionate about education whether that be formal education, apprenticeship or informal education. Education is invaluable for one's personal growth. This is no different when it comes to personal financial growth. The majority of people dream of financial independence and that can only take place if one has a decent idea and plan on how to achieve that. That means understanding different types of investment and how that will impact your future returns.

Date		FDH Shares	Treasury Notes
3-Aug-20	Amount Invested	100,000.00	100,055.54
5-Mar-25	Market Value	3,151,300.00	202,080.64
5 Yr Avg Inflation	(Jan 2021 - Jan 2025)	22.92%	

There are different investments that individuals can look at and such investments as with any investment decision depends on the risk appetite of the individual. Risk appetite is the level of risk that an organization is willing to accept while pursuing its objectives, and before any action is determined to be necessary in order to reduce the risk. One can decide on their appetite depending on the level of return they expect from their investment. The return depends on the type of asset a person decides to invest in. There are various classes of assets and I shall list some with particular bias towards the Malawi market;

Real Estate Market Malawi		
2021	82,500,000,000.00	USD
Rate	799.72	
	65,976,900,000,000.00	Mwk
2025	104,430,000,000.00	USD
Rate	1751	
	182,856,930,000,000.00	Mwk
2021 - 2025 Growth	177%	

www.statista.com

1. **Savings account**
2. **Call accounts**
3. **Term accounts**
4. **Treasury Bills**
5. **Treasury Notes**
6. **Government Bonds**

Relatively Low risk
Relatively Low return

7. **Corporate Bonds**
8. **Stocks**
9. **Property**

Relatively High risk
Relatively High return

Asset classes 1 – 5 are relatively low risk investments and will generally generate lower returns as it's either cash or can be easily converted to cash. People with a low risk appetite tend to focus on these investments. Assets classes 6 – 9 are higher risk investments and for people with higher risk appetites as the returns can be very high however the losses can also be significant.

In my view excess cash must be invested immediately as cash loses value everyday. This is especially true for Malawi where the Malawi Kwacha being a currency that is not easily tradable, struggles to hold value. When you look at the list above 1 – 3 will provide relatively low returns as it's mostly cash and rates are fixed depending on the policy by the Central Bank. There is a ceiling to the level of return you can earn from these investments. Category 4 – 7 also have fixed returns that are linked to the Monetary Policy. There is a direct correlation between the Monetary Policy and the rate of return on these type of investments.

Where a return is not fixed and doesn't have a ceiling is on Category 8 and 9 being Stocks and Property. Monetary Policy will play an indirect role but cannot limit the rate of return as Investor sentiment also plays a huge role. From a personal perspective it is much more difficult to invest in property as one needs to have a lot of money to acquire a property. Usually a mortgage is required to be able to invest in property and the banks will not fund 100% of the mortgage. There is a certain percentage that the borrower must have and contribute towards the mortgage. That lives out Stocks as an investment that does not have a ceiling on a rate of return and also does not require deep pockets to get involved.

The majority of people in Malawi do not look at Stocks as an alternative investment however when one critically looks at how the Malawi Stock Exchange has performed in general, the conclusion is that it is one of the best investments an individual should focus on.

With as little as Mwk100,000.00 anyone can get involved on the stock market and the rate of return can be phenomenal. Let me illustrate this point. With Mwk100,000.00 one could have participated on the listing of FDH Bank PLC. The IPO price in August 2020 was Mwk10.00. That would have bought 10,000 FDH Bank shares. Today almost 5 years later the 10,000 shares are now worth Mwk3,151,300.00 as of 5 March 2025. Now that is inflation and devaluation busting investment. That return is over 3051%. Comparatively having invested Mwk100,027.33 on a 5 Year Treasury Note in January 2021 would have earned the investor Mwk202,078.30 on maturity a return of 102% whereas property returns in the same period can be estimated at about 177% based on statistics provided by Statista and adjusted for devaluation between 2021 and 2025. All these statistics are not adjusted for inflation which has averaged 22.92% between 2012 and 2025. I doubt there is any investment capable of providing such returns in this country. Or let me rephrase, I doubt there is any legal investment capable of providing such returns in Malawi. And anyone can get involved with the excess or savings that they have.

Now I must also be clear here. Stocks can gain value or lose value. It doesn't mean that stocks will always gain value. Secondly a lot of patience is required to get the returns that are I'm writing about.

However patience is required on any investment one makes if you are to get a decent return. It is also important that professional advice is sought before deciding to invest on the stock market and that is where Brokers play a significant advisory role on which stocks one must invest in depending on what you are looking for.

Are you looking for a stock that will generate regular dividends for your portfolio? Are you looking for a stock that might not necessarily generate regular dividends but over time has the potential to gain value and you can sell at a profit later? These are all questions that Brokers can help you to answer as one decides which stocks to invest in. I always seek advice from my Broker even though I consider myself to be relatively savvy on investments to remove the bias in my decision making process. Brokers in the market include Cedar Capital Limited, Continental Capital Limited and Stockbrokers Malawi Limited are all well experienced on the Malawi Stock Exchange and can provide reliable investment advice.

As a retail investor on the stock market it is also of critical importance to invest in "liquid" stocks. These are stocks that have a high number of shares (float) as it is easier to trade these stocks and are also not as expensive (in relative Malawi Kwacha) compared to stocks of companies with a small float where only a few fund managers hold the majority of the shares on the market. Such returns on the stock market can also help individuals create capital for other investments in the future like that deposit for a property.

As for my young medical professionals I spoke to, I hope they are now utilizing the advice that was provided.

