



PRESS RELEASE, 2 May 2024

## MTI Investment SE expands in Fintech Africa AB with 24 percent

**Danderyd, Sweden –MTI Investment SE (ticker: MTI) ("MTI" or the "Company") has today, 2 May 2024, entered into conditional share purchase agreements to acquire an additional 24 percent (approx.) of the shares in FinTech Africa AB ("FTA"). The sellers are FTA's co-founder, also the Company's CEO, Pontus Engström, through Engström Invest Holding AB (controlled by Pontus Engström), and Trond Randøy, also the chairman of the Company, through Sørlandsforskning AS (controlled by Trond Randøy) (together the "Sellers"). The total purchase price for the shares in FTA has, following a valuation of FTA carried out by an independent valuation institute, been determined to SEK 3,609,719, and is intended to be paid in the form of 2,050,976 shares (the Consideration Shares") to be issued in MTI to the Sellers through a directed issue in kind (the "Issue in Kind"). The transactions with the Sellers, which both fall within the so-called Leo-circle and thus are subject to the rules in Chapter 16 of the Swedish Companies Act, are mainly conditional upon approval by the next annual general meeting of the Company and that the annual general meeting resolves to issue the Consideration Shares to the Sellers. Notice of the annual general meeting will be published in a separate press release. Following the transaction between him and the Company, Pontus Engström will have no direct ownership in FTA and his ownership will be consolidated in MTI Investment SE going forward, solidifying and providing further transparency in his role as CEO of the Company.**

The Company has today entered into an agreement to acquire all 22,666 shares held by the co-founder, also the Company's CEO, Pontus Engstrom, through Engström Investment Holding AB, in FTA, constituting approximately 18.54 percent of the company's total number of issued shares, and entered into an agreement to acquire all 6,667 shares held by Trond Randøy, also the chairman of the Company, through Sørlandsforskning AS, in FTA, constituting approximately 5.45 percent of the total number of issued shares. As the Sellers fall within the so-called Leo-circle and thus are subject to the rules of Chapter 16 of the Swedish Companies Act, the completion of the transactions has mainly been conditional upon the next annual general meeting of the Company resolving to approve the acquisitions as well as resolving to issue the Considerations Shares to the Sellers as payment for the acquired shares in FTA through the Issue in Kind. A further condition for closing is that the Sellers enter into a lock-up agreement not to dispose of the Consideration Shares for a period of 36 months from the closing date. Accession to the acquired shares in FTA will thus take place provided that all conditions for accession have been met, in connection with the Company's annual general meeting for 2024, which is scheduled to be held on June 7, 2024. Notice of the annual general meeting will be announced through a separate press release.

The transactions will be executed through a so-called share exchange (share swap), with the Sellers receiving newly issued shares in the Company as consideration for the shares in FTA (i.e. the Consideration Shares). In connection with the transactions, a valuation of FTA was meticulously conducted to ensure optimal alignment with market dynamics and shareholder interests. To ensure a neutral and accurate valuation, William Wedemalm, head of Valuation at Placing Valuation, an independent valuation institute, conducted a thorough



assessment, arriving at a valuation of SEK 267.51 per share as of March 14th, or a valuation of SEK 32 million for all shares in FTA. This valuation was congruent with the assessment utilized in the Company's year-end report, published on 28 March 2024. Considering the discount of approximately 54% in the price of the MTI share, from SEK 1.76 to the Company's net asset value of SEK 3.79, it was agreed that a corresponding discount should be applied to the valuation made by Placing Valuation. In accordance with this valuation methodology, the parties concurred to apply a 54% discount to the valuation of FTA, thus arriving at a valuation of SEK 15 million. Against this background, the share price in the Issue in Kind will be set at 1.76 SEK per share. In November 2022, the Company invested SEK 500.000 at a pre-money valuation of SEK 15 million, and in March 2023, the Company conducted a share swap valued at SEK 1.3 million with XS Tech AB at the same valuation.

Following negotiations led by independent board directors and major shareholders, the purchase price for the FTA shares was set at SEK 123.06 per share. Meanwhile, the share price of the Company remains consistent with the year-end report at SEK 1.76.

Following the completion of these strategic transactions, the Company will hold a total of 44,679 shares in FTA, corresponding to approximately 36.54 percent of the company's total number of issued shares. This strategic initiative aligns seamlessly with MTI's objective to fortify its presence within the dynamic fintech sector in Tanzania, and in a company with a strong track record and management team.

As a result of the Issue in Kind of the Consideration Shares, the registered share capital of MTI will increase by EUR 41,019.52, from EUR 236,415.56 to EUR 277,435.08. The number of shares in MTI will increase by 2,050,976, from 11,820,778 shares to 13,871,754 shares. The Issue in Kind entails a dilution effect of 14.7 percent.

FTA was co-founded in late 2018 by Petter Sandgren and Pontus Engström. A year later Torbjörn Jacobsson became a shareholder. Operating through its subsidiary, Mtaji Wetu Finance Limited ("**Mtaji**") in Tanzania, the company focuses on providing support to small and medium-sized enterprises (SMEs) through services such as customer payment reminder solutions and invoice financing (factoring). Mtaji does not offer personal loans.

Since its inception, Mtaji has steadily progressed, reaching significant milestones by 2023. This period was characterized by notable expansion, with the company witnessing a surge in its customer base and overall business operations. In the latter half of 2023, Mtaji Wetu experienced financial growth, marked by a substantial increase in revenue to TEUR 64, representing an increase of 1143 percent compared to the same period in 2022. Additionally, the company achieved a significant turnaround in its EBITDA, recording a positive figure of TEUR 30 in the second half of 2023, a notable increase from the negative value in the preceding year, signaling a growth rate of approximately 442 percent. Throughout the entirety of 2023, Mtaji maintained a positive EBITDA of TEUR 33.



The five top reasons why MTI increases its ownership in FTA and its fully-owned subsidiary Mtaji are:

1. Mtaji offers next-generation SME financing in the form of B2B customer invoice financing and payment reminders and is one of the pioneers in Tanzania in this segment.
2. The SME financing service is a challenging but profitable segment in the underdeveloped Tanzanian B2B market where Mtaji make an important contribution to developing the small companies of Tanzania.
3. With MTI providing debt funding to Mtaji and seeing an opportunity to provide more, MTI requires a larger ownership stake.
4. The company is operating a lean business model, was profitable in 2023, and is expected to remain profitable going forward.
5. Strong entrepreneurial team with some of Sweden's best experts in the field.

### For additional information

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***This information constitutes information that MTI is obligated to disclose under the EU Market Abuse Regulation. The information was provided, through the agency of the above-mentioned persons, for public release on 2 May 2024, at 15.25 CET.***

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