

# MTI INVESTMENT SE

## Annual report 2022

Disclaimer: This document is an unofficial machine translation from Swedish to English and has not been subject to a review by the company's auditor



19 MAY 2023





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## SUMMARY FINANCIAL RESULT 2022

### OVERVIEW FINANCIAL RESULTS 2022 - GROUP

- The Group's net sales during the financial year 2022 amounted to 1 778 088 euros (1 380 384 euros).
- EBITDA amounted to -1 319 600 euros (-842 438 euros).
- MTI's associated companies Zanrec and Shambani Milk significantly increased sales during the financial year 2022.
- Ecohomes EBITDA declined due to increased costs for completed projects.
- Net profit/loss for the year 2022 amounted to -947 772 euros (-1 171 241 euros).
- At the end of 2022, equity amounted to 2 162 676 euros (2 543 638 euros).
- Cash and cash equivalents at the end of the period amounted to 707 083 euros (2 320 218 euros).
- The Group's cash flow for the period 2022 amounted to -1 528 162 euros (1 775 736 euros).
- During the fourth quarter of 2022, MTI's total ownership stake in Zanrec decreased to below 50%. Zanrec is therefore consolidated as a subsidiary until the divestment and subsequently according to the equity method.



**Fatma Mohammed**  
Coordinator from Ozeankind ZnZ that is  
collaborating with Zanrec

### OVERVIEW FINANCIAL RESULTS 2022 - PARENT

- The parent company's net sales during the financial year 2022 amounted to 0 euros (12 209 euros).
- EBITDA amounted to -738 743 euros (-668 475 euros).
- Profit for the year in 2022 amounted to -979 475 euros (-895 367 euros).
- At the end of 2022, equity amounted to 2 596 036 euros (3 461 068 euros).
- Cash and cash equivalents at the end of the period amounted to 582 819 euros (2 037 347 euros).
- The parent company's cash flow for the period 2022 amounted to -1 361 417 euros (1 615 196 euros).



**Pontus Engström,**  
CEO, MTI Investment



## SUMMARY **SIGNIFICANT EVENTS 2022**

### SIGNIFICANT EVENTS DURING THE YEAR 2022

- MTI Investment invests 103 TEUR in the sustainable animal feed company Chanzi.
- MTI Investment SE acquires 49 percent of the shares in Techbridge Invest AS.
- MTI sold 12 percent of its ownership in Zanrec AB to Claus Jørgensen for 2 million SEK.
- MTI increased its ownership in fast growing FinTech Africa to 5.23% by subscribing to shares for 45 TEUR in a new issue. The capital will be used to finance the company's continued expansion.
- Zanrec's plastic press business was put into operation with the goal of recycling at least 50 tons of plastic per month.
- MTI's subsidiary Atsoko International AB completed the divestment of Atsoko Tanzania Limited by selling the business to the company's CEO. Atsoko International AB was liquidated after the sale.
- Harry Tuluhungwa was appointed new CEO of EcoHomes and replaced Eric Chonjo.
- MTI launched an accelerator programme in collaboration with the Ester Foundation for female immigrant entrepreneurs who run scalable companies.
- Martin Rex Empacher was appointed new member of the Board of Directors of Zanrec AB and as a member of the MTI advisory board.
- MTI's subsidiary EcoHomes was awarded a contract to build several bank offices.
- MTI invested an additional 389 000 USD in EcoHomes and increased its ownership to 77%.
- Torbjörn Jacobsson was appointed as a new member of EcoHome's Board of Directors.
- Magdalena Johansson and Bengt Svelander were appointed as new Board members in MTI Investment
- Parmena Mkuu was appointed Group Audit and Finance Manager and is stationed in Dar es Salaam.

### SIGNIFICANT EVENTS AFTER THE YEAR 2022

- In April 2023, MTI invested 115 TEUR in a hotel management company in Zanzibar.
- In April 2023, MTI invested 7 TEUR in Tanswed Agro Limited. The company will establish a modern facility for processing rice bran.
- In March 2023, MTI acquired an additional 7.92% of Fintech Africa AB and paid for it by issuing shares.
- MTI signed a letter of intent regarding an investment in a property in central Dar Es Salaam.
- Series TO1 warrants were subscribed for approximately 48 percent and MTI was awarded approximately 1.62 MSEK.
- MTI Investment and Hotel Online launched a sustainable tourism booking site in Zanzibar.



**MTI Investment is shown on Nasdaq's billboard on Times Square in New York City**

## ACTIVITY REPORT



Staff from Ecohomes



## WORDS FROM CEO

### NOW MTI IS IN TANZANIA, KENYA AND UGANDA

*Despite the evolution of EcoHomes, and the unfavourable macro environment, we have successfully expanded MTI to operate in three East African countries and also further diversified portfolio holdings to reduce company specific risks. Although historically a few companies have dominated our portfolio, we are determined to diversify further in 2023, while at the same time putting a stronger focus on generating positive cash flow. Our efforts in this regard are expected to increase the resilience of MTI and position us better for sustainable growth in the future.*

#### MTI INVESTMENT

The inspiration for MTI comes from the history of how the Nordic countries developed. One of my favourite books of all time is Per Anders Fogelström "City of My Dreams" where we follow Henning Nilsson who moves to Stockholm in 1860 from the countryside, in hopes of employment and a better life. The journey we see Henning follow is a similar journey we have seen in Tanzania, but under completely different circumstances, with a more developed world and with a greater impact from new technology. Urbanisation is part of economic development and it creates opportunities. We have seen this growth pattern in many parts of the world. This is essentially how cities are shaped and this has been a recurring move through civilization. Strong urbanisation combined with improved education we saw in Sweden in the mid-19th century, created the necessary ecosystem to later create larger companies, such as SEB, founded in 1856, Ericsson in 1876, Alfa Laval in 1883, Scania in 1891, Electrolux in 1919 etc. A good example is H & M, which was founded in 1947 with a store in Västerås and today has over 4500 stores worldwide. Nine years into our existence, we have eight holdings, in three East African countries.

*East Africa is one of the fastest growing economic regions in the world and is undergoing increased urbanisation with a rapidly increasing youth population.*



#### OUR CORE BUSINESS

##### Ecohomes

EcoHomes, a company in which MTI owns 77%, generated 1.4 million euros (1.4 million euros) in sales in 2022, but it was a challenging year, due to higher than anticipated costs, partly driven by the war in Ukraine, but also due to inadequate cost control. The Board noted significant cost overruns and therefore decided to recruit a new CEO. EcoHomes then hired

Harry Tuluhungwa through a professional recruitment agency, and he began as CEO of EcoHomes on July 1.

Since July, Ecohomes has taken significant steps to address the problems that arose in 2022, and we see that profitability has improved, even if turnover is temporarily declining. With the appointment of a new CEO and the implementation of a more robust control system and reduced costs through the implementation of a savings program, the company is better positioned to avoid costly mistakes in the future. The addition of key employees in MTI Investment, such as Parmena Mkuu and Torbjörn Jacobsson, will contribute to better cost control within EcoHomes.

One of the new approaches EcoHomes has taken is to be a more solution focused company, for example through the manufacture of roofs, where Ecohomes manufactures and assembles thin steel for roof trusses in varying lengths, especially for residential and commercial infrastructure. The benefits here are many. It is faster to set up, more durable, lighter and more environmentally friendly than competing solutions such as wood structures. Margins are also better because Ecohomes is doing more business in the value chain.

##### Zanrec

Zanrec, where MTI owns 49%, continued its strong growth and generated record revenue of 354 000 EUR (265 000 EUR), an increase of 34% compared to last year. However, surprising changes made by the local government in the Northern A district resulted in lower revenue and higher costs than initially expected, resulting in losses for the full year. We have developed an alternative strategy to increase profitability. We are grateful for the help of the Swedish Embassy, which resulted in a meeting between us and the President of Zanzibar, Dr. Hussein Ali Mwinyi, where we expressed our surprise and concern. We will continue discussions with local government to reach a more sustainable solution. At the same time, we are increasing our efforts to achieve profitability through an increased focus on plastic collection.

During the year, MTI also carried out our first successful partial exit, and sold 12 percent of our ownership in Zanrec AB for 2 million kronor (182 530 EUR). This strategic move enabled us to realise part of the investment value while maintaining a significant stake in the company, which we believe will continue to generate positive returns in the future.

## WORD OF **CEO** (försättning)

### **Techbridge**

Techbridge, where MTI owns 49%, is a new portfolio holding and is led by CEO Frøydis D. Archer, who is based in Kampala, Uganda. Techbridge was founded in 2016 by Oyvind Rideng, Tone Faugli and Frøydis D. Archer and is dedicated to supporting promising startups and conducting its accelerator business in Mombasa, Kenya. So far, the incubator has trained more than 800 entrepreneurs, and its commitment to helping these startups successfully launch their business ideas has been recognised at the World Incubation Summit. In fact, Techbridge was named a Top Challenger Business Incubators focusing on Africa at the World Incubation Summit. In 2022, Techbridge had a record year, largely thanks to funding. The team continues to seek additional funding for their business. Techbridge continues to focus on its mission to help entrepreneurs in East Africa flourish, and we are delighted to see its continued success under Frøydis leadership.

### **Shambani Milk**

Shambani Milk, where MTI has an ownership stake of 20%, had its best year ever in 2022 and achieved a record sales of 670 000 EUR, (454 000 EUR), a remarkable growth of 47% compared with the previous year. CEO Victor Mfinanga deserves credit for this impressive achievement, after achieving positive EBITDA and continued strong growth. We are proud to be part of Shambani Milk's success story and look forward to its continued growth.

### **OTHER ASSETS**

Fintech Africa and its subsidiary Mtaji have made significant progress over the past year, prompting MTI Investments to increase its ownership stake in the company by investing an additional 500 000 SEK (46 513 EUR). Mtaji, which provides factoring and invoice reminder services for business to business (B2B) transactions, has seen an increased interest in its services in recent months, partly thanks to an expanded sales team and a growing awareness of the company's services among entrepreneurs in Tanzania. As a result, the company's lending book has grown significantly, with promising prospects for 2023. Mtaji's market strategy, which involves a rigorous credit rating process and a focus on stable growth, has led to very low credit losses. Mtaji's commitment to responsible lending methods and its customer focused approach are key factors in its success. As more and more companies in Africa turn to fintech solutions to meet their financial needs, we are convinced that Mtaji will continue to play an important role by providing innovative and reliable services. We are excited to see what the future has to offer for Mtaji and are proud to support its growth and development.

During the year, we invested in the innovative foodtech company Chanzi together with FINCA International, Inc., Singapore based SEEK Impact and global beverage giant Anheuser Busch InBev (AB InBev). It is worth mentioning that Chanzi was selected as one of only five finalists in the prestigious Growth Stage Impact Ventures (GSIV) programme, supported by the United Nations Development Programme (UNDP).

In addition to our investment in Chanzi, we are proud to have Workpay as a prominent company in our portfolio. This Kenyan HR payroll company is making impressive progress in the African market, after recently getting USD 2.7 million into a pre Series A funding round with support from Arcadian Ventures, Axian and Norrsken. Workpay expansion to 40 countries in Africa is a testament to its commitment to providing innovative and reliable services to companies across the continent.

We work hard to invest and develop companies that have a positive impact in Africa. We believe that our diversified portfolio of investments will perform well in the years ahead, and we are proud to be able to contribute to the economic development of East Africa.



A handwritten signature in black ink, appearing to read 'Pontus Engström'.

Pontus Engström  
CEO of MTI Investment SE

## IN BRIEF ABOUT MTI INVESTMENT SE



### ABOUT THE COMPANY

MTI Investment conducts investment activities in Eastern Africa. MTI Investment was founded in 2014 by Prof. Trond Randøy from Norway, Dr. Pontus Engström from Sweden and Dr. Neema Mori from Tanzania. MTI supports SMEs by being a long term and active partner. The company's journey began in Tanzania, where the first investment was made. Since its inception, MTI has built a network of key stakeholders, such as universities and companies in the region, legal advisors, embassies, local investors and international venture capital companies. The company believes that local connexions and local knowledge are key to success in doing business in East Africa..

