



PRESS RELEASE, 26 April 2023

## **MTI Investment auctions vehicles related to debt claim of EUR 1.45m against Chobo Investment Ltd**

**DAR ES SALAAM, TANZANIA – In a ruling by the High Court of Tanzania, commercial division, an order was passed by the court for the sale of 14 vehicles towards the claim of MTI Investment towards Chobo investment amounting to EUR 1.45 million. In the initial auction held on 25 April two vehicles were successfully auctioned.**

Chobo Investment Company, established in 2011 by John Chobo in Mwanza, Tanzania, was founded with the intention to produce up to 880.000 kg of high-quality beef per year. In late 2014, MTI Investment provided Chobo with TZS 1.28 billion (approximately EUR 627,000 at the time) through a convertible debt agreement after being referred to them through the Africa Enterprise Challenge Fund (AECF), where Chobo was one of the grant receivers. Unfortunately, Chobo defaulted on the loan provided by MTI. After failing to reach an amicable solution, MTI engaged legal support to solve the matter. After a lengthy process, an arbitrator issued a final award in favor of MTI in January 2018, instructing Chobo to pay TZS 2.6 billion (EUR 988,000). However, Chobo further prolonged the execution process by filing applications to set aside the award, while MTI sought to execute the award.

On April 4<sup>th</sup> 2023, the High Court Commercial Division ruled in favor of MTI Investment, allowing for the Proclamation of Sale of the 14 vehicles to proceed. The ruling states that the outstanding claim, including costs and interest up to the date of the sale, amounts to TZS 3.70 billion, equivalent to USD 1.58 million or EUR 1.45 million. The vehicles up for sale include for instance a Scania truck, a Toyota Landcruiser, Toyota RAV 4s, Fuso trucks etc. On 25 April 2023, the sale began and two Fuso trucks were auctioned and sold.

Pontus Engström - CEO of MTI Investment SE says: "The delivery of a fair judgment and execution of the same in Tanzania, despite the delay, is a testament to the country's legal system's ability to ensure justice. Moreover, this positive outcome reflects the significant progress made in Tanzania's business environment, indicating promising opportunities for investment, not only for us but also for others. At MTI, we remain steadfast in our commitment to fully recover our investment in Chobo, including interest. We are optimistic about the potential of future investments in Tanzania and East Africa."

### **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)