HOWEVER WHAT IS KEY IS FINANCIAL LITERACY TO ENCOMPASS INVESTMENTS INCLUSIVE OF THE MALAWI STOCK EXCHANGE AS STOCKS REMAIN A VERY VIABLE ALTERNATIVE TO THE USUAL THINGS THAT MOST PEOPLE WILL FOCUS ON WHEN IT COMES TO SAVING AND INVESTING THEIR EXCESS CASH



A TRUSTED LISTING PARTNER

WHAT WE OFFER

As a licensed Investment Advisor with the Reserve Bank of Malawi and Registered Corporate Advisor with the Malawi Stock Exchange, FDH Financial Holdings will ensure your successful listing by:

- Advising on the best approach to listing to ensure optimisation and efficiency
- Advising on the company valuation and pricing strategy to maximise listing outcome
- Advising on all regulatory requirements to ensure compliance
- Advising on good corporate governance processes
- Advising on how to manage investor relations during the process
- Coordination of all consultants engaged and managing the listing process

WHY LIST ON THE MALAWI STOCK EXCHANGE?

- Enables companies to raise significant, low cost capital from a wide range of investors
- Provides an avenue for further capital raising through secondary offerings
- Opportunity for increased share value through market driven pricing
- Provides an avenue for shareholders to unlock their wealth through a market where shares can be sold
- Enhance the brand and business growth capability due to increased visibility and improved credibility
- Platform for providing employee incentives through Share ownership schemes for employees

We also support already listed companies on corporation transactions such as **secondary equity and debt offerings as well as mergers and acquisitions.**

To learn more, contact us on: Email: treasury@fdh.co.mw
Telephone: +265111832263

FDH Financial Holdings

Grow with Us



Hilltop Academy's Entrepreneurship Program: Shaping Future Business Leaders Through Real-World Experience and Investment Literacy

By Mohamed Hakhtar, Administrator

In 2024, Hilltop Academy took a groundbreaking step in redefining business education by introducing its Entrepreneurship Program for Year 11 students. Designed to provide real-world business exposure and instill financial literacy, this program has already begun to transform how students perceive business, investment, and career development.

Bridging the Gap Between Education and Industry

One of the most notable aspects of the program is the one-day internship, where students gain firsthand experience in the corporate world by working at leading companies such as Build Africa, Toyota Malawi, and other esteemed organizations. This initiative allows students to witness business operations up close, interact with professionals, and understand workplace dynamics;

an experience that textbooks alone cannot provide.

Beyond corporate exposure, students are encouraged to cultivate their entrepreneurial skills through a Business Plan Writing Competition. In this competition, students develop comprehensive business plans, which are then evaluated by a panel of partner bankers. These financial experts assess the feasibility of each plan and determine which one has the highest potential to secure a business loan in the real world.

Fusion Hub: The Winning Business Plan That Redefines Retail

In 2024, the inaugural winner of this competition, Fawad Moten, impressed judges with his innovative business concept, Fusion Hub—a company designed to bridge the gap between physical and online shopping by creating a seamless and convenient retail experience. His business plan proposed a unique hybrid model that combines in-store shopping with digital convenience, allowing customers to experience products firsthand while also enjoying the ease of online transactions.

Fawad's vision for Fusion Hub was not just about selling products—it was about revolutionizing the retail experience, ensuring that customers could browse, purchase, and receive their goods in the most efficient way possible. The judges, including experienced bankers, recognized the potential in his business plan, noting that it demonstrated a strong understanding of market needs, consumer behavior, and financial feasibility.

As a reward for his outstanding business proposal, instead of a traditional cash prize, Fawad received Mk100,000 worth of shares in Illovo Company—an initiative that reflects Hilltop Academy's commitment to long-term financial literacy and investment education.

Why Illovo Shares? A Lesson in Long-Term Investment

Hilltop Academy's decision to reward winners with Illovo shares instead of cash is a forward-thinking strategy to promote investment literacy among students. The rationale behind choosing Illovo is the company's strong market performance, consistent dividends, and reputation as a stable long-term investment in Malawi.

This shift from cash prizes to stock ownership aligns with the school's philosophy of fostering financial discipline and long-term wealth-building strategies. By investing in shares, students not only learn about the stock market but also cultivate an investor mindset, grasping the value of passive income, asset appreciation, and financial planning.

Empowering Students with Financial Literacy

At the core of this initiative is Hilltop Academy's commitment to financial education. The school actively integrates investment concepts into its curriculum, ensuring that students graduate with an understanding of savings, investments, asset management, and entrepreneurship.

The Entrepreneurship Program encourages students to think beyond conventional career paths and explore opportunities in business ownership, investments, and financial independence. By giving students their first stock investment at an early age, the school hopes to cultivate a generation that is not only financially literate but also confident in navigating the complexities of wealth management.

Impact on Students: From the Classroom to the Real World

The introduction of this program has already begun shaping students' perceptions of business, career opportunities, and investment strategies. Several key benefits have emerged:

- Stock Market Awareness: Students develop an early understanding of trading, dividends, and market fluctuations, preparing them for future investment opportunities.
- Entrepreneurial Confidence: The competition and internship experiences instill a sense of business ownership, making students more likely to pursue entrepreneurial ventures.
- Career Readiness: Exposure to real businesses enhances students' understanding of professional environments, making them more prepared for the workforce.
- Lifelong Financial Habits: By receiving Illovo shares, students grasp the importance of investing over spending, a lesson that will benefit them for decades to come.

Looking Ahead: A Future of Financially Savvy Entrepreneurs

As the Entrepreneurship Program continues to grow, Hilltop Academy remains dedicated to nurturing young minds into future business leaders and investors. By combining hands-on corporate exposure, competitive business planning, and investment-based rewards, the school is reshaping the landscape of business education.

With more students engaging in the art of entrepreneurship and financial management, the program is not just about creating job seekers—it is about developing job creators, investors, and forward-thinking leaders who will contribute meaningfully to Malawi's economic future.

For students like Fawad Moten, the journey has just begun, but thanks to Hilltop Academy's visionary approach, their foundation in business and finance is already years ahead of their peers. Fusion Hub may still be a concept on paper, but with the right mentorship and investment mindset, it could soon become Malawi's next major retail innovation.