*"MTI' means trees in Swahili and symbolises the Company's focus on growth of small and medium sized companies."*

### MISSION AND STRATEGIC GOALS

The business idea is to invest in small and medium sized enterprises ('SME') run by skilled and dedicated entrepreneurs in East Africa. MTI invests in SME that is scalable and has good growth potential to become a leading player in its region. Before investing, the target company must have confirmed its ability to build value in terms of sales, social responsibility and scalability in its business model. The focus of MTI is to support SMEs as they greatly contribute to economic and social development in society. For many SMEs in developing countries, the lack of capital and qualified support is a major growth obstacle. By providing both capital and expertise, MTI helps to create sustainable companies and new job opportunities for the population of the region, which in the long term also contribute to reducing poverty. MTI has access to leading expertise in economics, law, business development and technology, which we make available to our portfolio companies. This results in portfolio companies scale up companies and transfer it to our portfolio companies gaining a competitive advantage over their competitors. Sweden is one of the world's most innovative countries. After Silicon Valley in the United States, Stockholm is the region in the world that has obtained the most unicorns per capita and MTI benefits from the expertise of the Swedish entrepreneurial ecosystem on how to successfully scale up a company and transfer that to our portfolio companies.

### VISION

The company's vision is to become a leading investment company in East Africa, creating growth for small and medium sized companies where they can become leading players in their business. The company's goal is to create social and economic effects, along with an economic return. MTI believes that profitability is key to creating sustainable companies and having a long term impact in society. The company's investment perspective is inspired by the successful investment company Investor AB. Investor AB was founded in 1916 and has since achieved excellent earnings and grown through active ownership that contributed to the development of the holding companies. MTI strives to become a leading Nordic investment and company construction company like Investor AB, which has historically managed to process companies in a value generating way with a long term perspective in its idea, with the distinctive factor that MTI is focusing on the East Africa market.



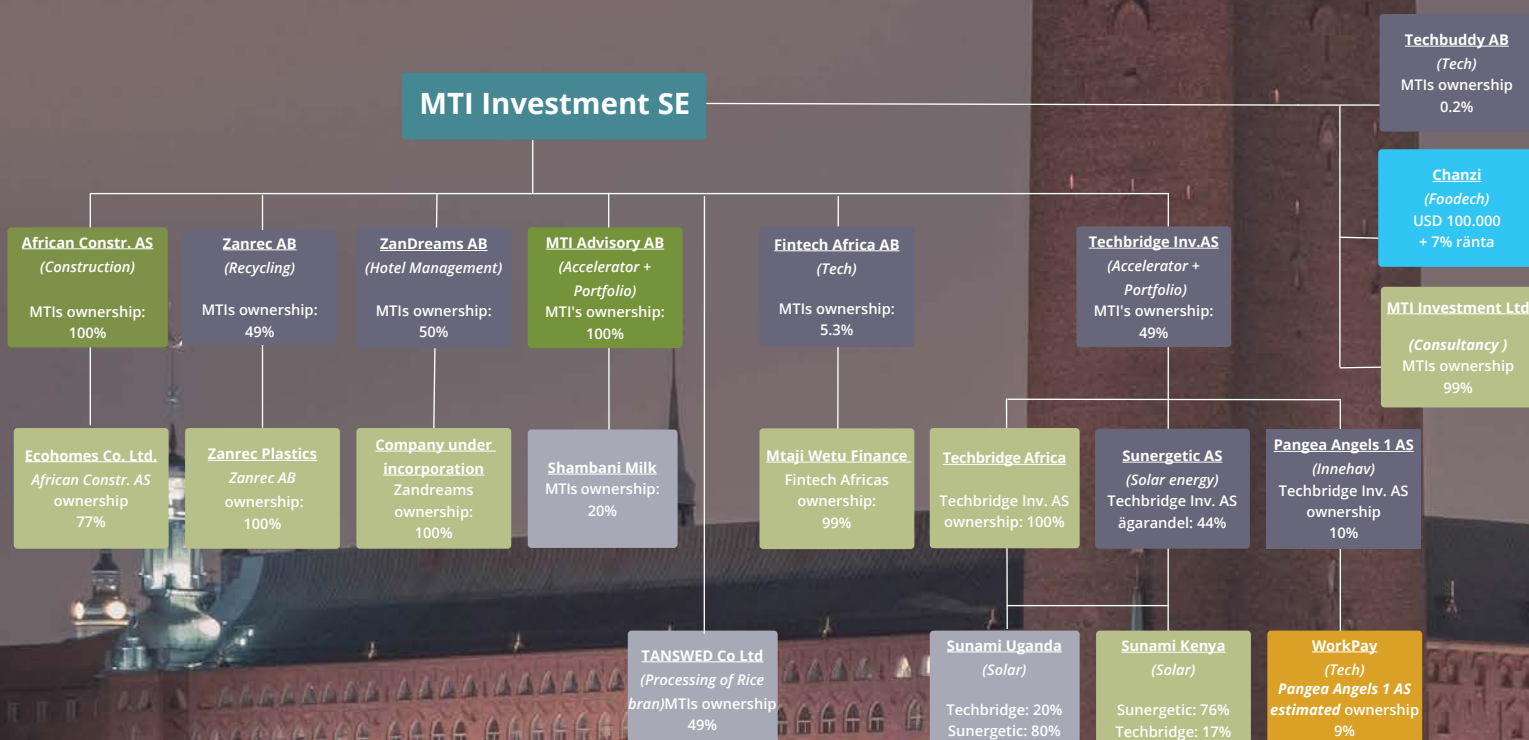
**MTI's co-founders**  
From left: Pontus Engström, Neema Mori and Trond Randøy



## GROUP STRUCTURE 2022

The holding company has its headquarter in Danderyd, Sweden

- Group parent Company
- Nordic company, MTI's ownership > 50%.
- East African Company, ownership > 50%.
- Nordic Company, ownership <= 50%.
- East African Company, MTI's ownership < 50%.
- Convertible debt
- SAFE Note



N.B. TANSWED and Zandreams AB was founded after the turn of the year. During March 2023, MTI increased its ownership stake in Fintech Africa to 13.14% through a share swap.

## OUR STRATEGY

MTI is not limited to any sector but rather conducts investments in companies that have the potential for high growth in the SME segment. These companies have the potential for economies of scale and to develop a strong market position through, for example, a strong brand or distribution capacity. Today, MTI's holdings consist of portfolio companies from different sectors, and the objective of reducing the risk of investments is achieved through a diversified portfolio where the holdings have met the investment requirements of the Company. Over the years, MTI has predominantly made investments through capital investments but has historically also offered loan financing.

MTI's investment philosophy is based on four integrated parts that have evolved over time. The Company's investment philosophy rests on these fundamentals:

### 1. COMPANIES THAT MAINTAIN CONFIDENCE

The first and most important pillar is trust and trust. MTI therefore first needs to get to know the people behind the target company for a long period before making an investment decision. Trust is a form of a social agreement that fills the gap into legal agreements, and MTI sees as a very important part in making investments in the region. Trust takes time to build, and so MTI avoids too quickly jumping on investments, but places great emphasis on getting to know the entrepreneurial team very well..



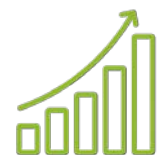
### 2. UNDEVELOPED INDIVIDUALS CAME FROM ENTERPRISES

The second pillar separates the Company's focus to investing in companies run by people with a university education. Research shows that human capital has a major impact on the economic performance of companies and in a context where the macro environment is less favourable and whose informal nature is a rule rather than an exception, a university education is even more important to include in essence. By having a university trained entrepreneur, the target company helps to ensure that MTI's target company works with good business ethics and business processes. MTI believes that a good understanding of leading a company is key to success, especially if people have education in finance, accounting, human resources management, strategy or marketing.



### 3. COMPANIES WITH HIGH GROWTH

In the third pillar, MTI focuses on investments that have the potential to achieve high growth and on companies that have the potential to become leading players. MTI's name means, as mentioned earlier, tree in Swahili and the Company's focus is to grow companies through investment, coaching and at the same time monitor the Company's portfolio companies.



### 4. COMPANIES WHICH RELATE TO THE GLOBAL OBJECTIVES OF THEIR BUSINESS

The last pillar is based on investments in companies that contribute to higher living standards in line with the 17 United Nations Sustainable Development Goals (SDGs). MTI's main goal is to create profit driven companies that can generate new job opportunities for the population that in the long term contribute to poverty reduction. Nevertheless, it is important that the companies in which MTI invests also contribute to a sustainable and prosperous society.





## OUR ACQUISITION PROCESS

### INVESTMENT CRITERIA

- Potential portfolio companies shall meet the following investment criteria in the context of an investment:
- SMEs that are in a market with a potential size of at least 10 million dollars (9.1 million euros), where the target company's services or products are scalable and have the potential to become national or regional leading players.
- SMEs with a projected turnover of at least approximately 1 million dollars (910 000 euros) and with long term growth prospects of at least 15 per cent in annual growth.
- SMEs with operating active partners with long term commitments.
- SMEs with founder/entrepreneur or management who has university education and the necessary skills for an expansion phase.
- SMEs with a proven business model through, for example, scalable revenues.
- The company invests in SMEs connected to MTI's trusted network.
- SMEs supporting higher living standards and adapting to the UN Sustainable Development Goals (SDGs).
- SMEs that are environmentally friendly, safe and practise a high ethical standard.
- SME not involved in the production of tobacco or alcohol, gambling/casino companies, weapons manufacturing, pornography, or fossil fuel extraction.

### THE SCREENING PROCESS SHOULD BE AS FOLLOWS:

1. MTI receives recommendations on new target companies from its network.
2. Initial review of operations in accordance with MTI's investment criteria.
3. MTI reviews the target companies to verify that they meet the Company's key parameter and investment criteria.
4. MTI's management evaluates the target company together with the company's Advisory Board.
5. The selected target companies are contacted and reviewed while the Company paves the way for building trust and trust in the target company
6. The Company commences preliminary due diligence.
7. Investment decisions and documentation were prepared by the Company's CEO and management for a presentation to the MTI Board.
8. The company's CEO and Chairman of the Board participate in the development of a conditional list.
9. The final condition list is approved by the MTI Board.
10. A deeper due diligence is done and the CEO prepares an investment deal
11. Review with MTI's Board of Directors for their final approval.
12. Agreements are written.



*Zanrec organises cleaning days together with the local neighbourhood and with different hotels in Zanzibar*

## SHARES & SHAREHOLDER STRUCTURE

### ACTIVE CAPITAL

#### Number of shares

The share capital of MTI at 31 December 2022 amounted to 1,140,606 euro with 5 703 029 shares outstanding (5 383 600 shares outstanding at 31 December 2021). MTI's average number of shares outstanding for the financial year 2022 is 5 543 314 shares

