

MTI INVESTMENT SE

Half year report: H1 2023 (January - June)



30 Aug 2023



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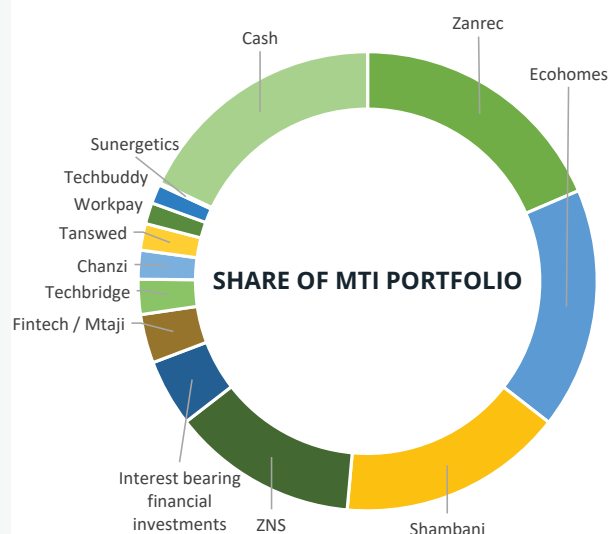
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ESTIMATED NET ASSETS **VALUE**

	VALUE ESTIMATE	SHARE OF MTI PORTFOLIO
WASTE MANAGEMENT / ANIMAL FEED PROTEIN		
Zanrec	902 255	18.7%
Chanzi	98 976	2.1%
CONSTRUCTION		
Ecohomes	826 351	17.1%
AGRICULTURE		
Shambani Milk	773 449	16.0%
Tanswed	91 021	1.9%
TECH		
Fintech / Mtaji	167 289	3.5%
Techbuddy	65 527	1.4%
Workpay	72 713	1.5%
RENEWABLE ENERGY		
Sunergetic	7 314	0.2%
Sea2Energy		
HOTEL MANAGEMENT		
ZNS Company Ltd	637 219	13.2%
ACCELERATOR		
Techbridge Invest	120 082	2.5%
Interest-bearing financial assets	229 523	4.8%
Cash and cash equivalents	832 337	17.3%
Gross Asset Value	4 824 054	100.0%
Interest-bearing debt	-918 090	
Net Asset Value	3 905 964	
Shares outstanding	6,570,978	
Estimated Net asset value per share (EUR)	0.59	
Estimated Net asset value per share (SEK)	7.01	



	30.06.2022	30.09.2022	31.12.2022	31.03.2023	30.06.2023
Net Asset Value Per share (SEK)	15.9	13.8	7.8	6.6	7.01
Share price (SEK)	5.02	4.14	4.1	3.45	3.8
Percentage difference	68%	70%	48%	48%	46%

MTI Investment SE's financial statements are prepared in accordance with K3. In this report, all unlisted holdings are valued on the basis of relevant multiples of the companies' historical or expected sales or earnings, book value of equity or valuation of future cash flows.

FINANCIAL SUMMARY **H1 2023**

GROUP

- Consolidated group revenue decreased during H1 2023 to EUR 105 808 (EUR 1 032 077).
- EBITDA during H1 2023 was EUR -613 793 (EUR -487 277).
- The net loss for the period was EUR -795 139 (EUR -614 786).
- The net cash flow for the period was EUR 157 336 (EUR -1 211 216).



Noah Amri became responsible for business operations of MTI group in Tanzania. He will be responsible for business development and sourcing of potential investment opportunities.

IMPORTANT EVENTS H1 2023

IMPORTANT EVENTS DURING H1 2023

- MTI raised its holding in Fintech Africa AB from 5.23 percent to 13.14 percent strengthening its presence in the profitable and fast growing B2B financing market in Tanzania through Mtaji Wetu Finance Tanzania Ltd.
- The company exercised its TO1 series of warrants with a goal to further diversify the portfolio by focusing on investments in real estate and other cash-flow generating assets. Warrants of series TO1 were subscribed to approximately 48 percent and MTI Investment SE received approximately SEK 1.62 million.
- MTI invested in state-of-the art rice bran grading company – TANSWED in Kahama, Tanzania. It spearheads agricultural automation in the Tanzanian rice bran sieving industry, enabling rice bran traders to secure higher prices for their products by providing them with the necessary infrastructure.
- In February, the CEO of MTI Investment got the opportunity to meet with the President of Zanzibar, H.E. Dr. Hussein Ali Mwinyi to discuss investments and improved collaboration with the local government in Zanzibar on Waste Management and further job creation.
- MTI Investment in partnership with Hotel Online Kenya Ltd. launched the booking portal www.sustainablezanzibar.com which is linked to those hotels that are using a sustainable waste management practice in Zanzibar.
- MTI Investment SE signed a memorandum of understanding (MOU) for an up to USD 500 000 property in Dar es Salaam. In addition, MTI signed an MOU for another real estate of up to USD 600 000 in Zanzibar.
- MTI Investment won the case in the High Court of Tanzania to auction vehicles related to debt claim of EUR 1.45m against Chobo Investment Ltd. In the initial auction held on 25th April two vehicles were successfully auctioned exhibiting a testament to the country's legal system's ability to ensure justice.
- MTI Investment completed its investment acquiring 50 percent stake into the hotel management company, ZNS Company Limited in Zanzibar in Q2 2023. The hotel management company is founded to manage several hotels and other real estate in Zanzibar, in partnership with Norwegian entrepreneur and initiator Rune Haram. The first hotel to be managed is Mayai Ocean Resort in Zanzibar, which already since its opening in July has seen more than USD 100 000 in bookings.

