

# MTI INVESTMENT SE

Year-End Report: January - December 2021  
Including Q4 report 2021



25 Mar 2022



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## TABLE OF CONTENTS

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### COMMENTARY

Highlights Year-End Report	3
Word from The CEO	5
Brief about MTI Investment SE	8

### CORE HOLDINGS REPORT Q1-Q4

Ecohomes	10
Zanrec	12
Atsoko	14
Shambani Milk	16

### FINANCIAL REPORT Q1-Q4

Financial Report Commentary	18
Income statement Group	19
Balance Sheet Group	20
Change in Equity Group	21
Cash Flow Group	22
Income statement Parent company	23
Balance Sheet Parent company	24
Change in Equity Parent company	25
Notes	26

### ADDITIONAL INFORMATION

Additional Information	27
Financial Calendar	28
Certification	29
Contact Information	30



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# HIGHLIGHTS YEAR-END REPORT Q1-Q4 2021

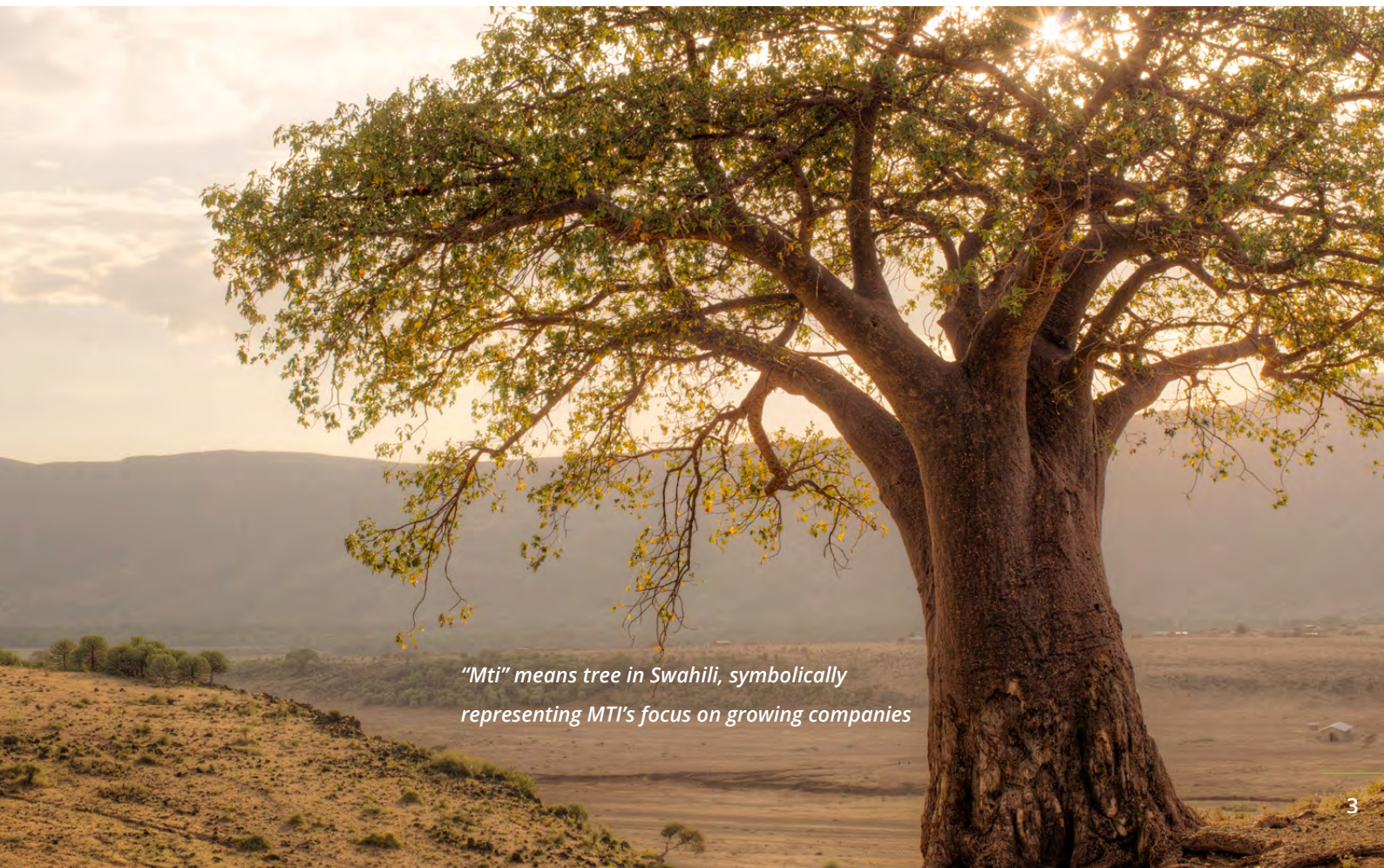
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## 4<sup>TH</sup> QUARTER 2021 GROUP

- Revenue has increased during Q4 to EUR 395,735 (EUR 79,124).
- EBITDA was EUR -505,299 (EUR -143,842).
- The net loss for the period is EUR -530,679 (EUR -397,382).
- The net cash flow for the period was EUR 1,677,050 (EUR 46,539).

## FULL-YEAR 2021 GROUP

- Revenue amounted to EUR 1,450,069 (EUR 292,387).
- EBITDA was EUR -842,438 (EUR -354,606).
- The two largest subsidiaries Ecohomes and Zanrec saw strong improvement in EBITDA.
- The net loss was EUR -1,171,241 (EUR -699,624).
- Total equity at the end of the period was EUR 2,543,639 (EUR 1,403,795).
- Cash and cash equivalents amounted to EUR 2,320,218 (EUR 527,490).
- The net cash flow for the period was EUR 1,701,247 (EUR 203,599).
- In Q2 2021 the ownership in Ecohomes surpassed 50% and the holding was consolidated into the group accounts.



*“Mti” means tree in Swahili, symbolically representing MTI’s focus on growing companies*

# HIGHLIGHTS YEAR-END REPORT Q1-Q4 2021

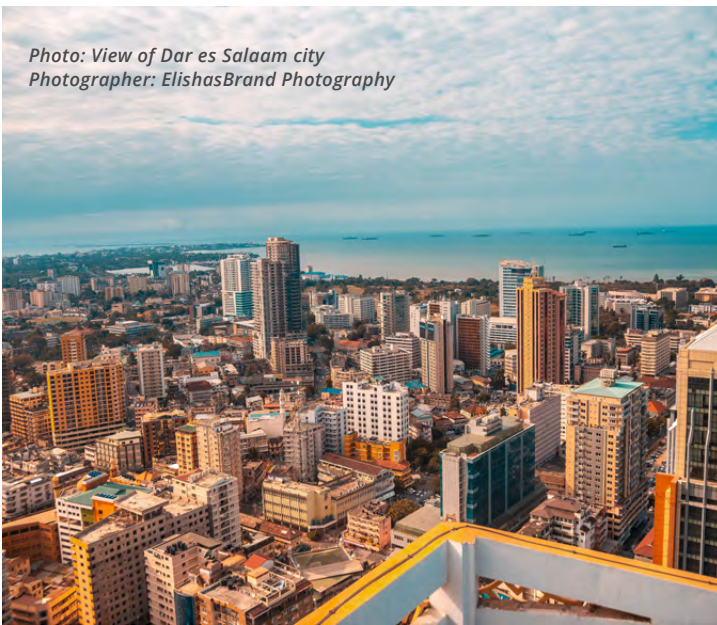
## IMPORTANT EVENTS DURING 4<sup>TH</sup> QUARTER 2021

- MTI Investment was listed on Nasdaq First North Growth Market in Stockholm, Sweden.
- The company Holdingselskabet Claus Jørgensen II ApS agreed to invest USD 300,000 for 179,641 shares and a shareholder stake of 12.9% in Zanrec AB.
- MTI Investment's shareholding decreased in Zanrec AB from 70.1% to 61% after the transaction with Holdingselskabet Claus Jørgensen II ApS.
- Ecohomes was awarded several contracts to remodel bank branches for in particular CRDB Bank, but is also receiving interest from several other banks.

## IMPORTANT EVENTS DURING 2021

- In Q1 2021, MTI Investment initiated the listing process.
- In Q2 2021, Ecohomes achieved a higher EBITDA of 124% compared to the previous year. In April 2021, MTI Investment increased its ownership stake in Ecohomes to 64%.
- MTI Investment changed from a Norwegian public company Allmennaksjeselskap (ASA) to a Societas Europaea (SE), a public company registered in accordance with the corporate law of the European Union. It became a bit of a historical event in that MTI was among one of the first Nordic companies to have made use of this European corporate law.
- In September 2021, MTI Investment completed the relocation of the company's headquarter from Norway to Sweden.
- Nedim Efendic became MTI Investment's new CFO in September 2021.
- Zanrec won 50% of the tender in the North A district on the island of Zanzibar, thus doubling Zanrec's revenue potential.

