

PRESS RELEASE, 19 February 2023

MTI Investment met with the President of Zanzibar, H.E. Dr. Hussein Ali Mwinyi to discuss waste management and job creation

MTI Investment SE (ticker: MTI), listed on Nasdaq First North, on the 13th of February met with the President of Zanzibar, H.E. Dr. Hussein Ali Mwinyi, in the presence of Swedish Ambassador H.E. Charlotta Osaki Macias to discuss investments and improved collaboration with the local government in Zanzibar on Waste Management and further job creation.



Photo: Dr. Pontus Engstrom, CEO MTI Investment SE, Mr. Joakim Ladeborn, Head of Politics, Trade and Promotion of Sweden, H.E. Charlotta Ozaki Macias, Ambassador of Sweden to Tanzania and H.E. Dr. Hussein Ali Mwinyi, President of The Revolutionary Government of Zanzibar. Source: [The President's office](#)

MTI Investment SE had sought this meeting after having escalated the issue of collaboration following the sudden change and breach of the tender agreement by the local government in North A in Zanzibar, which we first communicated in a [press release](#) on the 13th of June. Our purpose of the meeting was to try to establish a better dialogue and understanding of the need to be able to make agreements and work with the local government long term. The meeting began with H.E. Ambassador Charlotta Osaki Macias presenting some of the overall collaborations between Sweden and Zanzibar, before turning to MTI Investment. MTI was first given the opportunity to present all our work in East Africa in general, and then Zanzibar specifically. Next we turned to raise two issues with the President:



1. North A tender process

We explained that the tender had been conducted transparently and out of the four contestants Zanrec had been awarded to work in two areas of Matemwe and Pwani Mchangani starting October 2021. However, some six months into the agreement, the local government decided unexpectedly to change the tender. We explained that it is impossible as investors to make investments in several trucks and vehicles, with the local government suddenly changing the tender agreements. We also explained that the waste is currently not handled responsibly in the North, and we also shared photos of the sites to demonstrate how the waste handling is done by the alternative waste collectors.

2. Excessive local government fees

We also brought to the attention of the president how the local government changes the fees which Zanrec is supposed to pay to the local district for doing the waste collection. When Zanrec began working in the South District, the fees were 5 percent of the revenues Zanrec collected. The fee has since been gradually increased to 6, 7, and now 9 percent. However, more recently we explained that the South District asked for 17 percent of revenues. We explained that this type of moving target arrangement is not possible.

Pontus Engström, CEO of MTI Investment says: "We are grateful for the President taking the time to listen to our concerns, and we look forward to trying to develop partnerships with the local government which is both good for the local government but also allows us as an investor to recover our investments. We are of course interested to work in all areas of Zanzibar, and we hope our meeting showed our sincere willingness to work for a greener and more sustainable Zanzibar, while also creating hundreds of job opportunities. Roughly 80 percent of our work force are women. We are also developing strategies that make Zanrec less vulnerable to these types of fee changes by the local government."

MTI Investment in partnership with Hotel Online Kenya recently launched the booking portal www.sustainablezanzibar.com which is linked to those hotels using a sustainable waste management practice in Zanzibar. Specifically excluded from the portal are hotels using a waste management service provider engaged in illegal dumping, burning the waste openly, or other unsustainable waste management practices. Currently, it will be mostly hotels from the South District, since we are not working in the North A district. Along with the booking portal, a 10-minute mini-documentary called "Towards a sustainable Zanzibar" is published on MTI Investment's YouTube channel, see this [link](#).

For additional information

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Certified Adviser

The Company's Certified Adviser is Mangold Fondkommission AB.



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.