

Annual report 2020

Board of Directors report

Annual accounts and group accounts

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- Balance sheet**
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- Notes**

Auditors' report

Board of directors' report 2020

The nature of the business and where it is operated

MTI Investment SE holds investments in other companies mainly located in Tanzania in East Africa as well as perform consultancy services in the Nordic. In Tanzania both service and products are offered by the subsidiaries of the Group. The company's head office is located in Kristiansand, however managed from Stockholm.

During 2020 it was decided to transform the company into a Public Limited Company at first and then further to a European Company. This was executed as part of the process of being listed on Stockholm Stock Exchange in 2021. Due to this process, the company will move headquarter to Sweden and Stockholm during 2021.

A going concern

In accordance with the section 3-3 of the Accountancy Act, we confirm that MTI Investment SE meets the requirements for continuation as a going concern. This is based on the financial outlook in the subsidiaries as well as the development in Q1 2020.

Financial performance and future prospects

Group turnover in 2020 was MNOK 3,1, compared with a turnover of MNOK 5.9 last year, a reduction of 47%, mainly due to the impact of Covid-19. The annual profit before tax was deficit of MNOK 8,7 against a deficit of MNOK 12,9 last year. Total cash flow from operating activities in the Group was negative with MNOK 7,8, whereas operating profit was negative with MNOK 7,0. Equity is MNOK 17,0 and constitutes 69% of the company's total capital. The liquidity position is satisfactory. Total proceeds from capital contribution in cash was MNOK 10,3 compared to MNOK 5,2 last year.

In comparison, the parent company has a net loss of MNOK 8,2 and an equity of MNOK 26,7, an equity ratio of 97,5%. The parent company manages investments in subsidiaries, fundraising, future expansion and intercompany loans. Turnover is MNOK 0,3 and there are two employees in the parent company.

The Group's activities are characterized by intensive follow-up on subsidiaries and activities abroad. The Board of Directors is satisfied with the Group's total profits and results in 2020, although covid-19 has made a significant impact on the business. We refer to note 13 and impairment of 5,1 MNOK in 2020 related to Atsoko Tanzania Ltd. (2,1 MNOK) and MTI Investment Ltd. (3 MNOK). Impairment in Atsoko is recognized based on an ongoing restructuring of the company, whereas the impairment in MTI Investment Ltd. is recognized based on impairment of a loan against Chobo Investment Ltd.

The Group will continue to work on maintaining turnover, increasing profitability and secure a basis for continued growth and development. East Africa is a developing region where a significant increase in population and as such growth is expected in the following decade. As such, the Group anticipate that the significant investments made in the region will contribute to increased EBITDA and profits the next years to come.

As of December 31, 2020, African Construction AS owns 45,4% of Ecohomes Company Ltd. During April 2021, debt was converted to equity resulting in an equity share of 64%. As a result, Ecohomes Company Ltd. is a subsidiary as of April 2021. We refer to Note 3 in the Financial Statements for further information about the 2020 results and equity in Ecohomes Company Ltd.

Working environment

As per our opinion, the working environment and the general well-being in the workplace in the Group are good. No injuries or serious accidents have been reported during the year. Sickness absence is limited in the parent company, as sickness absence was 1% and 4 days in 2020.

Gender equality and discrimination

The board consists of two men and one woman, and employees of the parent company are 50% men and 50% women. Based on the Group's industry, the Board believes that the law and gender equality are taken care of in the best possible way. Therefore, no basis has been found for executing specific actions in this regard.

The company maintains a conscious attitude that employees should not be discriminated because of gender in terms of recruitment, training, delegation of responsibility and remuneration. In the Board of Directors opinion, no differences are made between employees in hiring-processes based on ethnicity, national origin, lineage, skin colour, language, religion or beliefs.

External environment

Management is not aware of any pollution of the external environment in addition to what is normal in the industry, based on the company's and group activities.

Research and development

No particular research and development activities have been carried out during the year in the Group

Financial risk

The Group is engaged in providing services and products in East Africa and will thus be influenced by the overall development in the region, both in terms of post covid-19 recovery, expectations on price, quality and trends. The Group is exposed to ordinary financial risk associated with this type of activities.

Financial statements

In the Board of Directors opinion, the annual accounts represent a fair view of the company's and the Group's assets and liabilities, financial position and profit and loss. The Board of Directors considers uncertainty regarding the company's recognised profit and financial position to be low.