IMPORTANT EVENTS DURING H1 2023

- MTI Investment SE secured a term loan facility agreement of USD 1 500 000 with HCJ II ApS, a company associated with Yardhouse Capital Group ApS in Denmark, to finance cash generating investments such as real estate investments and B2B lending.
- Manvi Mathur was hired as Finance and Operations Manager in MTI Investment SE. She is based in Stockholm and will work on reporting, managing financial and operational systems, processes, administration, and internal controls in support of the organization's mission.
- MTI Investment's subsidiary Ecohomes was chosen for the prestigious rehabilitation project of St. Joseph's cathedral in Dar es Salaam, Tanzania.
- MTI Investment issued an interest-bearing cash generating credit facility of USD 0.5 million to its company Fintech Africa AB and its subsidiary Mtaji Wetu Finance Tanzania Limited. MTI holds a 13.14 percent ownership stake in Fintech Africa.
- MTI Investment secured NOPEF Funding of EUR 45 000 to conduct a feasibility study for Solar Energy in Zanzibar with co-applicant Sunergetic AS.

IMPORTANT EVENTS AFTER H1 2023

- Noah Amri became responsible for business operations of MTI group in Tanzania. He will be responsible for business development and sourcing of potential investment opportunities.
- Group Audit & Finance Manager Parmena Mkuu left the company in July, 2023.
- MTI invested in Sea2Energy AS, a company that connects the dots in the circular economy and contributes to the elimination of waste.
- Investor trip 2024 planned for the month of January in Mombasa, Kenya.
- After H1 a request was sent to the Swedish Companies Registration Office for a reduction of share capital.

WORDS FROM THE CEO

"EAST AFRICA - THE LAST EMERGING MARKET FRONTIER"

FOCUSING ON CASH GENERATING INVESTMENTS

Dear shareholders,

During the second quarter, our total shareholder return was 10.1 percent, compared to the Nasdaq First North All Share index of 2.2 percent. During the first six months of 2023, our total shareholder return was -7.3 percent, compared to the First North All-Share index at -0.4 percent. Our adjusted net asset value increased by 6.5 percent during the second quarter and was -10.6 percent during the first six months.

Economic Growth: The economic outlook for East Africa appears promising, with the region expected to achieve robust growth well above 5 percent annually over the coming years. Forecasts from the African Development Bank's 2023 East Africa Economic Outlook project significant expansion, outpacing other African regions. This growth, driven primarily by nations like Rwanda, Uganda, Ethiopia, Kenya, and Tanzania, is fueled by investments in infrastructure projects, agriculture, manufacturing and tourism.

Urbanization: Rapid urbanization has been a major trend in East Africa. As people move from rural areas to cities in search of better economic opportunities, urban centers have been growing in population and importance. This has created opportunities for real estate development, services, and other urban-focused industries.

Technology and Innovation: The tech sector in East Africa has been on the rise, particularly in countries like Kenya, which has earned the nickname "Silicon Savannah." Innovations in mobile money, fintech, and other tech-enabled services have helped improve financial inclusion and access to services for a larger portion of the population.

Infrastructure Development: The region has been investing significantly in infrastructure projects, including transportation networks, energy production, and telecommunications. These investments are crucial for facilitating trade, improving connectivity, and supporting overall economic growth.

Regional Integration: Initiatives like the East African Community (EAC) and the African Continental Free Trade Area (AfCFTA) have aimed to enhance economic integration and trade among East African countries. These efforts have the potential to boost cross-border commerce and create a more unified market.

Tourism: East Africa is renowned for its natural beauty and wildlife. Countries like Kenya and Tanzania attract tourists from around the world to visit their national parks, wildlife reserves, and coastal areas. Tourism has been a significant

source of revenue and employment for these nations. Zanzibar was named as a top travel destination for 2023 by Travelers Worldwide Magazine putting the Island on top of 15 best travel destinations in Africa.

Challenges: Despite the positive trends, East Africa has faced challenges such as political instability, corruption, and infrastructure deficits. These issues can hinder sustained growth and development if not effectively addressed. An additional dimension is the increased interest in Africa due to global geopolitical issues, as the BRICS (Brazil, Russia, India, China, South Africa) seek to offer an alternative to the G7 countries.

Increased global interest in Africa: The global geopolitical landscape, shaped by interactions between major players like the BRICS and G7, alongside ongoing conflicts like the war in Ukraine, has profound implications for growth and investments in East Africa. These dynamics may both provide opportunities and pose challenges for the region. China's Belt and Road Initiative (BRI) has led to infrastructure projects that enhance connectivity and trade in the region. Russia seeks to strengthen diplomatic ties and secure economic interests in various African nations. The increased interest from China and Russia, has also awoken the EU and the US, who is more present than before and even the US Vice President Kamala Harris is visiting several African nations in the March/April of 2023.

