

5 PROCESS



PERFORMANCE AND IMPACT

MAURITIUS

In a context of favourable market conditions, and in spite of increased complexity of manpower, port congestion and cost increases, LFL Mauritius has seized opportunities to achieve a remarkable growth in sales in Mauritius and in the region.

Procurement

The normalisation of the world market has provided grounds to dimension Supply Chain and thereby optimise the number of stock days, enabling considerable reduction in cash immobilisation and currency risks.

A new challenge arose with the Suez Canal blockages and lack of containers. Proactive sourcing actions has resulted in zero shortage during this period.

Improvement of storage of raw materials through proper segregation of consignments in bulk and bags has been made possible through the rental of a specific and dedicated warehouses.

A new international surveyor has been appointed to sample and test Soya Bean Meal at reception. Additional to the control at embarkment in Argentina, we thereby secure second level verifications for the quality of the product as per purchasing criteria.

Another critical major raw material, local Wheat Bran, already secured through the ongoing rental of a dedicated warehouse, has been furtherly secured through an inaugural import of 300Mt to eliminate the risk of shortage at peak period.

Activities have been further diversified through storage of 2,000 Mt wheat flour from LMLC and 8,600 Mt of cereals from Meaders Feed. Additionally, the team has disembarked two vessels of Sugar for 84,000 Mt and re-exported a total of 675 containers of blend for LFL Madagascar.



LFL Pailles

This financial year was marked by a strong focus on strengthening operations across three key areas: Safety & Health, Manpower, and Efficiency. Despite various challenges, notable progress was achieved through planned investments, ongoing improvements and effective teamwork.

Safety & Health

A major focus this year was on elevating the Company's safety culture and progressing towards ISO 45001. To support this ambition, a benchmarking on international standards and cross-fertilisation exercises were undertaken. A series of improvements were carried out across the site, including the installation and reinforcement of working platforms at height, procurement of a scissor lift to facilitate safer elevated tasks and the upgrading of safety signages and pedestrian pathways. Several Safety & Health training sessions were also conducted throughout the year to reinforce awareness and safe work practices. These actions reflect the continued commitment to reducing incidents and creating a safer work environment for all.

Manpower

Manpower remained a key challenge throughout the year. High absenteeism and turnover placed considerable pressure on operations. Similarly, recruiting and retaining new generation of operatives continued to be difficult. However, the arrival of foreign labour from Madagascar in the forthcoming financial year is expected to ease these pressures and bring more stability to factory workforce.



Efficiency

On the efficiency front, the year was marked by progress in performance monitoring, energy optimisation, and workforce development. KPI tracking was strengthened through regular analysis with MiXscience experts, supported by a Power BI-enabled dashboard that improved operational visibility. A significant operational gain was the resolution of the chronic underperformance of our automatic bagging line — a challenge dating back to 2022. This intervention not only boosted bagging capacity but also significantly reduced the physical strain on operators. In parallel, energy consumption was optimised through the replacement of outdated motors with more efficient alternatives and improved management of kVA demand. Capacity building remained a priority, with the enrolment of the Production Assistant Manager in the AFMA Feed Milling course, complemented by ongoing training and exchange programmes within the LFL Group and with MiXscience to reinforce technical capabilities and promote continuous learning.



MAURITIUS

Markets

Full-fledged marketing and technical teams have been able to maximise market opportunities resulting from a notable increase in consumers spending capacity and consumption.

The Broiler market benefited from the sustained availability of day-old chicks maximised through the completed integration of Avishop. The additional service allowed operators to thrive by operating near full capacity. A comprehensive approach towards middle-sized operators yielded in farmers development and resulting in increased market share for LFL.

The Layer market witnessed increased egg consumption resulting from favourable local consumption, increase in tourists and national campaign for egg consumption. This increased consumption was serviced through the steady supply of Day Old Chicks from Avishop and Points of Lay from Mare d'Albert farm.

The ruminant market was addressed through enhanced distribution and development of points of sales maximising availability of feed and boosting sales in all regions. A tailored approach to Small Ruminant and Deer farmers with tailored feed, supplementary products and technical training with MiXscience specialist yielded increased market share.

Customer service has remained the hallmark of LFL team and was further strengthened through the integration of Sales Support in the Marketing team to provide a complete one-stop service to customers.

Export and outer island markets have thrived with 25% growth in sales in Rodrigues and near doubled sales in Comoros Islands. Market visits have provided an enhanced proximity with importers and farmers and have partially alleviated the increasing complexity of the Mauritius Port and Shipping Lines revolving concerns.

LFL Riche Terre

The major highlight of the Riche Terre factory was the onboarding of a new operational team in the face of revolving manpower issues and regional market uncertainty.

