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MTI signs term sheet with AFIC to launch joint venture company for grading raw rice bran using state-of-the-art agriculture machinery

STOCKHOLM, SWEDEN - MTI Investment SE (MTI) announces today that it has entered into a term sheet with AFIC Investment & Consulting Company Ltd. (AFIC) Tanzania to establish a joint venture company – TANSWED Agro Limited (TANSWED) in Kahama, Tanzania. TANSWED will operate in the thriving agro-processing industry, which is experiencing rapid growth.

Despite being a major rice-growing region, Africa's rice bran industry has not reached its full potential due to inadequate processing facilities. The demand for rice bran products is expected to grow rapidly in the coming years, driven by consumer demand for natural and healthy food products and the increasing demand for animal feed ingredients. TANSWED will pioneer agricultural automation in the rice bran sieving industry in Tanzania, providing infrastructure for rice bran traders to obtain higher prices for their products in domestic and international markets.

MTI's investment of approximately SEK 350,000 will fund the establishment of a modern rice bran processing plant, where raw rice bran will be processed to graded quality, with broken rice separated, and rice husk ground. Rice grains consist of two protective outer layers: husk and bran. During the milling process, these layers are usually removed. While husk provides little nutritional value, bran is a valuable source of dietary fiber, essential fatty acids, starch, proteins, vitamins, and dietary minerals.

The investment will diversify MTI's industry exposure into the agro-processing sector, strengthening its presence in Tanzania. MTI will own a 49% stake in TANSWED, aligning with Tanzania's National Development Vision 2025 to leverage the country's abundant natural resources, including agriculture, to grow its gross domestic product. The investment is expected to be concluded before 30 March 2023.

AFIC's Director Michael Mrosso says: "We are delighted to establish a joint venture with impact investor MTI. We are a leader in trading agro products and as such we know that there is a huge demand for mechanized rice bran processing. The rice bran industry in Africa holds great promise, but significant investments are needed to unlock its full potential. MTI's expertise in venture building and ability to provide growth funding will allow us to scale fast and profitably."

Speaking about the investment, MTI Investment's CEO Pontus Engström said, "We are excited to announce this new investment in Tanzania's rice bran-processing industry. We believe that this investment will be a game changer for the industry and create an infrastructure for rice bran traders to get their products graded and fetch higher prices in domestic and international markets. Moreover, we are looking forward to working with AFIC, who possess extensive industry experience. Our investment will make an impact on the quality of rice bran traded and will significantly contribute to UN Sustainable Development Goals. Growth in Tanzania's agricultural sector is being hampered by a lack of cutting-edge agricultural machinery. We are proud to be alleviating this bottleneck with this impact investment that is likely to generate substantial financial returns while also creating a positive social and environmental impact."



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