Focusing on cash generation in MTI: We are particularly happy to have secured funding of USD 1.5 million in a partnership with Yardhouse Capital Group to be able to make a series of cash generating investments in real estate and also corporate lending opportunities. Through Mtaji, in which MTI has a 13.14 percent ownership, MTI can secure a return of between 12 and 13 percent, paid quarterly. Our newly established hotel management company in Zanzibar is benefiting from a strong interest in hotels in Zanzibar, and bookings are doing very well. In the first two months of operations it has already received bookings of more than USD 100 000 and is expected to be profitable. Our other newly established rice bran processing company Tanswed

WORDS FROM **THE CEO** (CONTINUED)

performs very well and is also generating cash flow. All in all, for new opportunities which we review, immediate cash generation is a key priority. We also try to refrain from allocating more capital towards existing investment where we do not see a high likelihood of being able to generate a positive cash flow in the near future. Lastly, we have also continued cutting costs in the parent company by insourcing most of the group accounting and reducing headcount.

Organizational changes: To handle the new more cost efficient book keeping in MTI Investment and our holding companies, we have hired Manvi Mathur as Finance and Operations Manager. Manvi started with us as an intern via the organization "Korta vägen" (the short road). It allows academics with a foreign background to integrate quicker into the Swedish labor market. We have now successfully obtained support from Arbetsförmedlingen which supports most of her salary. Manvi has long experience from working in finance. Our local Group Audit and Finance Manager Parmena Mkuu has left our Tanzania operations. Instead, we have brought onboard Noah Amri Mwakanyamale to head of local operations in Tanzania. Noah has previously worked with Ecohomes, and has shown a particular interest and capability in real estate and finance, and we are therefore looking forward to working more with him in this new role.

Accelerator and pipeline: As mentioned, we continue to seek investment opportunities in East Africa that are cash flow generating, in this task we are working closely with TechBridge in Kenya, and we are jointly seeking further grant funding to expand the activities in Kenya.

In closing, there is to my knowledge no publicly traded investment companies in Europe who invests solely in East Africa. MTI plays a very important role in providing capital to the most promising companies in one of the world's fastest growing regions. I thank all shareholders for their continued support, and I want to assure you that the whole MTI team is working very hard to further improve profitability and net asset value in all our portfolio companies and deliver shareholder value.



A stylized, handwritten signature in black ink, which appears to read 'Pontus Engström'.


Pontus Engström
CEO of MTI Investment SE

"With over twelve years in India's Financial Services sector, I'm now eager to leverage my expertise at MTI. I aim to contribute my experience, acquired skills, and support to the team in finance and operations management, impactful investments, and expanding East African impact opportunities."

- MANVI MATHUR

Finance and Operations Manager
MTI Investment SE



A man with short brown hair, wearing a dark blue button-down shirt and patterned trousers, is speaking on a stage. He is gesturing with his right hand, pointing towards the left. A name tag is visible on his shirt. The background is dark with purple light accents.

"Our dream is to have 47 Chanzi sites accross East Africa and Sub Saharan Africa over the next five years. That is 1200 mt of waste every single day, giving us a carbon offset of 250,000 mt a year."

- ANDREW WALLACE

CEO
Chanzi

BRIEF ABOUT MTI INVESTMENT

We offer investors an opportunity to take part in the value creation among small and medium-sized enterprises (SMEs) with high-growth in Eastern Africa.



"Mti" means tree in Swahili, symbolically representing MTI's focus on growing companies. Our portfolio companies have the potential to bear fruit from long-term efforts of investing, coaching, and monitoring.

THE GO TO INVESTOR FOR EAST AFRICAN GROWTH

MTI Investment is an investment and venture building company founded in 2014, by Prof. Trond Randøy from Norway, Ph.D. Pontus Engström from Sweden and Ph.D. Neema Mori from Tanzania. Our mission is to help SMEs in East Africa to grow faster and become more profitable. With over eight years of experience in East Africa, we have built a relational infrastructure with key stakeholders, such as universities, local businesses, legal advisors, embassies, local and international investors. MTI's goal and vision is to be long-term owners who, through active participation becoming a leading investment company in East Africa, which in turn creates growth for small and medium-sized companies.