Structure

The renewed team was regularly exposed to technical training from the Manufacturers who visited LFL during the year. Cimbria and Andritz work on efficiency improvement of our newly installed Extrusion Line equipment. Soonstrong worked on the full revamping of the Pellet Mill Line.

Janodet successfully installed the new main bagging and provided technical support and expertise.

Investments were launched for a complete overhaul of the Motor Control Centre and the Scada system which will provide enhanced security and harmonise equipment steering on all lines in the factory.

The team also benefited from the regular visits of MiXscience and ADM experts.

Markets

Sales have continued to improve locally while the export fish markets have encountered several constraints.

African and regional markets were met with mixed fortunes. LFL Kenya was successfully launched and generated its first series of orders. Several new competitors have proved to be a major challenge and resulted in a sharp decline of sales to existing customers. Growing expertise from LFL Kenya team, the support of local ADM team and projects to secure feed availability show interesting prospects for sales development.

The development of Madagascar market was severely halted in light of the financial difficulties of LFL's main fish customer. LFL Madagascar's Farmshop team has launched several initiatives topped by a seminar in Toamasina region with the collaboration of LFL Riche Terre team, regular sales have been secured and should continue to develop.

This year was the launch of the New Pongo longtime market leader with a modern revamped packaging and consequent national marketing campaign, yielding growth in market presence. Dog Breeders were also attended to with a Sociability Contest for their animal under the mastery of French Breeding expert.

Primate market continued to benefit for the technical expertise of our partners ADM with tailorised product innovations. Customers expansion projects have also been attended with the installation of new silos and the acquisition by LFL of a dedicated bulk lorry.



REGIONAL DEVELOPMENT

MADAGASCAR

In FY 2024–2025, the financial year was marked by:

Raw materials

During the first half of the financial year, from July to December 2024, various national customs blockages affecting the import of Blend Soya led to partial and temporary shortages. As a result, we were forced to limit our sales. By the end of December 2024, our sales volumes were down by 20% compared to our budget.

Thanks to a partial agreement with customs authorities, imports resumed in January 2025. Several commercial initiatives were launched to reassure and win back our customers, supported by a comprehensive sales revitalisation plan. As a result, the second half-year budget was achieved in line with forecasts, and total volumes as of June 2025 stood at -12% versus budget.

Meanwhile, the 2024 maize campaign was overall well managed, notably due to the intervention of L'InterProfession Aviaire, which helped stabilise prices. High maize stock levels led to storage-related risks, which were effectively managed by the Company. This enabled us to enter the 2025 campaign with confidence and a high stock level, ensuring price stability from the outset.

Health and safety

Significant actions were undertaken to improve the health and safety of our employees across company sites. These included hiring a Health and Safety Manager, upgrading Personal Protective Equipment, and enhancing HSE procedures. These actions are part of our goal to achieve ISO 45001 certification, scheduled for 2025–2026.

Quality

ISO 9001:2015 certification was extended to include agricultural activities, thereby expanding the certification scope to cover all of the company's operations.

HACCP was implemented during the year, and the corresponding audit was successfully conducted in June 2025.

Customer management

To ensure service excellence, we synchronised the ticket processing system with the toll-free helpline and virtual technical assistance.

Improvements and innovations

Several major infrastructure upgrades were completed:

- The boiler room was completely renovated, and the burners on both the main and backup boilers were replaced. The boilers will now operate on diesel instead of heavy fuel oil, improving overall efficiency.
- In June 2025, we took delivery of an extension to our raw material storage facility (MP 01), adding 375 m² of additional space for minor raw materials. The facility also allows for truck loading and unloading even during rainy weather.

Key innovations included:

• Factory automation

The automation process was completed, reducing human error and enhancing operational efficiency while ensuring traceability of all movements from raw material intake to final delivery. This also included the deployment of a CMMS [Computerised Maintenance Management System] module aimed at improving preventive maintenance and spare parts tracking.

• Sales digitalisation

- Technical datasheets are now available via downloadable QR codes.
- Graphic tablets were introduced in our Shops to enhance access to product catalogues.
- GPS systems were installed on delivery trucks, enabling real-time tracking for both internal teams and customers to improve delivery monitoring.

• APMI project launch

In January 2025, we launched the APMI project aimed at promoting a new "Dual Purpose" poultry breed. With technical and financial support from the World Poultry Foundation, this initiative contributes to women's empowerment, sustainable development, and the improvement of household income and nutrition.



REGIONAL DEVELOPMENT

RWANDA

Context

With the market volatility and rising demand in the Rwanda's farming sector, LFL is entering a critical execution phase, with ambitious operational targets, team expansion, and a growing project portfolio that aligns with the Company's broader mission of agricultural development and food security in Rwanda.

Cash flow management

Strategic purchasing—timing large acquisitions during favourable market windows—remains critical to margin protection and competitive positioning.

