



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 913 406 656
Organisasjonsform: Aksjeselskap
Foretaksnavn: MTI INVESTMENT AS
Forretningsadresse: Kunnskapsparken
Universitetsveien 19
4630 KRISTIANSAND S

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Trond Randøy
Dato for fastsettelse av årsregnskapet: 25.05.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 01.09.2020



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		525 391	814 214
Sum inntekter		525 391	814 214
Kostnader			
Lønnskostnad	5	1 607 604	807 632
Annen driftskostnad	5	1 163 765	883 275
Sum kostnader		2 771 370	1 690 907
Driftsresultat		-2 245 978	-876 693
Finansinntekter og finanskostnader			
Annen finansinntekt	7	457 729	1 240 944
Sum finansinntekter		457 729	1 240 944
Nedskrivning av finansielle eiendeler	6, 7	8 020 546	59 132
Annen finanskostnad	7	8 577	114 066
Sum finanskostnader		8 029 123	173 198
Netto finans		-7 571 393	1 067 746
Ordinært resultat før skattekostnad		-9 817 372	191 053
Skattekostnad på ordinært resultat	9	-51 824	51 824
Ordinært resultat etter skattekostnad		-9 765 548	139 229
Årsresultat		-9 765 548	139 229
Overføringer og disponeringer			
Overføringer annen egenkapital	3	-9 765 548	139 229
Sum overføringer og disponeringer		-9 765 548	139 229



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	6	10 261 873	11 558 015
Lån til foretak i samme konsern	8	11 113 354	13 811 346
Lån til tilknyttet selskap og felles kontrollert virksomhet	8		477 867
Investeringer i aksjer og andeler		1 359 256	1 183 585
Sum finansielle anleggsmidler		22 734 483	27 030 813
Sum anleggsmidler		22 734 483	27 030 813
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		130 750	14 750
Andre fordringer		198 462	235 300
Sum fordringer		329 212	250 050
Bankinnskudd, kontanter og lignende			
Sum bankinnskudd, kontanter og lignende	10	2 018 489	897 093
Sum omløpsmidler		2 347 701	1 147 143
SUM EIENDELER		25 082 184	28 177 956
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	2, 3	4 744 200	4 194 900
Overkurs	3	29 500 159	23 457 860
Sum innskutt egenkapital		34 244 359	27 652 760



Balanse

Beløp i: NOK	Note	2019	2018
Opptjent egenkapital			
Annen egenkapital	3	-9 626 319	139 229
Sum opptjent egenkapital		-9 626 319	139 229
Sum egenkapital		24 618 039	27 791 988
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	5	101 977	4 000
Utsatt skatt	9		51 824
Sum avsetninger for forpliktelser		101 977	55 824
Annen langsiktig gjeld			
Sum langsiktig gjeld		101 977	55 824
Kortsiktig gjeld			
Leverandørgjeld		119 926	157 677
Skyldige offentlige avgifter	10	86 476	35 100
Annen kortsiktig gjeld		155 765	137 366
Sum kortsiktig gjeld		362 167	330 143
Sum gjeld		464 144	385 967
SUM EGENKAPITAL OG GJELD		25 082 184	28 177 955



MTI Investment AS

Annual report 2019

Annual accounts
- Income statement
- Balance sheet
- Notes

Auditors' report

Penneo Dokumentnøkkel: 27E6f-4XX6j-OW6WF-NKLNy-YD3Q2-2CO8K



MTI Investment AS

Income statement

	Note	2019	2018
Revenue			
Sales revenue		<u>525 391</u>	<u>814 214</u>
Operating expenses			
Payroll expenses	5	1 607 604	807 632
Other operating expenses	5	<u>1 163 765</u>	<u>883 275</u>
Total operating expenses		<u>2 771 370</u>	<u>1 690 907</u>
Operating result		<u>-2 245 978</u>	<u>-876 693</u>
Financial income and expenses			
Other financial income	7	457 729	1 240 944
Write-down on other financial assets	6, 7	8 020 546	59 132
Other financial expenses	7	<u>8 577</u>	<u>114 066</u>
Net financial items		<u>-7 571 393</u>	<u>1 067 746</u>
Ordinary result before tax		<u>-9 817 372</u>	<u>191 053</u>
Tax on ordinary result	9	<u>-51 824</u>	<u>51 824</u>
Net profit or loss for the year		<u>-9 765 548</u>	<u>139 229</u>
Allocated as follows			
Transferred to other equity	3	<u>-9 765 548</u>	<u>139 229</u>

