



PRESS RELEASE, 12 August 2024

## **MTI Investment: Chanzi Expands Operations, Scaling Insect Farming and Waste Management in East Africa**

**Dar es Salaam, Tanzania – MTI Investment AB (ticker: MTI) ("MTI" or the "Company") is excited to announce the latest developments in one of its portfolio companies, Chanzi, a leader in sustainable waste management and insect farming in East Africa. These updates underscore our commitment to driving growth and delivering value through strategic investments in high-impact sectors.**

Since its inception four years ago, Chanzi has rapidly become a significant player in the insect protein industry. The company now operates three commercial insect farms across East African cities, employing over 75 staff members. Collectively, these farms process over 50 metric tons of organic food waste daily, converting it into 1-2 metric tons of dried Black Soldier Fly Larvae (BSFL) each day, positioning Chanzi as one of the largest insect protein producers in the Southern Hemisphere.

Chanzi's locally adapted production model, which balances mechanization with labor-intensive processes, has allowed the company to achieve production costs significantly lower than those of other BSF operations worldwide. This efficiency has been a key driver of Chanzi's rapid growth and competitive advantage, enabling the company to scale effectively and increase profitability.

This latest expansion comes nearly two years after MTI Investment SE made a strategic investment of USD 100,000 in October 2022. This investment, executed through a convertible debt note, was part of a financing round led by FINCA International, Inc., with co-investment from SEEK Impact and AB InBev. Since then, Chanzi has successfully utilized the funds to expand its operations, including the establishment of new facilities in Kenya and additional sites in Tanzania. These expansions have significantly increased Chanzi's waste processing capacity and furthered their mission of leading sustainable waste management practices across the region.

Recently, Chanzi has further expanded its operations, adding a new waste management and conversion facility in Kenya and two additional facilities in Tanzania. This expansion has boosted their processing capacity, with daily waste collection increasing by 260% over the past year. Additionally, Chanzi has made substantial environmental contributions, preventing over 2,300 metric tons of CO<sub>2</sub> emissions and more than 100 metric tons of methane from entering the atmosphere. These achievements highlight



the company's dual focus on profitability and environmental impact, which aligns perfectly with MTI Investment's vision for sustainable growth.

The company's commitment to sustainability is also evident through strategic collaborations with Unilever and AB InBev, who supply organic waste that Chanzi converts into high-value, low-carbon protein and bio-fertilizer. This initiative not only contributes to environmental sustainability but also benefits thousands of farmers across the region, supporting local economies and strengthening Chanzi's market position.

To support its operations and ensure a consistent supply of organic waste, Chanzi has launched a waste management company called Okota. Okota operates a Material Recovery Facility (MRF) that processes mixed municipal solid waste, recycles inorganics for resale, and supplies Chanzi with the organic waste needed for its insect farms. This vertical integration enhances Chanzi's supply chain efficiency, further supporting its growth trajectory.

As the global conversation around sustainable food sources gains momentum, with countries like Singapore approving insect species for human consumption, Chanzi's operations are perfectly aligned with this trend. The World Economic Forum and the United Nations have both recognized the potential of insect protein to address food insecurity and reduce the environmental impact of traditional livestock farming. Chanzi is at the forefront of this movement in Africa, providing a scalable, sustainable alternative to conventional protein sources.

Looking ahead, Chanzi is raising additional funds through a convertible note to expand all four of its facilities, including both waste management and BSF production, by the end of this year. We are pleased to see that serial entrepreneur Mike Debelak, through his firm 8+ Ventures, has decided to join this new round of investment. Mike was introduced to Chanzi by MTI Investment, underscoring our role as a gateway for serial entrepreneurs and impact investors seeking high-potential opportunities in the region.

Andrew Wallace, CEO of Chanzi, stated: "We believe Chanzi has developed the most suitable, viable, and scalable model for managing waste and farming insects (BSF) in Africa. Our dream is to replicate this model across the continent, transforming numerous cities into zero waste to landfill zones."

Pontus Engström, CEO of MTI Investment, commented: "We are incredibly proud of Chanzi's progress and the innovative solutions they are bringing to waste management and food security in Africa. Their model not only addresses some of the region's most pressing environmental challenges but also provides a scalable blueprint for sustainable development."

**For additional information**

Pontus Engström, CEO, MTI Investment AB

[pontus.engstrom@mti-investment.com](mailto:pontus.engstrom@mti-investment.com)

+46 70 716 55 38

**About MTI Investment AB**

MTI operates at the intersection of venture capital and impact investing. Our goal is to become a leading investment company active in one of the foremost growth markets in the world, East Africa. With a diversified team rooted in both the Nordic region and East Africa, we have forged a unique position with capital and expertise from the Nordics, and a strong network and trust capital from local entrepreneurs in Africa. Founded in the Nordic financial industry, backed by capital-rich and experienced investors, as well as foundations owned by industrial families, MTI Investment brings significant competitive advantages to portfolio companies, sustainable transformation in the region, and high returns to our investors.

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)