Kristiansand, May 18, 2021

Trond Randøy
Chairman

Pontus Engsrøm
CEO

Bo Christer Wizelius Käck
Board member

Malene Randøy Ødegaard
Board member

Group Financial Statements

2020

Income statement

PARENT COMPANY			GROUP		
2019	2020	NOTE	REVENUES AND OPERATING EXPENSES	2020	2019
525 391	325 880	10	Sales revenue	3 061 384	5 975 503
<u>525 391</u>	<u>325 880</u>		Total revenues	<u>3 061 384</u>	<u>5 975 503</u>
0	(5 525)		Cost of goods sold	(1 012 850)	(1 992 625)
(1 607 604)	(2 230 459)	5	Payroll expenses	(3 429 837)	(3 229 540)
0	0	6	Depreciations	(3 304 641)	(2 211 518)
(1 163 765)	(844 717)	5	Other operating expenses	(2 331 514)	(4 299 323)
<u>(2 771 369)</u>	<u>(3 080 701)</u>		Total operating expenses	<u>(10 078 842)</u>	<u>(11 733 006)</u>
<u>(2 245 978)</u>	<u>(2 754 821)</u>		Operating result	<u>(7 017 458)</u>	<u>(5 757 503)</u>
FINANCIAL INCOME AND EXPENSES					
0	0	13	Interest income	5 134 811	3 690 997
398 328	(134 847)	13	Interests from group companies	0	0
59 401	472 357	13	Other financial income	881 270	697 045
(8 020 546)	(5 759 508)	13	Write-down on other financial assets	(5 762 432)	(9 746 225)
0	0	13	Interest expenses	(284 958)	(252 088)
0	0	13	Cost related to group companies	(1 268 342)	(637 816)
(8 577)	(14 200)	13	Other financial expenses	(370 371)	(278 894)
<u>(7 571 394)</u>	<u>(5 436 198)</u>		Net financial items	<u>(1 670 022)</u>	<u>(6 526 981)</u>
<u>(9 817 372)</u>	<u>(8 191 019)</u>		Ordinary result before tax	<u>(8 687 480)</u>	<u>(12 284 484)</u>
(51 824)	0	9	Tax expense	(13 694)	(606 241)
<u>(9 765 548)</u>	<u>(8 191 019)</u>		NET LOSS FOR THE YEAR	<u>(8 701 174)</u>	<u>(12 890 725)</u>
Minority share of net loss					
				(860 326)	(1 270 954)
Majority share of net loss					
				(7 840 848)	(11 619 771)
ALLOCATED AS FOLLOWS					
<u>(9 765 548)</u>	<u>(8 191 019)</u>		Increase in accumulated losses	<u>(8 701 174)</u>	<u>(12 890 725)</u>
<u>(9 765 548)</u>	<u>(8 191 019)</u>		Total allocation	<u>(8 701 174)</u>	<u>(12 890 725)</u>

Group Financial Statements

2020

Balance sheet

PARENT COMPANY				GROUP	
31.12.2019	31.12.2020	NOTE	ASSETS	31.12.2020	31.12.2019
			Fixed assets		
			Intangible assets		
0	0	6	Goodwill	6 851 268	9 013 544
<u>0</u>	<u>0</u>		Total intangible assets	<u>6 851 268</u>	<u>9 013 544</u>
		6	Tangible assets		
0	0	6	Property plant and equipment	1 269 170	1 322 012
<u>0</u>	<u>0</u>		Total tangible assets	<u>1 269 170</u>	<u>1 322 012</u>
			Financial assets		
10 261 873	8 380 303	3	Investments in subsidiaries	0	0
0	0	3	Investments in associated companies	4 254 318	5 323 734
1 359 256	871 966	12	Investments in shares and units	910 490	1 399 227
11 113 354	13 453 378	4, 13	Loans to group companies	0	0
0	0	4	Loans to associated companies	4 320 571	0
0	0		Loans and advances	28 800	37 182
<u>22 734 483</u>	<u>22 705 647</u>		Total financial assets	<u>9 514 179</u>	<u>6 760 143</u>
<u>22 734 483</u>	<u>22 705 647</u>		Total fixed assets	<u>17 634 617</u>	<u>17 095 699</u>
			Current assets		
0	0	11	Inventories	704 991	1 072 583
			Receivables		
130 750	48 607		Trade receivables	489 118	532 668
<u>198 462</u>	<u>202 073</u>		Other receivables	<u>438 515</u>	<u>848 050</u>
<u>329 212</u>	<u>250 680</u>		Total receivables	<u>927 633</u>	<u>1 380 718</u>
2 018 489	4 420 047	7	Cash and cash equivalents	5 522 975	3 194 794
<u>2 347 701</u>	<u>4 670 727</u>		Total current assets	<u>7 155 599</u>	<u>5 648 095</u>
<u>25 082 184</u>	<u>27 376 374</u>		TOTAL ASSETS	<u>24 790 216</u>	<u>22 743 794</u>