> *The Entrepreneurship Program encourages students to think beyond conventional career paths and explore opportunities in business ownership, investments, and financial independence.*





MINIMUM LISTING REQUIREMENTS

Company Status
- Must be incorporated as a public limited company under the Companies Act 2013 or equivalent law.

Subscribed Capital
- Minimum of MWK 400 million, excluding minority interests and revaluations not supported by an independent expert.

Profit History
- Satisfactory audited profits for 2 financial years.
- Restructuring firms or those without track records must submit a 3-year report reviewed by a competent accountant.

Share Capital
- Minimum of 20,000,000 equity shares in issue.

Public Offer
- At least 25% of issued capital must be offered to the public.

Public Shareholders
- Minimum of:
  - 300 for equity shares
  - 100 for other classes

Promoter Shareholding Lock-in
- 75% of holdings locked in a CSD account:
  - 12 months lock-in after listing
  - 50% may be traded after 12 months
  - Remainder tradeable after 24 months

Share Transferability
- No limitations or restrictions on transfer of shares.

Public Invitations
- Company must be eligible to invite the public to acquire shares.

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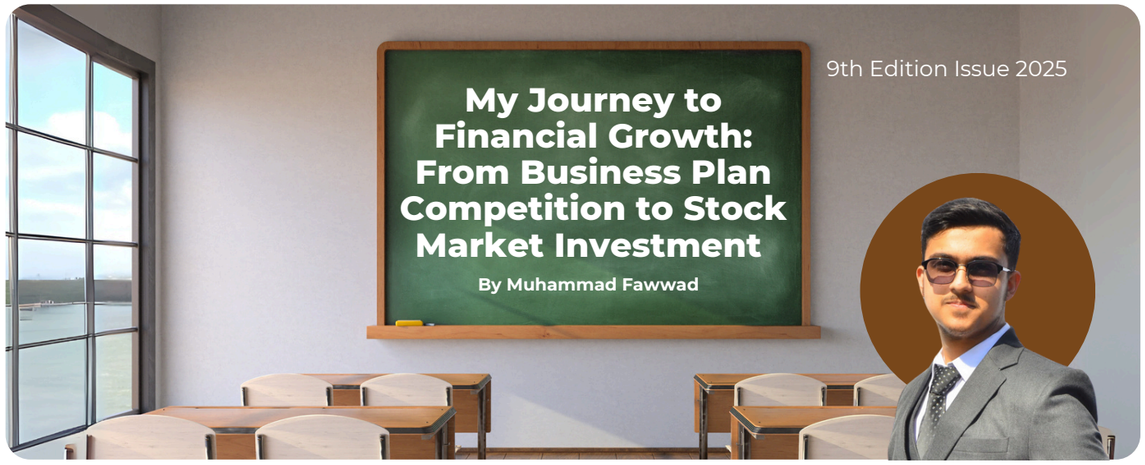

Winning the Illovo Business Plan Competition was a pivotal moment in my journey toward financial empowerment. This document explores the inspiration behind my winning business plan, the experience of investing in Illovo shares, my future financial aspirations, and my encouragement for others to embrace financial literacy and stock market

The Inspiration Behind Fusion Hub

My business plan, Fusion Hub, was born out of a desire to create a unique and convenient retail experience in Malawi. It was designed to bridge the gap between physical and online shopping, offering customers a seamless experience that combines affordability, quality, and innovation. Through extensive market research, I identified a need for a well-structured omnichannel shopping platform where consumers could easily find fusion and eclectic products.

Fusion Hub's idea was fuelled by several key elements:
- Thorough Market Research
- Innovative Business Model
- Detailed Financial Planning
- own personal experience

The Experience of Purchasing Illovo Shares

After winning the competition and receiving MWK 100,000 in Illovo shares, I took my first step into the stock market. The process of purchasing shares was both enlightening and empowering. I had to familiarize myself with the Malawi Stock Exchange procedures and understand stock market dynamics before finalizing my investment.

Investing in a well-established company like Illovo was significant for several reasons:

- Financial Security: Holding shares in a stable company meant potential dividends and long-term financial gains.
- Exposure to Investment Strategies: Learning how stock markets operate and how investments grow over time.
- Inspiration for Future Investments: Gaining confidence in equity investments as a viable wealth building strategy.

Future Investment Plans and Aspirations

The success of my first stock investment has fuelled my desire to explore more opportunities in the financial market. My future investment plans include:

1. **Diversifying My Stock Portfolio:** Investing in other companies to spread risk and increase potential returns.
2. **Reinvesting Profits:** Using any dividends earned from Illovo shares to buy more stocks.
3. **Exploring Mutual Funds and Bonds:** Investing in low-risk financial instruments to balance my portfolio.

Encouraging Peers to Engage in Financial Literacy and Stock Market Investments

One of the most significant lessons from my journey is the power of financial literacy. Many young people shy away from investing in the stock market due to a lack of knowledge and fear of risk. However, with the right guidance and mindset, the stock market can be an excellent tool for financial growth.

To encourage my peers, I advocate for:

- Financial Education: Understanding how investments work before venturing into the stock market.
- Starting Small: Investing in affordable stocks and gradually increasing portfolio size.
- Long-Term Thinking: Viewing investments as a long-term wealth-building strategy rather than a quick-profit scheme.
- Leveraging Technology: Using stock market apps and platforms to monitor investments and make informed decisions.

Conclusion

Winning the Illovo business plan competition was just the beginning of my journey in financial growth and investment. The experience of purchasing shares and engaging with the stock market has reshaped my perspective on wealth creation. I believe that with financial literacy and strategic investments, individuals and institutions can leverage the stock market to build and secure their financial future. I encourage everyone to take that first step and start small, stay informed, and embrace the journey to financial independence.



The Stock Market as the Key to Unlocking Wealth

By Geoffrey Maulidi, Investment Associate
Bridgepath Capital

Understanding the Stock Market

To understand the stock market and how you can explore its wealth generating benefits, you would need to obtain a simple understanding of its functionality. This would bring the question "What is a stock market? The easiest definition could be a market where stocks are traded.