Photo: View of Dar es Salaam city  
Photographer: ElishasBrand Photography



## IMPORTANT EVENTS AFTER 2021

- In January 2022, Martin Rex Empacher, CEO and co-founder of YardHouse Capital Group, was elected to the board of Zanrec AB, Empacher will represent Holdingselskabet Claus Jørgensen II ApS.
- In February 2022, MTI Investment increased its ownership stake in Ecohomes to 77%. MTI Investment is the majority shareholder in Ecohomes.

## WORDS FROM THE CEO

"MTI IS NOW LISTED ON NASDAQ FIRST NORTH GROWTH MARKET"

## STRONG GROWTH IN 2021 BY ECOHOMES AND ZANREC

*Ever since Trond, Neema, and I founded MTI Investment (MTI) in 2014, we intended to create a listed investment vehicle, a platform for investments into Tanzania and East Africa, where investors can get exposure to one of the last remaining emerging markets frontiers, with strong long-term growth prospects. In 2021, we did it. MTI is now listed on Nasdaq First North Growth Market. Two of our portfolio companies stand out in 2021. First of all Zanrec achieved a positive EBITDA and exceptional growth of 144%. Secondly, Ecohomes grew by 16% and was almost break-even on EBITDA. These two achievements highlight the momentum we want to see in our investments.*

### MTI INVESTMENT

MTI is more than an investment vehicle, it is also an alternative approach towards supporting the growth of small ventures in developing countries with an emphasis on equity investments over debt funding. Much of the inspiration for MTI comes from the history of how the Nordic countries developed. One of my favorite books of all time is Per Anders Fogelström "City of my dreams" where we follow the life of Henning Nilsson who moves to Stockholm in 1860 from the countryside, in the hopes of employment and a better life. Urbanization is a part of economic development, and it creates opportunities. We have seen this pattern of growth in many parts of the world, like the US, India, China, Japan, a pattern of people moving from rural areas into urban areas. This is essentially how towns become cities, and this has been a pattern through human civilization.

Strong urbanization, coupled with the educational improvements that we saw in Sweden in the mid-1800s, created the necessary ecosystem for the subsequent creation of larger companies, such as SEB, founded in 1856, Ericsson in 1876, Alfa Laval in 1883, Scania in 1891, Electrolux in 1919, etc. I sometimes take H&M as an inspiration. It was founded in 1947 with one store in Västerås, and now, today it has more than 4500 stores worldwide. Eight years into our existence, we have four core holdings in which our ownership position ranges from 20% to 67%. These four holdings represent the base of MTI, a base we now seek to expand.

### OUR CORE BUSINESS

#### **Ecohomes**

Ecohomes, during 2021, (MTI at 64% ownership), achieved a positive 16% growth and a record revenue of **EUR 1.4 million**, with a shift in focus into building bank branches for some of the larger banks in the region. The EBITDA improved sharply and landed at a loss of EUR 1,000, compared to 2020's loss of EUR 205,000. Going forward we are in negotiations and continue to explore the concept of building, owning, and leasing bank branches, and also to own other real estates ourselves.

#### **Zanrec**

Zanrec (MTI at 61% ownership) continues its strong growth into the fourth quarter, achieving an improvement of 144% compared to the same period the previous year, and 91% more revenues for the full year, and record revenues of **EUR 265,000**. While some of this is due to a strong recovery in tourism in Zanzibar, Zanrec is also allowed to work in new areas of Zanzibar which allows for more hotels as clients. One of the most gratifying aspects of Zanrec's results is its EBITDA which was positive for the full year. This comes after several years of hard work. I recall when Zanrec was lossmaking of nearly USD 20,000 per month in 2015 when we first invested. Persistence and a strong focus on what we do best, has helped us get to positive numbers. However, we still have a lot of work to do in Zanzibar. Our brand name must be improved further, and we also have to continue our conversations with districts, hotels, and communities to help shift the mindset around waste. We also continue to look for potential projects in waste-to-energy or other forms of converting the waste into new valuable resources.

#### **Atsoko**

In Atsoko (MTI at 67% ownership) we have been less successful. Historically, Q4 has always been the best month of the year, but this was not the case in 2021. Revenue declined by 4% year on year, and 12% decline for the full year, arriving at year-end revenues of **EUR 100,000**. We have tried to turn the business around, but we encounter not only operational and managerial challenges, but also new regulations which impose restrictions on which products we may sell. The development has resulted in us undertaking a strategic review.

#### **Shambani Milk**

For Shambani Milk (MTI at 20% ownership), climate change has led to droughts previously unseen which negatively affected the supply of raw milk. Northern Tanzania for instance received 35% less rain than normal. Hence, lower production of milk led to 19% lower revenue compared to the previous year, with revenue of **EUR 454,000**. However, despite the drop in revenue, internal efficiency improvements helped improve EBITDA by 28%.

## WORDS FROM THE CEO (CONTINUED)

### MTI INVESTMENT LISTED IN DECEMBER 2021

During Q4 of 2021, we successfully listed MTI Investment on Nasdaq First North Growth Market in Sweden, a major step on our path of creating a long-term value-creating investment company. We are still small, but as our name Mti means tree in Swahili, we have planted a seed that shall continue to grow into the future. A warm welcome to all new shareholders in MTI Investment.

### KEY FOCUS GOING FORWARD

Our key focus going forward is on generating positive EBITDAs in our subsidiaries and a steady growth trajectory. Tanzania is not immune to world events, but the underlying growth in the economy remains strong. Furthermore, Tanzania has a focus on sectors that now see strong demand, such as the agricultural sectors of wheat, maize, sweet potatoes and bananas, or cash crops like cashew nuts, coffee, tea, and sisal. Apart from agriculture, major natural gas discoveries have recently become even more attractive due to the global energy crisis. These structural developments support the continued high growth of Tanzania, and our investments benefit indirectly, for instance

in the need for housing, bigger offices or more bank branches (supplied by our subsidiary Ecohomes). Improved tourism, especially with a focus on eco-tourism drives the demand for the services provided by Zanrec. However, environmental concerns in terms of climate change have had negative effects for the availability of milk, which hurt Shambani Milk in 2021. For a population of 60 million expected to double in 20 years, food security is going to be an important issue to solve. MTI will continue to work with our partners in the region, to facilitate and to take part in the success of high-growth ventures, to further support the growth of a stronger and more sustainable portfolio of investments.



Pontus Engström  
CEO of MTI Investment SE



Bell ringing ceremony at Nasdaq Stockholm. MTI Investment SE is now listed on Nasdaq First North Growth Market in Sweden. Press play to watch the event.



MTI Investment's listing ceremony at Nasdaq's headquarter in Stockholm, Sweden on the 21<sup>th</sup> of December 2021



Joining us in the celebration was the Board of Directors of MTI Investment SE, partners from Atsoko International AB, diplomats from Tanzania's Embassy in Sweden, our financial advisers from Mangold Fondkommission AB and friends and family members.

## 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

## MTI INVESTMENT SE COMPANY STRUCTURE

The holding company has its headquarter in Stockholm, Sweden

- Holding company
- Nordic company, MTI's ownership > 50%.
- East African company, MTI's ownership > 50%.
- Nordic company, MTI's ownership < 50%.
- East African company, MTI's ownership < 50%.





OUR CORE HOLDINGS REPORT Q1-Q4 2021



**Ecohomes Co.Ltd**

Sector: Housing & Construction

Founded: 2015

MTI invested: 2016

MTI ownership: 64% in 2021

(77% ownership from Q1 2022)

Number of employees: 16

SDGs focus: No.11

"Sustainable cities and communities"

[www.ecohomes.co.tz](http://www.ecohomes.co.tz)



Eric Chonjo  
CEO



**KEY FIGURES**

 **8 (+60% YoY)**  
Number of projects in 2021

 **4 (+100% YoY)**  
Number of bank branches built in 2021

 **9 (+350% YoY)**  
Number of residential houses built in 2021

**EVENTS DURING Q4**

- During Q4, Ecohomes continued building the nine residential houses project in Dodoma and proceeded with the Dodoma Statehouse Roofing project during Q4.
- Ecohomes was also awarded several contracts to remodel bank branches for in particular CRDB Bank, but is also receiving interest from several other banks.
- Strategically, Ecohomes is working on an agreement to build, own and lease bank branches to be implemented during 2022.