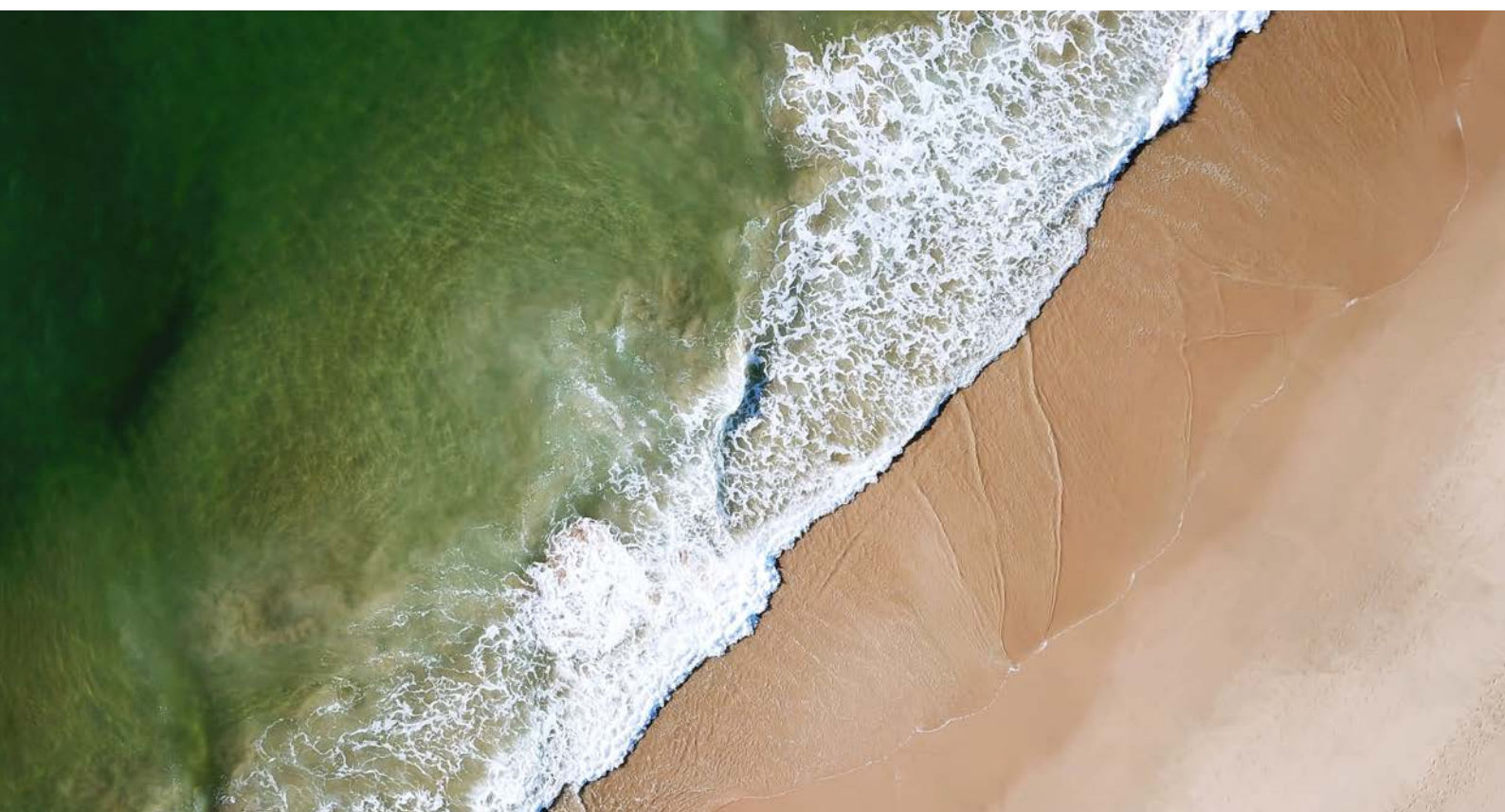
### TOP 10 BIGGEST ACTORS

The table below shows the ten largest owners of MTI Investment SE as of 31 December 2022.

Shareholders	Number of shares	Ownership stake
Sørlandsforskning AS*	880,600	15.4%
Mangold Fondkommission AB	689,366	12.1%
Stiftelsen H&M Foundation	510,000	8.9%
Fetter Anton Invest AB	319,429	5.6%
ADB Invest AB	262,200	4.6%
Handelsbanken EMEA TEMA	250,000	4.4%
Engström, Pontus**	245,217	4.3%
Wallman, Roger	138,038	2.4%
Egahult Invest AB	110,000	1.9%
Heracleum AB	107,200	1.9%
Others	2,190,979	38.5%
<b>Total</b>	<b>5,703,029</b>	<b>100%</b>

\* Sørlandsforskning AS controlled by Trond Randøy, Chairman of the Board of MTI Investment SE

\*\* CEO of MTI Investment SE





## BOARD OF DIRECTORS

The Board is headquartered in Sweden. According to the Articles of Association of MTI Investments, the Board of Directors shall consist of not less than three and not more than ten members, with no deputies. Currently, the Board of Directors of MTI Investment consists of four members, including the Chairman of the Board, and no deputy member. The Board members have been elected until the next Annual General Meeting

**TROND RANDØY, BORN 1962**

*Chairman since 2014.*

**Education:** Trond Randøy has an MBA at the Charles H. Lundquist College of Business, Oregon, USA and a PhD in International Economics at the School of Economics, Bergen, Norway.

**Experience:** Trond Randøy has a strong background in the academic and entrepreneurial world. He is now a professor at Copenhagen Business School and has more than 25 years of experience as a professor at various universities around the world, including the United States, Norway and Australia. Trond is the co founder of several companies in Norway, Sweden and the United States, and still serves as chairman of two of them.

**CHRISTER KÄCK, BORN 1953**

*Board member since 2014*

**Education:** Christer Käck has a bachelor's degree in economics at Stockholm University, Stockholm, Sweden and a diploma education for financial analysts at Stockholm School of Economics, Sweden.

**Experience:** Christer Käck has more than 40 years of experience in the financial industry. Christer has extensive and long experience as an adviser and in board work. In addition to his directorship in MTI Investment SE, Christer serves as board member in Aktie Ansvar, Andra Ap-fonden and the Fund Delegation at Kammarkollegiet. Christer has previously worked as a stock broker and as portfolio manager for PK banken, Götabanken, DNB Asset Management and Skandia Asset Management

**MAGDALENA JOHANSSON, BORN 1969**

*Board member since 2022.*

**Education:** Magdalena Johansson is an MBA from Lund University, Lund, Sweden and an MBA from Regent Business School, Johannesburg, South Africa.

**Experience:** Magdalena Johansson has more than 20 years of experience in the financial industry and business development. She is CEO of ALMI Halland and Chairman of the Board of Walkbeat and Chairman of the Board of Young Business Halland.

**BENGT SVELANDER, BORN 1960**

*Board member since 2022.*

**Education:** Bengt Svelander has a bachelor's degree in economics at Uppsala University, Uppsala, Sweden

**Experience:** Bengt Svelander has more than 38 years of experience in the financial industry. He has been CEO of Consensus Fondkommission and Danske Bank's branch in Sweden. In addition, he has been head of asset management at Kammarkollegiet.

## MANAGEMENT

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**PONTUS ENGSTRÖM, BORN 1971**

*CEO since 2014.*

**Education:** Pontus Engström holds a bachelor's degree at Slippery Rock University of Pennsylvania, Philadelphia, USA and a master's degree in International Business & Finance at the Stockholm School of Economics, Sweden and a doctoral degree at the University of Agder in Norway.

**Experience:** 25 years of experience in finance and business management as well as a background in portfolio and property management. Pontus has also an academic background and has researched in microfinance and entrepreneurship, with a focus on developing countries

**NEDIM EFENDIC, BORN 1978**

*CFO & Investment Manager since 2021.*

**Education:** Nedim Efendic has a M.Sc. Within Business Administration & Economics and a PhD from Stockholm School of Economics, Sweden.

**Experience:** Nedim has more than 15 years of experience in finance, business development and entrepreneurship. He has both started his own companies and worked for large companies such as UBS and KPMG. Nedim also has an academic background and has been researching in entrepreneurship.

**PARMENA MKUU, BORN 1991**

*Finance & Audit Manager since 2022*

**Education:** Parmena holds a bachelor's degree in finance and accounting from Mzumbe University, Morogoro, Tanzania and is a member of the ACCA (Association of Chartered Certified Accountants)

**Experience:** Parmena has more than eight years of experience in accounting. He has worked for Deloitte, KPMG and Nissan Tanzania.



## FINANCIAL REPORTING



Co-workers from Zanrec

# Report of the Directors 2022

The Board of Directors and the President of MTI Investment SE (publ), 517100-0135, with its registered office in Stockholm, hereby submit the Annual Report for 2022. The annual accounts are prepared in euro, and all amounts recognised are in euro unless otherwise indicated. Information in brackets refers to the previous year.

## INFORMATION ABOUT OPERATIONS

MTI Investment SE is a Nordic investment company founded in 2014 by a team with extensive experience from Emerging Markets in order to invest in East African small and medium sized companies ("SMF") with high value growth potential. The business idea is to invest in small and medium sized enterprises ("SMF") run by skilled and dedicated entrepreneurs in East Africa. By being a long term owner and active ownership, MTI helps the portfolio companies grow faster and become more profitable. The company invests primarily in innovative and scalable companies that have the potential for significant positive societal impact. The company's business object is to directly own, acquire and manage securities, provide capital to SMEs and exercise other compatible activities. The Company is headquartered in Stockholm, Sweden.

By providing both capital and expertise, MTI helps to create sustainable companies and new job opportunities for the population of the region, which in the long term also contribute to reducing poverty. MTI has access to leading expertise in economics, law, business development and technology, which we make available to our portfolio companies.

MTI's investment portfolio consists of core and secondary holdings. Core holdings are companies which form a larger part of MTI's portfolio while secondary holdings are smaller investments. The core portfolio is owned through intermediate holding companies but can most easily be described as EcoHomes, Shambani Milk and Zanrec.

The MTI share is listed on Nasdaq First North since 21 December 2021.

## SIGNIFICANT EVENTS DURING THE YEAR 2022

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- MTI sold 12 percent of its ownership in Zanrec AB to Claus Jørgensen for 2 million SEK.
- MTI increased its ownership in the fast growing FinTech Africa to 5.23% by subscribing to shares for 45 TEUR in a new issue. The capital will be used to finance the company's continued expansion.
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- MTI launched a new accelerator programme in collaboration with the Ester Foundation for female immigrant entrepreneurs who run scalable companies.
- Martin Rex Empacher was appointed new member of the Board of Directors of Zanrec AB and as a member of the MTI advisory board.
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- Magdalena Johansson and Bengt Svelander were appointed as new Board members in MTI Investment.
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- Series TO1 warrants were subscribed for approximately 48 percent and MTI was awarded approximately 1.62 MSEK
- MTI Investment and Hotel Online launched a sustainable tourism booking site in Zanzibar.



# Report of the Directors 2022

## NET SALES AND PERFORMANCE

The Group's net sales amounted to 1 778 088 euros (1 380 384 euros). The increase is mainly explained by the consolidation of Ecohomes turnover for the first time for the whole year. EBITDA amounted to -1 319 600 euros (-842 438 euros). The decline in EBITDA was mainly due to increased costs at Ecohomes. Net profit/loss for 2022 amounted to -947 772 euros (-1 171 241 euros). The decrease in net loss was mainly attributable to improved earnings from financial items.

## FINANCIAL POSITION AND CASH FLOW

Total equity at the end of the period was 2 162 676 euros (2 543 638 euros). The solvency ratio amounted to 80%. Cash and cash equivalents amounted to 707 083 euros at 31 December 2022, compared to 2 320 218 euros at 31 December 2021. Total cash flow amounted to -1 528 162 euros (1 775 736 euros).

## STAFF

The parent company has two employees.

## SHARE

Since December 2021, MTI Investments has been listed on Nasdaq First North. On 31 December 2022, the share capital amounted to 1 140 606 euros divided into 5 703 029 shares. At year end, the two largest shareholders were Sørlandsforskning AS and Mangold Fondkommisjon AB. Sørlandsforskning AS is controlled by Trond Randøy, Chairman of the Board of MTI Investment SE.

## MATERIAL RISKS AND RISK FACTORS

MTI Investment is subject to foreign currency risk regarding potential changes in foreign currency exchange rates which could affect MTI Investments' income statement and/or balance sheet and/or the value of its assets and liabilities. The exposure to currency risk is mainly related to the Parent Company, MTI Investment SE, with its functional currency EUR. Currency risk arises when most of the revenues are denominated in TZS (tanzania shilling) and most of the costs are denominated in euro and SEK.

## FUTURE CAPITAL NEEDS

The Board estimates that existing cash and cash equivalents will be sufficient to run the business in 2023. The Company is continuously assessing new investment opportunities and if it decides to enter new investments, it will be in need of additional external financing.

## POLITICAL RISK

The Company's operations are subject to general political and social risks in the countries, mainly Tanzania, where the operations are conducted. This includes potential inflation and deflation, as well as potential government interventions.

## INVESTMENT RELATED RISKS

MTI Investment has made and intends to invest in unlisted companies. The potential growth in value of such investments may be large but involve risk at the same time. There is therefore no guarantee of financial success and return.

## FINANCIAL DEVELOPMENT OF THE BUSINESS OF PORTFOLIO COMPANIES

MTI Investment has invested substantial amounts in the development of portfolio companies' products and services. If the portfolio companies' products and services are not requested or otherwise lack competitiveness or if the development investments made do not prove to have the functions envisaged, there may be a need for write downs in the portfolio companies - as well as additional development costs.

## DRAFT DISTRIBUTION OF PROFIT

The Group's available funds according to the prepared consolidated balance sheet amount to 890 526 euros.

At the disposal of the Annual General Meeting is in the Parent Company (EUR):

Retained earnings: 2 434 905  
Results for the year: -979 475  
Total: 1 455 430

An amount of 1 455 430 euros is transferred to the new year.

The company's results and financial position are presented in subsequent income statement and balance sheet as well as cash flow statement with accompanying notes.