THE FOUNDERS OF MTI INVESTMENT SE



Prof. Trond Randøy
Chairman & Co-founder

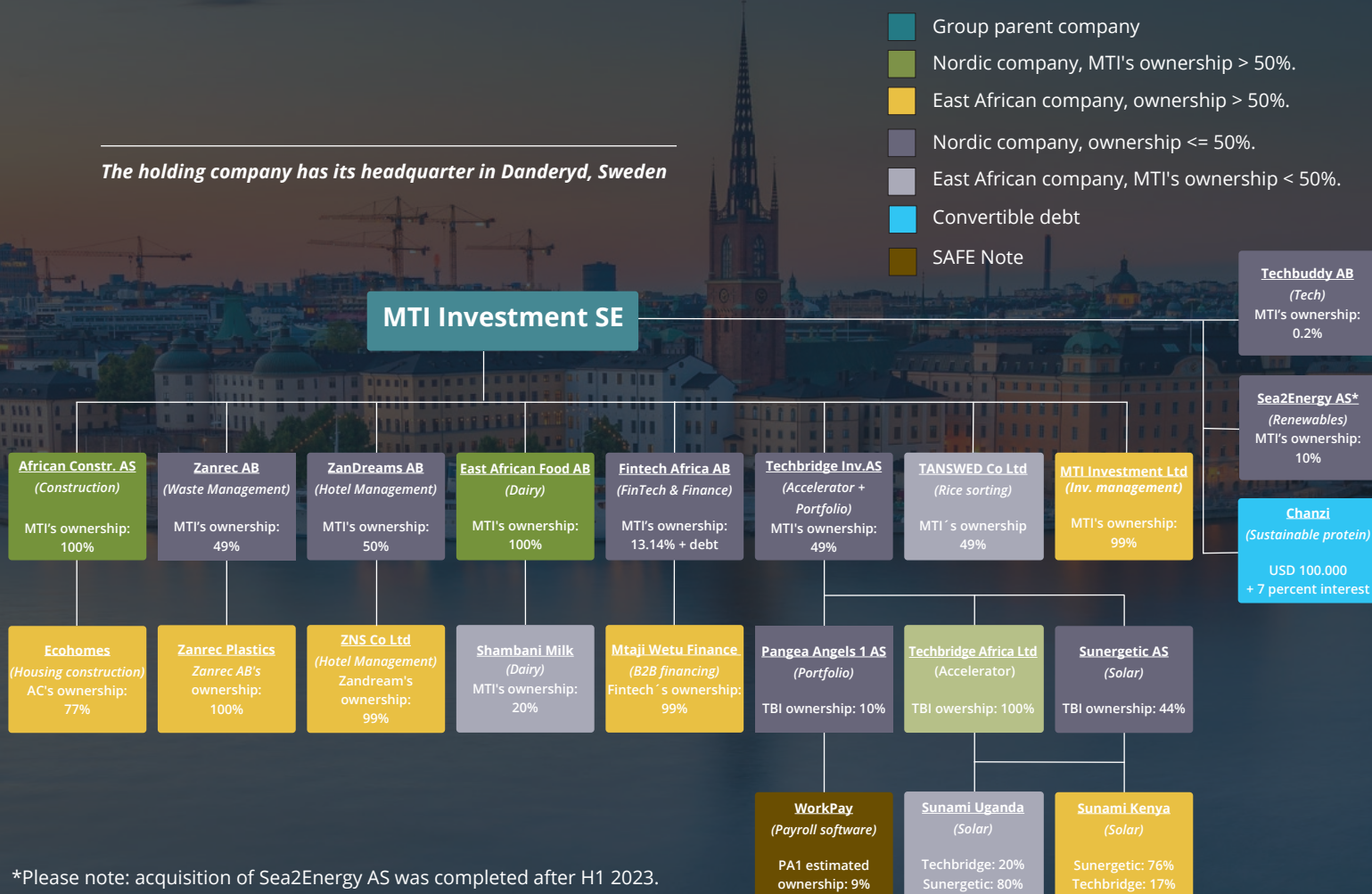


Ph.D. Pontus Engström
CEO & Co-founder



Ph.D. Neema Mori
Co-founder

The holding company has its headquarter in Danderyd, Sweden



*Please note: acquisition of Sea2Energy AS was completed after H1 2023.



HALF-YEAR UPDATE IN SELECTED COMPANIES

"Architecture begins where engineering ends"

- WINNIE USIRI

Architect,
Ecohomes Company Limited



HALF-YEAR UPDATE IN SELECTED COMPANIES

ECOHOMES

Ecohomes has continued to focus on activities that would enable better liquidity in the company's operations. During the first half year Ecohomes managed to build a new client base of repeated contractual sales with Davis & Shirtliff for solar mountings footings. This contract gives Ecohomes exclusivity to making the solar mountings for all the Davis & Shirtliff customers, hence providing cash flow liquidity to Ecohomes. In addition to this, the company won a historic project to renovate St. Joseph Cathedral Church in Dar es Salaam. There was an overall increase of 150% (YoY) in the number of clients in H1 2023. The company clocked a total sales of EUR 84 000 in H1 2023. The dip in sales volume is in line with the management's strategy to shift from tender based contracts that had huge ticket size but very low margin/losses to direct LGS Steel sales and LGS projects with higher margins. The company sold 19.33 tonnes of steel in the first of the year 2023.

MTI is the majority owner and has 77 percent ownership in the company.

SHAMBANI MILK

Shambani Milk, the dairy processing company in our group portfolio has been driving its operations and creating a strong presence in the region. With base operations in Morogoro, the company continued to focus on increasing in-house sales in Dar es Salaam, leading to reduced contribution of sales from agents and thus reducing dependency. The strategy to increase in-house sales in Dar es Salaam (64% of all sales) coupled with increase in raw milk supply gave a tremendous boost to the sales growth. A total of 381 304 liters of milk was sold by the company in H1 2023. The total sales figure for the company in H1 2023 was EUR 401 000.

To continue the momentum, 1 sales staff for Dar es Salaam and 1 sales intern for Morogoro was hired during the period. In line with the vision of expanding the product portfolio, the company finalized payments for Vanilla 150 ml yogurt cups and yogurt packing machine.

MTI holds a 20 percent equity stake in the company.

