INVICTUS
INVESTMENT COMPANY PLC

FINANCIAL AND OPERATIONAL UPDATE

This update highlights key developments across the business in the year to date and provides a preview of our forward-looking plans. It is intended for general information and media engagement purposes only. Please note that the figures included are not audited financial results. Audited data and full financial disclosures will be published alongside our H1 2025 results.

Acquisition of Merec Industries and signing of Angata: impact and outlook

The acquisition of Merec Industries in Mozambique and the signing of an agreement to acquire 65% of Angata in Angola – a transaction currently in progress and subject to regulatory approvals – represent important steps in our journey to expand our presence and capabilities across key African markets.

Angata marks our strategic entry into the agro-input industry in Angola. The company specialises in customised fertiliser blending and tailors its products to the specific soil and crop requirements of farmers across different regions of the country. Its location in the Lobito corridor also positions it as a hub to serve surrounding markets. This acquisition enables us to move upstream to directly support farmers and contribute to the ecosystems that feed regional and global supply chains. The company currently operates at a production capacity of 100,000 MT with plans to scale up further by the end of this year.

Merec Industries on the other hand gives us a strong foothold in Mozambique's wheat and corn milling market, which is showing solid growth and where Merec Industries holds over 60% market share. The company runs advanced milling facilities with a combined annual capacity of more than 800,000 MT of wheat and corn flour. It also has processing capabilities for over 180,000 MT of pasta, biscuits and animal feed per year, and grain silos with a total storage capacity of 145,000 MT. We are currently in the process of rolling out an additional 1,000 MT of daily processing capacity, which – alongside higher export volumes – is expected to increase our consolidated revenues by over AED 1 billion (USD 272 million) annually.

These two transactions combined with our last year's acquisition of a 60% stake in Graderco will accelerate our growth trajectory and bring us a step closer to our goal of becoming a fully integrated agro-food enterprise in the Middle East and Africa.

Acquisition strategy and pipeline for 2025

We are pursuing an ambitious growth strategy to increase the company's revenue fivefold to AED 25 billion (USD 6.8 billion) by 2028, using our 2023 performance as a baseline. This strategy includes both organic and inorganic growth avenues. As we look outwards, we are constantly evaluating investment opportunities within the agro-food value chain with the aim of expanding our business both up and down the vertical to become a fully integrated business. The Angata, Merec Industries and Graderco acquisitions are prime examples of this strategy in action as they strengthen our market position in the region and provide us with strong local warehousing and distribution capabilities.

Building on this, we will continue to invest in midstream and downstream assets in the value chain in key African markets, targeting the acquisition of majority stakes in ventures valued between USD 200-300 million to broaden our market presence and product portfolio – with plans for a third acquisition in the basic foods segment this year. Our focus will be on strategic opportunities that leverage our existing strengths and create synergies with our current operations.

Financial performance in Q1 2025

We delivered a strong start to the year building on the positive momentum from our robust 2024 financial and operational results. In the first quarter of 2025, our revenues increased by more than 35% YoY – our highest to date as a listed company. Growth was driven by strong performance across our product segments and key markets.

Commodity transaction volumes meanwhile almost doubled compared to the same period last year – in a reflection of the successful execution of our diversification strategy and the increased output from our recent acquisitions. We also delivered healthy profitability in the quarter with our net profit growing by approximately 23% YoY. This demonstrates our ability to effectively manage costs and drive synergies as we scale and integrate our operations further.

Looking ahead, we are confident in sustaining this growth trajectory throughout the remainder of the year. Our broader geographic reach and continued focus on vertical integration position us well to capitalise on the strong fundamentals and rising food demand across our markets. As always, we remain committed to delivering added value to our shareholders and contributing to the development of a more sustainable and resilient food supply chain.

Market footprint and expansion plans

Over the past two years, we expanded our trading operations into several new markets, including Burundi, Cameroon, Ethiopia, Iraq, Ivory Coast, Malawi, Morocco, Mozambique, Rwanda, Tanzania and Turkey. Most recently, we entered Angola, Burkina Faso, Ghana, Jordan, Madagascar, Mauritania, the Netherlands, Senegal, South Africa and Zimbabwe, bringing our global reach to a total of 65 markets.

In the near term, we are focusing on expanding our trading presence in North Africa and key coastal markets across the continent. North Africa's proximity to key grain origins combined with established port infrastructure and growing demand for wheat-based products, make it a strategic priority for us. We also recognise the importance of having a strong presence in coastal markets, which offer advantages such as access to key trade routes, reduced logistics costs and regional distribution opportunities. Expanding in these areas will help us build a more resilient supply chain and support our long-term growth plans.