Chairperson and CEO's report

VICTOR SEEYAVE
CHAIRPERSON

JEAN-PIERRE LIM KONG
CHIEF EXECUTIVE OFFICER

EXECUTIVE SUMMARY

FY2024/25 was a year of progress despite persistent external and domestic pressures. The Group delivered improved results, with a modest rise in turnover to reach Rs 6.2 billion while profit for the year grew significantly from Rs 96.7 million to Rs 137.9 million. Earnings per share rose to Rs 2.87 (FY2023/24: Rs 1.77). If we excluded the exceptional loss suffered during the political unrest in Mozambique, the earnings per share for the financial year would have stood at Rs 3.60.

This performance was achieved against a backdrop of rising operational costs, including wage increases, continued freight disruptions, labour shortages, and the extension of government price controls, all of which exerted pressure on margins. Moreover, the growing power of large retailers is making it imperative to establish a more level playing field, with policies and legislation that ensure fair trading terms between producers, distributors and retailers.

Investments across poultry, dairy, feeds and commercial operations are beginning to bear fruit, enhancing capacity, product quality and resilience. At the same time, the Group advanced its sustainability agenda: expanding solar energy generation, reinforcing water and energy efficiency, and embedding ESG metrics into operations. These initiatives are strengthening both long-term competitiveness and alignment with the national transition toward a low-carbon economy.

Looking forward, Innodis remains focused on financial discipline, efficiency, and innovation, while continuing to invest in people, systems and infrastructure. The roll-out of a new Group-wide ERP system and the exploration of emerging digital tools, including Artificial Intelligence, are expected to enhance integration, data-driven decision-making and customer engagement.

The period under review was marked by significant external and domestic developments. Global uncertainty intensified, with markets operating in an increasingly fragile and complex economic environment. The long tail of post-Covid supply-chain disruption and elevated commodity and freight prices amplified by the protracted Russia-Ukraine conflict, has yet to fully dissipate. Geopolitical tensions in the Middle East added another layer of risk and unpredictability, triggering oil prices volatility and feeding through to transport and food costs.

Moreover, policy shifts in major economies also undermined confidence globally. In particular, renewed tariff measures in the United States have kept trade policy at the forefront of global risk, reinforcing a cautious outlook and the potential for protectionist spillovers.

In Mauritius, economic conditions remained fragile, with inflation driven by external price pressures and exchange rate movements, while the country continued to face current account and fiscal constraints. According to the IMF, real GDP growth is projected to stand at 3% in 2025.

In the food and distribution industry, government intervention through maximum mark-up regulations and the absence of legislation to ensure fair trading terms with large retailers continued to pose significant challenges for distributors and food manufacturers, compressing margins in an environment of rising operating costs. Protecting local production through a fairer trading framework with retailers is increasingly important, while facilitating the recruitment of foreign labour remains essential to address persistent shortages in the local workforce.

However, despite a slow start to the year, the Group demonstrated resilience and delivered improved financial results in 2024/25. We continued to convert headwinds into opportunities, accelerating investment in plant, equipment and machinery across several operating units. We also advanced our sustainability agenda, treating ESG not merely as a compliance framework but as a lever for growth and operational efficiency, consistent with the direction set in prior years.

Chairperson and CEO's report (continued)

Group turnover stood at Rs 6.2 billion for the financial year ended 2024/25. This performance was achieved despite underperformance in the local poultry business in the first quarter and civil unrest in Mozambique in December 2024. The events in Mozambique had a significant adverse impact on our financial results and led to an impairment of Rs 27.1 million following damage to property, plant and equipment and pilferage of finished goods, packaging materials and biological assets. Profit for the year increased from Rs 96.7 million to Rs 137.9 million, driven primarily by margin improvements, lower storage costs and reduced finance expenses.

Earnings per share (EPS) amounted to Rs 2.87 (FY2023/24: Rs 1.77). If we exclude the losses incurred in Mozambique - an exceptional item - EPS would have stood at Rs 3.60 for the year.

PERFORMANCE BY CLUSTER

AGRO-INDUSTRY

The financial year 2024/25 was marked by a challenging and fast-changing operating environment for our poultry operations. After a difficult start to the year, we adapted our processes, restored efficiencies and gradually regained commercial momentum across our markets.

