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MTI invests in state-of-the art rice bran grading joint venture - TANSWED

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

Under the terms of the agreement, MTI acquires a 49% stake in TANSWED, a Tanzanian company currently in the process of formation. To secure the shareholding, MTI will make an equity investment of approximately EUR 6,700. As part of the agreement, MTI has also been granted the option (but not the obligation) to provide TANSWED with a term loan of up to EUR 13,700, to be repaid over a period of 36 months. The investment agreement concludes the previously announced term sheet on 6 March 2023.

TANSWED plans to establish a state-of-the-art rice bran processing plant in Tanzania that will process raw rice bran into graded quality products, separating broken rice and pulverizing rice husks. The company intends to spearhead agricultural automation in the Tanzanian rice bran sieving industry, enabling rice bran traders to secure higher prices for their products in both domestic and international markets by providing them with the necessary infrastructure.

Tanzania has a significant agricultural sector, which contributes to a large portion of the country's GDP and employs a substantial part of the population. However, the productivity of the agricultural sector in Tanzania is relatively low. One reason for the low productivity is the lack of access to modern technologies, which results in low income for farmers. Consequently, Tanzania'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.

AFIC's Director Michael Mrosso says: "We see a lot of potential in this joint venture and are happy to be working together with leading impact investor MTI to pioneer mechanized rice bran processing in the Kahama region of Tanzania. Due to our long experience in trading agro products, we have the necessary industry expertise to grow a business in the agro-processing industry and tap the potential that this industry holds. Our and MTI's shared ambition is to rapidly scale operations and establish Tanswed as an industry leader."

Speaking about the investment, MTI Investment's CEO Pontus Engström said, "We are delighted to have entered this joint venture with AFIC, who is a leader in trading agro products in the region. MTI is through the investment in Tanswed contributing to alleviating the lack of modern machinery in the agricultural sector in Tanzania. We are proud to continue doing investments that are likely to generate substantial financial returns while also creating a positive social and environmental impact."



For additional information

Pontus Engström, CEO, MTI Investment SE

pontus.engstrom@mti-investment.com

+46 70 716 55 38

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