ZANREC

Zanrec AB's new line of business of plastic baling contributed to the rise of total sales of the company to EUR 185 000 for H1 2023. During the period, the company also shipped and sold plastic to Dar Es Salaam and generated an additional revenue option. Zanrec continued efforts in growing its client base in the south side and has now 177 customers. The management decision of stopping Nungwi operations helped the company to reduce operational costs in waste collection and that has strengthened its bottom line.

MTI holds a 49 percent equity stake in the company.

TANSWED AGRO LIMITED

Tanswed Agro was incorporated during the first half of the year 2023, in joint venture with the local Tanzanian company - AFIC Investment & Consulting Co Ltd. The operation were set up in Kahama, Tanzania to facilitate the region the access of mechanised rice bran grading services. The company provides services of grading the raw rice bran, separation of broken rice and husk and also pulverisation of rice husk. The operations commenced in June, 2023 and the company managed to grade 156 metric tonnes of rice bran which is a great kick off to the operations.

MTI owns 49 percent in this joint venture and with this, has now entered the agro processing sector in Tanzania.

TECHBRIDGE INVEST

This tech incubator and accelerator company, based out of Kenya with operations in Mombasa and Nairobi, is strengthening its presence in the region with the time. In the first half of 2023, the company incubated 17 startups and trained 32 entrepreneurs. During the period, the company organised a Demo Day event where TechBridge's startup accelerator graduates pitched their businesses. The company mainly operates from the grant funding from large institutions. Techbridge Invest AS reported a revenue of EUR 55 000 for H1 2023 and is pinning hopes on its grants applications for continued growth.

MTI invested in Techbridge Invest AS in 2022 and holds 49 percent ownership.

HALF-YEAR UPDATE IN SELECTED COMPANIES

ZNS COMPANY LIMITED

MTI, during the H1 2023, forayed into hotel management services. The company is founded to manage several hotels and other real estate in Zanzibar, in partnership with the Norwegian entrepreneurs and initiators Rune Haram and Tord Ripe. The first hotel to be managed is Mayai Ocean Resort in Zanzibar. During the period, the setting up of the hotel was managed and brought to the level of open for bookings. The hotel opened its doors for the customers from July, 2023 and is receiving good reviews.

MTI acquired a 50 percent stake in ZNS Company Limited through the holding company ZanDreams AB.

MTAJI WETU FINANCE TANZANIA LIMITED

MTI is active in the fast growing B2B financing market in Tanzania through its holding in Mtaji Wetu Finance. The company provides payment reminding services and/or funding of customer invoices. The repeat business from existing clients coupled with references to new clientele has strengthened the company's operations and boosted the management's confidence to grow the operations to the next level.

MTI increased during the period its ownership in Fintech Africa AB from 5.23 percent to 13.14 percent which is the Swedish holding company of Mtaji.

CHANZI

The company uses black soldier fly larvae to convert food waste into nutritious protein for animal feed. It has exhibited strong potential and has secured recognition, commitment and funding from reputed organisations and financiers. Investors in the company include global beverage giant Anheuser-Busch InBev, Finca International and SEEK Impact.

The company now has 3 commercial facilities and processes well over 500 tonnes of waste a month. With a team of over 50 employees, the management is confident of strong growth in the scale of operations.

MTI has provided a convertible debt of USD 100 000 to Chanzi and is partnering and supporting the company in its growth journey.

SUNERGETICS AS - SUNAMI KENYA & SUNAMI UGANDA

Sunergetic AS, a Norwegian solar energy company in which a major shareholder is the Norwegian renowned solar entrepreneur Alf Bjørseth. Alf has founded world leading solar companies REC and Scatec. Sunergetic AS through its subsidiaries Sunami Kenya and Sunami Uganda are operating in the solar energy sector and are offering access to clean electricity in Kenya and Uganda. Both subsidiaries are gradually strengthening its operations in the region and are now focussing on options to pursue commercial installations of solar power. During H1, 2023 MTI in partnership with Sunergetic AS applied and secured an interest free loan with the possibility of conversion into a grant of EUR 45 000 from NOPEF (Nordic project Fund managed by NEFCO) to conduct a feasibility study on solar energy in Zanzibar.

MTI through its investment in Techbridge Invest has a holding of 21.56 percent in Sunergetic AS.