Production gained traction from the second quarter, driving full-year topline growth on the back of higher throughput. Gross margins improved year-on-year thanks to efficiency gains in farming and processing, a more profitable product mix, and disciplined cost management, although these were partly offset by the sustained increase in input, energy, labour and logistics costs, which continue to weigh on overall profitability.

The above results were achieved against a backdrop of persistent volatility. The global poultry sector continued to face concurrent pressures: swings in feed ingredient prices driven by geopolitical and climatic factors, elevated energy costs and pressure on consumer purchasing power in core markets.

In parallel with commercial progress, our agri-business operations advanced significantly on the ESG front, further embedding sustainability in our business model. Solar generation was expanded across our sites, complemented by energy-efficient lighting and low-energy equipment. Water-stewardship initiatives safeguarded farm operations during periods of low rainfall. Our roadmap is designed to build long-term resilience, reduce environmental impact, and strengthen Innodis Poultry's standing as a trusted, responsible participant in regional agri-food systems.

On the social front, our people strategy prioritised capability and well-being. We launched targeted upskilling on process automation, animal welfare, and food safety to equip teams for a more digitised, quality-driven future. Our Occupational Health and Safety commitment was reinforced through ergonomic workstations, equipment upgrades, and structured health screenings. Our respective teams also supported over a dozen community initiatives - from blood donations and wellness screenings to nutrition talks and health & safety workshops.

During the year, we initiated a consolidation of our local operations in our poultry cluster to streamline processes and maximise productivity. This included investments in advanced processing automation, tighter integration between live operations and processing plants, and stronger cross-functional coordination between production planning, inventory control and sales.

We remain cautiously optimistic about the sector's prospects. Poultry continues to be the most affordable source of animal protein in Mauritius, supporting resilient demand. However, persistent cost pressures and acute competition in both the modern trade and traditional markets continue to weigh on margins. With a leaner cost base, stronger infrastructure and an engaged team, Innodis Poultry is well positioned to navigate these challenges and capture growth opportunities over the medium term.

Moçambique Farms Limitada

The past year was one of exceptional challenge and meaningful recovery for our Mozambique poultry subsidiary. Following the serious operational and financial setbacks caused by civil unrest in late 2024, the business has since made steady progress in stabilising operations and rebuilding capacity.

The FY2024/25 began under highly adverse conditions. Political instability and social unrest disrupted supply chains, halted production at key sites, and put at risk both our employees and the rural communities that depend on us. With the support of our teams, partners and shareholders, we rolled out a structured recovery plan focused on safety, infrastructure stabilisation, and continuity of operations. By the fourth quarter, the business had restored its profitability. Production volumes have steadily increased, feed conversion rates have normalised, and farm-level performance has largely recovered to pre-crisis benchmarks.

A key milestone during the year was the successful FSSC 22000 recertification of our processing facility. This enables Moçambique Farms to continue supplying international clients such as KFC and Woolworths, who demand the highest food safety and quality standards. We also reinforced infrastructure and risk mitigation measures. Investments in site security - including surveillance upgrades and emergency protocols in coordination with local authorities - strengthened protection for our people and assets.

Looking ahead, our priorities are to scale production, improve plant utilisation, and invest in automation to reduce reliance on labour and enhance efficiency. While the political and economic climate in Mozambique remains delicate, the progress achieved over the past year demonstrates the resilience of the business and provides a solid platform for growth.

Meaders Feeds Ltd

Meaders Feeds Ltd continued to demonstrate resilience throughout the financial year, achieving solid growth in animal feed sales while navigating a volatile external environment. Global cereal price fluctuations and elevated freight costs persisted, placing pressure on margins, but the company mitigated these through robust procurement strategies and tighter operational controls.

Financially, profit before tax increased year-on-year, reflecting disciplined cost management and reduced financial expenses. While these improvements have strengthened the company's position, profitability remains sensitive to commodity and freight price volatility, which continues to present significant challenges.

The refurbishment initiative launched in 2024 is progressing as planned. The first phase remains on schedule for completion by October 2025, while the second phase, centred on full automation of production lines, is due to commence by year-end. Even at this early stage, the programme has begun to deliver tangible benefits in operational efficiency and production capability.

Looking ahead, Meaders Feeds remains committed to continuous improvement and innovation, with a strong focus on delivering high-quality nutritional solutions to its customers. The company's strategic vision is to reinforce its standing as the island's leading feed supplier, while maintaining prudence in the face of ongoing market volatility.