## ALLOCATION

The Board of Directors intends to propose that no dividend be paid for the financial year 2022.

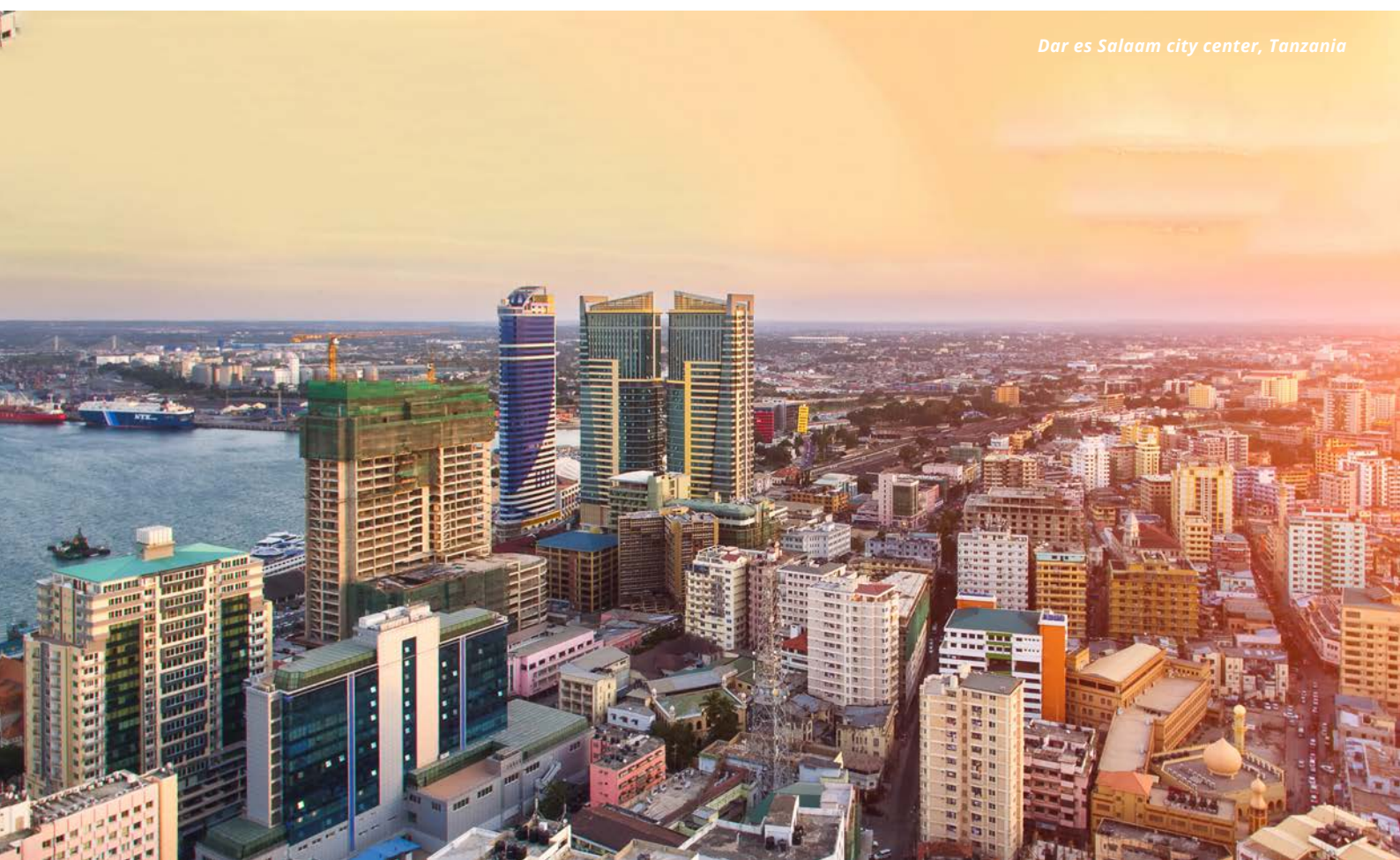
## MUTLI YEAR COMPARISON

MULTI YEAR COMPARISON GROUP	2022	2021	2020
Net sales	1 778 088	1 380 384	262 627
Result after financial items	-940 692	-1 162 720	-698 315
Total Assets	2 715 095	4 309 784	2 145 793
Solvency*	80%	59%	65%

MULTI YEAR COMPARISON PARENT COMPANY	2022	2021	2020	2019	2018
Net Sales	0	12 209	31 124	53 325	84 848
Result after financial items	-979 475	-895 367	-782 310	-996 414	19 909
Total Assets	2 716 004	3 979 275	2 614 669	2 542 852	2 832 439
Solvency*	96%	87%	97%	98%	99%

\*Equity/assets ratio: Equity including minority as a percentage of total assets

Dar es Salaam city center, Tanzania





## Income statement - Group

<i>Amounts in Euro</i>	<i>Note</i>	<i>2022</i>	<i>2021</i>
Net sales		1 778 088	1 380 384
Other operating income	1	89 575	69 686
		<u>1 867 663</u>	<u>1 450 070</u>
<b>Cost of operating</b>			
Raw materials and supplies		-1 628 636	-1 009 833
Other external costs	2	-779 911	-619 469
Staff costs	3	-699 535	-567 602
Depreciation and impairment of property, plant and Intangible fixed assets		-277 613	-256 033
Income from holdings in associated and jointly controlled companies	17	— 12 638	— -71 687
Other operating costs		<u>-91 819</u>	<u>-23 916</u>
<b>Operating profit/loss</b>	4	<u>-1 597 213</u>	<u>-1 098 470</u>
<b>Financial Items</b>			
Income from securities and receivables Which are fixed assets	6	729 289	-56 688
Other interest income	7	1 580	66 165
Interest expenses and similar items	8	<u>-74 348</u>	<u>-73 727</u>
<b>Profit/loss after financial items</b>		<u>-940 692</u>	<u>-1 162 720</u>
<b>Profit/loss before taxes</b>		<u>-940 692</u>	<u>-1 162 720</u>
Taxes	9	<u>-7 080</u>	<u>-8 521</u>
<b>Net profit/loss for the year</b>		<u>-947 772</u>	<u>-1 171 241</u>
Attributable to			
Parent Company shareholders		-607 947	-1 084 071
Non controlling interests ownerships		<u>-339 825</u>	<u>-87 170</u>

## Balance sheet - Group

Amounts in Euro	Note	31-12-2022	31-12-2021
<b>ASSETS</b>			
<b>Subscribed but not paid in capital</b>			47 484
<b>Total assets</b>			
<i><b>Intangible fixed assets</b></i>			
Intangible and similar rights	10	–	13 708
Goodwill	11	298 952	679 363
		<u>298 952</u>	<u>693 071</u>
<i><b>Tangible fixed assets</b></i>			
Plant and machinery	12	77 207	95 710
Fixtures and fittings, tools and equipment	13	12 647	170 675
		<u>89 854</u>	<u>266 385</u>
<i><b>Financial fixed assets</b></i>			
Holdings in associated companies and jointly governed companies	16	1 001 774	158 831
Receivables from associated companies and jointly governed companies		–	–
Ownership interests in other companies	17	129 419	81 977
Receivables from other companies that there is an ownership interest in		–	–
Other long term holdings of securities	18	3 652	3 486
Other long term receivables	19	30 559	2 427
		<u>1 165 404</u>	<u>246 721</u>
<b>Total fixed assets</b>		<u>1 554 210</u>	<u>1 206 177</u>
<b>Current assets</b>			
<i><b>Inventories etc</b></i>			
Finished goods and merchandise		43 663	90 782
		<u>43 663</u>	<u>90 782</u>
<i><b>Short term receivables</b></i>			
Trade receivables		124 514	162 291
Current tax assets		–	3 171
Other receivables		148 788	449 851
Prepaid expenses and accrued income	20	136 837	29 810
		<u>410 139</u>	<u>645 123</u>
<i><b>Cash and bank</b></i>			
Cash and bank		707 083	2 320 218
		<u>707 083</u>	<u>2 320 218</u>
<b>Total current assets</b>		<u>1 160 885</u>	<u>3 056 123</u>
<b>TOTAL ASSETS</b>		<u>2 715 095</u>	<u>4 309 784</u>



## Balance SHEET - Group

<i>Amounts in Euro</i>	<i>Note</i>	<i>31-12-2022</i>	<i>31-12-2021</i>
<b>EQUITY AND LIABILITIES</b>			
<b><i>Equity</i></b>	21		
Share capital		1 140 606	1 076 720
Other contributed capital		4 935 626	4 885 069
Reserves		88 907	54 036
Retained earnings including profit for the year		-4 134 007	-3 767 540
Equity attributable to the parent company's shareholders		<u>2 031 132</u>	<u>2 248 285</u>
Non controlling interests		<u>131 544</u>	<u>295 353</u>
<b><i>Total equity</i></b>		<b>2 162 676</b>	<b>2 543 638</b>
<b><i>Long term payables</i></b>	22		
Other liabilities to credit institutions		—	140 187
Other liabilities		<u>21 719</u>	<u>185 433</u>
		<b>21 719</b>	<b>325 620</b>
<b><i>Short term payables</i></b>			
Liabilities to credit institutions		—	39 122
Trade payables		52 223	295 149
Current tax liability		5 010	-
Other liabilities		234 108	878 324
Accrued expenses and prepaid income	23	<u>239 360</u>	<u>227 931</u>
		<b>530 701</b>	<b>1 440 526</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 715 096</b>	<b>4 309 784</b>

## Statement of changes in equity - Group

31-12-2021

	<i>Share capital</i>	<i>Other contributed capital</i>	<i>Reserves</i>	<i>Ret.eam. incl.net profit/loss</i>	<i>Non controlling interests</i>	<i>Total equity</i>
Opening balance	526 231	3 723 842	-51 083	-2 841 105	45 909	1 403 794
Result for the year				-1 084 071	-87 170	-1 171 241
<i>Changes directly in equity</i>						
Conversion differences		-18 887	105 119	–	10 991	97 223
<i>Total</i>	–	-18 887	105 119	–	10 991	97 223
<i>Transactions with owners</i>						
New issue *	550 489	1 180 114				1 730 603
Transactions between majority holders and minority shareholders	–	–	–	157 636	325 623	483 259
<i>Total</i>	550 489	1 180 114	–	157 636	325 623	2 213 862
At year end	1 076 720	4 885 069	54 036	-3 767 540	295 353	2 543 638
* Issue costs amount to EUR -424 368						

31-12-2022

	<i>Share capital</i>	<i>Other contributed capital</i>	<i>Reserves</i>	<i>Ret.eam. incl.net profit/loss</i>	<i>Non controlling interests</i>	<i>Total equity</i>
Opening balance	1 076 720	4 885 069	54 036	-3 767 540	295 353	2 543 638
Result for the year				-607 947	-339 825	-947 772
<i>Changes directly in equity</i>						
Conversion diff			34 871		17 803	52 674
<i>Total</i>	–	–	34 871	–	17 803	52 674
<i>Transactions with owners</i>						
New issue	63 886	50 557				114 443
Transactions between majority holders and minority shareholders	–	–	–	241 480	158 213	399 693
<i>Total</i>	63 886	50 557	–	241 480	158 213	514 136
At year end	1 140 606	4 935 626	88 907	-4 134 007	131 544	2 162 676

