



PRESS RELEASE, 26 November, 2021

The board of directors of MTI Investment SE announces intended listing on Nasdaq First North Growth Market and a new issue in connection with the listing

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The board of directors of MTI Investment SE (“MTI Investment” or the “Company”) today publishes the company description, terms and conditions and announces its intention to list the Company’s shares and warrants of series TO1 on Nasdaq First North Growth Market (“Nasdaq First North”). In connection with the listing, the Company will carry out a unit issue of approximately SEK 22.1 million before issue costs, where each unit consists of three new shares and two warrants of series TO1 issued free of charge (the “Offering”). In order to cover a possible over-allotment in connection with the Offering, MTI Investment has undertaken to offer up to 82,500 additional units, corresponding to 15 percent of the total number of units in the Offering (the “Green Shoe Option”). In the event that the Green Shoe Option is fully exercised, MTI Investment will be provided with an additional approximately SEK 3.3 million.

Handelsbanken Fonder (Emerging Markets) and Stiftelsen H&M Foundation, together with the board of directors, the CEO, existing shareholders and external investors, have undertaken to acquire units in the Offering for a total of approximately SEK 17.7 million, corresponding to approximately 80 percent of the number of units in the Offering.

Complete terms for the Offering are available in the company description and in the terms and conditions that are available on the Company’s website, www.mti-investment.com.

Nasdaq Stockholm AB has approved MTI Investment’s application for admission to trading of shares and warrants on Nasdaq First North, provided that the Company meets the conditions in Nasdaq First North’s rulebook, such as the distribution requirements, no later than the first day of trading which is expected to be 31 December 2021.

MTI Investment is a Nordic investment and venture building company with the vision of being long-term and active shareholders in small- and medium-sized companies in expansive Tanzania. The Company was founded in 2014 by Professor Trond Randøy, Ph.D. Pontus Engström and Ph.D. Neema Mori.



The Offering in brief

- The Offering consists of a new issue of a maximum of 550,000 units, where each unit contains three shares and two warrants of series TO1 issued free of charge, which will be directed towards institutional investors and the general public in Sweden. The Offering, before exercise of the warrants, consists of a total issue volume of SEK 22.1 million before issue costs.
- In order to cover a possible over-allotment in connection with the Offering, MTI Investment has undertaken to offer up to 82,500 additional units, corresponding to 15 percent of the total number of units in the Offering. In the event that the Green Shoe Option is fully exercised, MTI Investment will be provided with an additional approximately SEK 3.3 million.
- The subscription price in the Offering is SEK 40.20 per unit, which corresponds to SEK 13.40 per share as the warrants are issued free of charge. This corresponds to a pre-money valuation of the Company of approximately SEK 50.0 million. The subscription period for the Offering runs from 29 November to 13 December 2021.
- Subscription commitments of SEK 17.7 million, corresponding to 80 percent of the Offering, have been submitted from Handelsbanken Fonder (Emerging Markets), Stiftelsen H&M Foundation, the Company's Board of Directors, the CEO, existing shareholders as well as Mangold Fondkommission and a number of external investors.
- One warrant of series TO1 gives the right to subscribe for one new share in MTI Investment at a variable subscription price corresponding to 70 percent of the volume-weighted average price of the Company's share during the period from 10 February to 23 February 2023. However, the subscription price can at minimum amount to the quota value per share and at maximum amount to SEK 20.10 per share. Subscription of shares in the Company with the support of warrants of series TO1 shall take place during the period from and including 27 February 2023, to and including 10 March 2023. As such, the Company may receive an additional maximum of SEK 22.1 million before issue costs in the event of full exercise of warrants of series TO1. In the event that the warrants in the Green Shoe Option are fully exercised, MTI Investment will be provided up to an additional SEK 3.3 million. Warrants of series TO1 are intended to be admitted to trading on Nasdaq First North, provided that the application is approved.

Background and rationale for the Offering

The planned listing of MTI Investment's shares creates opportunities for continued expansion of the Company and an opportunity for new shareholders to follow the growth journey. The Company has observed great investment opportunities in new companies as well as in MTI Investment's current portfolio companies, and therefore see the possibility of becoming publicly traded as a way to obtain the capital that the portfolio companies need.