But this would bring another question – "what are stocks?" A plethora of questions would then follow. In this article, we will explore how the stock market works and how it can be used by investors and businesses as a tool for unlocking and building wealth.

what are stocks?

When one buys these stocks, they become a shareholder of the business, and they can be part of the decision-making process of the entity. According to history, these markets were developed to make up for the lack of capital that was needed to boost the operational capacity of the businesses. Additionally, it was risky to delve into explorations as independent entities. Therefore, stocks were issued, and they provided just the right mitigation for businesses to explore other possible opportunities for growth without having to bear all costs by providing financing for the projects.

This far, it should be clear that the stock market is two-fold – it comprises of the owners of the stocks, also known as the savers and the business entities, also known as the spenders. And just interestingly enough, both components of the market can use it to unlock their wealth.

Savers: Building Wealth Through Investing

Savers are individuals, groups or institutions who have excess funds that they will not need in the short to medium term. Instead of leaving their money idle, they resort to putting their money to a use that will generate even more money. The savers therefore purchase stocks of various businesses. As already mentioned earlier, they become partial owners of the entity, and they can even make important decisions.

Additionally, as owners of the company, they are entitled to profits that follow from the operations of the entity. This means that by owning stocks, you not only own part of the company, but you also receive profits that come in the form of dividends. Further, as time goes, there are capital revaluations that may result into an appreciation of the stocks that you own. This improves the net worth of the savers. The savers also have improved creditworthiness as the stocks are assets that can serve as collateral. This removes the red-tape and allows them to access loans with ease thus unlocking their wealth. Savvy investors invest with Investment Management service providers who specialize in portfolio growth and protection to maximize their returns.

Spenders: Raising Capital for Growth

On the other side of the equation – for spenders, these are entities that have plans that will allow them to improve their profitability. However, they lack the capital to effectively implement their plans. They therefore resort to selling stocks. This helps them to raise the required capital.

Apart from capital needs, businesses issue stocks for various reasons such as boosting visibility, raising brand awareness, attracting talented staff and easing liquidity needs of initial shareholders who can easily offload their stocks in exchange for funds. The spenders can therefore unlock their wealth by issuing stocks and using the raised capital to delve into potential profitable explorations. Businesses can easily consult Financial Advisory service providers to learn more about how they can issue stock and unlock their wealth.



Concluding Thoughts

From this perspective, the stock market can therefore be seen as a double-edged sword. On the one hand it helps the savers achieve their wealth generating goals while on the other hand, it helps the spenders by creating a pool of funds from which they can draw to carry out various profitable projects.

In essence, the stock market is an effective tool that can be used by investors who are seeking growth and businesses who are looking to expand their operations. Obtaining an understanding of the stock market can thus help you tap into the benefits that it has to offer.

The stock market has generated wealth for millions globally – why not you? Start investing today and achieve your financial goals.

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Demystifying Stock Market Investment- "How to select a company to invest in"?

By Kenneth M'madi, Continental Capital Limited

Investing in a company just like any other investment requires one to get as much information as possible on the company you want to invest in. This may sound obvious, but never put your money in something you do not understand. This article lays out five basic points an investor should consider when selecting a company.

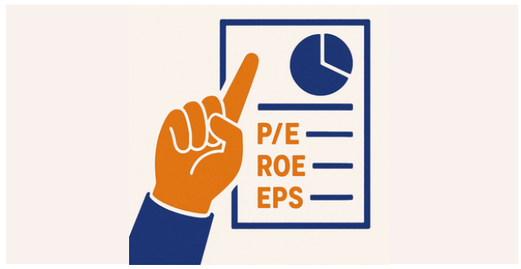


1 Get insights into the company

An investor should make sure that they understand how the company they are investing in makes money.

Why is this important?

Investing in a listed company basically means you are investing in future performance of that company. When the company makes money, you as an investor also makes money. This could be either through dividends or share price gains (capital gains). When you know how a company makes money, you will be able to relate how changes in the business environment affect operations of the company, revenue generation and ultimately the company's profits.



2 Understand basic performance ratios and what they mean.

Such ratios include but not limited to Earning Per Share, EPS (The higher the EPS, the higher the return to the shareholder). Price Earnings Ratio, PE (Generally speaking, a high P/E ratio indicates that investors expect higher earnings. However, a stock with a high P/E ratio is not necessarily a better investment than one with a lower P/E ratio, as a high P/E ratio may sometimes indicate that the stock is being overvalued). Return on Investment, ROI (The higher the ROI the better the company).



3 Be clear about your investment goals

Are you investing for regular cash flow (you are approaching retirement age)? Then you must invest in a company with high dividend yield. Doing so will result in bigger dividend income.

Are you investing for the long term, for example kids college tuition fees? Then choose a company with a low Price to Book Value (cheaper shares) with potential for growth.





4 **Basic understanding of how the economy works and how it affects the company you choose to invest in**

Basic understanding of economic fundamentals such as GDP, Interest rates, Inflation, exchange rates etc, will assist with selecting a good company to invest in. For example, if the company you would like to invest in needs constant investment into new technologies ie (telecom companies) most likely such a company requires debt financing. When interest rates are going up interest expense also goes up leading to reduced profits for the company.



5 **Get professional advise**

Engage your stock broker or asset manager for advise on which shares to buy and why. Where there is no guidance, people fall, but in the multitude of counsellors there is safety. (Proverbs 11:14).