MANUFACTURING (DAIRY)

FY2024/25 was a year of investment and renewal for our Dairy production unit. We commissioned higher-capacity lines for our DairyVale™ yoghurt pots and drinks in October 2024 and March 2025, and critical cold-room equipment was upgraded. The upliftment of factory premises, now nearing completion, will increase production capacity to cater for future growth, though these upgrades have resulted in occasional operational disruptions. These steps form part of our three-year enhancement programme, which will reach its final phase in FY2025/26 with new ice-cream equipment and additional product lines expected to be operational by the end of the calendar year 2025.

Production and revenues grew modestly year-on-year with heightened competition in both the ice-cream and yoghurt segments. Operations continued to face headwinds from freight delays - which resulted in inconsistent procurement of imported raw materials - and from labour constraints. While the unit delivered an improved bottom line compared to the prior year, profitability remains under pressure from rising input costs and intense competition.

Innovation and product development remained central to our strategy. Our probiotic drinking yoghurt with real fruit inclusions, Jump™, launched in the prior year under our DairyVale™ brand, continued to gain traction. We extended our BeWell™ Kefir range with a sugar-free alternative, while our reusable 5-litre tubs for ice-cream in the food service segment were well received. We are assessing opportunities to extend such sustainable packaging to yoghurt lines in the future.

Chairperson and CEO's report (continued)

On the sustainability front, our Dairy unit has taken steps to measure and contain its carbon footprint. A pilot project on combi vehicles - combining delivery of chilled and frozen products - has yielded positive results in lowering costs and environmental impact. Further benefits are expected from a dedicated 2MW photovoltaic farm due to come online in the near future.

Looking ahead, the investments made in facilities and processes are expected to enhance output, yield and efficiency. While the sector remains competitive and cost pressures are unlikely to abate, these upgrades provide a stronger platform for cautious growth in the years ahead.

IMPORTS AND DISTRIBUTION

Our commercial division faced another challenging year marked by persistent sea-freight disruptions, limited access to foreign currency, a shortage of skilled labour, escalating staff costs, and the extension of the list of products under the maximum mark-up regime. These factors continued to weigh heavily on margins. Despite these headwinds, the division delivered an improved financial performance, driven by disciplined margin management, operational efficiencies, and a push to protect and grow market share.

Several positive developments took place in our product portfolio. The re-launch of Le Poulet Fermier™, our free-range chicken brand, was well received. We extended our range of ready-to-eat chicken products under the Prodigal™ brand and began distributing FarmFrite™, a leading global brand of fries. We also introduced new categories under the Materne™ and Mont Blanc™ brands and added jumbo packs of frozen vegetables for the food service and catering sectors.

As part of our portfolio optimisation, we rationalised certain low-performing products, including processed cheddar cheese, canned vegetables, and selected home and personal care items. During the year, we celebrated significant milestones: 40 years of partnership with Doux™ and 25 years of distributorship with Emborg™.

Operational improvements have remained a core focus. Our former rice mill property in Trianon has been successfully repurposed into our main dry-goods warehouse and distribution centre, now operational since July 2024. This facility also houses our restructured contact centre, enhancing customer service delivery. Additional cost-reduction initiatives were rolled out, including the palletisation of goods to accelerate loading and delivery, route optimisation, and the introduction of combi-vehicles capable of transporting dry, chilled and frozen products in a single trip. Part of the passenger fleet was also converted to electric vehicles, lowering running costs per kilometre and advancing eco-friendly practices.

On the environmental front, over 105 metric tonnes of materials were diverted from landfill through our recycling initiatives covering plastic, paper, cartons, electronic waste and more. Our social engagement remained equally important, with over 85,000 meals distributed during the year through our partner FoodWise, benefitting 45 NGOs and channelling more than 21 tonnes of food to vulnerable communities.

SUSTAINABILITY AND OTHER ESG INITIATIVES

Our commitment to sustainability and responsible business practices extends well beyond waste management and food-waste reduction. Our objective is to embed sustainable and ethical principles throughout the Group. A good illustration is our Le Poulet Fermier™ brand, produced in partnership with SUNFarming Food & Energy Mauritius, which prioritises animal welfare and environmental stewardship, with free-range chickens raised in uncrowded conditions. More broadly, all the chicken produced by the Group are raised without hormones or animal by-products in feed.