Group Financial Statements

2020

Balance sheet

PARENT COMPANY				GROUP	
31.12.2019	31.12.2020	NOTE	EQUITY AND LIABILITIES	31.12.2020	31.12.2019
			Equity		
			Paid-in capital		
4 744 200	5 509 800	1, 2	Share capital	5 509 800	4 744 201
0	1 087 200	2	Share capital paid-in not yet registered	1 087 200	0
29 500 159	37 902 536	2	Share premium reserve	37 902 536	29 500 159
<u>34 244 359</u>	<u>44 499 536</u>		Total paid-in capital	<u>44 499 536</u>	<u>34 244 360</u>
			Retained earnings		
(9 626 319)	(17 817 338)	2	Other equity	(29 733 026)	(21 977 282)
<u>(9 626 319)</u>	<u>(17 817 338)</u>		Total retained earnings	<u>(29 733 026)</u>	<u>(21 977 282)</u>
0	0	2	Minority interests	2 254 762	2 808 094
<u>24 618 040</u>	<u>26 682 198</u>		Total equity	<u>17 021 272</u>	<u>15 075 172</u>
			Liabilities		
			Provisions		
101 977	0	5	Pension liabilities	0	101 977
<u>101 977</u>	<u>0</u>		Total provisions	<u>0</u>	<u>101 977</u>
			Other long term liabilities		
0	0	13	Other long term liabilities	2 793 924	2 108 077
<u>0</u>	<u>0</u>		Total long term liabilities	<u>2 793 924</u>	<u>2 108 077</u>
			Current liabilities		
119 926	54 781		Trade creditors	2 728 370	2 969 450
86 476	33 886		Public duties payable	33 886	671 988
0	0	9	Tax payables	576 466	8 128
0	0		Other short term group liabilities	0	0
155 765	605 509		Other short-term liabilities	1 636 298	1 809 002
<u>362 167</u>	<u>694 176</u>		Total short term liabilities	<u>4 975 020</u>	<u>5 458 568</u>
<u>464 144</u>	<u>694 176</u>		Total liabilities	<u>7 768 944</u>	<u>7 668 622</u>
<u>25 082 184</u>	<u>27 376 374</u>		TOTAL EQUITY AND LIABILITIES	<u>24 790 216</u>	<u>22 743 794</u>