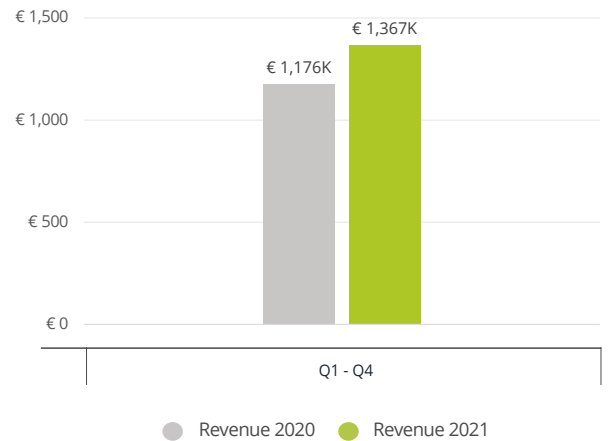
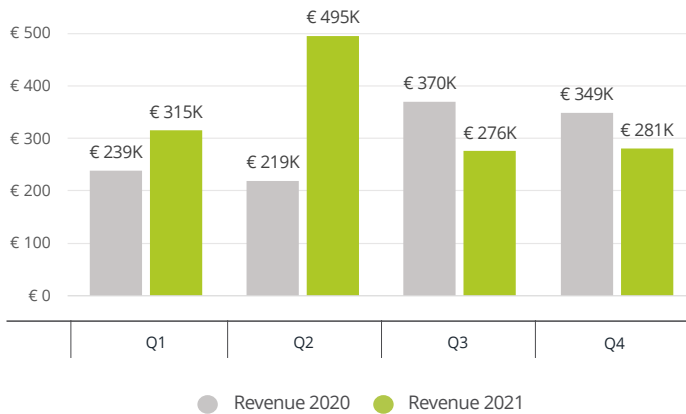
**FINANCIAL COMMENTS**

- Revenue in Q4 amounted to TEUR 281 (TEUR 349), a decrease of 19% compared to the previous year. Ecohomes had two ongoing projects during Q4 2021 whereas in Q4 2020 they had five ongoing projects. Revenue for the full year of 2021 amounted to TEUR 1,367 (TEUR 1,176), an increase of 16%.
- EBITDA in Q4 amounted to TEUR -27 (TEUR -55), an increase of 51%. EBITDA for the full year of 2021 amounted to TEUR -1 (TEUR -205), an improvement of 100% compared to the previous year.
- The net result in Q4 amounted to TEUR -50 (TEUR -85), an improvement of 41%. The net result for the whole year of 2021 amounted to TEUR -54 (TEUR -261), an improvement of 79% compared to the previous year.

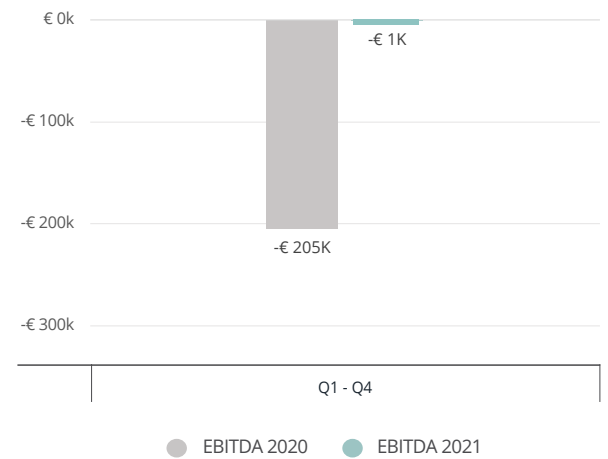
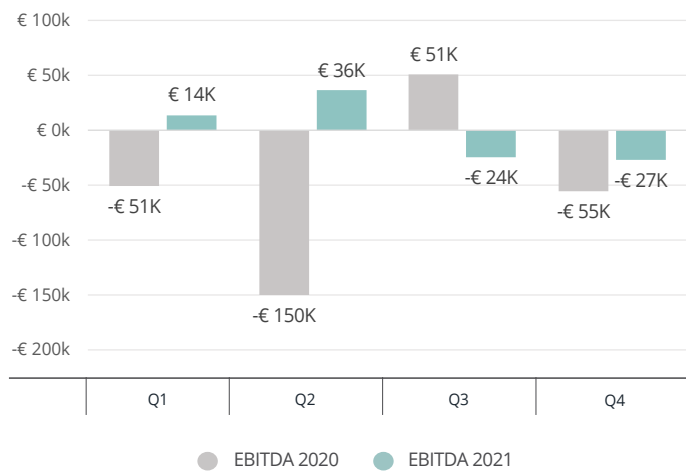
Ecohomes Ltd		Q4 results (Oct-Dec)		
TEUR	Q4 2021	Q4 2020	diff	
Tot. Revenue	281	349	-19%	
EBITDA	-27	-55	+51%	
EBITDA Margin	-9%	-16%	+7 p.p	
Net result	-50	-85	+41%	
Asset Turnover Ratio	0.30	0.44	-32%	

Ecohomes Ltd		Year-end (Jan-Dec)		
TEUR	2021	2020	diff	
Tot. Revenue	1,367	1,176	+16%	
EBITDA	-1	-205	+100%	
EBITDA Margin	-0.06%	-17%	+16.9 p.p	
Net result	-54	-261	+79%	
Asset Turnover Ratio	1.75	1.83	-4%	

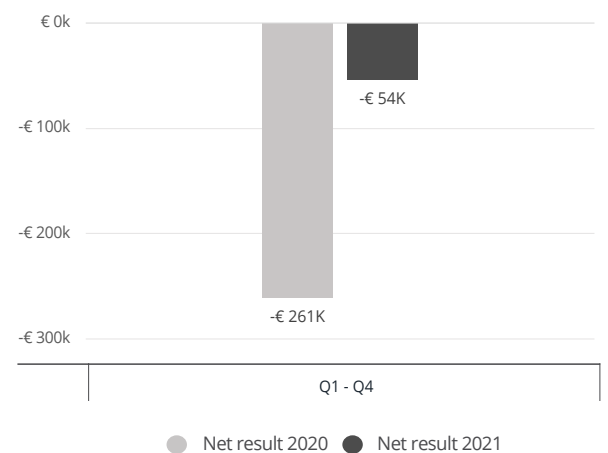
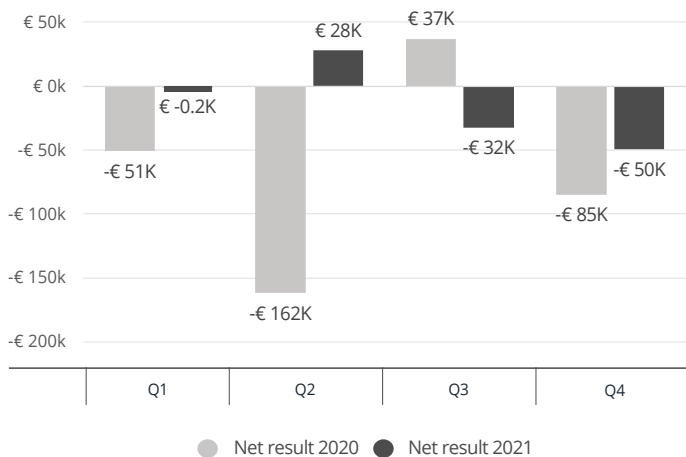
REVENUE



EBITDA



NET RESULT





## Zanrec Plastics Co.Ltd

Sector: Waste Management

Founded: 2009

MTI invested: 2016

MTI ownership: 61%

Number of employees: 25

SDGs focus: No.11

"Sustainable cities and communities"

[www.zanrec.com](http://www.zanrec.com)



Justin Madho  
General Manager



From left: Pontus Engström, CEO of MTI Investment SE,  
Justin Madho, General Manager of Zanrec Plastics Co. Ltd,  
Martin Rex Empacher, CEO and co-founder of YardHouse Capital Group



## KEY FIGURES



**212 (+152% YoY)**

Number of hotel clients in 2021



**34 tonnes (+518% YoY)**

Number of plastic waste collected in 2021



**4,006 tonnes (+119% YoY)**

Number of total waste collected in 2021

## EVENTS DURING Q4

- The company Holdingselskabet Claus Jørgensen II ApS agreed to invest USD 300,000 for 179,641 shares and a shareholder stake of 12.9% in Zanrec AB, the holding company for Zanrec Plastics Company Limited. The investment will be used to invest in new vehicles and site improvements. MTI's shareholding in Zanrec AB was 70.1% before the transaction and 61% after the transaction.
- Since the previous quarter, Zanrec has increased its customer base with 60 new hotel clients. Of these 60 hotel clients, 20 were added from the tender that Zanrec won in Q3 2021.