## Cash flow statement - Group

<i>Amounts in Euro</i>	<i>Note</i>	<i>2022</i>	<i>2021</i>
<b>Operating activities</b>			
Income after financial items	28	-940 692	-1 162 720
Adjustment for items not included in cash flow	29	-306 910	286 471
		<u>-1 247 602</u>	<u>-876 249</u>
Income tax paid		<u>-2 070</u>	<u>-8 521</u>
<b>Cash flow from operating activities before changes in working capital</b>		-1 249 672	-884 770
<i>Cash flow from changes in working capital</i>			
Increase (-)/Reduction (+) of inventories		11 098	25 232
Increase (-)/Reduction (+) in operating receivables		190 189	43 538
Increase (+)/Reduction (-) in operating liabilities		<u>-379 092</u>	<u>551 893</u>
<b>Cash flow from operating activities</b>		<u>-1 427 477</u>	<u>-264 107</u>
<b>Investment operations</b>			
Acquisitions of tangible fixed assets		-2 337	-83 497
Divestments of tangible fixed assets		—	—
Acquisitions of intangible fixed assets		-44 840	—
Divestments of intangible fixed assets		—	—
Acquisitions of investment properties		—	—
Divestment of investment properties		—	—
Acquisitions of subsidiaries/businesses, net cash impact	29	—	74 488
Divestments of subsidiaries/business, net cash impact	29	100 754	-14 158
Acquisitions of financial assets		-61 849	—
Change in long term receivables		<u>—</u>	<u>46 934</u>
<b>Cash flow from investing activities</b>		<u>-8 272</u>	<u>23 767</u>
<b>Financing operations</b>			
New issue		47 484	1 949 825
Loans obtained		21 719	179 309
Repayment of loans		-161 616	-113 058
Paid out dividend to non controlling interests		<u>—</u>	<u>—</u>
<b>Cash flow from financing activities</b>		<u>-92 413</u>	<u>2 016 076</u>
<b>Cash flow for the year</b>		-1 528 162	1 775 736
<b>Liquid assets at beginning of year</b>		2 320 218	527 490
<b>Exchange rate differences in cash funds</b>		<u>-84 975</u>	<u>16 992</u>
<b>Cash and cash equivalents at end of year</b>		<u>707 081</u>	<u>2 320 218</u>



## Income statement - Parent company

<i>Amounts in Euro</i>	<i>Note</i>	<i>2022</i>	<i>2021</i>
Net sales		—	12 209
Other operating income	1	12 462	39
		12 462	12 248
<b>Cost of operating</b>			
Other external costs	2	-342 024	-352 148
Staff costs	3	-317 814	-307 949
Other operating costs		-91 367	-20 626
<b>Operating profit/loss</b>	4	-738 743	-668 475
<b>Financial Items</b>			
Income from holdings and receivables in Group companies	5	-88 748	-241 698
Income from holdings in associated companies and jointly governed companies		283	—
Income from other securities and receivables which are fixed assets	6	-95 462	-21 305
Writedowns of financial fixed assets and short term investments		-	
Other interest income	7	31 317	56 241
Interest expenses and similar items	8	-88 122	-20 130
<b>Profit/loss after financial items</b>		-979 475	-895 367
<b>Profit/loss before taxes</b>		-979 475	-895 367
Tax on profit for the year	9	—	—
<b>Net profit/loss for the year</b>		-979 475	-895 367

## Balance sheet - Parent company

Amounts in Euro	Note	31-12-2022	31-12-2021
<b>ASSETS</b>			
<b>Subscribes but not paid in capital</b>			47 484
<b>Total assets</b>			
		—	—
<b><i>Tangible fixed assets</i></b>			
Property plant and equipment	13	—	—
		—	—
<b><i>Financial fixed assets</i></b>			
Participations in subsidiaries	14	87 730	731 801
Receivables from Group companies	15	1 298 198	1 023 934
Holdings in associated and jointly governed companies	16	525 012	—
Ownership interests in other companies	17	129 419	81 977
Other long term holdings of securities	18	—	—
Other long term receivables	19	6 842	—
		2 047 201	1 837 712
<b>Total fixed assets</b>		2 047 201	1 837 712
<b>Current assets</b>			
<b><i>Short term receivables</i></b>			
Trade receivables		—	1 212
Receivables from Group companies		63 963	32 593
Other receivables		672	12
Prepaid expenses and accrued income	20	21 349	22 915
		85 984	56 732
<b><i>Cash and bank</i></b>			
Cash and bank		582 819	2 037 347
		582 819	2 037 347
<b>Total current assets</b>		668 803	2 094 079
<b>TOTAL ASSETS</b>		2 716 004	3 979 275

## Balance sheet - Parent company

Amounts in Euro	Note	31-12-2022	31-12-2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	21		
<i>Restricted equity</i>			
Share capital		1 140 606	1 076 720
		<u>1 140 606</u>	<u>1 076 720</u>
<i>Unrestricted equity</i>			
Share premium		4 935 626	4 885 069
Retained earnings		-2 500 721	-1 605 354
Result for the year		-979 475	-895 367
		<u>1 455 430</u>	<u>2 384 348</u>
		<u>2 596 036</u>	<u>3 461 068</u>
<b>Long term payables</b>	22		
Other liabilities		1 110	127 119
		<u>1 110</u>	<u>127 119</u>
<b>Short term payables</b>			
Trade payables		15 609	165 820
Other liabilities		9 670	12 371
Accrued expenses and deferred income	23	93 579	212 897
		<u>118 858</u>	<u>391 088</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2 716 004</u>	<u>3 979 275</u>



## Statement of changes in equity - Parent company

31-12-2021	Restricted equity			Unrestricted equity			
	Share capital	Ongoing new issue	Reserve fund Exit fund	Over price fund	Fair value Fund	Ret.earn. Incl. net profit /	Total equity
Opening balance	526 231	103 837	—	3 620 005	—	-1 701 703	2 548 370
Result for the year						-895 367	-895 367
<i>Transactions with owners</i>							
Dividend						—	—
New issue *	550 489	-103 837		1 265 064			1 711 716
Exchange rate effect	—	—	—	—	—	96 349	96 349
<b>Total</b>	<b>550 489</b>	<b>-103 837</b>	<b>—</b>	<b>1 265 064</b>	<b>—</b>	<b>96 349</b>	<b>1 808 065</b>
At year end	1 076 720	—	—	4 885 069	—	-2 500 721	3 461 068
* Emission costs amount to EUR -424 368							
31-12-2022	Restricted equity			Free equity			
	Share capital	Ongoing new emission	Reserve fund Exit fund	Over price fund	Fair value Fund	Ret.earn. Incl. net profit /	Total equity
Opening balance	1 076 720	—	—	4 885 069	—	-2 500 721	3 461 068
Result for the year						-979 475	-979 475
<i>Changes directly in equity</i>							
<i>Transactions with owners</i>							
Dividend						—	—
New issue	63 886			50 557			114 443
Exchange rate effect	—	—	—	—	—	—	—
<b>Total</b>	<b>63 886</b>	<b>—</b>	<b>—</b>	<b>50 557</b>	<b>—</b>	<b>—</b>	<b>114 443</b>
At year end	1 140 606	—	—	4 935 626	—	-3 480 196	2 596 036

## Cash flow statement - parent company

Amounts in Euro		2022	2021
<b>Operating activities</b>			
Income after financial items	2	-979 475	-895 367
Adjustment for items not included in cash flow	2	336 270	305 389
		<u>-643 205</u>	<u>-589 978</u>
Income tax paid		<u>—</u>	<u>—</u>
<b>Cash flow from operating activities before</b>			
<b>Changes in working capital</b>		-643 205	-589 978
<i>Cash flow from changes in working capital</i>			
Increase (-)/Reduction (+) in operating receivables		-23 602	-32 791
Increase (+)/Reduction (-) in operating liabilities		<u>-272 230</u>	<u>324 791</u>
<b>Cash flow from operating activities before</b>		<u>-939 037</u>	<u>-297 978</u>
<b>Cash flow from investing capital</b>			
Acquisitions of tangible fixed assets		—	-2 494
Acquisitions of financial assets		-47 442	-17 889
Divestment of subsidiaries		184 736	2 949
Investment in subsidiaries		-31 642	-31 614
Investment in associates		7 024	—
Change in net non current group receivables		<u>-456 531</u>	<u>191 493</u>
<b>Cash flow from investing activities</b>		<u>-343 855</u>	<u>142 445</u>
<b>Cash flow from financing capital</b>			
New issue		47 484	1 664 232
Loans obtained		1 110	106 497
Repayment of loans		<u>-127 119</u>	<u>—</u>
<b>Cash flow from financing activities</b>		<u>-78 525</u>	<u>1 770 729</u>
<b>Cash flow for the year</b>		-1 361 417	1 615 196
<b>Liquid assets at beginning of year</b>		2 037 347	422 151
<b>Exchange rate differences in cash funds</b>		<u>-93 111</u>	<u>—</u>
<b>Cash and cash equivalents at end of year</b>		<u>582 819</u>	<u>2 037 347</u>

## Notes

*Amounts in EUR if not stated otherwise*

### **Note                      Accounting principles**

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and According to the Swedish Financial Reporting Board's General Council BFNAR 2012: 1 Annual and consolidated financial statements (K3).

The parent company applies the same accounting principles as the group except in the cases stated below. Refer to the section titled 'Accounting principles for the Parent Company.'

In connection with the transition to BFNAR 2012: 1, the following accounting principles have been changed: Reporting of Goodwill: In the consolidated financial statements, a number of subsidiaries have been acquired through step-wise acquisitions. Acquisition analysis has been adapted to the recommendations in K3, which has led to adjustments in goodwill value.

Assets, provisions and liabilities are carried at cost unless otherwise stated below.

### **Intangible assets**

#### *Other intangible fixed assets*

Other intangible fixed assets acquired are recognised at cost decreased with accumulated amortisation and impairment losses.

Expenses for internally generated goodwill and trademarks are recognised in the income statement as costs when they arise.

#### *Depreciation*

Depreciation is applied on a straight line basis over the estimated useful life of the asset.

Depreciation is recognised as expense in the income statement.

#### *Intangible assets acquired*

Rental apartments

5 år

Goodwill

5 år

### **Tangible fixed assets**

Property, plant and equipment are recognised at cost less accumulated depreciation and impairment. The cost includes in addition to the purchase price, also expenditure directly attributable to the acquisition.

#### *Additional expenses*

Additional expenses meeting the asset criterion are included in the carrying amount of the asset.

Ongoing maintenance and repairs are recognised as expenses when they arise.



**Depreciation**

Depreciation is applied on a straight line basis over the estimated useful life of the asset as it reflects expected consumption of the future economic benefits of the asset. Depreciation is recognised as an expense in the income statement.

Plant and machinery

Fixtures and fittings, tools and equipment

*Useful life*

3-8 years

3-8 years

**Writedowns - Tangible & Intangible assets together shared in group companies**

On every closing day, it is assessed whether there is any indication that the value of an asset is lower than its carrying amount. If such indication exists, the recoverable amount of the asset is estimated.

Recoverable amount is the highest of fair value less selling expenses and value in use. When calculating value in use, the present value of future cash flows is calculated that the asset is expected to give rise to in its operating activities and when it is divested or written-off. The discount rate used is before taxes and reflects market estimates of the time value of money and the risks relating to the asset. An earlier write down can be reversed only if the reasons underlying the calculation of the recoverable amount at the time the last write down has changed.

**Leases***Leases*

All leases have been classified as financial or operating leases. A financial

Leases are lease agreement under which the risks and rewards of owning

In all material respects, the asset is transferred from the lessor to the lessee. An operating lease is a leasing contract that is not a financial lease contract.

*Operating leases*

The lease payments under operating leases, including increased first time rent, but excluding expenses for services such as insurance and maintenance are reported as an expense on a straight line basis over the lease period.

*Lessor*

All leases have been classified as financial or operating leases. A financial

lease is a lease agreement under which the risks and rewards of owning an asset

in all material respects is transferred from the lessor to the lessee. An operating lease is a leasing contract that is not a financial lease contract.

**Foreign currency***Balances in foreign currency*

Monetary items in foreign currencies are translated to the closing day rate. Non monetary items are not revaluated, but are recognised at the price at the time of acquisition.

Exchange rate differences that arise from settlement or translation of monetary items are recognised in the Income statement the financial year in which they arise.

*Net investments in foreign operations*

A currency rate difference relating to a monetary item forming part of a net investment in foreign operations and that is carried based on cost is presented in the consolidated financial statements as a separate component directly in equity.

### *Translation of foreign operations*

Assets and liabilities, including goodwill and similar items, are revalued to accounting currency at closing day rate. Revenue and expenses are translated to the spot rate price per day for the business events unless a FX rate that constitutes an approximation of the actual course is used (e.g. average FX rate). Exchange rate differences that arise from the conversion are recognised directly in equity.

### **Inventories**

Inventories are shown at the lowest of cost and net realisable value. In doing so, the obsolescence risk is taken care off. Acquisition cost is calculated according to the FIFO principle.

In addition to the purchase cost, the cost includes also the cost of transporting the goods to their current location and condition.

### **Financial assets and liabilities**

Financial assets and liabilities are recognised in accordance with Chapter 11 (Financial instruments measured based on acquisition value) in BFNAR 2012: 1.