Kristiansand, May 18, 2021

Trond Randøy
Chairman

Pontus Engstrøm
CEO

Bo Christer Wizelius Käck
Board member

Malene Randøy Ødegaard
Board member

Cash flow statement 2 020

PARENT COMPANY			GROUP	
2 019	2 020		2 020	2 019
		Cash flow from operating activities		
(9 817 372)	(8 191 019)	Profit/(loss) before tax	(8 687 480)	(12 284 484)
0	0	Taxes paid	8 128	0
8 020 546	5 124 643	Impairment of subsidiaries and loans	0	0
0	634 865	Impairment of shares in other companies	634 865	0
97 977	0	Changes in pension scheme liabilities	(101 977)	97 977
0	0	Changes inventories	367 592	0
(116 000)	82 143	Changes in trade receivables	(3 429 837)	(116 000)
(37 751)	(65 145)	6 Changes in trade creditors	(241 080)	(37 751)
36 838	(3 611)	Changes in other receivables	(2 331 514)	0
18 399	449 744	Changes in other short term debt	(172 704)	0
0	0	Changes in other long term debt	685 847	0
51 376	(52 590)	Changes in public duties payable	(638 102)	0
(418 419)	(3 126 620)	Changes in other current balance sheet items	6 126 841	9 324 737
(2 164 406)	(5 147 590)	Net cash flow from operating activities	(7 779 421)	(3 015 521)
		Cash flow from investing activities		
(328 556)	(218 429)	Investment in subsidiaries	0	0
(175 671)	(147 575)	Investment in shares in other companies	(147 575)	(175 671)
(504 227)	(366 004)	Net cash flow from investing activities	(147 575)	(175 671)
		Cash flow from financing activities		
(1 357 970)	(2 340 024)	Issuance of new loans to subsidiaries	0	0
5 148 000	10 255 176	Proceeds from capital contributions in cash	10 255 176	5 148 000
3 790 030	7 915 152	Net cash flow from financing activities	10 255 176	5 148 000
1 121 397	2 401 558	Net change in cash and cash equivalents	2 328 180	1 956 808
897 092	2 018 489	Cash and cash equivalents at 01.01	3 194 794	1 237 985
2 018 489	4 420 047	Cash and cash equivalents at 31.12	5 522 975	3 194 794

MTI Investment SE – Group Accounts

Accounting principles 31.12.2020

Note 1 Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Basis for consolidation

The Group's consolidated financial statements comprise MTI Investment SE and companies in which MTI Investment SE has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

An associated company is an entity in which the Group has a significant influence but does not exercise control the management of its finances and operations (normally when the Group owns 20%-50% of the company). The consolidated financial statements include the Group's share of the profits/losses from the associated companies, accounted for using the equity method, from the date when a significant influence is achieved and until the date when such influence ceases.

When the Group's share of a loss exceeds the Group's investment in the associated companies, the amount carried in the Group's balance sheet is reduced to zero and further losses are not recognised unless the Group has an obligation to cover any such loss.

The following subsidiaries are included in the consolidated accounts:

- MTI Investment Ltd.
- Atsoko International AB
- Zanrec AB
- African Construction AS
- East African Food AB
- Visionry AB
- Atsoko Tanzania Ltd (subsidiary of Atsoko International AB)
- Zanrec Plastics Company Ltd. (subsidiary of Zanrec AB)

The following associated companies are included in the consolidated accounts:

- Ecohomes Company Ltd (associated company of subsidiary African Construction AS)
- Shambani Milk Ltd. (associated company of subsidiary East African Food AB)

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway

MTI Investment SE – Group Accounts

Accounting principles 31.12.2020

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Consolidation and foreign currency transactions are translated using the following exchange rates:

31.12.20: SEK/NOK: 104,35	31.12.19: SEK/NOK: 94,3333	31.12.18: SEK/NOK: 96,6909
31.12.20: TZS'000/NOK: 3,67773	31.12.19: TZS'000/NOK: 3,81588	31.12.18: TZS'000/NOK: 3,77362
Average 2020: SEK/NOK: 102,26	Average 2019: SEK/NOK: 93,06	
Average 2020: TZS'000/NOK: 4,1	Average 2019: TZS'000/NOK: 3,8	

Revenue recognition

Revenues from the sale of goods or services are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Balance sheet classification

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Subsidiaries and investment in associated companies

Subsidiaries and investments in associated companies are valued at cost in the parent company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered

MTI Investment SE – Group Accounts

Accounting principles 31.12.2020

temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Property, plant and equipment

Property, plant and equipment is capitalised and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greatest of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted are used.

Inventories

Inventories are recognised at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

Trade receivable and other receivables

Trade receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Short term investments

Short term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other financial income.

Pensions

The parent company has a defined contribution scheme, which is expensed in accordance with premium payments. Future pension contributions depend on number of years in participation, salaries and return on capital.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

MTI Investment SE - Group Accounts

Notes to the accounts for 2020

NOTE 1 SHARE CAPITAL AND SHAREHOLDER INFORMATION

PARENT COMPANY

Share capital:

	Number of shares	Face value	Book value
Regular shares	18 366	300 NOK	5 509 800

Main shareholders per 31.12:

