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MTI Investment invests SEK 1.1 million (EUR 103.000) in fast growing, sustainable animal feed company Chanzi

STOCKHOLM, SWEDEN – In a financing round led by FINCA International, Inc., MTI Investment has invested USD 100.000 in a convertible debt note in Chanzi Limited, a leading East African producer of sustainable and nutritious animal feed that specializes in converting food waste with the help of black soldier fly larvae.

The convertible debt note provides a seven percent interest per annum. The convertible debt and accrued interest may be converted into equity at a twenty percent equity valuation discount in a qualified fund raising, a bona fide equity financing of the company with gross proceeds of at least USD 1.000.000, no later than 30 June 2025, the maturity date of the convertible debt note. FINCA International, Inc. has led the financing round, and the other two co-investors are Singapore based SEEK Impact and global beverage giant Anheuser-Busch InBev (AB InBev).

[Chanzi](#) uses black soldier fly larvae (BSFL) to convert food waste into nutritious protein for animal feed. Founder and COO, Sune Mushendwa, an architect by profession, began experimenting with these insects five years ago. He set out with the goal of finding a sustainable protein for animal feed that would reduce the industry's over-dependence on environmentally ruinous fish and soya bean meal. Through iterations and meticulous data collection, he developed innovative and efficient methods of breeding, growing, and harvesting black soldier fly larvae. Chanzi is Swahili for black soldier fly, a play on the words fly and feed.

In 2019 he was joined by CEO, Andrew Wallace, who came with ten years of experience running companies of different sizes in East Africa. Andrew was driven by the desire to find a profitable method of sustainably managing the escalating waste problem in his home country of Tanzania. He vowed to take Sune's production techniques to a commercial scale and replicate them throughout Tanzania and the surrounding countries. Chanzi has since made significant additions to the management team in the form of engineering and entomological expertise, expanded operations at the pilot site, and begun rolling out the commercial model throughout East Africa. Today, Chanzi has commercial BSF operations up and running in Kenya, Tanzania and soon Zanzibar and is now at a stage where they want to take their profitable and functioning model to other areas in East Africa with similar organic waste management problems. In 2020, Chanzi was selected by the 100+ Accelerator for a pilot program that aims to upcycle organic waste from local AB InBev breweries and Unilever factories in Sub-Saharan Africa. For each metric ton of organic waste diverted from landfills, they take an equal amount from businesses, such as spent yeast and spent grain.

MTI Investment CEO Pontus Engström says: "Our investment in Chanzi further supports our social impact investments in waste handling and compliments our other investment in Zanrec as an off-taker for organic waste. One of the biggest problems in sustainable waste management is how to handle the organic waste, which makes up over 60 percent of all waste collected. Food loss and waste exacerbate the climate change crisis. As food is produced, transported, and handled, it contributes to the significant production of CO₂, and



when it ends up in landfills, it releases methane, which is 25 times as potent as CO₂ at trapping heat in the atmosphere. The Chianzi larvae feed on organic waste, twice its own weight in a day. As a result, it is not only great for the environment, it also creates a nutritious protein - an alternative to using industrial-farmed soy and wild catch fish in animal feed. Finally, it is a profitable and fast-growing business. MTI Investment is also taking a more active role, as interim CFO in Chianzi with the help of MTI Group Audit and Finance Manager Parmena Mkuu, based in Dar es Salaam.”

Founder and COO, Sune Mushendwa says: “Roughly one-third of all fish caught end up as animal feed. We produce these insects organically and sustainably and feed those to the animals instead. Overfishing is a major problem in East Africa, as overfishing has decimated the Great Lakes region in Tanzania. Each Chianzi production facility process 18 metric tons of waste daily, which offsets an estimated 9.4 metric tons of CO₂ per day, which is roughly what two typical passenger cars emit in a year. The bi-product is called “frass” and is loved by the farmers as an organic fertilizer.

Certified Adviser

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About MTI Investment

MTI Investment SE is a Nordic investment and venture building company, founded in 2014 by a team with extensive experience from emerging markets with the aim of investing in East African small and medium-sized enterprises (“SME”) with high value-adding potential. The Company is active in the expansive East African market, and by being a long-term and active owner, MTI Investment helps its portfolio companies grow faster and become more profitable. The Company invests primarily in innovative and scalable companies that have the potential for a significant positive impact on society.

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