### *Recognition and removal from the balance sheet*

A financial asset or financial liability is recognised in the balance sheet when the entity becomes a contractual party of the instrument. A financial asset is derecognised from the balance sheet when the contractual right to cash flows from the asset has ceased or been settled. The same applies when risks and rewards associated with the holding have, in all material respects, been transferred to another party and the company no longer has control over the financial asset. A financial liability is derecognised from the balance sheet when the contractual obligation has been fulfilled or terminated.

### *Valuation of financial assets*

Financial assets are measured at first recognition at cost, including but not limited to any transaction costs directly attributable to the acquisition of the asset.

Financial current assets are valued after initial recognition at the lower of cost and net realisable value on the closing day.

Trade receivables and other receivables that comprise current assets are individually valued at the amounts expected to be received.

Financial fixed assets are valued after initial recognition at cost, with deduction of any writedowns and with the addition of any writedowns.

Interest bearing financial assets are measured at amortised cost with the application of a effective interest method.

When measuring at the lowest value principle or when assessing impairment needs, the the entity's financial instruments held for risk diversification are included in a portfolio of securities are therefore valued as an item.

### *Valuation of financial liabilities*

Financial liabilities are measured at amortised cost. Expenditures directly attributable obtaining a loan adjust the cost of the loan and are accrued according to effective interest method.

## Employee benefits

### *Employee benefits after termination of employment*

Where pension obligations are exclusively dependent on the value of an assets held, the pension obligation is accounted for as a provision corresponding to the carrying amount of the asset.

#### Classification

After employment benefits plans are classified as either based on expenses or privileges.

In expense defined contribution plans, fees are paid to another company, usually an insurance company, and the company has no longer has an obligation to the employee when the fee is paid. The amount of the employee's post employment benefits depends on the charges that have been paid and the return on capital resulting from these charges.

In the event of defined benefit plans, the company has the obligation to submit the agreed benefits to present and former employees. The company in all material respects bears the risk that costs will be higher than expected (Actuarial risk) and the risk that returns will deviate from expected returns (investment risk) . There is also an investment risk if assets are transferred to another company.

#### Contribution plans

The charges for defined contribution plans are recognised as an expense. Unpaid contributions are recognised as a liability

#### *Compensation in case of termination*

Benefits on termination, to the extent that the remuneration does not provide the company with any future Economic benefits are recognised only as a liability and expense when the entity has a legal

Or constructive obligation to either:

(A) terminate an employee's or group of employees' employment before the normal date of

Termination of employment; or

(B) provide compensation in the event of dismissal through an offer to encourage voluntary resignation.

Remuneration on termination is only recognised when the company has a detailed plan for the resignation and has no realistic possibility of cancelling the plan.

## Tax

Tax on profit/loss for the year in the income statement consists of current tax and deferred tax. Current tax is income tax for the current financial year, which relates to taxable income for the year and that portion of the former financial year's income tax that has not yet been reported. Deferred tax is income tax on taxable income for future financial years as a consequence of previous transactions or events.

Deferred tax liabilities are recognised for all taxable temporary differences, but not for the temporary differences arising from the first recognition of goodwill. Deferred tax assets are reported for deductible temporary differences and for the possibility to use tax loss carry forwards. The appraisal is based on how the carrying value for an equivalent asset or liability is expected to be recovered and regulated, respectively. The amounts are based on applying the tax rates and tax rules that have been enacted as of the balance day and have not been valued using the NPV method.

A deferred tax liability or deferred tax asset may not be recognised on temporary differences arising from non transferred earnings from foreign subsidiaries, branches, associated company or jointly governed company, unless it is apparent that the temporary difference will be restored in the foreseeable future.



## **Revenue**

The inflow of economic benefits received or to be received by the company on its own account is reported as revenue. Income is measured at the fair value of what was received or will be obtained, less discounts.

### *Sale of goods*

When selling goods, revenue is recognised upon delivery.

### *Interest, royalty and dividends*

Revenue is recognised when the economic benefits associated with the transaction are likely to go to the company and when income can be reliably calculated.

Interest is recognised as revenue according to the effective interest method.

Royalty is accrued according to the economic meaning of the agreement.

Dividends are recognised when the owner's right to receive payment has been secured.

Uses percentage of completion method for service and construction assignments performed at a fixed price as the work is performed. When calculating accrued profit, the degree of completion has been calculated using accumulated expenditure on the BS date in relation to the total expenditure for the performance of the assignment.

## **Consolidated financial statements**

### *Subsidiaries*

Subsidiaries are companies in which the parent company directly or indirectly holds more than 50% of the voting rights, or in another way have a controlling influence. Controlling influence means a right to decide a company's financial and operational strategies in order to obtain economic benefits. Accounting of mergers is based on unit approach. This means that the acquisition analysis is established at the time when the acquirer gains control. From this time, the acquirer and the acquired entity are viewed as an accounting entity. Application of unit approach means that all assets (including goodwill) and liabilities as well as revenue and the full amount of costs is also incorporated for partly owned subsidiaries.

The cost of a subsidiary is calculated at the sum of fair value on the acquisition date for assets with the addition of liabilities that have arisen and are taken over and issued own capital instruments, expenses directly attributable to the business acquisition as well as any additional purchase price. The acquisition analysis determines the fair value, with some exceptions, of acquired identifiable assets and liabilities assumed and minority interests. Interest. Minority interest are valued at fair value at the time of acquisition. From the the acquisition date the income and expenses, identifiable assets and liabilities as well as any goodwill or negative goodwill is included in the consolidated accounts .

### *Goodwill*

Goodwill arises when the cost of acquisition of units in subsidiaries exceeds the identifiable value of the acquired entity in the acquisition analysis of net assets. Goodwill is recognised at cost minus accumulated depreciation and impairment, if any.

### *Adjustment of acquisition analysis*

In case the assumptions for the acquisition analysis are incomplete, this is adjusted to reflect actual circumstances at the time of acquisition. The adjustments are made retrospectively within 12 months after the acquisition date. Adjustments later than twelve months after the acquisition date are shown as a change in estimate and assessment.

### *Changes in ownership*

When acquiring additional units in companies that are already a subsidiary, no new acquisition analysis is done because the parent company already has a controlling influence. Since the changes in the holdings of companies that are subsidiaries is only a transaction between the owners no profit or loss is recognised in the income statement, and the effect of the transaction is recognised solely in equity.

When acquiring additional units in a company so that the company becomes a subsidiary, then an acquisition analysis is done. The previously owned holdings are considered divested. Holdings in a subsidiary have been acquired. Profit or loss, calculated as the difference between fair value and the carrying amount shall be shown in the consolidated income statement.

The divestment of units in a subsidiary or controlling influence ceases, otherwise the participation is viewed as disposed in the consolidated financial statements and gains or losses on disposal are recognised in the consolidated income statement. If units remain after control has ceased these are then recognised with the fair value at the time of acquisition as cost.

### *Associated companies*

Shareholding in associated companies, in which the Group has a minimum of 20% and a maximum of 50% of the voting rights, or has a significant influence over operational and financial control; are reported according to the equity method. The equity method means that the carrying amount of shares in associated companies is equivalent to the group's share in the equity, any residual values on consolidated surpluses and subvalues, including goodwill and negative goodwill reduced by any internal profits. In the group's consolidated income statement it is shown as share in associated company's result after tax adjusted for any depreciation in goodwill amortisation and dissolution of negative goodwill. Dividends received from associated companies reduces the carrying amount. Profit share accrued after acquisitions of associated companies, which have not yet been realised through dividends, are allocated to the equity fund.

### *Reporting of goodwill*

In the Group there are a number of subsidiaries that have been acquired through so called successive acquisitions. Acquisition analyses have been prepared in compliance with K3, resulting in corrected values for goodwill.

### **Accounting principles in the parent company**

The accounting policies of the Parent Company comply with the above accounting principles in the consolidated financial statements, except in the cases below.

#### *Foreign currency*

An exchange rate difference relating to a monetary item forming part of the parent company's net investment in a foreign operation that is measured based on cost is shown in the income statement if the difference has arisen in the parent company.

#### *Financial assets and liabilities*

##### *Holdings in subsidiaries, associates and joint ventures*

Holdings in subsidiaries, associates and jointly controlled companies are held at cost less accumulated impairment losses. In addition to the purchase price, the cost includes expenses directly attributable to the acquisition.

## Revenue

### Group contributions and shareholder contributions

Group contributions received/submitted are recognised as a financial statement appropriation in the income statement. The Group contribution received/received has affected the Company's current tax.

Shareholders' contributions provided without obtaining shares issued or other equity instruments in exchanges are recognised in the balance sheet as an increase in the carrying amount of the unit.

### Note 1 Other operating income

	2022	2021
<i>Group</i>		
Exchange gains on operating receivables/liabilities	35 670	7 337
Gains from divestment	839	–
Steel processing	52 725	–
Other income	336	62 119
Interest rates	6	18
Dividend	–	212
	<u>89 575</u>	<u>69 686</u>
<i>The Parent Company</i>		
Exchange gains on operating receivables/liabilities	<u>12 462</u>	<u>39</u>
	12 462	39

### Note 2 Fees and expense remuneration to auditors

	2022	2021
<i>Group</i>		
<i>Ernst &amp; Young AB, Sweden</i>		
Audit assignments	45 505	63 450
Auditing activities beyond the audit engagement	2 478	30 409
<i>Revision Sor</i>		
Audit assignments	889	4 091
Tax consultancy	1 017	–
<i>EY Tanzania</i>		
Audit assignments	9 428	11 034
Auditing activities beyond the audit engagement		2 121
Tax consultancy		2 768
<i>Ishara Tanzania</i>		
Audit assignments	2 257	922
Tax consultancy	6 154	–
Other assignments	–	793

<i>Crowe Tanzania</i>		
Audit assignments	6 551	6 001
<i>Total Group</i>		
Audit assignments	64 631	85 498
Auditing activities beyond the audit engagement	2 478	32 530
Tax consultancy	7 171	2 768
Other assignments	—	793
Total	74 279	121 589
<i>Parent company</i>		
<i>Ernst &amp; Young AB</i>		
Audit assignments	45 505	56 545
Auditing activities beyond the audit engagement	2 478	30 409
<i>Total</i>	<i>47 983</i>	<i>86 954</i>

Auditing assignments refers to examination of the annual accounts and the accounting records as well as the administration by the Board of Directors and the CEO, as well as the other tasks that the company auditor should perform, as well as advice or other assistance caused by observations in review or implementation of such other tasks.

### **Note 3                      Employees, personnel expenses and fees to the Board of Directors**

#### **Average number of employees**

	2022	Of which Men	2021	Of which Men
<b><i>The Parent Company</i></b>				
Sweden	3	67%	2	50%
Total in the Parent Company	3	67%	2	50%
<b><i>Subsidiaries</i></b>				
Sweden	—	0%	—	0%
Tanzania	37	92%	34	79%
Total in subsidiaries	37	92%	34	79%
Total Group	40	90%	36	78%



## Reporting of gender distribution among senior executives

	31-12-2022 Share of females	31-12-2021 Share of females
<b>The Parent Company</b>		
Board of Directors	25%	0%
Other senior executives	0%	33%
<b>Total Group</b>		
Other senior executives	14%	33%

## Wages, salaries and other remuneration and social insurance contributions, including pension expenses

	2022		2021	
	Salaries and Remuneration	Social Expenses,	Salaries and Remuneration	Social Expenses,
The Parent Company	204 072	94 387	211 860	95 583
(Of which, pension expense)	1	25 625	1	(20 635)
Subsidiaries	209 113	157 243	227 720	36 676
(Of which, pension expense)		85 362		(21 021)
Total Group	413 185	251 630	439 580	132 259
(Of which, pension expense)	2	(110 987)	2	(41 656)

1 Of the pension expenses of the Group/parent company, 14 898 (cf. 14 295) were related to the Company's CEO and Board of Directors..The company's outstanding pension obligations for these amounts to 0 (cf. 31614).

## Senior executives remuneration

The Parent Company		2022		
TSEK	Basic salary, Board fees	Variable Remuneration	Others Benefits	Pension Cost
Chairman of the Board	5 450	—	—	—
Board member (3)	8 706	—	—	—
President and CEO	83 259	6 234	—	—
Other senior executive holder (2 people.)	102 663	3 117	—	—
Total	200 078	9 351	—	—

The Parent Company		2021		
TSEK	Basic salary, Board fees	Variable Compensation	Others Benefits	Pension Cost
Chairman of the Board	2 346	—	—	—
Board member (2)	4 692	—	—	—
President and CEO	67 639	43 569	—	—
Other senior executive Holder (1 pers.)	89 277	4 337	—	—
Total	163 954	47 906	—	—

## Severance pay

The CEO is entitled to 12 months' salary in severance pay in the event of termination by the Company.