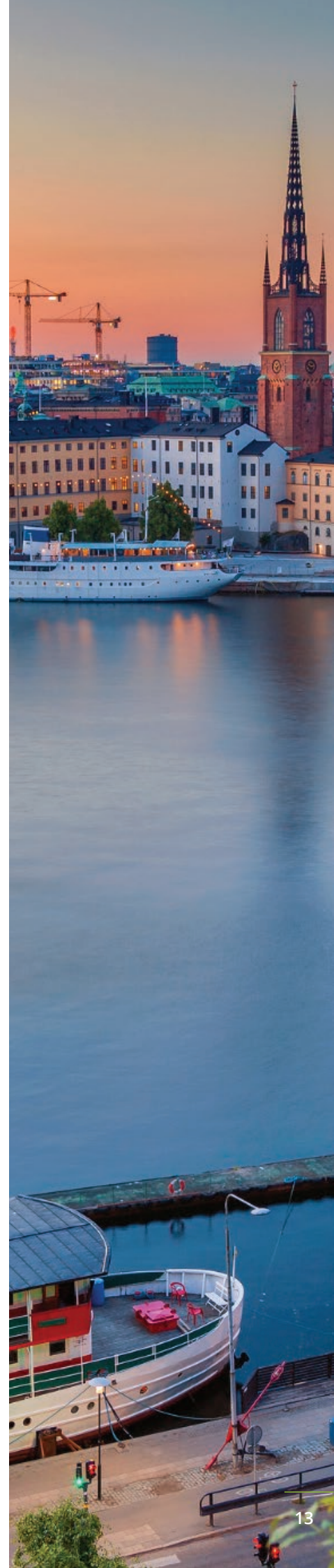
FINANCIAL REPORT COMMENTARY H1 2023


COMMENTARY ON CONSOLIDATED GROUP RESULT FOR PERIOD H1 2023

- Group revenue decreased by 90 percent to EUR 105 808 (EUR 1 032 077). The main reasons are that Zanrec is no longer consolidated in the group accounts as it has become an associate company, and that turnover decreased in Ecohomes as a part of their increased focus on profitability over growth. In addition, Atsoko was divested during H2 2022 which is another reason for the decrease in group revenue during H1 2023.
- EBITDA was EUR -613 793 (EUR -487 277), corresponding to a -26 percent change, partially attributable to the decrease in revenue stemming from Zanrec not being consolidated.
- The net loss for the period was EUR -795 139 (EUR -614 786), corresponding to a -29 percent change. This is mainly attributable to an increase in interest and financial expenses.
- Total equity at the end of the period was EUR 1 691 030 (EUR 1 960 172) .
- Cash and cash equivalents amounted to EUR 843 385 as of 30th of June 2023, compared to EUR 1 118 577 as of 30th of June 2022.

TRANSACTIONS WITH RELATED PARTIES DURING H1 2023

- Torbjörn Jacobsson, a shareholder in MTI Investment and also a larger shareholder in Fintech Africa AB, is hired as a consultant and has invoiced EUR 5 259 for his work during H1 2023.
- MTI Investment SE has during the period invested in the form of loans of USD 250 000 to Fintech Africa and Mtaji Wetu Finance Tanzania Ltd. Mtaji is a wholly owned subsidiary of Fintech Africa. Some of the shareholders of Fintech Africa are Pontus Engström holding 19.41%, Trond Randoy via Sörlandsforskning AS holding 5,71% and Torbjörn Jacobsson, via Consulting T Jacobsson AB holding 21,98 %. In addition, MTI Investment has during the period entered into a share purchase agreement with XS Tech AB regarding the acquisition of 7.9 percent of the shares in Fintech Africa AB. Following the acquisition MTI increases its holding in FinTech Africa AB from 5.23 percent to 13.15 percent.



A man with short dark hair and glasses, wearing a red polo shirt with a 'Shambani Milk' logo, stands in a dairy processing plant. He has his hands clasped in front of him and is wearing a black smartwatch and a ring. The background shows industrial machinery and stainless steel pipes.

"We aspire to make Shambani Milk a trusted brand for household dairy products."

- VICTOR MFINANGA

CEO and co-founder
Shambani Milk

INCOME STATEMENT **GROUP COMPANIES**

EUR	H1 2023 (Jan-Jun 2023)	H1 2022 (Jan-Jun 2022)	FY 2022 (Jan-Dec 2022)
OPERATING INCOME			
Net revenue	105 808	1 032 077	1 867 663
Operating Income	105 808	1 032 077	1 867 663
OPERATING EXPENSES			
Cost of goods sold	-122 904	-772 180	-1 628 636
Personnel costs	-249 873	-347 302	-699 535
Other external costs	-346 825	-399 872	-859 092
EBITDA	-613 793	-487 277	-1 319 600
Write-down & depreciations on assets	-51 364	-149 590	-277 613
Operating profit/loss (EBIT)	-665 157	-636 867	-1 597 213
FINANCIAL ITEMS			
Net financial items	-129 505	22 081	656 521
Profit/loss after financial items (EBT)	-794 662	-614 786	-940 692
Taxes	-477	0	-7 080
NET PROFIT/LOSS FOR THE YEAR	-795 139	-614 786	-947 772
Whereof minority	-48 349	-58 460	-339 825
Earnings per share (EPS)* before and after dilution**	-0,12	-0,10	-0,11

*Profit or loss attributable to common equity holders of the Parent Company divided by the weighted average number of common shares outstanding during the period.

BALANCE SHEET **GROUP COMPANIES**

EUR	30.06.2023	30.06.2022	31.12.2022
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Goodwill	239 923	580 440	298 952
Total intangible fixed assets	239 923	580 440	298 952
<i>Tangible fixed assets</i>			
Property plant and equipment	79 262	263 803	89 854
Total tangible fixed assets	79 262	263 803	89 854
<i>Financial fixed assets</i>			
Participations in associated companies	1 008 058	149 473	1 001 774
Participations in shares and units	244 547	85 710	133 071
Loans and advances	347 925	435 831	30 559
Total financial fixed assets	1 600 530	671 014	1 165 404
Total fixed assets	1 919 715	1 515 257	1 554 210
Current assets			
<u>Inventories</u>	26 230	88 243	43 663
<i>Receivables</i>			
Accounts receivable	78 607	223 467	124 514
Receivables to associated companies	17 911	0	0
Other prepaid expenses and accrued income	242 053	239 212	136 837
Other receivables	29 197	56 190	148 788
Total receivables	367 768	518 869	410 139
<i>Cash and cash equivalents</i>	843 385	1 118 577	707 083
Total current assets	1 237 383	1 725 689	1 160 885
TOTAL ASSETS	3 157 098	3 240 946	2 715 096

