



PRESS RELEASE, 30 April 2024

MTI Investment SE and AML Finance Limited finalize a USD 500,000 convertible loan agreement

Dar es Salaam, Tanzania – MTI Investment SE (MTI), via its Tanzania subsidiary MTI Advisory Limited, and AML Finance Limited (AML), a well-established financial services company based in Dar es Salaam, Tanzania sealed a significant convertible shareholder loan agreement of USD 500,000 on April 30th, 2024, signaling the onset of a long-term partnership and collaboration.

Under the terms of the agreement, MTI Investment SE will, via its Tanzania subsidiary MTI Advisory Limited, provide a shareholder loan to AML Finance Limited in Tanzanian Shillings (TZS) equivalent to USD 500,000, aimed at facilitating the business expansion of AML Finance Limited in Tanzania. The shareholder loan, with a duration of three years, carrying a 19 percent interest rate, reflects MTI's confidence in AML's growth trajectory and underscores its strategic vision for the Tanzanian financial sector.

The loan agreement is structured to include a conversion option, wherein MTI Investment SE has the option to convert the shareholder loan into equity based on the mutually agreed pre-money company valuation of TZS 24.3 billion (today equivalent to USD 9.4 million) after three years of loan disbursement.

Furthermore, the agreement includes provisions for collateral and personal guarantee of the promoter to safeguard the interests of MTI. AML Finance Limited will pledge its assets, both fixed and floating, as security for the loan, ensuring accountability and adherence to the terms of the agreement.

Specializing in microfinance, AML Finance Limited provides a range of products and services tailored to the needs of Small and Medium-sized Enterprises (SMEs), including loans and insurance. AML supports sectors like transport and logistics, trade and commerce, schools and other educational institutions, construction, and hotel industry. With a strong commitment to serving the financial needs of entrepreneurs and businesses across Tanzania, AML Finance Limited has built a reputation for excellence in the industry.

Given the active entrepreneurial landscape in Tanzania and the increasing financial literacy initiatives supported by the government, there has been a noticeable rise in demand for microloans to SMEs. This trend indicates promising growth potential. MTI intends to capitalize on this opportunity by partnering with AML to contribute to the economic development of the country and foster positive social impact.

AML demonstrates significant growth potential, showing consistent profitability and strong performance over the years. In fiscal year 2023, AML experienced a noteworthy increase of 27% in net profit and 30% in its loan portfolio. Its robust financial performance translates into promising returns for investors, with a return on assets (ROA) of 13% and a return on equity (ROE) of 25% in FY 2023.

AML is led by a skilled management team and a seasoned Board of Directors. Dr. Charles Kimei, former MD & CEO of CRDB Bank (Tanzania's largest private bank), serves as a distinguished board member. Dr. Kimei is



widely respected for his significant contributions to the Tanzanian banking sector. Chairman, Managing Director, and co-founder is Reginald Massawe has spent more than 13 years building AML Finance Ltd.

As a publicly listed entity on Nasdaq First North in Sweden, MTI Investment SE brings to the forefront its extensive expertise and international network, positioning AML Finance Limited for rapid expansion and enhanced market penetration.

"We are excited to partner with AML Finance Limited and support their growth initiatives in the Tanzanian microfinance sector," said Pontus Engström, CEO at MTI Investment SE. "This investment is a game changer for MTI Investment and is not only a symbol of our strategic on focus cash generating investments, but also a sign of our focus on larger and better performing companies. AML Finance has a solid, profitable and growing businesses, and our investment is a reflection of our confidence in the management team and business model. We do hope this is only the beginning of our collaboration."

For additional information

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About MTI Investment SE

MTI operates at the intersection of venture capital and impact investing. Our goal is to become a leading investment company active in one of the foremost growth markets in the world, East Africa. With a diversified team rooted in both the Nordic region and East Africa, we have forged a unique position with capital and expertise from the Nordics, and a strong network and trust capital from local entrepreneurs in Africa. Founded in the Nordic financial industry, backed by capital-rich and experienced investors, as well as foundations owned by industrial families, MTI Investment brings significant competitive advantages to portfolio companies, sustainable transformation in the region, and high returns to our investors.

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

This information constitutes information that MTI Investment is obligated to disclose under the EU Market Abuse Regulation. The information was provided, through the agency of the above-mentioned contact person, for public release on 30 April 2024, at 11.45 CET.