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>
> Kenneth M'madi



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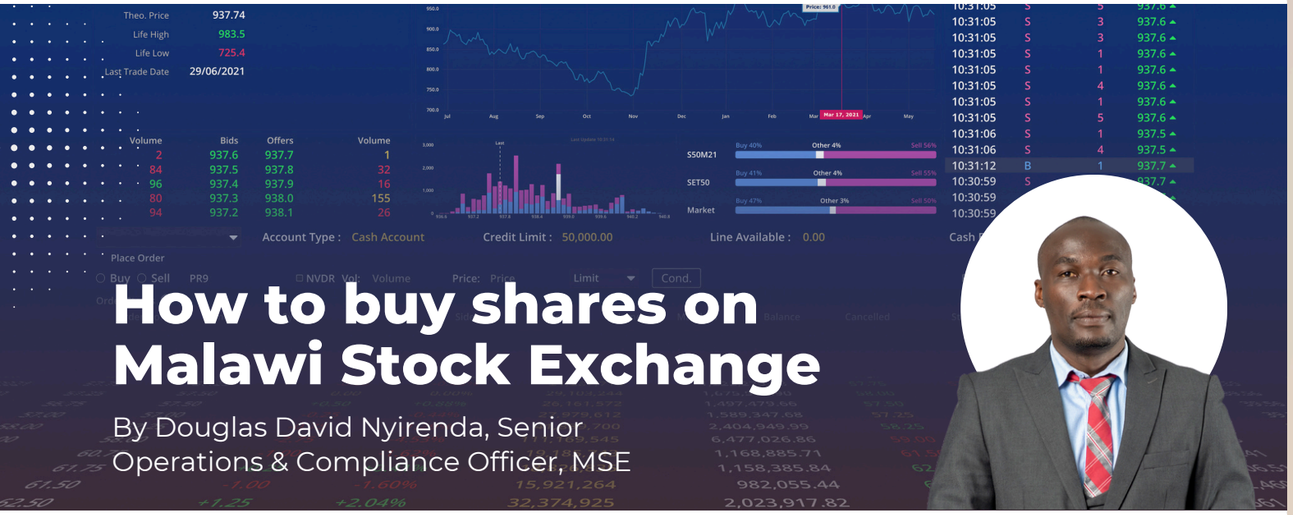

How to buy shares on Malawi Stock Exchange

By Douglas David Nyirenda, Senior Operations & Compliance Officer, MSE

There are numerous investment opportunities in Malawi that many potential investors and the general public may not be aware of—one of the most promising being the stock market. Investing in the stock market allows individuals to become part -owners of companies by purchasing shares. Below is a step-by-step guide to getting started with investing on the Malawi Stock Exchange (MSE).

Steps to Start Investing on the Malawi Stock Exchange

1. Approach a Stockbroker

The first step is to enlist the services of a registered stockbroker who will facilitate the buying and selling of shares. Investors should compare brokers based on their services. Some of the options include:

- Cedar Capital Limited
- Continental Capital Limited
- Stockbrokers Malawi Limited

Alternatively, investors may go through Investment Managers or Collective Investment Schemes.

2. Select Shares to Buy

Investors should choose shares from companies listed on the Malawi Stock Exchange. A stockbroker can provide advice to help align stock selections with investment objectives.

3. Deposit Funds

Once the investor decides on shares to purchase, they must deposit the required funds into the account provided by the stockbroker. After confirming receipt of the funds, the broker will execute the trade on behalf of the investor.

4. Trade Settlement

Within three business days (T+3), shares will be credited to the investor's Central Securities Depository (CSD) account in electronic form. This modern system, introduced in 2018, ensures a more secure and efficient way of holding shares.

Benefits of Investing in the Malawi Stock Exchange

1. Earning Dividends

Dividends are a portion of a company's net profits distributed to shareholders as a return on investment.

2. Capital Gains

Capital gains occur when the value of a stock increases over time, allowing investors to sell shares at a profit.

3. Access to New Share Issues

Investors can benefit from:

- Bonus Issues: Free shares allocated to existing shareholders based on a predetermined ratio.
- Rights Issues: New shares offered to existing shareholders at a fixed price, allowing them to maintain or increase their stake in the company.

4. Security and Collateral

Shares can be pledged as collateral for loans from financial institutions, providing an additional financial advantage to investors.

5. Liquidity

Shares can be sold at any time, allowing investors to convert their investments into cash when needed.

6. Risk Diversification

Investors can reduce risk by spreading their investments across multiple companies listed on the stock exchange.

Monitoring Your Investment

To maximize the benefits of stock market investment, investors should:

- Stay in touch with their stockbroker or investment advisor.
- Track corporate actions, including dividend payments, trading statements, and financial reports.
- Attend Annual General Meetings (AGMs) in person or appoint a proxy in their absence.
- Regularly review MSE performance reports.

By staying informed and actively managing their investments, investors can make strategic decisions and optimize returns on the Malawi Stock Exchange.



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ALL ABOUT EXCHANGE TRADED FUNDS (ETFS)

By Kelline Christabel Kondowe, Chief Operating Officer, Malawi Stock Exchange

The Reserve Bank of Malawi in collaboration with the Malawi Stock Exchange is championing the introduction of Exchange Traded Funds (ETFs) on the Malawi Stock Exchange. But you might be wondering, what exactly is an ETF?

ETFs are simply types of securities that track an underlying asset including a security, commodity, index, or financial instrument. The ETF securities trade on an Exchange, just as shares trade; the difference is that the ETF securities offer you ownership into the basket of the underlying asset that is being tracked. Most ETFs track indices, say the Malawi All Share Index (MASI) for instance. In the example, the operator of the ETF creates a basket of shares by buying shares on the Exchange in similar proportions to those in the MASI index. Thus when one buys a MASI ETF security, they acquire ownership into a basket that contains all the shares that are listed on the Malawi Stock Exchange since the MASI index tracks performance of all the companies listed on the Exchange.

ETFs have captured significant market interest and grown in popularity globally. According to J.P Morgan, as of May 2024 there were over 12,000 ETFs listed with total ETF assets under management of around US$13 trillion. The size of the ETF market in Africa is small but growing steadily. Majority of the listed ETFs in Africa are on Johannesburg Stock Exchange which has close to 100 ETFs listed. The ETFs listed on JSE track various assets including local and international indices, commodities like gold, local and international bonds and money market instruments. It is expected that more countries in the region will continue to develop the necessary legal and regulatory framework to facilitate issuance of ETFs.