Sørlandsforskning AS, 1)	4 367	23,78 %
Stiftelsen H&M Foundation	2 400	13,07 %
ADB Invest AB	1 200	6,53 %
Pontus Engström	1 052	5,73 %
Egahult Invest AB	550	2,99 %
Sofia Lindeborg	500	2,72 %
Heracleum AB	500	2,72 %
Christer Käck AB	370	2,01 %
Gunnar Isaksson	342	1,86 %
Lunde Holding Invest AS	330	1,80 %
Øyvind Randøy	290	1,58 %
BJO Invest AS	280	1,52 %
Vallenus AS	280	1,52 %
Hennig-Olsen Holding AS	277	1,51 %
AB Argonova	250	1,36 %
Rylanderska Stiftelsen	234	1,27 %
Scenario Invest AS	200	1,09 %
POHO AS	200	1,09 %
Levi Geir Eidhamar	200	1,09 %
Lars Orest	150	0,82 %
Total	4 953	76,06 %
Other (less than 5% ownership)	4 394	23,92 %
Total number of shares	18 366	100,00 %

1) The Chairman of MTI Investment AS is the sole owner of Sørlandsforskning AS.

NOTE 2 EQUITY

PARENT COMPANY

	Share Capital	Share Premium	Other paid-in capital	Other Equity	Total Equity
Equity 01.01.	4744200	29 500 160	-	-9 626 318	24 618 042
Loss for the year	0	-	-	-8 191 019	-8 191 019
Cash contribution no. 1 2020	765600	8 402 376	-	-	9 167 976
Not-registered cash contribution 2020	0	-	1 087 200	-	1 087 200
Equity 31.12.	5 509 800	37 902 536	1 087 200	-17 817 337	26 682 199

GROUP

	Share Capital	Share Premium	Other paid-in capital	Other Equity	Minority interests	Total Equity Sum
Equity 01.01.	4 744 200	29 500 159	-	-21 977 282	2 808 094	15 075 171
Loss for the year	-	-	-	-7 840 848	-860 326	-8 701 174
Cash contribution no. 1 2020	765 600	8 402 376	-	-	-	9 167 976
Not-registered cash contribution 2020	-	0	1 087 200	-	-	1 087 200
Translation differences	-	-	-	85 104	306 994	392 098
Equity 31.12.	5 509 800	37 902 535	1 087 200	-29 733 026	2 254 762	17 021 271

MTI Investment SE - Group Accounts

Notes to the accounts for 2020

NOTE 3 INVESTMENT IN SUBSIDIARIES AND ASSOCIATED COMPANIES

PARENT COMPANY

Subsidiaries:

Company	Location	Acquisition year	Share owners	Sales		Equity 31.12	EBITDA	Total assets	Book value 31.12
				revenues	Net profit 2020				
MTI Investment LTD	Tanzania	2014	99 %	0	292 487	249 224	37 700	449 635	1
Atsoko International AB	Sweden	2015	67 %	0	-2 341 327	2 750 492	42 940	6 455 989	2 806 235
Zanrec AB	Sweden	2015	70 %	0	-302 076	4 497 847	112 183	7 267 439	5 371 733
African Construction AS (1)	Norway	2016	100 %	0	-150 244	-189 230	38 674	9 024 979	30 000
East African Food AB (2)	Sweden	2017	100 %	0	-44 286	59 186	1 958	2 148 244	120 437
Visionry AB (3)	Sweden	2020	100 %	0	-7 866	44 148	7 866	50 409	51 896
Total									8 380 302
Atsoko Tanzania Ltd (4)	Tanzania	2015	99 %	1 212 673	-803 211	-814 146	1 137 160	2 045 899	6 399 701
Zanrec Plastics Company Ltd. (5)	Tanzania	2015	100 %	1 522 830	-522 307	-65 008	659 440	620 827	6 544 541
Total									12 944 242

Associated companies:

Company	Location	Acquisition year	Share owners	Sales		Equity 31.12	EBITDA	Total assets
				revenues	Net profit 2020			
Ecohomes Company Ltd. (1)	Tanzania	2017	45,4 %	12 552 015	-2 759 776	-151 905	-1 004 040	7 188 668
Shambani Milk Ltd. (2)	Tanzania	2017	20 %	6 058 816	-686 212	3 742 271	-218 030	5 132 857

(1) African Construction AS owns 45,4% of Ecohomes Company Ltd. During April 2021, debt was converted to equity resulting in an equity share of 64%. As a result, Ecohomes Company Ltd. is a subsidiary as of April 2021.