Penneo Dokumentnøkkel: 27E6f-4XX6j-OW6WF-NKLNy-YD3Q2-2C08K



MTI Investment AS

Balance sheet as of December 31

	Note	2019	2018
Fixed assets			
<i>Financial assets</i>			
Investments in subsidiaries	6	10 261 873	11 558 015
Loans to group companies	8	11 113 354	13 811 346
Loans to associated companies and joint ventures	8	0	477 867
Investments in shares and units		<u>1 359 256</u>	<u>1 183 585</u>
Total financial assets		<u>22 734 483</u>	<u>27 030 813</u>
Total fixed assets		<u>22 734 483</u>	<u>27 030 813</u>
Current assets			
<i>Receivables</i>			
Trade receivables		130 750	14 750
Other receivables		<u>198 462</u>	<u>235 300</u>
Total accounts receivable		<u>329 212</u>	<u>250 050</u>
Cash and cash equivalents	10	<u>2 018 489</u>	<u>897 093</u>
Total current assets		<u>2 347 701</u>	<u>1 147 143</u>
Total assets		<u>25 082 184</u>	<u>28 177 956</u>

Penneo Dokumentnøkkel: 27E6f-4XX6j-OW6WF-NKLNy-YD3Q2-2CO8K



MTI Investment AS

Balance sheet as of December 31

	Note	2019	2018
Equity			
<i>Paid-in capital</i>			
Share capital	2, 3	4 744 200	4 194 900
Share premium reserve	3	29 500 159	23 457 860
Total paid-in capital		<u>34 244 359</u>	<u>27 652 760</u>
<i>Retained earnings</i>			
Other equity	3	-9 626 319	139 229
Total retained earnings		<u>-9 626 319</u>	<u>139 229</u>
Total equity		<u>24 618 039</u>	<u>27 791 988</u>
Liabilities			
<i>Provisions</i>			
Pension liabilities	5	101 977	4 000
Deferred tax liability	9	0	51 824
Total provisions		<u>101 977</u>	<u>55 824</u>
<i>Current liabilities</i>			
Trade creditors		119 926	157 677
Public duties payable	10	86 476	35 100
Other short-term liabilities		155 765	137 366
Total current liabilities		<u>362 167</u>	<u>330 143</u>
Total liabilities		<u>464 144</u>	<u>385 967</u>
Total equity and liabilities		<u>25 082 184</u>	<u>28 177 955</u>

Kristiansand, 25 May 2020

Pontus Engstrøm
CEO

Trond Randøy
Chairman

Bo Christer Wizelius Käck
Board member

Per Adam Kristofer Lind
Board member



MTI Investment AS

Notes to the accounts for 2019

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act and generally accepted accounting principles for small companies.

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

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

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To the extent group contribution is not registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.



MTI Investment AS

Notes to the accounts for 2019

NOTE 2 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	15 814	300 kr	4 744 200

Main shareholders per 31.12:

	Ordinary shares	Ownership share
Sørlandsforskning AS, 1)	4 367	27,61 %
ADB Invest AB	1 200	7,59 %
Pontus Engstrøm	1 052	6,65 %
Egahult Invest AB	550	3,48 %
Sofia Lindeborg	500	3,16 %
Heracleum AB	500	3,16 %
Christer Käck AB	370	2,34 %
Gunnar Isaksson	342	2,16 %
Lunde Holding Invest AS	330	2,09 %
Øyvind Randøy	290	1,83 %
BJO Invest AS	280	1,77 %
Vallenus AS	280	1,77 %
Hennig-Olsen Holding AS	277	1,75 %
AB Argonova	250	1,58 %
Rylanderska Stiftelsen	214	1,35 %
Scenario Invest AS	200	1,26 %
POHO AS	200	1,26 %
Levi Geir Eidhamar	200	1,26 %
Lars Orest	150	0,95 %
Kerim Kaskal	150	0,95 %
Total	11 702	73,97 %
Other (less than 5% ownership)	4 112	26,00 %
Total number of shares	15 814	100,00 %