The growing trend of ETFs is a testament of the benefits they provide to an investor. For one, they provide an investor with exposure to a diversified portfolio of securities. For instance, instead of owning shares in just one company, a person that invests in an ETF that tracks the MASI index gains exposure to all the companies listed on the Malawi Stock Exchange just by purchasing the ETF security. ETFs are also structured to be low cost thus making it cheaper to buy into an ETF compared to acquiring each individual share in the basket of securities. Consequently, because of the highlighted benefits, some ETFs trade at a premium, that is above the net asset value of the portfolio of assets being tracked.

The creation of an ETF is subject to the governing legal and regulatory framework for a particular jurisdiction. However, the practice is that the ETF sponsor first decides on the asset they seek to track for their ETF. Once that is agreed upon, the sponsor assigns and works with an ETF operator who will manage the day-to-day operations of the fund. The operator will also work on acquiring the underlying asset to ensure the ETF securities are fully backed. If the security being tracked is the MASI index as in our earlier example, the operator works to purchase the underlying shares that constitute the MASI index on the market or identifies investors that are willing to cede some of their shares in exchange for the ETF securities. The ETF securities then get listed and start trading once all the approvals are obtained. There are of course some stark differences between trading of shares and ETF securities. In most jurisdictions, ETFs need to have a market maker to maintain liquidity, in addition to the normal trading through stockbroking firms. Further, where the ETF is open ended there is need to provide for means and fora for creation and redemption of ETF securities, thus maintaining some primary market activities.

As our market prepares for the eventual launch of the first ETF on the Malawi Stock Exchange, we implore our stakeholders to explore the opportunity that this initiative presents and to take part in making history for our market.

As our market prepares for the eventual launch of the first ETF on the Malawi Stock Exchange, we implore our stakeholders to explore the opportunity

THE GROWING TREND OF ETFS IS A TESTAMENT OF THE BENEFITS THEY PROVIDE TO AN INVESTOR.”



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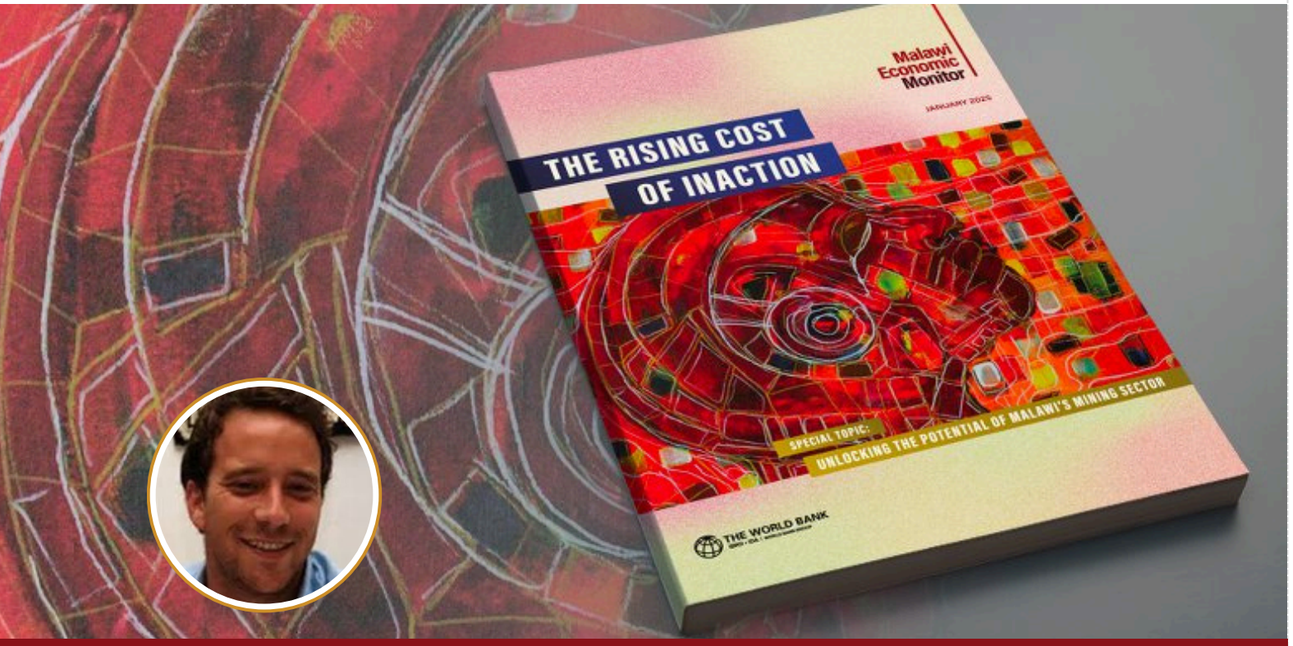


The World Bank's New "Malawi Economic Monitor" Highlights the Need for Urgent Action on Macroeconomic Reforms and the Transformative Potential of Mining

By Jakob Engel, Anwar Mussa and Efrem Chilima

Reform momentum has stalled, while fiscal and external imbalances continue to increase, and the cost of inaction is rising

Malawi's economic recovery remains fragile due to lagging implementation of critical macroeconomic reforms and a series of exogenous shocks impacting the country according to the latest World Bank Malawi Economic Monitor (MEM). This **20th edition, entitled "The Rising Cost of Inaction"**, notes that sustained economic instability is also hindering Malawi from taking advantage of its significant potential to achieve higher rates of growth and support sustainable development. The MEM provides a semi-annual analysis of Malawi's economic and structural development issues.

Low growth and high inflation underscore Malawi's economic vulnerability. GDP is estimated to have grown by only 1.8% in 2024. With the population growth rate at 2.6%, this marks the third straight year of declining GDP per capita. The El Niño-induced drought in early 2024 has adversely affected agricultural output, which is expected to have contracted by 2.0% in 2024. Inflation is gradually easing but remains high due to rising food, housing, and utility prices, as well as the rapid growth of the money supply.