(2) East African Food AB owns 20% of Shambani Milk

(3) The figures for Visionry AB is for the period 26.09.2019-31.12.2020 as the company was established in 2019.

(4) Subsidiary of Atsoko International AB and book value included in the Financial Statements of Atsoko International AB

(5) Subsidiary of Zanrec AB and book value included in the Financial Statements of Zanrec AB

NOTE 4 RECEIVABLES / LIABILITIES GROUP COMPANIES

PARENT COMPANY

2019	2020	Long-term loans to subsidiaries:	GROUP	
			2020	2019
3 299 782	0	Loan to MTI Investment LTD (1)	0	0
4 181 331	9 214 210	Loan to African Construction AS (2)	0	0
1 714 920	2 114 997	Loan to Atsoko International AB (3)	0	0
1 917 321	2 124 171	Loan to East African Food AB (4)	0	0
0	0	Loan to associated company Ecohomes Company Ltd. (5)	4 320 571	0
11 113 354	13 453 378	Total	4 320 571	0

(1) Loan converted to shares in 2020 and then depreciated to zero.

(2) The loan is not calculated with interest. No guarantees or pledges have been issued on the loan.

(3) The loan is calculated with interest 5%. No guarantees or pledges have been issued on the loan.

(4) The loan is calculated with interest 2%. No guarantees or pledges have been issued on the loan.

(5) The loan is calculated with interest 10%. No guarantees or pledges have been issued on the loan.

MTI Investment SE - Group Accounts

Notes to the accounts for 2020

NOTE 5 PERSONNEL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATION, AUDITOR'S FEE

PARENT COMPANY			GROUP	
2019	2020		2020	2019
1 219 039	1 536 568	Wages	2 735 945	2 840 974
47 071	-8 319	Social security costs	-8 319	47 071
97 977	114 034	Pension expenses	114 034	97 977
762	1 734	Other personnel related expenses	1 734	762
242 756	586 443	Social security costs paid in Sweden	586 443	242 756
1 607 605	2 230 460	Total	3 429 837	3 229 540
2	2	Total labour years	29	29

In addition, labour years in Ecohomes Company Ltd. was 14 and Shambani Milk Ltd 21 in 2020. Ecohomes Company Ltd. is a subsidiary from April 2021 onwards.

The company is required to have an occupational pension program in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of that law.

<i>Management remuneration</i>	<i>CEO</i>	<i>Board of Directors</i>
Salary	692 142	-
Pension expenses individual agreement	82 776	-
Other remuneration	-	-

CEO has an agreement regarding severance pay equal to 12 months based on an average of his monthly salary the past 6 months. In addition his pension scheme is based on 10% of his gross salary. As per 31.12, the CEO is entitled to receive a bonus payment related to 2020 of 204 738 NOK.

Fees to auditors (excl. VAT):

PARENT COMPANY			GROUP	
2019	2020		2020	2019
60 500	48 500	Audit fee	134 129	133 192
18 600	16 500	Fees for non-audit services	54 005	42 424
34 300	67 800	Other confirmations		

MTI Investment SE - Group Accounts

Notes to the accounts for 2020

NOTE 6 INTANGIBLE AND TANGIBLE ASSETS

GOODWILL

GROUP

	Acquisition of International AB	Acquisition of Zanrec AB	Total
Acquisition cost 01.01	7 213 847	6 609 549	13 823 396
Addition			-
Disposal			-
Acquisition cost 31.12	7 213 847	6 609 549	13 823 396
Accumulated depreciations	-4 328 308	-2 643 820	-6 972 128
Book value 31.12	2 885 539	3 965 729	6 851 268
Depreciations	1 442 769	1 321 910	2 764 679
Useful life	5 years	5 years	
Depreciation plan	Straight line	Straight line	

PROPERTY, PLANT AND EQUIPMENT

GROUP

	Property plant and equipment
Acquisition cost 01.01	2 104 500
Addition	458 572
Disposal	-97 864
Acquisition cost 31.12	2 465 208
Accumulated depreciations	-1 196 038
Book value 31.12	1 269 170
Depreciations	539 962
Useful life	3-10 years
Depreciation plan	Straight line

NOTE 7 RESTRICTED BANK DEPOSITS

PARENT COMPANY

There are no restricted bank deposits related to employees' taxes withheld in Norway as salary is paid out in Sweden.