EUR	30.06.2023	30.06.2022	31.12.2022
EQUITY			
Share capital	1 314 196	1 076 720	1 140 606
Other equity incl. result for the period	298 743	556 234	890 526
Total	1 612 939	1 632 954	2 031 132
Minority ownership	78 092	327 218	131 544
TOTAL EQUITY	1 691 030	1 960 172	2 162 676

LIABILITIES**Long term liabilities**

Provisions	0	0	0
Other long term liabilities	940 118	186 048	21 719
Total long term liabilities	940 118	186 048	21 719

Current liabilities

Accounts payable	55 588	67 494	52 223
Other short-term liabilities	470 362	1 027 232	478 478
Total short term liabilities	525 951	1 094 726	530 701

TOTAL LIABILITIES	1 466 068	1 280 774	552 420
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TOTAL EQUITY AND LIABILITIES	3 157 098	3 240 946	2 715 096
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CHANGE IN EQUITY **GROUP COMPANIES**

EUR	H1 2023 (Jan-Jun 2023)	H1 2022 (Jan-Jun 2022)	FY 2022 (Jan-Dec 2022)
OPENING BALANCE	2 162 676	2 543 639	2 543 639
New share issue	246 577	0	114 443
Loss of the period	-746 790	-614 786	-947 772
Changes in group structure	0	0	321 565
Translation differences	82 020	31 320	-32 924
Minority interest	-53 452	0	163 726
CLOSING BALANCE	1 691 030	1 960 173	2 162 676

CASH FLOW GROUP COMPANIES

EUR	H1 2023 (Jan-Jun 2023)	H1 2022 (Jan-Jun 2022)	FY 2022 (Jan-Dec 2022)
Cash flow from operating capital	-454 693	-1 047 808	-1 427 476
Cash flow from investing capital	-442 638	-3 446	75 714
Cash flow from financing capital	1 054 667	-159 963	-92 413
Net cash flow	157 336	-1 211 216	-1 444 175
Capital starting the period	707 083	2 320 218	2 320 218
Cash from acquired subsidiary	0	0	-83 985
Translation differences in cash	-21 034	9 575	-84 975
CAPITAL ENDING THE PERIOD	843 385	1 118 577	707 083

INCOME STATEMENT **PARENT COMPANY**

EUR	H1 2023 (Jan-Jun 2023)	H1 2022 (Jan-Jun 2022)	FY 2022 (Jan-Dec 2022)
OPERATING INCOME			
Net revenue	5 663	6 543	12 462
Operating Income	5 663	6 543	12 462
OPERATING EXPENSES			
Cost of goods sold		0	
Personnel costs	-151 867	-172 335	-317 814
Other external costs	-192 550	-235 693	-433 391
Total operating expenses	-344 417	-408 028	-751 205
EBITDA	-338 755	-401 485	-738 743
Operating profit/loss (EBIT)	-338 755	-401 485	-738 743
FINANCIAL ITEMS			
Net financial items	-70 067	12 897	-240 732
Profit/loss after financial items (EBT)	-408 822	-388 588	-979 475
Taxes	0	0	0
NET PROFIT/LOSS FOR THE YEAR	-408 822	-388 588	-979 475

BALANCE SHEET PARENT COMPANY

EUR 30.06.2023 30.06.2022 31.12.2022

ASSETS

Fixed assets

Intangible fixed assets

Goodwill	0	0	0
Total intangible fixed assets	0	0	0

Tangible fixed assets

Property plant and equipment	0	0	0
Total tangible fixed assets	0	0	0

Financial fixed assets

Participations in subsidiaries	87 730	754 225	87 730
Participations in shares and units	645 540	81 977	654 431
Loans to group companies	1 285 927	1 376 710	1 298 198
Other loans	565 568	0	6 842
Total financial fixed assets	2 584 765	2 212 912	2 047 202

Total fixed assets	2 584 765	2 212 912	2 047 202
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Current assets

Receivables

Accounts receivable	0	0	0
Other receivables	73 092	54 097	85 984
Total receivables	73 092	54 097	85 984

<u>Cash and cash equivalents</u>	801 902	893 733	582 819
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Total current assets	874 994	947 830	668 803
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TOTAL ASSETS	3 459 759	3 160 742	2 716 004
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EUR 30.06.2023 30.06.2022 31.12.2022

EQUITY

Restricted equity

Share capital	1 314 196	1 076 720	1 140 606
Total	1 314 196	1 076 720	1 140 606

Unrestricted equity

Share premium reserve	5 008 613	4 885 069	4 935 626
Profit/loss brought forward	-3 480 196	-2 500 721	-2 500 721
Profit/loss of the year	-408 822	-388 588	-979 475
Total	1 119 596	1 995 760	1 455 430

TOTAL EQUITY	2 433 791	3 072 480	2 596 036
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LIABILITIES

Long term liabilities

Other long term liabilities	919 200	1 011	1 110
Total long term liabilities	919 200	1 011	1 110