Our partnership with GreenYellow on solar farms is expected to generate over 8,000 MWh of clean electricity annually, which is equivalent to the consumption of around 4,500 Mauritian households. This represents a meaningful step in reducing the carbon footprint of our operations and supports the national objective of moving towards a carbon-neutral industry.

During the year, Innodis undertook a comprehensive evaluation of its ESG framework through an independent, data-driven assessment. This exercise has provided greater transparency on our current standing, identified areas of strength and areas for improvement, and enabled benchmarking against industry peers. It is helping us set clearer, measurable sustainability targets aligned with international standards.

In addition, with the assistance of an expert in the field, we have developed a carbon-accounting framework to shape our climate strategy. This has allowed each operating unit to quantify its direct and indirect greenhouse gas emissions, identify key emission hotspots, and establish a reliable baseline for setting science-based reduction targets. While this journey will require further investment and sustained effort, it underpins our commitment to environmental responsibility and to contributing to the global transition toward a low-carbon economy.

On another note, the Board has remained vigilant in overseeing risks across our markets, including political and regulatory developments, exposure to foreign exchange volatility, and structural pressures such as rising input costs and government price controls. Active engagement between the Board and Management ensures that mitigation strategies are in place and that decisions remain aligned with shareholder interests and long-term resilience.

STAFF ENGAGEMENT AND WELFARE

Building on the employee engagement survey conducted last year, our people initiatives in FY2024/25 centred on strengthening the Group's performance management system. Enhancements to our human resource management systems are underway, aimed at providing more timely and accurate information to support decision-making and manpower planning. Staff development, career planning, and succession planning for key positions remained priorities during the year and will continue into FY2025/26.

Employee recognition and wellbeing were also important areas of focus. In January 2025, the Group hosted a staff event at Hua Lien Club to celebrate collective achievements and recognise the contribution of long-serving employees. Through our "Pran Konte ou la Santé" programme, employees benefitted from free eye screenings, dental check-ups, ayurvedic foot care, and medical screenings for hypertension and diabetes. These initiatives form part of our broader effort to promote workplace well-being and reinforce employee engagement.

While progress has been made, talent attraction and retention remain challenging in a competitive labour market. Our priority going forward is to continue strengthening our people systems and investing in employee development, ensuring that Innodis remains an employer of choice.

OUTLOOK

Global volatility, rising input and logistics costs, labour market constraints, and the extension of government price controls are expected to continue to weigh on margins in the future. At the same time, the Group has entered the new financial year on firmer ground. Recent investments across our poultry, dairy, feeds and commercial operations are beginning to bear fruit, enhancing capacity, product quality, and infrastructure. Our sustainability initiatives are also helping us contain costs and align with the national transition toward a low-carbon economy.

Yet a level playing field remains critical for the industry. Policies and legislation that establish fairer trading terms with retailers to protect local production are essential, and the facilitation of foreign labour recruitment to address persistent shortages is equally crucial to ensure business continuity.

A significant milestone for the year ahead is the roll-out of our new Group-wide enterprise resource planning (ERP) system, which went live after the close of FY2024/25. The new system is expected to deliver lasting benefits by improving data quality, integrating operations, and supporting faster, better-informed decisions. In parallel, we are exploring opportunities to leverage digital tools, including emerging Artificial Intelligence applications, to enhance customer engagement, streamline processes, and support data-driven decision-making. While still at an early stage, we see these technologies as complementary to our ERP investment and integral to strengthening efficiency and competitiveness.

Ultimately, we remain confident that Innodis has the people, the capabilities, and the vision to navigate uncertainty and seize opportunities while steadily advancing its sustainability and growth agenda. In the FY2025/26, our priorities remain clear: (i) disciplined cost management and efficiencies for improved financial performance, (ii) new product development and portfolio extension, and (iii) embedding sustainable development and digitalisation to build long-term competitiveness.

On behalf of the Board and the leadership team, we extend our heartfelt thanks to our employees for their dedication, to our partners and customers for their trust, and to our shareholders for their continued support. It is through this collective effort that Innodis moves forward with cautious optimism and renewed purpose, committed to creating lasting value for all stakeholders.

Directors' report

The Directors are pleased to present the annual report together with the audited financial statements of Innodis Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2025. The annual report is published in full on the organisation's website at www.innodisgroup.com. The financial statements of the Group and the Company are set out on pages 58 to 165. The auditors' report on these consolidated and separate financial statements is on pages 50 and 54.