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

Penneo Dokumentnøkkel: 27E61-4XX61-OW6WF-NKLN1-YD3Q2-2CO8K



MTI Investment AS

Notes to the accounts for 2019

NOTE 3 - EQUITY

	Share Capital	Share Premium	Other Equity	Total Equity
Equity 01.01.	4 194 900	23 457 860	139 230	27 791 990
Profit for the year	0	0	-9 765 548	-9 765 548
Cash contribution no. 1 2019	295 800	3 253 800	0	3 549 600
Debt converted to share cap. no. 1	5 700	62 700	0	68 400
Non-cash contribution	96 600	1 062 600	0	1 159 200
Cash contribution no. 2 2019	133 200	1 465 200	0	1 598 400
Debt converted to share cap. no. 2	18 000	198 000	0	216 000
Equity 31.12.	4 744 200	29 500 160	-9 626 318	24 618 042

NOTE 4 - MORTGAGES AND GUARANTEES

<i>Guarantee commitments</i>	2019	2018
Collaterals offered to Zanrec AB (SEB)	0	48 346
Guarantee commitments offered to Zanrec AB (Almi)	141 500	96 691
Guarantee commitments offered to Atsoko Int. AB (Almi)	0	72 518
Guar. comm. offered to Ecohomes (CSK Research Sol Ltd)	1 320 340	0
Guar. comm. offered to Stichting DOB Equity 1)	1 277 750	0
Total guarantee commitments	2 739 590	217 555

The guarantee commitments above are converted to NOK as per 31.12.19 exchange rates.

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

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

<i>Labour Costs:</i>	2019	2018
Wages	1 219 039	612 626
Social security costs	47 071	79 491
Pension expenses	97 977	48 446
Other personnel related expenses	762	18 208
Social security costs paid in Sweden	242 756	48 862
Total	1 607 605	807 633

The total number of employees in the company during the year: 2 labour year.

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



MTI Investment AS

Notes to the accounts for 2019

Management remuneration

	CEO	Board of Directors
Salary	840 000	40 000
Pension expenses	84 000	0
Other remuneration	2 928	0

CEO has an agreement regarding severance pay equal to his salary the past 12 months. In addition his pension scheme is based on 10% of his gross salary. The CEO receive 71% of his salary in cash and the remaining 29% is salary payable, whereby the CEO has the right to convert this salary payable in capital contributions. As of December 31, 2019 the salary payable is 138 965 kr.

<i>Fees to auditors (excl. VAT):</i>	2019	2018
Audit fee	60 500	50 700
Fees for non-audit services	18 600	51 800
Other confirmations	34 300	0

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MTI Investment AS

Notes to the accounts for 2019

NOTE 6 - INVESTMENT IN SUBSIDIARIES

Company	Acquisition		Share owne rs	Net profit	Equity	Book value
	year	Location		2019	31.12	31.12
MTI Investment LTD (1)	2014	Tanzania	99 %	-65 622	5 994 840	0
Atsoko International AB (2)	2015	Sweden	67 %	-3 951 040	4 646 310	4 906 235
Zanrec AB	2015	Sweden	70 %	228 450	4 256 170	5 274 135
African Construction AS (3)	2016	Norway	100 %	-16 448	-38 986	30 000
East African Food AB (4)	2017	Sweden	100 %	-7 274	32 098	51 502
Total				-3 811 934	14 890 432	10 261 872

All amounts above converted to NOK as per exchange rates per December 31, 2019.

(1) The book value of the shares in MTI Investment LTD has been written down to NOK 0 as of December 31, 2019.

(2) The book value of the shares in Atsoko International AB has been written down by 1/3 as of December 31, 2019.

(3) African Construction AS owns 45,4% of Ecohomes Company Ltd.

