



PRESS RELEASE, 2 March 2023

MTI Investment has signed a Memorandum of Understanding (MOU) to invest up to USD 500,000 in a central property located in Dar es Salaam

MTI Investment SE ventures into thriving Dar es Salaam market by signing a memorandum of understanding (MOU) for an up to \$500,000 property investment with high development potential. This strategic investment opportunity is being made in conjunction with and dependent on the success in raising funds from the T01 warrants.

The property is located in a highly desirable central location, and is valued at USD 676,000. It has an excellent potential for further development. At present, the first floor is primarily occupied by commercial leaseholders, but the plan is to construct a multi-story building with a minimum of five floors for residential use. Under the proposed ownership structure, MTI Investment SE will invest up to USD 500,000 for a maximum ownership stake of 42.5 percent, with a post-money valuation of USD 1,176,000. However, the majority of the ownership will be held by a female led team of Tanzanians who have been associated with MTI since 2015. The investment agreement is expected to be finalized by April 1st, 2023. In the process of concluding the investment agreement, MTI will explore various financing options, including the allocation of at funds from the T01 options which are expiring now. If we are successful in raising sufficient funds, we could potentially allocate up to USD 200.000 from the T01 options towards this investment, in addition to the funds allocated towards the Mayai Ocean Resort opportunity previously communicated.

Overall, the property's location and potential for development make it an attractive investment opportunity. MTI's investment, in partnership with the local Tanzanian team, is expected to generate significant returns, in the coming years. Depending on the final financing scenario, the expected IRR is between 15 percent and 25 percent. During the initial phase it is expected that the existing tenants will be able to remain.

MTI recognizes a significant investment opportunity in the Dar es Salaam property and plans to leverage its subsidiary, Ecohomes, to enhance the building's development. Specifically, MTI wishes to explore the use of Light Gauge Steel (LGS) as a construction method, which is renowned for its reliability and is widely used in over 80 countries worldwide. LGS construction provides several benefits, including speed, strength, design flexibility, and environmental sustainability. Its lightweight nature makes it quicker and safer to install than traditional construction methods. The final selection of the construction method will be based on the most cost-effective and efficient approach to enhance the building's development.

Pontus Engström, CEO of MTI Investment says: "Overall, this investment opportunity aligns with our long-term strategy and goals of creating sustainable investment vehicles and diversifying our portfolio. By incorporating investments in cash flow generating real estate we can achieve a stable and profitable investment portfolio for MTI. In recent years, we have been actively seeking out appealing real estate properties to invest in, with long term cash generation. Thanks to our extensive trusted network, we have not only found a suitable partner but also identified an exciting real estate project. We are particularly enthusiastic about this opportunity to create a landmark building, ideally using the attractive design characteristics of light gauge steel construction by Ecohomes."



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