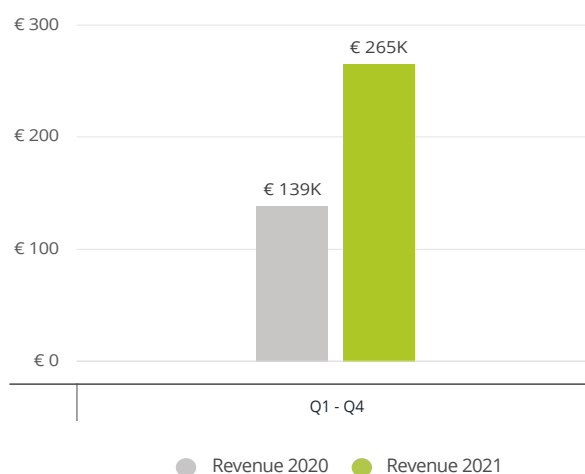
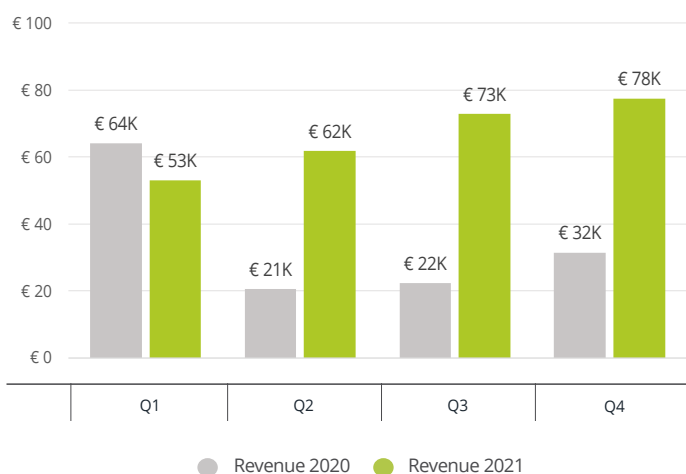
## FINANCIAL COMMENTS

- Revenue in Q4 amounted to TEUR 78 (TEUR 32), an increase of 144% compared to the previous year. Revenue of 2021 amounted to TEUR 265 (TEUR 139), an increase of 91%.
- The pandemic had a negative effect on Zanrec's business during 2020, but tourism began to recover in Q2 2021. Revenue in 2021 was even better than 2019 (pre-pandemic). Revenue in 2021 increased by 24% compared to 2019.
- EBITDA in Q4 amounted to TEUR -4 (TEUR -14), an increase of 71%. EBITDA for the full year of 2021 was positive and amounted to TEUR 15 (TEUR -35), an increase of 143%.
- The net result in Q4 amounted to TEUR -8 (TEUR -9), an increase of 11%. The net result for the whole year of 2021 amounted to TEUR -1 (TEUR -49), an improvement of 98% compared to the previous year.

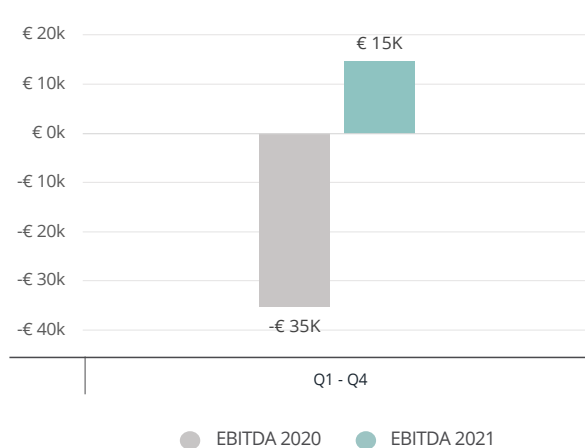
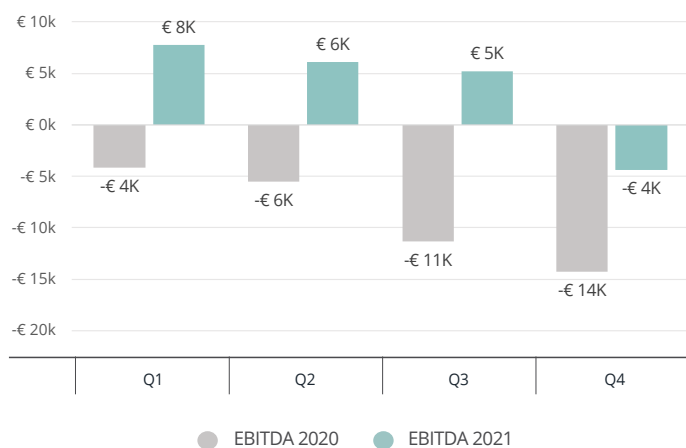
Zanrec Ltd	Q4 results (Oct-Dec)		
TEUR	Q4 2021	Q4 2020	diff
Tot. Revenue	78	32	+144%
EBITDA	-4	-14	+71%
EBITDA Margin	-6%	-45%	+39 p.p
Net result	-8	-9	+11%
Asset Turnover Ratio	0.58	0.25	+132%

Zanrec Ltd	Year-end (Jan-Dec)		
TEUR	2021	2020	diff
Tot. Revenue	265	139	+91%
EBITDA	15	-35	+143%
EBITDA Margin	6%	-25%	+31 p.p
Net result	-1	-49	+98%
Asset Turnover Ratio	2.66	2.59	+3%

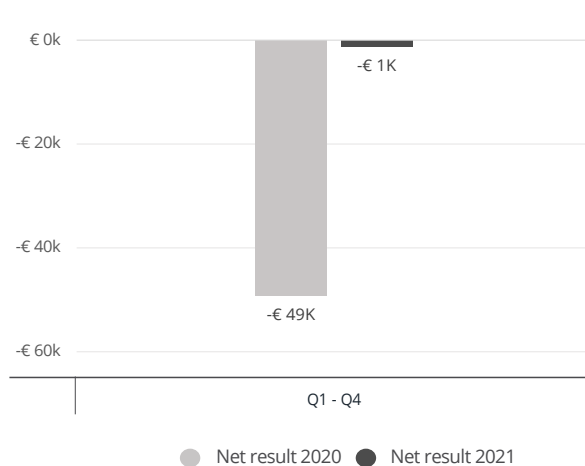
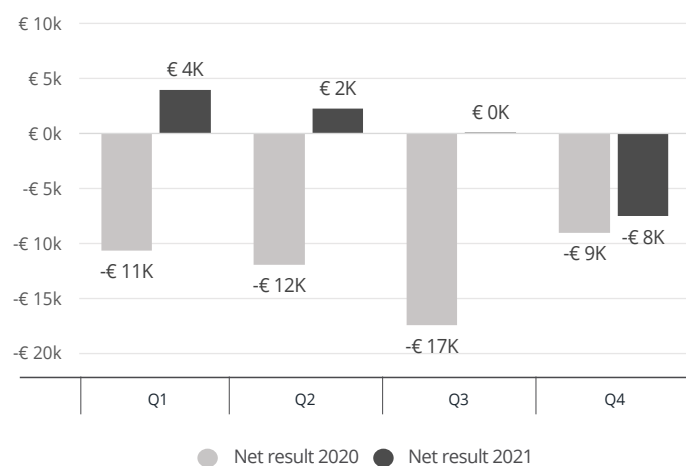
REVENUE



EBITDA



NET RESULT





## Atsoko Tanzania Ltd

Sector: Beauty & Cosmetics

Founded: 2012

MTI invested: 2015

MTI ownership: 67%

Number of employees: 11

SDGs focus: No.8

"Decent work and economic growth"

[www.atsoko.com](http://www.atsoko.com)



Rehema Julius  
General Manager

8 DECENT WORK AND ECONOMIC GROWTH



## KEY FIGURES



**4,554** (-21% YoY)

Number of transactions in 2021



**2,281** (-22% YoY)

Number of customers in 2021



**1,896 pcs** (+79% YoY)

Number of Atsoko private label lipstick sold in 2021

## EVENTS DURING Q4

- A new Atsoko franchise store opened in Dodoma, the capital of Tanzania in Q4. Atsoko has now two fully owned stores plus two franchise stores in Dar es Salaam and one franchise store in Dodoma, in total five outlets.
- Atsoko encountered some issues with the local authority TBS (Tanzania Bureau of Standards) in regards to importing goods, which delayed significant stock needed for the important Christmas sales. The incident had a negative impact on Atsoko's Q4 revenue.
- Atsoko attended several events such as *Join Us to Fight Against Gender*. The event aimed to fight against gender imbalance and was held at the French Embassy in Dar es Salaam.