NOTE 8 MORTGAGES AND GUARANTEES

PARENT COMPANY

2019		2020		GROUP	
2019	2020	2020	2019		
141 500	156 830	156 830	141 500	Guarantee commitments offered to Zanrec AB (Almi)	
0	0	2 927 490	2 641 330	Guarantee commitments offered to Zanrec Plastics Company Ltd **)	
1 320 340	0	0	1 320 340	Guar. comm. offered to Ecohomes (CSK Research Sol Ltd)	
1 277 750	1 038 680	1 038 680	1 277 750	Guar. comm. offered to Stichting DOB Equity *)	
2 739 590	1 195 510	4 123 000	5 380 920	Total guarantee commitments	

The guarantee commitments above are converted to NOK as per 31.12. exchange rates.

*) As part of Stichting DOB Equity becoming a shareholder in Zanrec AB during the spring of 2019, MTI Investment AS has offered a guarantee commitment of maximum USD 125,000.

***) Zanrec International AB has issued a guarantee of 2,8 MSEK related to its subsidiary Zanrec Plastics Company Ltd.

MTI Investment SE - Group Accounts

Notes to the accounts for 2020

NOTE 9 INCOME TAX

PARENT COMPANY		GROUP	
2019	2020	2020	2019
Income tax expenses			
-51 824	0	13 694	606 241
-51 824	0	13 694	606 241
Tax base estimation			
-9 817 372	-8 191 020	-8 687 480	-12 284 484
0	3 476	0	0
8 020 546	5 759 508	0	0
-10 853	411 267	0	0
-1 807 679	-2 016 769	-8 687 480	-12 284 484
Temporary differences outlined			
815 836	409 568	0	0
0	-4 999	0	0
815 836	404 569	0	0
-2 605 002	-3 024 643	0	0
-2 377 100	-4 393 869	17 015 575	15 624 472
-4 166 266	-7 013 943	17 015 575	15 624 472
4 166 266	7 013 943	-17 015 575	-15 624 472
-	-	-	-

Deferred tax asset is not recorded in the balance sheet due to uncertainty related to utilization.

NOTE 10 GOVERNMENT GRANTS

GROUP

In 2020, the company has received 190 441 NOK in compensation from Swedish Authorities (Tillväxtverket) due to the Covid-19 virus. The government grants is recorded as sales revenue.

NOTE 11 INVENTORY OF MERCHANDISE

PARENT COMPANY		GROUP	
2019	2020	2020	2019
0	0	671 083	1 065 115
0	0	33 909	7 468
	Total	704 991	1 072 583

*) Inventory owned by a third party represents merchandise for sale that belongs to another company for which Atsoko Tanzania Limited only earns a margin above the price asked by the third party.

MTI Investment SE - Group Accounts

Notes to the accounts for 2020

NOTE 12 INVESTMENT IN SHARES AND UNITS

PARENT COMPANY

	Share owners	Equity 31.12	Net profit 2020	Book value 31.12
Fintech Africa AB	1,4 %	907 908	-162 947	23 659
Taskrunner AB	5,4 %	-1 101 523	-3 550 722	848 307
Total				871 966

On May 10, 2021, the ownership in Taskrunner AB has been changed to an indirect ownership in Techbuddy International Holding AB through an ownership in Techbuddy SPV II AB. The change was a result of a share exchange agreement.

NOTE 13 FINANCIAL INCOME AND FINANCIAL COSTS

PARENT COMPANY

PARENT COMPANY		GROUP	
2019	2020	2020	2019
<i>Financial income:</i>			
398 328	-108 319	0	0
4 066	445 370	0	0
		881 270	697 045
55 335	460	5 134 811	3 690 997
457 729	337 511	6 016 081	4 388 042
<i>Financial expenses - impairments:</i>			
-5 055 002	-5 124 643	0	0
-2 965 544	0	-5 127 567	-9 746 225
0	-634 865	-634 865	0
-8 020 546	-5 759 508	-5 762 432	-9 746 225
<i>Other financial expenses:</i>			
-6 969	-13 616	0	0
0	0	-1 268 342	-637 816
-1 608	-584	-655 329	-530 982
-8 577	-14 200	-1 923 671	-1 168 798
-7 571 394	-5 436 197	-1 670 022	-6 526 981

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Trond Randøy

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Pontus Engström

Daglig leder

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