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

NOTE 7 - FINANCIAL INCOME AND FINANCIAL COSTS

	2019	2018
<i>Financial income</i>		
Interest received from Group companies	398 328	683 453
Foreign exchange gain (net)	4 066	556 815
Other interest income	55 335	677
	<u>457 729</u>	<u>1 240 945</u>
<i>Financial expenses - impairments</i>		
Impairment of shares in subsidiaries	5 055 002	800 000
Current year reversal of previous impairment in associated companies	0	-740 868
Impairment of loans/accrued interests/agio	2 965 544	0
	<u>8 020 546</u>	<u>59 132</u>
<i>Other financial expenses</i>		
Foreign exchange loss (net)	6 969	110 954
Other financial expenses	1 607	3 112
	<u>8 576</u>	<u>114 066</u>



MTI Investment AS

Notes to the accounts for 2019

NOTE 8 - RECEIVABLES / LIABILITIES GROUP COMPANIES

<i>Long-term loans to subsidiaries</i>	2019	2018
Loan to MTI Investment LTD (1)	3 299 782	5 174 500
Loan to African Construction AS (2)	4 181 331	3 213 464
Loan to Atsoko International AB (3)	1 714 920	1 548 980
Loan to East African Food AB (4)	1 917 321	1 862 830
Loan to Zanrec AB	0	2 011 572
Total long-term loans to subsidiaries	<u>11 113 354</u>	<u>13 811 346</u>

(1) The loan is calculated with interest 7%. No guarantees or pledges have been issued on the loan.

(2) The loan is not calculated with interest in 2019. Interest rate will be 2% from 2020 onwards. No guarantees or pledges have been issued on the loan.

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

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

<i>Long-term loans to associated companies</i>	2019	2018
Loan to Ecohomes Company LTD	0	477 867

Penneo Dokumentnøkkel: 27E6f-4XX6i-OW6WF-NKLNy-YD3Q2-2CO8K



MTI Investment AS

Notes to the accounts for 2019

NOTE 9 - INCOME TAXES

	2019	2018
<i>Income tax expenses</i>		
This years tax effect of change in tax rate	0	
Change in deferred tax	-51 824	51 824
Total income tax expense	<u>-51 824</u>	<u>49 468</u>
<i>Tax base estimation</i>		
Ordinary result before tax	-9 817 372	191 054
Permanent differences	0	698
Impairment of shares and intercompany receivables	8 020 546	59 132
Temporary differences	-10 853	-319 614
Tax base	<u>-1 807 679</u>	<u>-68 730</u>
<i>Temporary differences outlined</i>		
Unrealized currency loans	815 836	804 983
Total	<u>815 836</u>	<u>804 983</u>
Impairment of shares outside tax exemption method (MTD Investment Ltd.)	-2 605 002	0
Accumulated tax loss carried forward	-2 377 100	-569 421
Temporary differences	-4 166 266	235 562
Offset temporary differences	-4 166 266	0
Total	<u>0</u>	<u>235 562</u>
Deferred income tax liability (22%)	0	51 824
<i>Effective tax rate</i>		
Expected income taxes, statutory tax rate 22%	-2 159 822	
Change in deferred tax asset not recorded in balance sheet	916 579	
Tax effect related to change in deferred tax asset on impairment outside exemption	-573 100	
Permanent differences (22%)	1 764 520	
Income tax expense	<u>-51 823</u>	
	0,5 %	

NOTE 10 - BANK DEPOSIT

	2019
Bank deposit related to employees' taxes withheld	4 886



MTI Investment AS

Notes to the accounts for 2019

NOTE 11 - SUBSEQUENT EVENTS

In March 2020, the outbreak of the COVID-19 virus was declared a global pandemic by the World Health Organization (WHO). Norway, together with many other countries, has taken national emergency measures in an effort to limit the spread of the virus, including extensive quarantine and travel restrictions.

The company assesses necessary measures on an ongoing basis. The outbreak of the COVID-19 virus is expected to have a significant negative impact on the economy in Tanzania and could therefore also affect the company in 2020. During March / April 2020, we began to see early effects of Corona in the subsidiaries. Atsoko has seen a decline in sales and measures have been taken to cut costs and ensure the company's survival. The product range is adjusted to better meet new needs, such as hand sanitizer spray and soap. For Zanrec, which works with waste management, the tourism industry in Zanzibar has been significantly reduced. This in turn have reduced the need for Zanrec's services. Ecohomes, a subsidiary of African Construction AS, is minimal affected by Corona and Shambani Milk, a subsidiary of East African Food AB, is relatively solid for the time being.