## FINANCIAL COMMENTS

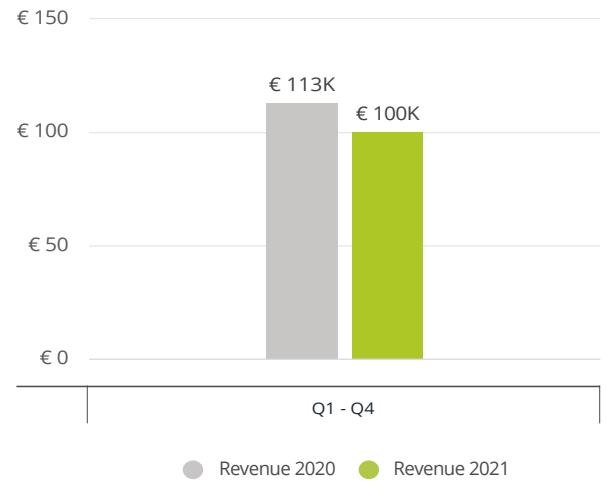
- Revenue in Q4 amounted to TEUR 25 (TEUR 26), a decrease of 4% compared to the previous year. Revenue for the whole year of 2021 amounted to TEUR 100 (TEUR 113), a decrease of 12%. Revenue in 2021 decreased due to the effect of the pandemic, which was most noticeable in Q1 2021 but also due to stock issues in Q4.
- EBITDA in Q4 amounted to TEUR -16 (TEUR -6), a decrease of 167%. EBITDA for the full year of 2021 amounted to TEUR -56 (TEUR -28), a decrease of 100%.
- The net result in Q4 amounted to TEUR -63 (TEUR -33), a decrease of 91%. The net result for the whole year of 2021 amounted to TEUR -147 (TEUR -74), a decrease of 99% compared to the previous year.

Atsoko Ltd		Q4 results (Oct-Dec)		
TEUR	Q4 2021	Q4 2020	diff	
Tot. Revenue	25	26	<b>-4%</b>	
EBITDA	-16*	-6	<b>-167%</b>	
EBITDA Margin	-64%	-24%	<b>-40 p.p</b>	
Net result	-63	-33	<b>-91%</b>	
Asset Turnover Ratio	0.20	0.13	<b>+54%</b>	

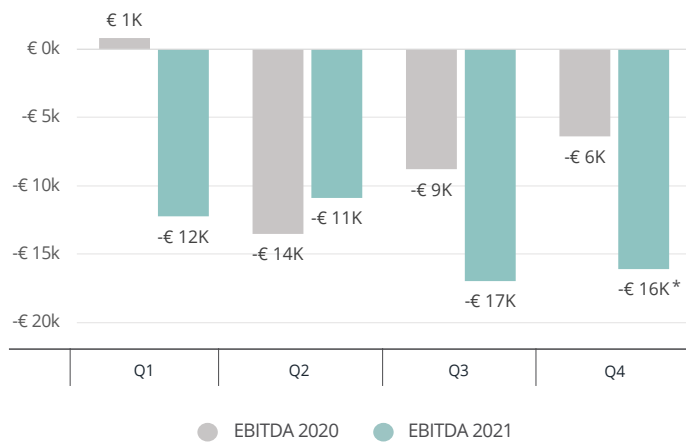
Atsoko Ltd		Year-end (Jan-Dec)		
TEUR	2021	2020	diff	
Tot. Revenue	100	113	<b>-12%</b>	
EBITDA	-56*	-28	<b>-100%</b>	
EBITDA Margin	-56%	-25%	<b>-31 p.p</b>	
Net result	-147	-74	<b>-99%</b>	
Asset Turnover Ratio	0.61	0.45	<b>+36%</b>	

\* Not including MTZS 46 ( TEUR 18) in write-downs

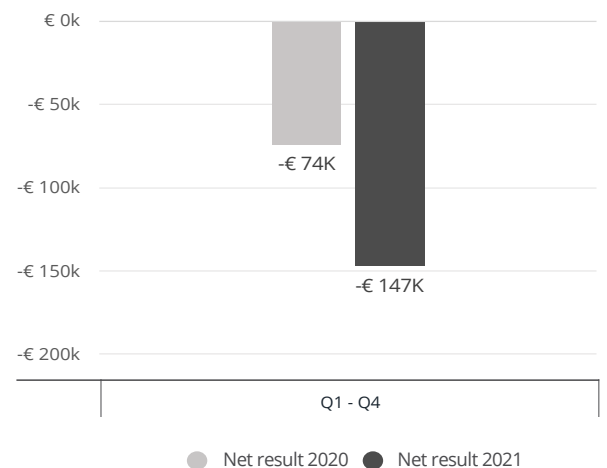
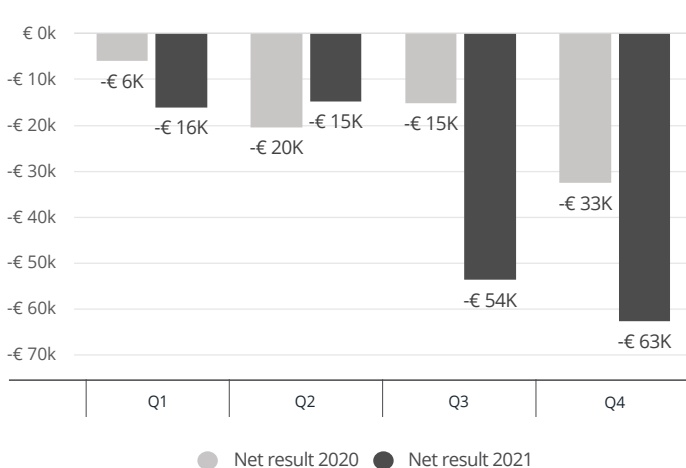
REVENUE



EBITDA



NET RESULT





Ladha halisi ya Mazina

## Shambani Milk Ltd

Sector: Dairy

Founded: 2003

MTI invested: 2015

MTI ownership: 20%

Number of employees: 19

SDGs focus: No.2 "Zero Hunger"



Victor Mfinanga  
Managing Director



2 ZERO HUNGER



## KEY FIGURES



**536** (-19% YoY)

Number of liters milk sold in 2021



**220** (0% YoY)

Number of milk suppliers in 2021



**12** (+119% YoY)

Number of sales agents in 2021

## EVENTS DURING Q4

- Due to the drought in Q4, Shambani Milk had to source raw milk from Rungwe in Mbeya and Moshi in Kilimanjaro (650 km and 543 km from Morogoro respectively). These areas were less affected by the drought. Also, farmers in these areas had received support to increase their production from many donor-funded projects.
- Shambani Milk had to close Kimamba Milk Cooling Centre (MCC) to cut costs in Q4. The Kimamba MCC received 62 liters per day. Shambani will instead be establishing a partnership with a dairy farm in Kilimanjaro that produces 2,000 liters per day.

## FINANCIAL COMMENTS

- Revenue in Q4 amounted to TEUR 119 (TEUR 152), a decrease of 22% compared to the previous year. Revenue of 2021 amounted to TEUR 454 (TEUR 562), a decrease of 19%. Revenue in 2021 decreased due to the drought in the country causing the death of more than 35,000 cattle<sup>1</sup>, which led to a shortage of raw milk.
- EBITDA in Q4 amounted to TEUR -6 (TEUR -20), an improvement of 70%. EBITDA for the whole year of 2021 amounted to TEUR -23 (TEUR -32), an increase of 28%.
- The net result in Q4 amounted to TEUR -16 (TEUR -8), a decrease of 100%. The net result for the whole year of 2021 amounted to TEUR -52 (TEUR -64), an increase of 19% compared to the previous year.

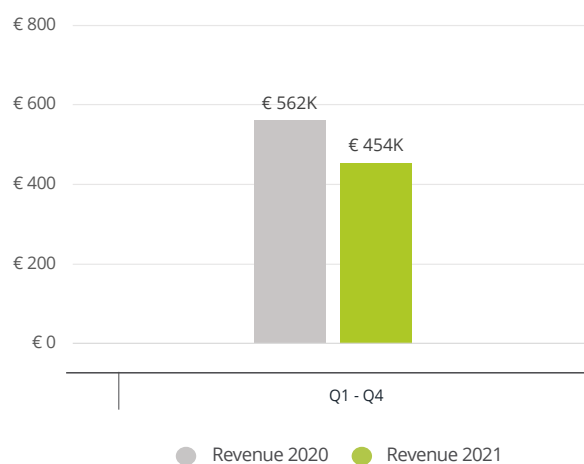
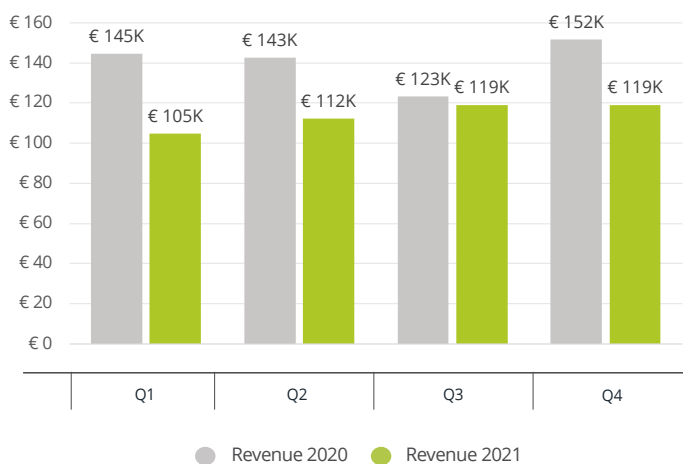
<sup>1</sup> <https://www.aa.com.tr/en/africa/fighting-drought-tanzania-faces-loss-of-62-000-livestock/2482330>