## Note 4 Operating leases

### Leasing contracts in which the company is a lessee

<i>Group</i>		
<i>Future minimum lease payments related</i>	<i>31-12-2022</i>	<i>31-12-2021</i>
<i>non-cancellable operating leases</i>		
Within one year	5 694	3 227
Between one and five years	—	—
Later than five years	—	—
	<u>5 694</u>	<u>3 227</u>
	<i>2022</i>	<i>2021</i>
Expenses for the financial year	<u>27 892</u>	<u>13 296</u>

<i>The Parent Company</i>		
<i>Future minimum lease payments related</i>	<i>31-12-2022</i>	<i>31-12-2021</i>
<i>non-cancellable operating leases</i>		
Within one year	3 370	3 227
Between one and five years	—	—
Later than five years	—	—
	<u>3 370</u>	<u>3 227</u>
	<i>2022</i>	<i>2021</i>
Leasing expenses for the financial year	<u>15 893</u>	<u>13 296</u>

## Note 5 Results from holdings and receivables in Group companies

<i>The Parent Company</i>	<i>2022</i>	<i>2021</i>
Capital gain on sale of shares	-88 748	—
Writedowns	—	-241 698
	<u>-88 748</u>	<u>-241 698</u>

## Note 6 Results from other investments and receivables that are fixed assets

	<i>2022</i>	<i>2021</i>
<i>Group</i>		
Capital gains, divestment of subsidiaries	729 289	-2 007
Impairment of financial assets	—	-54 681
	<u>729 289</u>	<u>-56 688</u>
<i>The Parent Company</i>		
Impairment of financial assets	-95 462	-21 305
	<u>-95 462</u>	<u>-21 305</u>

**Note 7 Interest income and similar income**

	2022	2021
<i>Group</i>		
Interest income, other	1 580	7 058
Currency rate effects	—	59 107
	<u>1 580</u>	<u>66 165</u>
<i>The Parent Company</i>		
Interest income, Group companies	30 340	21 146
Interest income, other	977	959
Currency rate effects	—	26 899
Other	—	7 237
	<u>31 317</u>	<u>56 241</u>

**Note 8 Interest expenses and similar expenses**

	2022	2021
<i>Group</i>		
Interest expenses, other	-16 882	-65 770
Exchange rate differences	-57 466	-7 957
	<u>-74 348</u>	<u>-73 727</u>
<i>The Parent Company</i>		
Interest expenses, group companies	—	—
Interest expenses, other	-1 314	-15 542
Exchange rate differences	-86 808	-4 588
	<u>-88 122</u>	<u>-20 130</u>

## Note 9 Tax on net profit/loss

### Reconciliation of effective tax

	2022		2021	
<i>Group</i>	<i>Percentage</i>	<i>Amount</i>	<i>Percentage</i>	<i>Amount</i>
Result before taxes		-940 692		-1 162 720
Tax based on tax rate applicable for the parent company	20,6%	193 783	20,6%	239 520
Effect of other tax rates on foreign subsidiaries	15,6%	146 754	2,3%	26 512
Other non deductible costs	-40,1%	-377 431	-15,7%	-182 843
Tax exempt income	44,8%	421 187	4,3%	50 451
Increase in loss carry forwards without equivalent capitalisation of deferred tax	-41,6%	-391 373	-12,2%	-142 125
Tax attributable to previous years	0,0%	–	0,0%	-36
Recognised effective tax	-0,8%	-7 080	-0,7%	-8 521

	2022		2021	
<i>The Parent Company</i>	<i>Percentage</i>	<i>Amount</i>	<i>Percentage</i>	<i>Amount</i>
Result before taxes		-979 475		-895 367
Tax based on tax rate applicable for the parent company	20,6%	201 772	20,6%	184 446
Non deductible costs	-0,1%	-732	-6,0%	-53 383
Increase in loss carry forwards without equivalent capitalisation of deferred tax	-20,5%	-201 040	-14,6%	-131 063
Recognised effective tax	0,0%	–	0,0%	–

## Note 10 Lease rights and similar rights

	31-12-2022	31-12-2021
<i>Group</i>		
<i>Accumulated acquisition cost</i>		
At the beginning of the year	51 255	32 768
New acquisitions	44 839	15 070
Divestments and disposals	-93 770	–
Translation differences for the year	-2 324	3 416
By year end	0	51 255
<i>Accumulated amortisation</i>		
At the beginning of the year	-37 547	-19 590
Divestments and disposals	62 794	–
Depreciation for the year	-22 670	-15 602
Translation differences for the year	-2 578	-2 356
By year end	0	-37 547
<b>Carrying amount at year end</b>	–	13 708



**Note 11****Goodwill**

	31-12-2022	31-12-2021
<i>Group</i>		
<i>Accumulated acquisition cost</i>		
At the beginning of the year	1 121 701	644 601
Business acquisitions	–	419 085
Divestments and closure of operations	-656 721	–
Translation differences for the year	-5 054	58 015
By year end	459 926	1 121 701
<i>Accumulated depreciation</i>		
At the beginning of the year	-442 338	-225 304
Divestments and closure of operations	481 018	–
Depreciation for the year	-212 688	-200 909
Translation differences for the year	13 034	-16 126
By year end	-160 974	-442 338
<b>Carrying amount at year end</b>	<b>298 952</b>	<b>679 363</b>

**Note 12****Plant and equipment**

	31-12-2022	31-12-2021
<i>Group</i>		
<i>Accumulated acquisition cost</i>		
At the beginning of the year	266 791	32 450
Business acquisitions	–	222 261
Divestments and disposals	-32 450	–
Translation differences for the year	-1 526	12 080
By year end	232 815	266 791
<i>Accumulated amortisation</i>		
At the beginning of the year	-171 081	-19 962
Business acquisitions	–	-130 375
Divestments and disposals	27 720	–
Depreciation for the year	-13 820	-14 082
Translation differences for the year	1 573	-6 662
By year end	-155 608	-171 081
<b>Carrying amount at year end</b>	<b>77 207</b>	<b>95 710</b>

**Note 13****Equipment, tools and installations**

	31-12-2022	31-12-2021
<i>Group</i>		
<i>Accumulated acquisition cost</i>		
At the beginning of the year	330 253	224 905
New acquisitions	4 225	82 267
Business acquisitions	–	26 701
Divestments and disposals	-329 574	-2 494
Translation differences for the year	14 677	-1 126
By year end	19 581	330 253

<i>Accumulated depreciation</i>		
At the beginning of the year	-159 578	-116 177
Business acquisitions	—	-13 695
Reversed depreciation of disposals and disposals	—	—
Divestments and disposals	172 685	—
Depreciation for the year	-51 105	-28 945
Translation differences for the year	31 064	-761
By year end	<u>-6 934</u>	<u>-159 578</u>
<b>Carrying amount at year end</b>	12 647	170 675

	31-12-2022	31-12-2021
<i>The Parent Company</i>		
<i>Accumulated acquisition cost</i>		
At the beginning of the year	—	—
New acquisitions	—	2 494
Divestments and disposals	—	-2 494
By year end	<u>—</u>	<u>—</u>
<b>Carrying amount at year end</b>	—	—

**Note 14**                      **Participations in subsidiaries**

	31-12-2022	31-12-2021
<i>Accumulated acquisition cost</i>		
At the beginning of the year	2 208 808	2 140 029
Acquisitions	31 642	51 328
Reclassification	-424 435	—
Divestment	-834 091	-4 956
Exchange rate effect when exchanging accounting currency	—	22 407
By year end	<u>981 924</u>	<u>2 208 808</u>

<i>Accumulated writedowns</i>		
At the beginning of the year	-1 477 007	-1 339 641
Divestment	582 814	—
Writedowns for the year	—	-137 366
By year end	<u>-894 193</u>	<u>-1 477 007</u>
<b>Carrying amount at year end</b>	87 730	731 801

**Specification of the parent company's and the group's holdings of holdings in subsidiaries**

<i>Subsidiaries/Org nr/äte</i>	<i>Number Participations</i>	<i>Share of 1% i)</i>	<u>31-12-2022</u>	<u>31-12-2021</u>
			<i>Recognised Value,</i>	<i>Recognised Value,</i>
African Construction AS, 918 097 449, Kristiansand	300	100,0	34 709	34 709
<i>EcoHomes Co. Ltd, 123969, Dar Es Salaam</i>				
Atsoko International AB, 556812-0777, Stockholm, Sweder	-	-	-	137 366
<i>Atsoko Tanzania Ltd, 81655, Dar Es Salaam</i>				
Zanrec AB, 559016-4223, Stockholm	-	-	-	528 379
<i>Zanrec Plastics Co. Ltd, Z0000008522, Stone Town Ltd</i>				
East African Food AB, 559012-9820, Stockholm, Sweden	1 000	100,0	31 347	31 347
<i>Shambani Milk Ltd, 96950, Morogoro</i>			-	
Mtl Investment Ltd, 107959, Dar Es Salaam	1 095 000	99,0	21 674	-
Other subsidiaries, whether dormant or of minor importance			-	
			<u>87 730</u>	<u>731 801</u>

I) Refers to the ownership portion of the capital, which also coincides with the share of the votes for total number of shares.

**Note 15                      Receivables from Group companies**

	<u>31-12-2022</u>	<u>31-12-2021</u>
<i>The Parent Company</i>		
<i>Accumulated cost</i>		
At the beginning of the year	1 195 218	1 358 450
Additional receivables	464 383	13 800
	-266 654	-205 293
Converted into shareholder contribution	-9 968	-19 714
Translation differences for the year	-84 781	47 976
By year end	<u>1 298 198</u>	<u>1 195 218</u>
<i>Accumulated writedowns</i>		
At the beginning of the year	-171 284	-73 541
Regulated receivables	171 284	-
Writedowns for the year	-	-96 584
Translation differences for the year	-	-1 159
By year end	<u>-</u>	<u>-171 284</u>
<b>Carrying amount at year end</b>	<u>1 298 198</u>	<u>1 023 934</u>

## Note 16

## Holdings in associated companies and jointly controlled companies

## Income from holdings in associated companies and jointly controlled companies

	31-12-2022	31-12-2021
Share of the year result in associated companies and in jointly controlled companies	12 638	-10 495
Capital gain or loss on sale of shares	—	-61 191
	<u>12 638</u>	<u>-71 686</u>

## Change in holdings of associated companies and jointly controlled companies

## Accumulated acquisition value

At the beginning of the year	158 831	406 322
Reclassification to/from subsidiaries	830 305	-247 028
Share of the year result in associated companies and in jointly controlled companies	12 638	-10 495
Dividend for the year	—	—
Translation differences for the year	—	10 032
By year end	<u>1 001 774</u>	<u>158 831</u>

## Carrying amount at year end

1 001 774 158 831

## The Parent Company

## Accumulated cost

At the beginning of the year	—	—
Acquisitions	100 576	—
Divestment	—	—
Reclassifications	424 435	—
By year end	<u>525 012</u>	<u>—</u>

## Carrying amount at year end

525 012 —

## Specification of the Parent Company's and the Group's holdings of holdings in associated companies

31-12-2022

			31-12-2021
Associated companies	Capital		Carrying amount
/org no, registered office	Value of the share	Group	The Parent Company
<b>Directly owned</b>			
Techbridge Invest AS	—	—	
916 824 718, Kolsås, Sweden	—	134 563	100 576
Zanrec AB	—	—	
559016-4223, Danderyd	—	733 138	424 435
<b>Indirectly owned</b>			
Shambani Milk Ltd	—	—	
96950, Morogoro	—	134 073	
		<u>1 001 774</u>	<u>525 012</u>
			31-12-2021

31.12.2024		
	Capital	
Associated companies	Value of the share	Carrying amount
/org no, registered office	Group	The Parent Company
<b>Indirectly owned</b>		
Shambani Milk Ltd		
96950, Morogoro	158 831	