The financial impact for the company is uncertain as the duration of the pandemic cannot be reliably estimated. However, the company has sufficient equity, financing and liquidity. In March 2020, a capital contribution of 9 187 200 kr in cash was completed which further improves equity and liquidity.



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Pontus Engström

CEO

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2020-05-20 15:31:31Z



Bo Christer Wizelius Käck

Board member

Serienummer: 19530605xxxx

IP: 217.213.xxx.xxx

2020-05-20 22:07:57Z



Trond Randøy

Chairman

Serienummer: 9578-5997-4-560046

IP: 89.11.xxx.xxx

2020-05-23 13:02:08Z



KRISTOFER LIND

Board member

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Godkjent revisjonsselskap
Autorisert regnskapsførerselskap
Medlem av Den norske Revisorforening

To the Shareholders' Meeting of MTI Investment AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MTI Investment AS, showing a loss of NOK 9 765 548. The financial statements comprise the balance sheet as at December 31, 2019, and the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with laws and regulations and present fairly, in all material respect, the financial position of the Company as at December 31, 2019, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the CEO (Management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using



the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Refer to <https://revisorforeningen.no/revisjonsberetninger> which contains a description of Auditor's responsibilities.

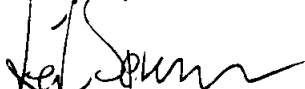
Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Kristiansand, 25. May 2020

Revisjon Sør AS



Leif S. Sørensen
State Authorized Public Accountant (Norway)



Skatteetaten

Vår dato
24.06.2019

Din dato
06.06.2019

Saksbehandler
Bente Halvorsen

800 80 000
Skatteetaten.no

Din referanse

Telefon
97180360

Org.nr
Skatteetaten

Vår referanse
2019/6036464

Postadresse
Postboks 9200 Grønland
0134 OSLO

REVISJON SØR AS
Postboks 9
4661 KRISTIANSAND S

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for MTI Investment AS, org. nr. 913 406 656

Vi viser til deres brev av 6. juni 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for MTI Investment AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering MTI Investment AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det pålegger den regnskapspliktige å dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Selskapets aksjonærer er 69 % utenlandske (p.t. 54 stk) og 31 % norske (24 stk). Selskapet driver i en internasjonal bransje og har flere datterselskaper og tilknyttede selskaper i utlandet hvor kommunikasjonen i all hovedsak foregår på engelsk. To av selskapets styremedlemmer er fra Sverige. Da mye av kommunikasjonen og protokoller blir skrevet på engelsk, er det ønskelig fra styret at også årsregnskapet og årsberetningen blir skrevet på engelsk. I tillegg er selskapet i vekst og har jevnlig kapitaløkninger som i stor grad retter seg mot investorer i utlandet.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at majoriteten av eiere er utenlandske. Selskapet har flere datterselskaper og tilknyttede selskaper i utlandet hvor kommunikasjonen i all hovedsak foregår på engelsk. Mye av kommunikasjonen mellom styremedlemmene og styrets protokoller blir skrevet på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Bente Halvorsen
Spesialrevisor
Brukerdialog, juridisk stab, gruppe 1
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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MTI Investment AS

Notes to the accounts for 2019

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act and generally accepted accounting principles for small companies.

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

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

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To the extent group contribution is not registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.



MTI Investment AS

Notes to the accounts for 2019

NOTE 2 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	15 814	300 kr	4 744 200

Main shareholders per 31.12:

	Ordinary shares	Ownership share
Sørlandsforskning AS, 1)	4 367	27,61 %
ADB Invest AB	1 200	7,59 %
Pontus Engstrøm	1 052	6,65 %
Egahult Invest AB	550	3,48 %
Sofia Lindeborg	500	3,16 %
Heracleum AB	500	3,16 %
Christer Käck AB	370	2,34 %
Gunnar Isaksson	342	2,16 %
Lunde Holding Invest AS	330	2,09 %
Øyvind Randøy	290	1,83 %
BJO Invest AS	280	1,77 %
Vallenus AS	280	1,77 %
Hennig-Olsen Holding AS	277	1,75 %
AB Argonova	250	1,58 %
Rylanderska Stiftelsen	214	1,35 %
Scenario Invest AS	200	1,26 %
POHO AS	200	1,26 %
Levi Geir Eidhamar	200	1,26 %
Lars Orest	150	0,95 %
Kerim Kaskal	150	0,95 %
Total	11 702	73,97 %
Other (less than 5% ownership)	4 112	26,00 %
Total number of shares	15 814	100,00 %