Current liabilities

Accounts payable	20 555	8 035	15 609
Other short-term liabilities	86 213	79 215	103 250
Total short term liabilities	106 768	87 250	118 859

TOTAL LIABILITIES	1 025 968	88 261	119 968
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TOTAL EQUITY AND LIABILITIES	3 459 759	3 160 741	2 716 004
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CHANGE IN EQUITY PARENT COMPANY

EUR	H1 2023 (Jan-Jun 2023)	H1 2022 (Jan-Jun 2022)	FY 2022 (Jan-Dec 2022)
OPENING BALANCE	2 596 036	3 461 068	3 461 068
New share issue	246 577	0	114 443
Loss for the period	-408 822	-388 588	-979 475
Translation differences	0	0	0
CLOSING BALANCE	2 433 791	3 072 480	2 596 036

NOTES

NOTE 1

Accounting principles, K3 standards

This report and consolidated accounts have been established in accordance with the Annual Accounts Act (1995:1554) and BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3).

NOTE 2

Group company

MTI divested 12 percent of its holding in Zanrec AB during H2 2022. After the transaction MTI Investment SE owns 49 percent of Zanrec AB and it is consolidated as an associate company.

In H2 2022 Atsoko International AB divested its ownership in Atsoko Tanzania Limited in a management buy-out. Atsoko International AB was then closed down.

NOTE 3

Warrants

In June 2022, 81 000 warrants were registered in accordance with the decision taken at the AGM to issue warrants to management in order to ensure alignment of interests between the Company's management and shareholders.

DEFINITIONS

EBITDA

Earnings before interest, taxes, depreciation, and amortizations.

EBIT

Earnings before interest and taxes.

Basic earnings per share

Profit/loss for the year attributable to the Parent Company's shareholders in relation to the weighted average number of shares outstanding.

Diluted earnings per share

Profit/loss for the year attributable to the Parent Company's shareholders, in relation to the weighted average number of shares outstanding after full conversion and adjusted for the effect of share-based payments.

ADDITIONAL INFORMATION

AUDITOR

Ernst & Young AB

The company's auditor is Ernst & Young AB.

This H1 2023 report has not been subject to a review by the company's auditor.

CERTIFIED ADVISER

Mangold Fondkommission AB

Mangold Fondkommission AB is acting as the Company's Certified Adviser and can be reached on:

Phone: +46 (0)8-5030 1550

Email: ca@mangold.se

SHARE CAPITAL

Numbers of shares

MTI's share capital per 30th of June 2023 amounted to EUR 1,314,196 with 6 570 978 shares outstanding (5 383 600 shares outstanding per 30th of June 2022).

MTI's average number of outstanding shares for the financial year of 2022 was 5 543 314.

LARGEST SHAREHOLDERS

The table below shows MTI Investment SE's ten largest owners as of 30th of June 2023.

Shareholder	Shares Total	Ownership
Sørlandsforskning AS*	866 400	13.19%
Mangold Fondkommission AB	643 288	9.79%
Stiftelsen H&M Foundation	530 000	8.07%
HANDELSBANKEN EMEA TEMA	374 000	5.69%
XS TECH AB	322 632	4.91%
FETTER ANTON INVEST AS	319 429	4.86%
ADB Invest Aktiebolag	300 000	4.57%
Wallman Roger	267 629	4.07%
Pontus Engström**	260 017	3.96%
BNY MELLON SA/NV FOR JYSKE***	114 000	1.73%
Others	2 573 583	39.16%
Total	6 570 978	100.00%

* Sørlandsforskning AS is controlled by Trond Randøy, Chairman of the Board in MTI Investment SE

** CEO, MTI Investment SE

*** These are investments made by Yardhouse Capital Group: representing Deichmann ApS 102 000 shares and Mørk Innovation ApS of 12 000 shares.



A worker at Ecohomes' warehouse facility.

REPORTING CALENDAR

FORMAL REPORTS

MTI Investment issues formal half-year interim reports.
All reports can be downloaded at www.mti-investment.com.

Silent period begins	23 February 2024
Year-end report 2023 (H2)	28 March 2024
Annual report 2023	Week 20, 2024
AGM	7 June, 2024

OTHER REPORTS

MTI Investment also issues core holdings updates*.
All updates can be downloaded at www.mti-investment.com.

Core holdings update Q3 2023	20 November 2023
Core holdings update Q1 2024	17 May 2024

** MTI's core holdings update should not be considered as formal interim reports. These updates do not include the consolidated results of the Group and the Parent company.*

CERTIFICATION

CERTIFICATION OF THE BOARD AND THE CEO

The Board of Directors and the CEO assure that this report gives an accurate picture of the Parent Company's and the Group's operations, position and income and describes significant risks and uncertainty factors faced by the Parent Company and the companies making up the Group.

Danderyd, August 30, 2023

Trond Randøy
Chairman

Bengt Svelander
Board member

Christer Käck
Board member

Magdalena Johansson
Board member

Pontus Engström
CEO



THE GO-TO INVESTOR FOR EAST AFRICAN GROWTH

MTI INVESTMENT SE

Org. 517100-0135

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CONTACT PERSON

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WEBSITE

For more information visit us at

www.mti-investment.com