	158 831	–
Note 17		
Ownership interests in other companies		
	31-12-2022	31-12-2021
<i>Group</i>		
<i>Accumulated acquisition value</i>		
At the beginning of the year	165 265	143 915
Acquisitions	47 442	17 745
Translation differences for the year	–	3 605
By year end	212 707	165 265
<i>Accumulated writedowns</i>		
At the beginning of the year	-83 288	-60 635
Translation differences for the year	–	-1 519
Writedowns for the year	–	-21 135
By year end	-83 288	-83 288
<b>Carrying amount at year end</b>	<b>129 419</b>	<b>81 977</b>
<i>The Parent Company</i>		
<i>Accumulated acquisition value</i>		
At the beginning of the year	165 265	143 915
Acquisitions	47 442	17 745
Translation differences for the year	–	3 605
By year end	212 707	165 265
<i>Accumulated writedowns</i>		
At the beginning of the year	-83 288	-60 635
Translation differences for the year	–	-1 519
Writedowns for the year	–	-21 135
By year end	-83 288	-83 288
<b>Carrying amount at year end</b>	<b>129 419</b>	<b>81 977</b>

### Specification of the parent company's and the group's ownership interests in other companies

31-12-2022

	Shares		
Ownership interest	In%	Carrying amount	Carrying amount
/org no, registered office		The Group	The Parent Company
<b>Directly owned</b>			
Techbuddy AB	–	0	
559024-4728	–	75 549	75 549
Fintech Africa AB	–	5	
559189-6104	–	53 870	53 870
		129 419	129 419

**Specification of the parent company's and the group's ownership interests in other companies**
**31-12-2021**

<i>Ownership interest /org no, registered office</i>	<i>Shares</i>		<i>Carrying amount The Parent Company</i>
	<i>In%</i>	<i>Carrying amount The Group</i>	
<b>Directly owned</b>			
Techbuddy AB	0		
559024-4728	–	75 549	75 549
Fintech Africa AB	2		
559189-6104	–	6 428	6 428
		<u>81 977</u>	<u>81 977</u>

I) Refers to the ownership portion of the capital, which also coincides with the share of the votes for total number of shares.

**Note 18 Other long term holdings of securities**

	<b>31-12-2022</b>	<b>31-12-2021</b>
<i>Group</i>		
<i>Accumulated acquisition value</i>		
At the beginning of the year	3 486	3 839
Translation differences for the year	<u>166</u>	<u>-353</u>
By year end	3 652	3 486
<b>Carrying amount at year end</b>	<b>3 652</b>	<b>3 486</b>

**Note 19 Other long term receivables**

	<b>31-12-2022</b>	<b>31-12-2021</b>
<i>Group</i>		
<i>Accumulated acquisition value</i>		
At the beginning of the year	2 427	17 277
Additional receivables	29 499	550
Regulated claims	–	–
Reclassifications	–	-15 976
Translation differences for the year	<u>-1 367</u>	<u>576</u>
By year end	30 559	2 427
<i>Accumulated writedowns</i>		
At the beginning of the year	<u>–</u>	<u>–</u>
By year end	<u>–</u>	<u>–</u>
<b>Carrying amount at year end</b>	<b>30 559</b>	<b>2 427</b>
<i>The Parent Company</i>		
<i>Accumulated acquisition value</i>		
At the beginning of the year	–	–
Additional receivables	6 933	–
Regulated claims	–	–
Reclassifications	–	–
Translation differences for the year	<u>-91</u>	<u>–</u>
By year end	6 842	–
<b>Carrying amount at year end</b>	<b>6 842</b>	<b>–</b>

**Note 20**                      **Prepaid expenses and accrued income**

	31-12-2022	31-12-2021
<i>Group</i>		
Prepaid rent	510	4 773
Prepaid insurance	–	6 943
Accrued income	114 977	–
Accrued interest	12	–
Prepaid consulting expenses	–	18 094
Other prepaid expenses	21 338	–
	<u>136 837</u>	<u>29 810</u>
<i>Parent company</i>		
Prepaid rent	–	3 857
Accrued interest	12	–
Prepaid insurance	–	5 390
Other prepaid consulting expenses	–	13 668
Other prepaid expenses	21 338	–
	<u>21 349</u>	<u>22 915</u>

**Note 21**                      **Warrants**

In June 2022, up to 81000 additional warrants were registered. These have been issued to management of the Parent Company. The subscription period is 29-06-2025 to 29-07-2025. This is in addition to previously registered warrants that amounted to 1 182 718. A series TO1 warrant entitles the holder to subscribe to one new share in the company at a variable subscription price equivalent to 70 percent of volume weighted average price of the Company's share during the period from 10 February 2023 to 23 February 2023, but should be at least quota value per share and no more than 20.10 SEK per share, corresponding to 150 percent of the subscription offer. Subscription for shares in the Company with the support of warrants of series TO1 will take place from 27 February 2023 to 10 March 2023.

**Note 22**                      **Long term payables**

	31-12-2022	31-12-2021
<i>Group</i>		
Liabilities falling due more than five years from the balance sheet date:		
Other liabilities to credit institutions	–	140 187
Other liabilities	21 719	185 433
	<u>21 719</u>	<u>325 620</u>
<i>The Parent Company</i>		
Liabilities that fall due more than five years from the balance sheet		
Other liabilities to credit institutions	–	127 119

**Note 23**                      **Accrued expenses and deferred income**

	31-12-2022	31-12-2021
<i>Group</i>		
Accrued employee expenses	167 050	131 830
Accrued consultant fees	21 134	88 189
Accrued construction expenses	20 893	–
Accrued interest expense	–	4 468
And prepaid income	–	1 019
Other accrued expenses	30 284	2 425
	<u>239 360</u>	<u>227 931</u>
<i>The Parent Company</i>		
Accrued employee expenses	58 155	127 641
Accrued consultant fees	11 247	82 831
Other accrued expenses	24 178	2 425
	<u>93 579</u>	<u>212 897</u>

**Note 24**                      **Assets pledged and contingent liabilities - Group**

<i>Amounts in Euro</i>	31-12-2022	31-12-2021
Guarantee to Sticking DOB Equity	102 103	111 226
Risks related to Zanrec Plastic Ltd	251 331	273 788
	<u>353 434</u>	<u>385 014</u>

**Note 25**                      **Assets pledged and contingent liabilities - Parent Company**

<i>Amounts in Euro</i>	31-12-2022	31-12-2021
Assets pledged related to Zanrec AB	17 952	19 556
Guarantee to Sticking DOB Equity	102 103	111 226
	<u>120 055</u>	<u>130 783</u>

**Note 26**                      **Related party transactions**

Torbjörn Jacobsson, shareholder and CGRO in MTI Investment and also major shareholder in Fintech Africa AB, has been hired as a consultant and has invoiced 153 750 kr (14 TEUR) for his work in 2022. MTI Investment invested 500 000 SEK (46 TEUR) in Fintech Africa AB, a company where CEO Pontus Engström owns 19.4 percent of the shares and chairman of the board Trond Randøy owns 5.7 percent. The decision was made without Engströms and Randøy's involvement.

**Note 27**                      **Significant events after the end of the financial year**

In April 2023, MTI invested 115000 euros in a hotel management company in Zanzibar.

In April 2023, MTI invested 6700 euros in Tanswed Agro Limited.

Series TO1 warrants were subscribed for approx. 48 percent and MTI received approx. MSEK 1.62 (142 TEUR).

MTI acquired an additional 7.92% of Fintech Africa AB in March 2023 and paid by issuing new shares equivalent to a value of MSEK 1.23 (110 TEUR).

MTI Investment and Hotel Online launched a sustainable tourism booking site in Zanzibar.

The war in Ukraine has had a limited impact on the company's operations.

However, the company is continuing to monitor the situation.

**Note 28**                      **Interest paid and dividends received**

	2022	2021
<i>Group</i>		
Interest received	1 580	7 058
Interest paid	-16 882	-65 770



	2022	2021
<i>The Parent Company</i>		
Interest received	3 744	959
Interest paid	-1 314	-15 542

**Note 29 Other information in the cash flow statement**

**Adjustments for items not included in cash flow etc**

	2022	2021
<i>Group</i>		
Depreciation and impairment	277 613	241 320
Unrealised exchange rate differences	157 404	-16 329
Result from sales of fixed assets	–	71 975
Result from sales of businesses/subsidiaries	-729 289	–
Share of results in associates	-12 638	-10 495
	<u>-306 910</u>	<u>286 471</u>

	2022	2021
<i>The Parent Company</i>		
Writedowns/reversal of writedowns	113 765	255 255
Unrealised exchange rate differences	179 916	45 633
Result from sales of fixed assets	–	2 494
Result from sales of businesses/subsidiaries	66 541	2 007
Accrued interest income	-23 952	–
	<u>336 270</u>	<u>305 389</u>

**Acquisitions of subsidiaries/businesses, net cash impact**

	31-12-2022	31-12-2021
<i>Group</i>		
<i>Assets and liabilities acquired and shareholders' equity from previous holdings in case of successive acquisitions</i>		
Intangible fixed assets	–	438 986
Tangible fixed assets	–	98 056
Financial fixed assets	–	457 812
Inventories	–	48 682
Operating receivables	–	170 590
Cash and cash equivalents	–	6 939
Total assets	<u>–</u>	<u>1 221 065</u>
Acquired equity in previous holdings	–	420 108
Interest bearing liabilities	–	429 772
Operating liabilities	–	371 185
Total provisions and liabilities	<u>–</u>	<u>1 221 065</u>
Purchase price paid *	–	–
Added: Liquid assets in acquired operations	–	6 939
* No purchase price as the company was previously an associated compar	–	

**Divestments of subsidiaries, net cash impact**

	31-12-2022	31-12-2021
<i>Group</i>		
<i>Assets and liabilities divested</i>		
Intangible fixed assets	212 220	—
Tangible fixed assets	145 564	—
Inventories	30 716	—
Operating receivables	39 789	—
Cash and cash equivalents	83 985	—
Total assets	512 274	—
Realized results	729 289	—
Interest bearing liabilities	134 189	—
Operating liabilities	460 865	—
Total non controlling interests, liabilities and provisions	1 324 343	—
Sale price	184 739	—
Purchase price received	184 739	—
Deductions: Cash and cash equivalents in divested operations	-83 985	—
Impact on cash funds	100 754	—

## SIGNATURES

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*Danderyd, 19th May, 2023*

Trond Randøy  
*Chairman*

Christer Käck  
*Board Member*

Magdalena Johansson  
*Board Member*

Bengt Svelander  
*Board Member*

Pontus Engström  
*CEO*

*Our auditors' report was submitted on 19 May 2023*  
Ernst & Young AB

Stefan Svensson  
*Certified Public Accountant*

Please see original annual report in Swedish.  
This is an unofficial translation that does  
contain the audit report.

Please see original annual report in Swedish.  
This is an unofficial translation that does  
contain the audit report.



## OTHER INFORMATION

### AUDITOR

#### **Ernst & Young AB**

The Company's auditor is Ernst & Young AB. This Annual Report in Swedish has been subject to review by the company's auditor. Disclaimer: This document is an unofficial machine translation from Swedish to English and has not been subject to a review by the company's auditor.

### CERTIFIED ADVISER

#### **Mangold Fondkommission AB**

The company's Certified Adviser is Mangold Fondkommission AB, which can be reached on telephone number 08-5030 1550 and by e mail: [ca@mangold.se](mailto:ca@mangold.se)

*Training days with the local village on sustainable waste management, organized by Zanrec*





## FINANCIAL CALENDAR

MTI Investment provides half year and full year reports.  
All reports can be downloaded at [www.mti-investment.com](http://www.mti-investment.com).

Annual General Meeting	9th June 2023
Half year report (H1) incl. Portfolio update (2nd quarter)	30th August 2023
Half year report (H2) incl. Portfolio update (4th quarter)	28th March 2024
Publication of annual report 2023	Week 20, 2024

Mti Investment also issues portfolio updates \* quarterly.  
All reports can be downloaded at [www.mti-investment.com](http://www.mti-investment.com).

Portfolio update (1st Quarter)	19th May 2023
Portfolio update (3rd Quarter)	20th November 2023

*\*The portfolio updates shall not be considered as a formal interim report*





THE GO-TO INVESTOR FOR EAST AFRICAN GROWTH

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## MTI INVESTMENT SE

Org. 517100-0135

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### CONTACT PERSON

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### WEBSITE

*Visit our homepage via the link below*

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