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



MTI Investment AS

Notes to the accounts for 2019

NOTE 3 - EQUITY

	Share Capital	Share Premium	Other Equity	Total Equity
Equity 01.01.	4 194 900	23 457 860	139 230	27 791 990
Profit for the year	0	0	-9 765 548	-9 765 548
Cash contribution no. 1 2019	295 800	3 253 800	0	3 549 600
Debt converted to share cap. no. 1	5 700	62 700	0	68 400
Non-cash contribution	96 600	1 062 600	0	1 159 200
Cash contribution no. 2 2019	133 200	1 465 200	0	1 598 400
Debt converted to share cap. no. 2	18 000	198 000	0	216 000
Equity 31.12.	4 744 200	29 500 160	-9 626 318	24 618 042

NOTE 4 - MORTGAGES AND GUARANTEES

<i>Guarantee commitments</i>	2019	2018
Collaterals offered to Zanrec AB (SEB)	0	48 346
Guarantee commitments offered to Zanrec AB (Almi)	141 500	96 691
Guarantee commitments offered to Atsoko Int. AB (Almi)	0	72 518
Guar. comm. offered to Ecohomes (CSK Research Sol Ltd)	1 320 340	0
Guar. comm. offered to Stichting DOB Equity 1)	1 277 750	0
Total guarantee commitments	2 739 590	217 555

The guarantee commitments above are converted to NOK as per 31.12.19 exchange rates.

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

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

<i>Labour Costs:</i>	2019	2018
Wages	1 219 039	612 626
Social security costs	47 071	79 491
Pension expenses	97 977	48 446
Other personnel related expenses	762	18 208
Social security costs paid in Sweden	242 756	48 862
Total	1 607 605	807 633

The total number of employees in the company during the year: 2 labour year.

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



MTI Investment AS

Notes to the accounts for 2019

Management remuneration

	CEO	Board of Directors
Salary	840 000	40 000
Pension expenses	84 000	0
Other remuneration	2 928	0

CEO has an agreement regarding severance pay equal to his salary the past 12 months. In addition his pension scheme is based on 10% of his gross salary. The CEO receive 71% of his salary in cash and the remaining 29% is salary payable, whereby the CEO has the right to convert this salary payable in capital contributions. As of December 31, 2019 the salary payable is 138 965 kr.

Fees to auditors (excl. VAT):

	2019	2018
Audit fee	60 500	50 700
Fees for non-audit services	18 600	51 800
Other confirmations	34 300	0



MTI Investment AS

Notes to the accounts for 2019

NOTE 6 - INVESTMENT IN SUBSIDIARIES

Company	Acquisition		Share owne rs	Net profit	Equity	Book value
	year	Location		2019	31.12	31.12
MTI Investment LTD (1)	2014	Tanzania	99 %	-65 622	5 994 840	0
Atsoko International AB (2)	2015	Sweden	67 %	-3 951 040	4 646 310	4 906 235
Zanrec AB	2015	Sweden	70 %	228 450	4 256 170	5 274 135
African Construction AS (3)	2016	Norway	100 %	-16 448	-38 986	30 000
East African Food AB (4)	2017	Sweden	100 %	-7 274	32 098	51 502
Total				-3 811 934	14 890 432	10 261 872

All amounts above converted to NOK as per exchange rates per December 31, 2019.

(1) The book value of the shares in MTI Investment LTD has been written down to NOK 0 as of December 31, 2019.

(2) The book value of the shares in Atsoko International AB has been written down by 1/3 as of December 31, 2019.

(3) African Construction AS owns 45,4% of Ecohomes Company Ltd.

