



PRESS RELEASE, 29 March 2023

## **MTI Investment SE completes the investment of an additional 7.92 percent of FinTech Africa AB, valued at SEK 1.2 million**

**STOCKHOLM, SWEDEN – The board of directors in MTI Investment SE (ticker: MTI) ("MTI" or the "Company") can announce that it today, 29 March 2023, has entered into a share purchase agreement with XS Tech AB (controlled by Max Flodén) regarding the acquisition of 7.9 percent of the shares in FinTech Africa AB. The closing takes place today. The total purchase price amounts to SEK 1,229,585 and is paid in the form of 300,632 newly issued shares in MTI. The board of directors has, therefore, based on the authorization from the annual general meeting on 9 June 2022, resolved to issue 300,632 new shares to the seller XS Tech AB.**

The value of the 9,245 shares purchased has set to SEK 1,229,585 (EUR 110,000) which corresponds to 300,632 new shares being issued in MTI at a subscription price corresponding to SEK 4.09 per share. The valuation of MTI Investment is in line with the recent [warrant expiry announced](#). During the measurement period, the volume-weighted average price in the Company's share was approximately SEK 4.09. The subscription price corresponds to a premium of 18 percent compared to the closing price of MTI's share on 28 March 2023 (SEK 3.45). The subscription price has been established through arms' length negotiations with the seller. Thus, the Company's board of directors is of the opinion that the subscription price has been set at market terms and accurately reflects current market conditions and demand. The valuation of the shares in FinTech Africa AB is the same as in a [previously announced](#) equity issue, and also in line with an option agreement in Fintech Africa AB to the CEO Torbjörn Jacobsson.

The reason for the new share issue and for not applying the shareholders' pre-emption rights is that the Company has as of today, through entering into a share purchase agreement, acquired an additional 7.9 percent of the shares in FinTech Africa AB. In connection with the acquisition, the Company has undertaken to pay the purchase price in the form of newly issued shares in MTI. Following the acquisition MTI increases its holding in FinTech Africa AB from 5.23 percent to 13.15 percent.

Following the issuance of the new shares in MTI, the registered share capital will increase by EUR 60,126.40, from EUR 1,254,069.20 to EUR 1,314,195.60 . MTI's number of shares will increase by 300,632 new shares, from 6,270,346 shares to 6,570,978 shares. The new issue entails a dilution effect of 4.6 percent.

The five top reasons why MTI increases its ownership in FinTech Africa AB and its fully owned subsidiary Mtaji Wetu Finance Tanzania Limited ("Mtaji") are:

1. Mtaji offers the next-generation SME financing in the form of B2B customer invoice financing and payment reminders.
2. The SME financing service is a challenging but profitable segment in the underdeveloped Tanzanian B2B market where Mtaji make an important contribution to developing the small companies of Tanzania.
3. With Mtaji's service Uza Utulipe – From Cash Upfront to Pay as You Sell – small shops and businesses can always make sure to have goods to sell instead of empty shelves when i.e. an unexpected medical



bill takes the available cash. There is a win-win-win solution where both the shop and the distributor increase their sales and Mtaji services them both with limited credit risk.

4. The company is operating a lean business model and is expected to be profitable in 2023.
5. Strong entrepreneurial team with some of Sweden's best experts in the field.

FinTech Africa AB was founded in 2019 and operates in the expanding FinTech space to provide a platform and solutions for SME financing in East Africa. With some inspiration from Swedish Klarna, Mtaji focuses on business-to-business (B2B) customer invoice financing and reminding services. Mtaji received its Microfinance Tier II non-deposit-taking license in 2022, a process that took 1.5 years, and is now able to accelerate its growth journey. Up until receiving the license, it has primarily developed in relation to MTI's holdings, such as Atsoko and Zanrec, but since the license was received it has been able to attract customers outside of the MTI network. In a pilot with Atsoko, customers have repeatedly used the service since February 2022, and Zanrec is seeing an improved customer payment culture, strengthening its liquidity and also reducing the number of overdue invoices.

Pontus Engström - CEO of MTI Investment SE says: "The combination of a large underbanked population, high mobile penetration rates, supportive regulatory environments, and a burgeoning startup ecosystem creates the perfect conditions for fintech to thrive on the continent. Our investment in a Swedish founded, but Tanzanian based, fintech startup is a prime example of the potential of this industry. Not only is it showing a promising development and adding customers and volumes, but it is also a testament to the power of collaboration between local talent and international expertise. Through this partnership, we have been able to leverage the unique insights and knowledge of both parties to create a successful and promising business.

But our investment is just the tip of the iceberg. Fintech startups across the continent are changing the game when it comes to financial inclusion and access. From mobile money platforms to digital lending services, these startups are leveraging technology to make financial services more accessible, affordable, and convenient for millions of Africans. The potential for growth in this industry is immense. As more and more investors recognize the opportunities in this space, we are likely to see even more innovation and growth in the years to come."

### **For additional information**

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### **About MTI Investment SE**

MTI Investment SE is a Nordic investment and venture-building company, founded in 2014 by a team with extensive experience in emerging markets to invest in East African small and medium-sized enterprises ("SMEs") with high value-adding potential. The Company is active in the expansive East African market, and by being a long-term and active owner, MTI Investment helps its portfolio companies grow faster and become



more profitable. The Company invests primarily in innovative and scalable companies that have the potential for a significant positive impact on society.

The MTI Investment share (MTI) is traded on the Nasdaq First North Growth Market. Certified Adviser to MTI Investment is Mangold Fondkommission AB.

Read more on: [www.mti-investment.com](http://www.mti-investment.com)