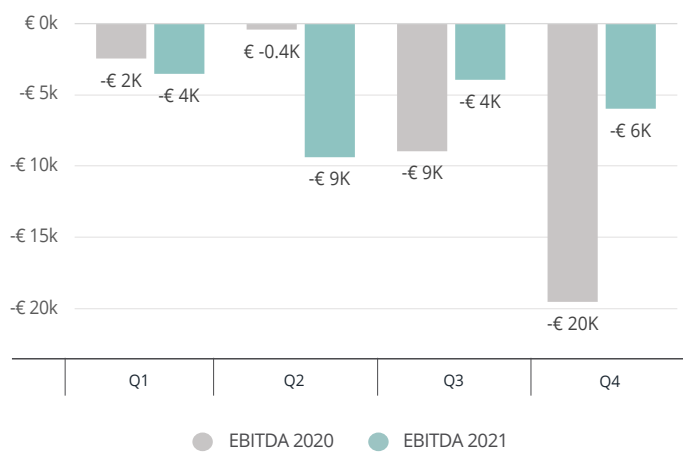
Shambani Milk Ltd		Q4 results (Oct-Dec)	
TEUR	Q4 2021	Q4 2020	diff
Tot. Revenue	119	152	-22%
EBITDA	-6	-20	+70%
EBITDA Margin	-5%	-13%	+8 p.p
Net result	-16	-8	-100%
Asset Turnover Ratio	0.24	0.30	-20%

Shambani Milk Ltd		Year-end (Jan-Dec)	
TEUR	2021	2020	diff
Tot. Revenue	454	562	-19%
EBITDA	-23	-32	+28%
EBITDA Margin	-5%	-6%	+1 p.p
Net result	-52	-64	+19%
Asset Turnover Ratio	0.94	1.06	-11%

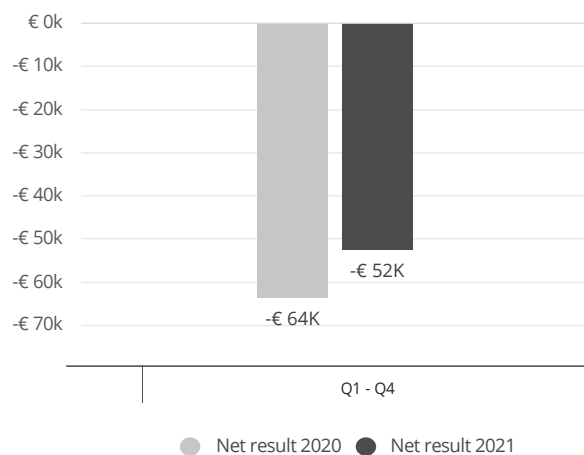
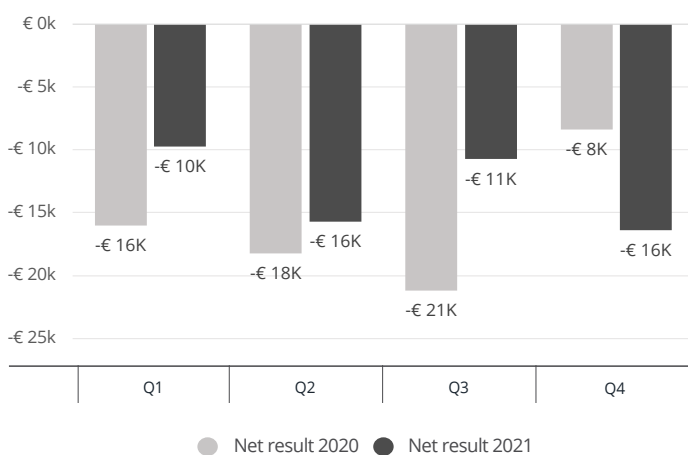
REVENUE



EBITDA



NET RESULT



# FINANCIAL REPORT COMMENTARY Q1-Q4 2021

## COMMENTARY ON GROUP RESULT FOR PERIOD Q4 2021

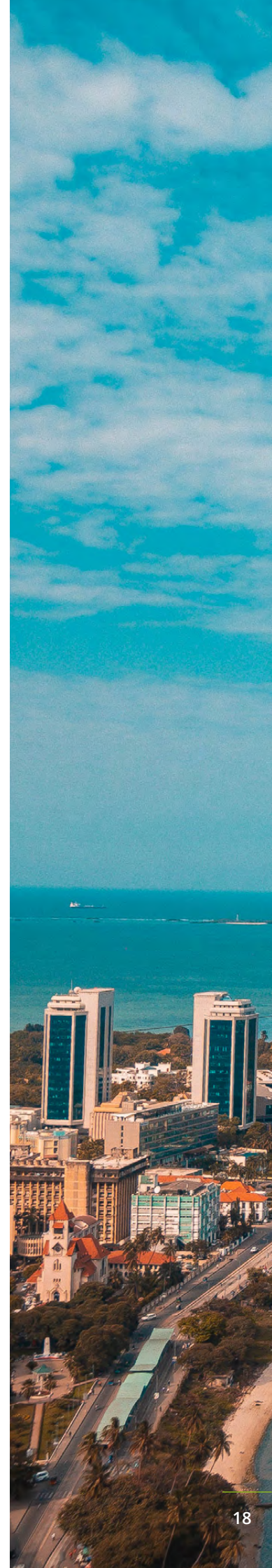
- Group revenue increased with 400% to EUR 395,735 (EUR 79,124), mainly due to consolidating Ecohomes as MTI became a majority shareholder, but the growth in Zanrec was also significant, increasing with 144% in Q4.
- EBITDA was EUR -505,299 (EUR -143,842), corresponding to a -251% change, mainly attributable to the costs of listing MTI, but also increased costs in Atsoko and Ecohomes.
- The net loss for the period was EUR -530,679 (EUR -397,382), corresponding to a -34% change. This is mainly attributable to costs associated with listing MTI, but also write-downs in Atsoko.
- The net cash flow for the period was EUR 1,677,050 (EUR 46,539).

## COMMENTARY ON GROUP RESULT FOR THE PERIOD Q1-Q4 2021

- Group revenue increased with 396% to EUR 1,450,069 (EUR 292,387), mainly due to consolidating Ecohomes as MTI became a majority shareholder, but the growth in Zanrec and Ecohomes was also significant, with 91% and 16% respectively.
- EBITDA was EUR -842,438 (EUR -354,606), a -138% change compared to the same period in 2020. This is on a group level mainly caused by costs in the parent company relating to moving MTI from Norway to Sweden, and legal and accounting costs related to the listing process.
- The two largest subsidiaries Ecohomes and Zanrec saw strong improvement in EBITDA, where Zanrec achieved its first positive EBITDA in history. Ecohomes achieved an almost neutral EBITDA, improved by 16.9 percentage points.
- The net loss was EUR -1,171,241 (EUR -699,624), a -67% change caused by increased operational costs as explained above, but also write-downs in Atsoko and Techbuddy.
- Total equity at the end of the period was EUR 2,543,639 (EUR 1,403,795).
- Cash and cash equivalents amounted to EUR 2,320,218 as of 31<sup>st</sup> of December 2021, compared to EUR 527,490 as of 31<sup>st</sup> December 2020.
- The net cash flow for the period was EUR 1,701,247 (EUR 203,599).
- In Q2 2021 the ownership in Ecohomes surpassed 50% and the holding was consolidated into the group accounts.

## TRANSACTIONS WITH RELATED PARTIES DURING 2021

- Prior to becoming a board member in MTI Investment SE, Torbjörn Jacobsson during Q2 2021 invoiced SEK 20,159 through his company *Consulting T Jacobsson AB* to MTI Investment SE. The remuneration relates to completed work for management consultation to MTI's subsidiaries' management team and completed work for initiate and coordinate meetings with various potential new investors to MTI Investment SE.
- In addition to the above transactions, no other transactions with related parties to MTI Investment SE took place during the period of 2021.