The net proceeds from the Offering, amounting to approximately SEK 19.6 million after the issue costs, and the net proceeds from the warrants, amounting to approximately SEK 20.9 million, are intended to finance the following activities in order of priority:

- Investments in current portfolio companies.
- Investments in new companies in East Africa.
- Working capital.



CEO, Pontus Engström comments

"MTI is the result of seven years of work to establish a growing investment company in Tanzania, one of the world's fastest-growing regions. With four branches in the areas of salutary cosmetics, healthy dairy products, home and construction, as well as waste management, we have established the local infrastructure and contacts that provide us with a strong basis for future growth. In this market, there is a great shortage of venture capital, and we work on the basis of a self-developed model with a strong focus on development and support of the existing holdings, the opportunities linked to these holdings, and network building. In a region like this, contacts and trust are an important complement to agreements, and through our investments we have a very close collaboration with local entrepreneurs.

I usually say that when Sweden was at its poorest in the 19th century, aid or microfinance was not how Sweden got on its feet as a strong industrial nation. The successful development that took place was largely the result of two things, better education and urbanization. That created the conditions that enabled large companies to more easily recruit the necessary manpower. In the process, investment companies have had an opportunity to work long-term and have also contributed to synergies and transfer of knowledge between the companies. That is exactly what is happening in Tanzania and East Africa right now. Our ambition is for MTI Investment to be able to grow steadily through active ownership and contribute to a strong entrepreneurial ecosystem in East Africa, where we as long-term shareholders can see strong value creation."

Preliminary timetable

Subscription period: 29 November – 13 December 2021.

Publication of outcome: 15 December 2021.

Settlement date: 17 December 2021.

First day of trading in the Company's share: 21 December 2021.

Application

Application to subscribe for units in the Offering shall be made through:

- Electronic subscription with Bank-ID on Mangold Fondkommission's website, www.mangold.se
- Application form that will be available during the subscription period on MTI Investment's website, www.mti-investment.com and on Mangold Fondkommission's website, www.mangold.se

Stabilization measures

In conjunction with the Offering, Mangold Fondkommission AB will act as stabilizing manager and can carry out transactions to keep the market price of the shares at a level above that which could otherwise prevail in the open market. However, the warrants will in no case be subject to any stabilization measures. Such stabilization transactions may be conducted on Nasdaq First North, on the OTC market or otherwise, at any time during the period beginning on the first day of trading in the Company's shares on Nasdaq First North and ending no later than 30 calendar days thereafter.



The stabilizing manager has no obligation to take any stabilization measures and there is no guarantee that stabilization measures will be taken. Under no circumstances will transactions be carried out at a price higher than that stated in the Offering. The stabilizing manager may exercise the Green Shoe Option and over-allot shares in order to facilitate the execution of stabilization transactions. Furthermore, the stabilization transactions, if commenced, may be terminated at any time without notice and will in any case be terminated no later than by the end of the aforementioned 30-day period. By the end of the seventh trading day following the execution of stabilization transactions, the stabilizing manager shall publish that stabilization transactions have been carried out, in accordance with Article 5 (4) of EU Market Abuse Regulation 596/2014 and Commission Delegated Regulation (EU) 2016/1052. Within one week following the end of the stabilization period, the stabilizing manager will publish whether or not stabilization was performed, the date on which stabilization was initiated, the date on which stabilization was last performed, and the price range within which stabilization was performed for each of the dates on which stabilization transactions were executed.

Advisors

Mangold Fondkommission is the financial advisor and Advokatfirman Schjødt the is legal advisor to the Company in connection with the Offering.

For additional information

Pontus Engström, CEO, MTI Investment SE
pontus.engstrom@mti-investment.com
+46 70 716 55 38

Certified Adviser

Mangold Fondkommission AB is the Company's Certified Adviser and can be reached by phone, 08-5030 1550, and via e-mail: ca@mangold.se

The information was submitted for publication, through the agency of the contact person set out above, on 26 November, 2021, 16:00 CET.

About MTI Investment SE

MTI Investment SE is a Nordic investment and venture building company, founded in 2014 by a team with extensive experience from emerging markets with the aim of investing in East African small and medium-sized enterprises ("SME") 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.



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