Food insecurity remains a major concern due to weak harvests from 2022 to 2024 and the likelihood of a challenging 2024-25 season. Approximately 5.7 million people—or 28% of the population—are expected to face crisis-level food insecurity between October 2024 and March 2025. Limited fertilizer availability, including for beneficiaries of the AIP, may negatively impact the 2024-25 agricultural season. By the start of the planting season in December 2024, only 23.8% of the required 105,000 MT of fertilizer had been accessed.

Reform momentum has stalled, while fiscal and external imbalances continue to increase, and the cost of inaction is rising

One year since the start of the government's new macroeconomic reform program, supported by an IMF Extended Credit Facility and development partner budget support, efforts to address rising fiscal and external imbalances have faltered. Existing structural challenges are compounded by continued overspending and debt accumulation, which impede the country's long-term development prospects. Quasi-fiscal activities conducted outside the budget—including sales of foreign exchange at the official rate, especially to purchase fuel and fertilizer—represent implicit subsidies, while the mounting arrears of loss-making state-owned enterprises (SOEs) represent a significant fiscal risk, as the government may ultimately be compelled to assume these liabilities.

Foreign-exchange reserves are declining, as inflows from official exports, foreign investment, remittances and grants have failed to keep pace with import demand. Foreign exchange is tightly rationed, and there is a growing spread between the official exchange rate, which has remained largely static throughout 2024, and the rising parallel market rate. Recent measures to further strengthen foreign exchange controls may help temporarily bolster official reserves, but could also have the unintended consequence of further increasing capital outflows, reducing liquidity in the formal foreign exchange market and discouraging private sector investment. As a result, the cost of inaction on the macroeconomic reform agenda is mounting.

The implementation of the budget for the 2024/25 fiscal year (FY) reveals significant slippages, with revenue outturns in particular falling short of expectations. The mid-year budget amendment included some limited revenue measures that are unlikely to alter the overall trajectory of the budget balance, while further wage increases are likely to exacerbate fiscal challenges. Meanwhile, debt vulnerabilities will likely persist amid slow external debt restructuring and rising domestic debt levels, while interest payments and other statutory expenditures will continue crowding out the scope for productive investment. Moreover, the implementation of key public financial management (PFM) reforms, including the addition of human resource management to the Integrated Financial Management Information System (IFMIS), is progressing slowly. To maintain fiscal stability, the government will need to contain expenditures in the second half of the fiscal year and prepare a budget for FY2025/26 that returns Malawi to the fiscal consolidation path set out in the ECF-supported reform program.

Responsible fiscal and monetary policies are crucial to maintain macroeconomic stability and enable long-term growth

Malawi's economy is in a highly vulnerable position. Ongoing investments in commercialized agriculture, energy and the mining sector are expected to boost economic activity and increase exports, but their benefits will take years to materialize and will require sustained macroeconomic stabilization. The medium-term outlook is subject to significant risks, especially climate-related shocks and the continued slow pace of macroeconomic adjustment and reform.

Prudent macroeconomic management will be especially critical in the run up to the 2025 elections. Over the past 29 years and five electoral cycles, fiscal deficits during election years were on average 74 percent higher than in the four preceding years. Given Malawi's existing macroeconomic vulnerabilities, a similar lapse in budget discipline would severely compromise the fiscal balances. Depleted buffers and persistent fiscal and current account deficits leave Malawi susceptible to external shocks and other crises. Moreover, election-year spending pressures could heighten the risk of unsustainable borrowing. High-interest commercial debt contracted in the run up to the 2019 election, which was used primarily to stabilize the exchange rate and ensure a steady fuel supply, is a major factor in Malawi's current external debt crisis and the subject of ongoing restructuring negotiations with commercial creditors. To avoid deepening Malawi's debt distress, any new external borrowing must be on concessional terms and consistent with the PFM Act and the Public Procurement and Disposal of Public Assets (PPDA) Act, as well as other commitments.

Continued delays in addressing widening fiscal and current account deficits increase the scale of the eventual adjustment and heighten the risk of further deterioration. Conversely, implementing announced stabilization and adjustment reforms could enable the Malawian economy to achieve significantly higher growth rates over the next five years, as planned large-scale investments materialize. These investments would create numerous jobs, boost exports and revenues, and catalyze further FDI.

The 20th edition of the Malawi Economic Monitor (MEM) outlines urgent policy measures needed to realize Malawi's significant medium-term growth potential and avoiding a further weakening of the economy. The focus should be on:

1. **Restoring macroeconomic stability:**
Planned macro-fiscal reforms must be fully implemented and sustained over time, with a focus on returning to fiscal consolidation targets both in the current year and FY2025/26, finalizing external debt restructuring and containing the growth of domestic borrowing, supporting the accumulation of reserves by implementing announced exchange-rate reforms, and controlling inflation by limiting the growth of the money supply and halting the monetary financing of the fiscal deficit.

2. **Creating the conditions for increased private investment and exports:**
Increasing investment is critical for the sustainable growth of the economy. In a context of limited fiscal resources, the success of the Agriculture Tourism and Mining Strategy will be determined by whether the private sector is willing to invest and whether more is done to ensure that the limited public funds are used well. Key measures include eliminating implicit fuel and energy subsidies to reduce the risk of shortages, developing an effective management system for mining revenues, and phasing out foreign-exchange surrender requirements.

3. **Building resilience and protecting poor households:**
With domestic food production continuing to fall far short of consumption, it will be important to advance the process of reforming the AIP and repurposing agriculture expenditure towards more activities that increase productivity and resilience. Fully implementing the Disaster Risk Management (DRM) Act, including the DRM Fund, and finalizing and implementing the Energy Compact will be vital to strengthen disaster preparedness and enable investments in affordable energy access.