# INCOME STATEMENT **GROUP COMPANIES**

EUR	Q4 2021 (Oct-Dec 2021)	Q4 2020 (Oct-Dec 2020)	Q1-Q4 2021 (Jan-Dec 2021)	Q1-Q4 2020 (Jan-Dec 2020)
<b>OPERATING INCOME</b>				
Net revenue	395,735	79,124	1,450,069	292,387
<b>Operating Income</b>	<b>395,735</b>	<b>79,124</b>	<b>1,450,069</b>	<b>292,387</b>
<b>OPERATING EXPENSES</b>				
Cost of goods sold	-296,488	-35,692	-1,009,833	-96,736
Personnel costs	-254,007	-88,208	-567,602	-327,578
Other external costs	-350,539	-99,066	-715,072	-222,679
<b>EBITDA</b>	<b>-505,299</b>	<b>-143,842</b>	<b>-842,438</b>	<b>-354,606</b>
Write-down & depreciations on assets	-47,640	-71,425	-256,033	-184,210
<b>Operating profit/loss (EBIT)</b>	<b>-552,939</b>	<b>-215,267</b>	<b>-1,098,471</b>	<b>-538,815</b>
<b>FINANCIAL ITEMS</b>				
Interest and financial income	35,271	448,456	58,209	574,586
Interest and financial expenses	-4,955	-629,263	-122,458	-734,086
<b>Net financial items</b>	<b>30,316</b>	<b>-180,807</b>	<b>-64,249</b>	<b>-159,500</b>
<b>Profit/loss after financial items (EBT)</b>	<b>-522,623</b>	<b>-396,074</b>	<b>-1,162,720</b>	<b>-698,316</b>
Taxes	-8,056	-1,308	-8,521	-1,308
<b>NET PROFIT/LOSS FOR THE YEAR</b>	<b>-530,679</b>	<b>-397,382</b>	<b>-1,171,241</b>	<b>-699,624</b>
Whereof minority	-60,318	-26,862	-87,170	-62,533
Earnings per share (EPS)* before and after dilution**	-0.12	-0.10	-0.29	-0.18

\*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.

\*\*Shares outstanding both in 2020 and 2021 have been adjusted to take into account split 200:1 that was conducted in June 2021. See information on warrant program at [www.mti-investment.com/ipo](http://www.mti-investment.com/ipo)

# BALANCE SHEET **GROUP COMPANIES**

EUR	31.12.2021	31.12.2020
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible fixed assets</i>		
Goodwill	693,071	432,475
<b>Total intangible fixed assets</b>	<b>693,071</b>	<b>432,475</b>
<i>Tangible fixed assets</i>		
Property plant and equipment	266,385	121,216
<b>Total tangible fixed assets</b>	<b>266,385</b>	<b>121,216</b>
<i>Financial fixed assets</i>		
Participations in associated companies	158,831	406,322
Participations in shares and units	85,463	86,959
Loans and advances	476,370	415,401
<b>Total financial fixed assets</b>	<b>720,663</b>	<b>908,683</b>
<b>Total fixed assets</b>	<b>1,680,119</b>	<b>1,462,374</b>
<b>Current assets</b>		
<b>Inventories</b>	<b>90,782</b>	<b>67,332</b>
<i>Receivables</i>		
Accounts receivable	162,291	46,715
Receivables to associated companies	0	0
Other prepaid expenses and accrued income	26,787	0
Other receivables	29,587	41,882
<b>Total receivables</b>	<b>218,665</b>	<b>88,597</b>
<i>Cash and cash equivalents</i>	2,320,218	527,490
<b>Total current assets</b>	<b>2,629,665</b>	<b>683,419</b>
<b>TOTAL ASSETS</b>	<b>4,309,784</b>	<b>2,145,793</b>

EUR	31.12.2021	31.12.2020
<b>EQUITY</b>		
Share capital	1,076,720	526,231
Unregistered share capital	0	103,837
Other equity incl. result for the period	1,171,566	727,818
<b>Total</b>	<b>2,248,286</b>	<b>1,357,886</b>
Minority ownership	295,353	45,909
<b>TOTAL EQUITY</b>	<b>2,543,639</b>	<b>1,403,794</b>
<b>LIABILITIES</b>		
<b>Long term liabilities</b>		
Provisions	0	0
Other long term liabilities	325,619	266,843
<b>Total long term liabilities</b>	<b>325,619</b>	<b>266,843</b>
<b>Current liabilities</b>		
Accounts payable	295,149	260,582
Other short-term liabilities	1,145,376	214,574
<b>Total short term liabilities</b>	<b>1,440,526</b>	<b>475,156</b>
<b>TOTAL LIABILITIES</b>	<b>1,766,145</b>	<b>741,999</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,309,784</b>	<b>2,145,793</b>

## CHANGE IN EQUITY **GROUP COMPANIES**

EUR	Q1-Q4 2021 (Jan-Dec 2021)	Q1-Q4 2020 (Jan - Dec 2020)
<b>OPENING BALANCE</b>	<b>1,403,794</b>	<b>1,528,333</b>
Adjustments of Swedish GAAP	0	-353,287
<b>Opening balance adjusted</b>	<b>1,403,794</b>	<b>1,175,046</b>
New share issue	1,997,310	875,618
New share issue (not registered)	0	103,837
Loss of the period	-1,171,241	-699,624
Translation differences	97,223	-51,083
Minority interest	216,552	0
<b>CLOSING BALANCE</b>	<b>2,543,639</b>	<b>1,403,794</b>

\* Issue expenses in 2021 amounted to EUR -424,368

CASH FLOW **GROUP COMPANIES**

EUR	Q4 2021 (Oct-Dec 2021)	Q4 2020 (Oct-Dec 2020)	Q1-Q4 2021 (Jan-Dec 2021)	Q1-Q4 2020 (Jan-Dec 2020)
Cash flow from operating capital	-25,680	-522,644	-131,411	-827,264
Cash flow from investing capital	-27,648	399,843	-215,066	-14,095
Cash flow from financing capital	1,730,378	169,340	2,047,724	1,044,958
<b>Net cash flow</b>	<b>1,677,050</b>	<b>46,539</b>	<b>1,701,247</b>	<b>203,599</b>
Capital starting the period	626,175	480,951	527,490	323,891
Cash from acquired subsidiary	0	0	74,488	0
Translation differences in cash	16,993	0	16,993	0
<b>CAPITAL ENDING THE PERIOD</b>	<b>2,320,218</b>	<b>527,490</b>	<b>2,320,218</b>	<b>527,490</b>

INCOME STATEMENT **PARENT COMPANY**

EUR	Q4 2021 (Oct-Dec 2021)	Q4 2020 (Oct-Dec 2020)	Q1-Q4 2021 (Jan-Dec 2021)	Q1-Q4 2020 (Jan-Dec 2020)
<b>OPERATING INCOME</b>				
Net revenue	66	8,174	12,249	31,124
<b>Operating Income</b>	<b>66</b>	<b>8,174</b>	<b>12,249</b>	<b>31,124</b>
<b>OPERATING EXPENSES</b>				
Cost of goods sold	0	-30	0	-528
Personnel costs	-158,525	-49,608	-307,949	-213,027
Other external costs	-200,386	-59,872	-372,774	-80,677
<b>Total operating expenses</b>	<b>-358,912</b>	<b>-109,510</b>	<b>-680,724</b>	<b>-294,232</b>
<b>EBITDA</b>	<b>-358,846</b>	<b>-101,336</b>	<b>-668,475</b>	<b>-263,108</b>
<b>Operating profit/loss (EBIT)</b>	<b>-358,846</b>	<b>-101,336</b>	<b>-668,475</b>	<b>-263,108</b>
<b>FINANCIAL ITEMS</b>				
Interest and other financial income	28,924	-1,862	56,242	32,235
Interest and other financial expenses	-269,664	-551,010	-283,134	-551,437
<b>Net financial items</b>	<b>-240,740</b>	<b>-552,872</b>	<b>-226,892</b>	<b>-519,202</b>
<b>Profit/loss after financial items (EBT)</b>	<b>-599,586</b>	<b>-654,208</b>	<b>-895,367</b>	<b>-782,310</b>
Taxes	0	0	0	0
<b>NET PROFIT/LOSS FOR THE YEAR</b>	<b>-599,586</b>	<b>-654,208</b>	<b>-895,367</b>	<b>-782,310</b>

# BALANCE SHEET PARENT COMPANY

EUR	31.12.2021	31.12.2020
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible fixed assets</i>		
Goodwill	0	0
<b>Total intangible fixed assets</b>	<b>0</b>	<b>0</b>
<i>Tangible fixed assets</i>		
Property plant and equipment	0	0
<b>Total tangible fixed assets</b>	<b>0</b>	<b>0</b>
<i>Financial fixed assets</i>		
Participations in subsidiaries	731,801	800,388
Participations in shares and units	81,977	83,280
Loans to group companies	1,023,934	1,284,909
Other loans	47,484	0
<b>Total financial fixed assets</b>	<b>1,885,196</b>	<b>2,168,577</b>
<b>Total fixed assets</b>	<b>1,885,196</b>	<b>2,168,577</b>
<b>Current assets</b>		
<i>Receivables</i>		
Accounts receivable	1,212	4,642
Other receivables	55,520	19,300
<b>Total receivables</b>	<b>56,733</b>	<b>23,942</b>
<i>Cash and cash equivalents</i>		
	2,037,347	422,151
<b>Total current assets</b>	<b>2,094,080</b>	<b>446,093</b>
<b>TOTAL ASSETS</b>	<b>3,979,276</b>	<b>2,614,669</b>