REVIEW OF BUSINESS

The principal activities of the Group comprise production of poultry and dairy products, animal feeds manufacturing, distribution and marketing of food and grocery products.

Innodis Ltd holds a leading position in several of the markets in which it operates, such as cheese, margarine, and chicken franks, while serving as a strong challenger to market leaders in others, including poultry and yoghurt. The external environment is shaped by various factors, including rising prices of imported finished goods and raw materials, disruptions in global supply chains, increased freight costs, price control on some categories of products and significant increases in salary costs following government salary revisions. In view of the high level of competition and pressures on consumer purchasing power, the Group has not been able to pass on all of its cost escalations to the market in most of its product ranges.

In response, Innodis Ltd leverages on its diversified product portfolio, focusing on innovation, operational efficiency improvements, and investments in new infrastructure and equipment. The Group proactively addresses the evolving needs and aspirations of consumers, prioritising quality, affordability, health, and environmentally friendly practices. With ongoing investments in automation, renewable energy projects, and product development, Innodis remains well-positioned to navigate current economic challenges while securing long-term growth and competitiveness.

An overview of the growth opportunities being contemplated by the Group - as well as any risks involved - are covered in the Chairperson's and CEO's report.

Segment information is disclosed in Note 6 to the consolidated and separate financial statements.

RESULTS

For the year under review, the Group and the Company recorded a turnover of Rs 6.22 billion (2024: Rs 6.16 billion) and Rs 3.34 billion (2024: Rs 3.22 billion) respectively, whilst profit after tax attributable to shareholders for the Group and the Company amounted to Rs 137.9 million (2024: Rs 96.7 million). The Company recorded a loss after tax of Rs 29.9 million (2024: Rs 56.2 million profit after tax).

DIVIDENDS

Total dividends declared by the Group and the Company for the year ended 30 June 2025 were Rs 92.4m (2023: Rs 80.2m) and Rs 67.9m (2024: Rs 67.9m) respectively.

Statement of directors' responsibilities

The Directors acknowledge their responsibilities for:

(i) leading and controlling the organisation and meeting all legal and regulatory requirements;

(ii) adequate accounting records and the maintenance of effective internal control systems;

(iii) the preparation of consolidated and separate financial statements which present a fair, balanced and understandable assessment of the Company's financial, environmental, social and governance position, performance and outlook in its annual report and on its website as at the end of the financial year and the cash flows for that period, and which comply with International Financial Reporting Standards (IFRS), the Financial Reporting Act and the Mauritius Companies Act 2001;

(iv) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates;

(v) the Company's adherence to the Code of Corporate Governance;

(vi) the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives, and for ensuring that the Company develops and executes a comprehensive and robust system of risk management; and

(vii) ensuring that an appropriate dialogue takes place among the Company, its shareholders and other key stakeholders.

The Directors further report that:

(i) the Company is a public interest entity as defined by law;

(ii) the Company is headed by an effective Board, and responsibilities and accountabilities within the Company (including at the level of Senior Management) are clearly identified;

(iii) appropriate Board committees, namely the Audit & Risk Committee and the Corporate Governance Committee (which is also tasked with duties regarding remuneration of Senior Management), have been set up to assist the Board in the effective performance of its duties;

(iv) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(v) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(vi) International Financial Reporting Standards, the Financial Reporting Act 2004 and the Mauritius Companies Act 2001 have been adhered to. Any departure has been disclosed, explained and quantified in the consolidated and separate financial statements;

(vii) the Company has an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management, and the Board has established formal and transparent arrangements, namely through its Audit Policy, to appoint and maintain an appropriate relationship with the Company's internal and external auditors;

(viii) there is a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates is conducted, and appointments are made, on the basis of merit, measured against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender);

(ix) they have assessed the Company as a going concern and have a reasonable expectation that the Company will continue to operate for the foreseeable future and meet its liabilities as they fall due; and

(x) they have approved the Audit and Risk Committee, Corporate Governance Committee and Board charters, the Company's Code of ethics, appropriate job descriptions of the key senior governance positions, an organisational chart, and a statement of accountabilities.

Approved by the Board of Directors on 29 September 2025 and signed on its behalf by:

Mr Victor Cheh Seeyave	Mr Jean-Pierre Claudio Lim Kong
Chairperson of the Board	*Director*