Maize

Despite regional droughts and reduced cereal output in 2024, maize availability improved in 2025, though prices rose significantly due to regional import pressures. LFL Rwanda capitalised on the 2025A crop season, with financial support from LFL International, enabling strategic maize procurement to remain competitive until the 2025B season.

Soya bean meal

Faced with declining soybean meal availability from Zambia and Uganda, LFL shifted to direct imports from India, mitigating cost pressures.

Other key raw materials

A major cost-saving breakthrough was achieved with local sourcing of 75% of limestone needs, reducing logistic costs by 50%. Premix and micronutrient logistics were diversified between Mombasa and Dar-es-Salaam.

Production

To meet a 60% surge in demand, the LFL plant expanded to three shifts, supported by reinforced quality controls. An upgrade plan—led by expert Claude Tauveron—targets 2026 production goals, including new equipment [grinder, sifter, bagging systems] and maintenance programmes. The current factory will reach capacity by 2026, prompting construction of a new feedmill.

Quality control

Deployment of Near-Infrared (NIR) technology and alignment with HACCP standards enhances nutritional and safety compliance is to be done in 2025.

Logistics control

Investment in a rental-based truck fleet allows LFL to independently manage raw material collection and finished product delivery.

Retail expansion

Launch of one new LFL Shop in Kayonza to deepen market penetration and enhance accessibility for rural farmers.

Sales and market development

LFL Rwanda successfully launched its brand in 2025, using its signature yellow bags and participating in major agricultural forums. The use of social media, training sessions, and field support drove brand recognition and client growth. Delivery to medium-sized farms and strong after-sales service enhanced customer satisfaction.

Layers

LFL layer sector saw a 54% growth in sales, surpassing 12,000 tonnes which represents 17% of market shares. LFL focused on consistent quality, price stability, and the launch of a Ready-to-Lay programme in partnership with Abusol.

Pigs

Pig sector is transitioning to modern farming. LFL targets both breeders and fatteners with specialised feeds and stable pricing strategies.

Dairy

With growing domestic demand and the launch of Inyange Milk Powder Plant (requiring 750k litres/day), LFL is promoting intensive feeding through safe feed and fodder packages and technical training for feedlot models.

Broilers

As broiler production rises, LFL is positioning itself to supply feed and day-old chicks through a strategic partnership with Avipro Rwanda, supporting smallholder farmers and ensuring long-term competitiveness.



REGIONAL DEVELOPMENT

SEYCHELLES

Context

LFL Seychelles operates in a constrained market where growth potential has been limited by several systemic issues:

- The domestic farming sector was undermined by low-cost frozen meat imports.
- Feed competitors from India and South Africa offered aggressively low prices, putting downward pressure on margins.
- Supply chain reliability have been a concern due to sea freight disruptions, leading to product shortages and quality degradation.
- Day-old-chick exportation from Mauritius have been blocked during most of the year due to limited availability in the country.

Strategic approach

The Company has adopted in 2025 a “strategic readiness” posture, with the following short-term focus:

- Maintain sufficient raw material and finished product stocks to respond to competitor shortages.
- Monitor the political landscape closely and be prepared to propose a comprehensive development plan for the broiler and pig sectors in case of change of politics about being self-sufficient.
- Preserve his current market share by remaining price-competitive and strengthening brand loyalty.
- Manage feed conservation, benchmark pricing, and collect farmer data.



REGIONAL DEVELOPMENT

KENYA

Context

Kenya's aquaculture sector is at an inflection point, with strong growth potential but a challenging operational environment:

- A competitive feed market with both local and international players (notably Egypt and Vietnam).
- Currency depreciation (KES vs USD) is increasing input and import costs.
- High logistical costs continue to erode margins and reduce accessibility in rural markets.
- LFL Kenya operates with a small, specialised team requiring targeted upskilling to meet technical and commercial demands.

Opportunities for growth in Kenya

- The depletion of natural fish stocks in Lake Victoria is accelerating the development of aquaculture.
- High tilapia prices are creating a profitable environment for farmers and feed providers alike.
- LFL benefits from strong brand recognition and trust among large-scale farms and key distributors.
- Improving hatchery performance and survival rates for farmers has become a priority, offering room for product differentiation.

Process

- Create a local entity in Kenya named LFL [operation] Kenya Ltd.
- Invest in capacity building through the recruitment of one Operation Officer and participation of Aquaculture Seminars in Kenya and Uganda.
- Establish LFL feed pricing structure to ensure competitiveness in a price-sensitive market (local feeds and imports from Egypt and Vietnam).
- Develop partnerships with distributors to penetrate the countryside with LFL feed.
- Address logistical constraints by supporting distributors in building local inventory to ensure supply continuity.