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

NOTE 7 - FINANCIAL INCOME AND FINANCIAL COSTS

	2019	2018
<i>Financial income</i>		
Interest received from Group companies	398 328	683 453
Foreign exchange gain (net)	4 066	556 815
Other interest income	55 335	677
	<u>457 729</u>	<u>1 240 945</u>
<i>Financial expenses - impairments</i>		
Impairment of shares in subsidiaries	5 055 002	800 000
Current year reversal of previous impairment in associated companies	0	-740 868
Impairment of loans/accrued interests/agio	2 965 544	0
	<u>8 020 546</u>	<u>59 132</u>
<i>Other financial expenses</i>		
Foreign exchange loss (net)	6 969	110 954
Other financial expenses	1 607	3 112
	<u>8 576</u>	<u>114 066</u>



MTI Investment AS

Notes to the accounts for 2019

NOTE 8 - RECEIVABLES / LIABILITIES GROUP COMPANIES

<i>Long-term loans to subsidiaries</i>	2019	2018
Loan to MTI Investment LTD (1)	3 299 782	5 174 500
Loan to African Construction AS (2)	4 181 331	3 213 464
Loan to Atsoko International AB (3)	1 714 920	1 548 980
Loan to East African Food AB (4)	1 917 321	1 862 830
Loan to Zanrec AB	0	2 011 572
Total long-term loans to subsidiaries	<u>11 113 354</u>	<u>13 811 346</u>

(1) The loan is calculated with interest 7%. No guarantees or pledges have been issued on the loan.

(2) The loan is not calculated with interest in 2019. Interest rate will be 2% from 2020 onwards. No guarantees or pledges have been issued on the loan.

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

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

<i>Long-term loans to associated companies</i>	2019	2018
Loan to Ecohomes Company LTD	0	477 867



MTI Investment AS

Notes to the accounts for 2019

NOTE 9 - INCOME TAXES

	2019	2018
<i>Income tax expenses</i>		
This years tax effect of change in tax rate	0	
Change in deferred tax	-51 824	51 824
Total income tax expense	<u>-51 824</u>	<u>49 468</u>
<i>Tax base estimation</i>		
Ordinary result before tax	-9 817 372	191 054
Permanent differences	0	698
Impairment of shares and intercompany receivables	8 020 546	59 132
Temporary differences	-10 853	-319 614
Tax base	<u>-1 807 679</u>	<u>-68 730</u>
<i>Temporary differences outlined</i>		
Unrealized currency loans	815 836	804 983
Total	<u>815 836</u>	<u>804 983</u>
Impairment of shares outside tax exemption method (MTD Investment Ltd.)	-2 605 002	0
Accumulated tax loss carried forward	-2 377 100	-569 421
Temporary differences	-4 166 266	235 562
Offset temporary differences	-4 166 266	0
Total	<u>0</u>	<u>235 562</u>
Deferred income tax liability (22%)	0	51 824
<i>Effective tax rate</i>		
Expected income taxes, statutory tax rate 22%	-2 159 822	
Change in deferred tax asset not recorded in balance sheet	916 579	
Tax effect related to change in deferred tax asset on impairment outside exemption	-573 100	
Permanent differences (22%)	1 764 520	
Income tax expense	<u>-51 823</u>	
	0,5 %	

NOTE 10 - BANK DEPOSIT

	2019
Bank deposit related to employees' taxes withheld	4 886



MTI Investment AS

Notes to the accounts for 2019

NOTE 11 - SUBSEQUENT EVENTS

In March 2020, the outbreak of the COVID-19 virus was declared a global pandemic by the World Health Organization (WHO). Norway, together with many other countries, has taken national emergency measures in an effort to limit the spread of the virus, including extensive quarantine and travel restrictions.

The company assesses necessary measures on an ongoing basis. The outbreak of the COVID-19 virus is expected to have a significant negative impact on the economy in Tanzania and could therefore also affect the company in 2020. During March / April 2020, we began to see early effects of Corona in the subsidiaries. Atsoko has seen a decline in sales and measures have been taken to cut costs and ensure the company's survival. The product range is adjusted to better meet new needs, such as hand sanitizer spray and soap. For Zanrec, which works with waste management, the tourism industry in Zanzibar has been significantly reduced. This in turn have reduced the need for Zanrec's services. Ecohomes, a subsidiary of African Construction AS, is minimal affected by Corona and Shambani Milk, a subsidiary of East African Food AB, is relatively solid for the time being.

The financial impact for the company is uncertain as the duration of the pandemic cannot be reliably estimated. However, the company has sufficient equity, financing and liquidity. In March 2020, a capital contribution of 9 187 200 kr in cash was completed which further improves equity and liquidity.