EUR	31.12.2021	31.12.2020
<b>EQUITY</b>		
<b>Restricted equity</b>		
Share capital	1,076,720	526,231
Unregistered share capital	0	103,837
<b>Total</b>	<b>1,076,720</b>	<b>630,068</b>
<b>Unrestricted equity</b>		
Share premium reserve	4,885,069	3,620,005
Profit/loss brought forward	-1,605,354	-919,393
Profit/loss of the year	-895,367	-782,310
<b>Total</b>	<b>2,384,348</b>	<b>1,918,302</b>
<b>TOTAL EQUITY</b>	<b>3,461,068</b>	<b>2,548,370</b>
<b>LIABILITIES</b>		
<b>Long term liabilities</b>		
Provisions	0	0
Other long term liabilities	127,119	0
<b>Total long term liabilities</b>	<b>127,119</b>	<b>0</b>
<b>Current liabilities</b>		
Accounts payable	165,820	5,232
Other short-term liabilities	225,269	61,067
<b>Total short term liabilities</b>	<b>391,088</b>	<b>66,299</b>
<b>TOTAL LIABILITIES</b>	<b>518,208</b>	<b>66,299</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,979,276</b>	<b>2,614,669</b>



## CHANGE IN EQUITY PARENT COMPANY

EUR	Q1-Q4 2021 (Jan-Dec 2021)	Q1-Q4 2020 (Jan-Dec 2020)
<b>OPENING BALANCE</b>	<b>2,548,370</b>	<b>2,495,797</b>
New share issue	1,730,603	875,618
New share issue (not registered)	0	103,837
Loss for the period	-895,367	-782,310
Translation differences	77,462	-144,572
<b>CLOSING BALANCE</b>	<b>3,461,068</b>	<b>2,548,370</b>

\* Issue expenses in 2021 amounted to EUR -424,368

## NOTES

### NOTE 1

#### **Accounting principles**

The 2020 annual report has been established in accordance with the Norwegian Annual Accounts Act and generally accepted accounting principles in Norway. The annual report is available at [www.mti-investment.com/financial-reports/](http://www.mti-investment.com/financial-reports/).

#### **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**

Ecohomes Co Ltd became a group company during Q2 2021 from previously being an associated company.

### NOTE 3

#### **Transferred to BFNAR 2012:1**

In 2021 the Group and the Parent transferred to using BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3). In connection with the transfer to BFNAR 2012:1 the following accounting principles have been changed in comparison to previous years:

Accounting of goodwill – in the Group there are a number of subsidiaries that have been acquired through successive acquisitions. Acquisitions analyses have been established in accordance with K3 which has led to adjusted values for goodwill.

The effect of the change in accounting principle during the beginning of 2020 is a decrease of goodwill with EUR 353,287, with a corresponding decrease in equity. The profit and loss statement for 2020 has also been adjusted with the effect that amortization of goodwill has decreased with EUR 131,410 with a corresponding increase of the year's net result.

### NOTE 4

#### **Accounting currency**

The accounting currency has during the year 2021 changed to EUR. Previously the accounting currency was Norwegian crowns (NOK).

### NOTE 5

#### **Warrants**

Total number of registered warrants were 1,182,718. One (1) warrant of series TO1 gives the right to subscribe for one (1) new one share in the Company at a variable subscription price corresponding to 70 percent of the volume-weighted average price in the Company's share during the period between 10 February 2023 and 23 February 2023, however, the lowest nominal value per share and a maximum of SEK 20.10 per share, corresponding to 150 percent of the subscription price in the Offer. Subscription of shares in the Company with the support of warrants of series TO1 will take place during the period from 27 February 2023 through March 10, 2023. More information on the warrants program is available at [www.mti-investment.com/ipo](http://www.mti-investment.com/ipo).

## ADDITIONAL INFORMATION

### AUDITOR

#### **Ernst & Young AB**

The company's auditor is Ernst & Young AB. This year-end 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](mailto:ca@mangold.se)

### SHARE CAPITAL

#### **Numbers of shares**

MTI's share capital per 31<sup>st</sup> of December 2021 amounted to EUR 1,076,720 with 5,383,600 shares outstanding (3,733,600 shares outstanding per 31<sup>st</sup> of December 2020). MTI's average number of outstanding shares for the financial year of 2021 is 4,558,600.

### LARGEST SHAREHOLDERS

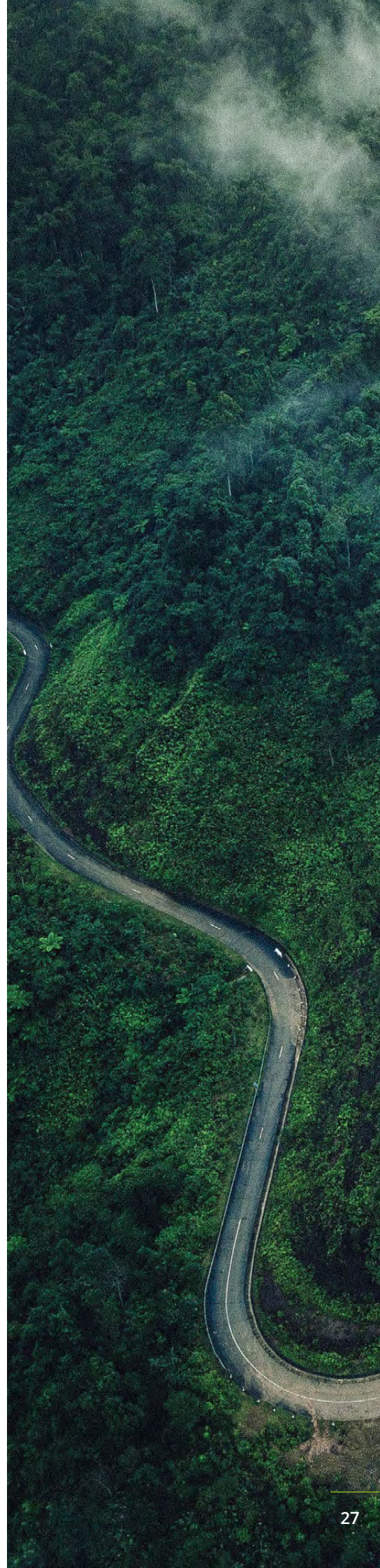
The table below shows the MTI Investment SE's ten largest owners as of 31<sup>st</sup> of December 2021.

Shareholder	Shares Total	Ownership
Sørlandsforskning AS*	880,600	16.36%
Stiftelsen H&M Foundation	510,000	9.47%
ADB Invest AB	262,200	4.87%
Handelsbanken EMEA TEMA	250,000	4.64%
Engström, Pontus	232,600	4.32%
Egahult Invest AB	110,000	2.04%
Heracleum AB	107,200	1.99%
Lindeborg, Sofia Ellenor	100,000	1.86%
Isaksson, Per Gunnar	75,600	1.40%
Christer Käck AB***	74,000	1.37%
Others	2,781,400	51.68%
<b>Total</b>	<b>5,383,600</b>	<b>100%</b>

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

\*\* CEO, MTI Investment SE

\*\*\* Christer Käck AB is controlled by Christer Käck, a board member in MTI Investment SE



# REPORTING CALENDAR



## FINANCIAL CALENDAR



### UPCOMING EVENTS

- **Annual Report 2021**  
Week 19 2022
- **AGM 2022**  
1 June 2022
- **First Half Year Report (H1)**  
(Including Core holdings updates Q2 2022)  
30 August 2022
- **Second Half Year Report (H2)**  
(Including Core holdings updates Q4 2022 and  
Year-End Report 2022)  
24 March 2023

**NB:** MTI Investment will, with start from 2022, provide half-year interim reports instead of quarterly interim reports. See the above financial calendar for the report release date.

The financial calendar is subject to change.

The latest updated version is available on MTI Investment SE's website:

[www.mti-investment.com/financial/calendar](http://www.mti-investment.com/financial/calendar)



## OTHER INFORMATION UPDATES



### UPCOMING EVENTS

- **Core holdings updates Q1**  
18 May 2022
- **Core holdings updates Q3**  
18 November 2022

**NB:** Other information updates regarding MTI's Core holdings should not be considered as formal interim reports. These updates will not include the consolidated result of the Group or the Parent company.

## CERTIFICATION

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### 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, March 25, 2022*

*Trond Randøy*  
Chairman

*Christer Käck*  
Board member

*Torbjörn Jacobsson*  
Board member

*Pontus Engström*  
CEO



THE GO-TO INVESTOR FOR EAST AFRICAN GROWTH

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## MTI INVESTMENT SE

Org. 517100-0135

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### CONTACT PERSON

*Contact information*

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

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### WEBSITE

*For more information visit us at*

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