The MEM's Special Topic chapters focuses on Malawi's mining sector, outlining how the country's wealth of energy transition minerals (ETM) carries enormous potential for accelerating broad-based economic growth over the coming decades. The global shift towards renewable energy and electrification has led to a surge in demand for minerals such as graphite, titanium, uranium, and rare earth elements, all of which are found in abundance in Malawi.

Malawi's wealth of ETM could provide vast development opportunities, but only if key constraints are addressed. Despite its vast potential, major challenges hinder the development of Malawi's mining sector. Improving the environment for mining investment would significantly alleviate fiscal pressures, stimulate economic growth, create high-quality jobs, and potentially kickstart a broader virtuous cycle of investment and growth. To capitalize on this strategic opportunity, the MEM recommends that the Malawi Government moves expeditiously to strengthen the legal, regulatory and institutional framework of the mining sector as well as its human resource capacity.

The MEM recommends reforms that are prioritized according to the "grow, protect, and benefit" approach, which is designed both to attract greater investment and to increase the mining sector's impact on the country's development.

The reform recommendations include:

(i) Adopting well-informed policies to enable the sustained growth of the mining sector.



(ii) Boosting the Government's institutional capacity including the Malawian Environmental Protection Authority (MEPA) to ensure effective social and environmental protection.

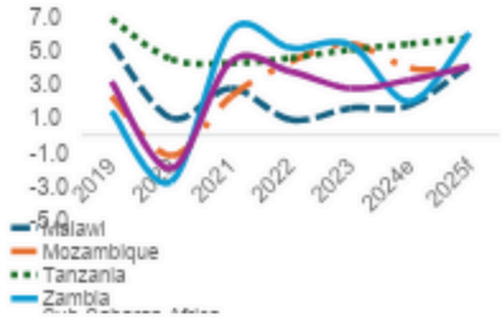
(iii) Ensuring there is an efficient, effective, and transparent system to manage mining revenues for the benefit and economic welfare of the Malawian people.

Malawi has a unique opportunity to leverage its mineral wealth to drive sustainable economic development. By addressing the challenges and prioritizing the actions outlined in the MEM's Special Topic section, the government can create a modern and fit-for-purpose framework for the mining sector that attracts greater investment, boosts domestic revenue, and ensures a broad and equitable distribution of benefits.

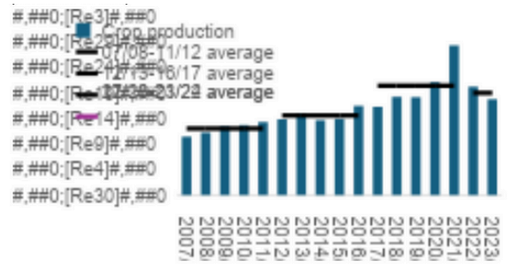


A snapshot of Malawi's recent economic developments

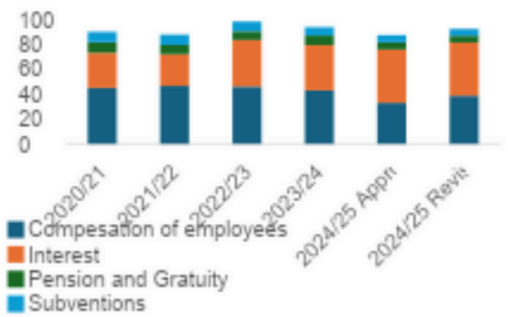
Malawi's economy continues to underperform relative to its neighbors and the average for Sub-Saharan Africa.
Real GDP growth rates (%)



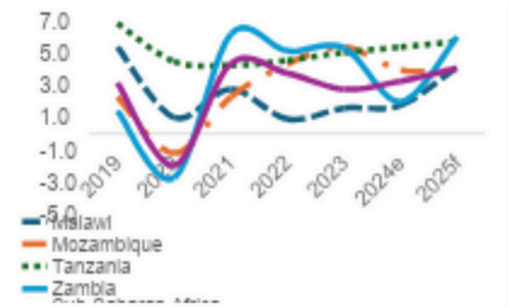
Crop production hit its lowest level in five years following a severe drought and delays in input distribution.
(Millions of MT)



A large share of rigid expenditures, especially for interest payments, constrains the fiscal space for public investment.
Expenditure items (% of domestic revenue)



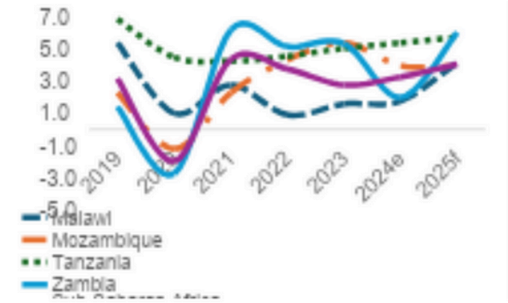
With deficits 74 percent higher in election years than in the preceding four years, pre-election spending poses substantial fiscal risks.
Fiscal balance (%), bars denote election years



The trade deficit is likely to widen further in 2024 amid high imports and underperforming exports.
Merchandise trade (US$ millions)



Inflation remains elevated as the money supply continues to grow.
Inflation and broad money (% change year-on-year)





REQUIRED SUBMISSIONS FOR LISTING

You will need to prepare and submit a listing application to MSE through a sponsoring broker. Your listing application must include the following key items:

- A certified copy of the Issuers certificate of registration
- A copy of a resolution by the governing authority of the Issuer authorising the issue of the debt securities
- A copy of the company's Memorandum and Articles of Association
- A signed information memorandum
- Where an underwriter has been engaged, a certified underwriter's letter must be included
- Where the issue is guaranteed, a certified copy of a registered guarantee must be submitted
- Where the issue is insured, a certified copy of insurance must be submitted
- Copies of any marketing material to be used
- A copy of the letter of appointment of the settlement agent, if any
- Trust deed of the issuer to issue where applicable
- RBM approval of the issue if applicable
- List of existing holders of the debt securities certified by the auditors
- Audited financials for the last 5 years (may under special circumstances be waived to a lower historical period)

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