MAKFA®

TASTE OF A HEALTHY LIFE

COMPANY PROFILE 2018
Our Message

Taste of a Healthy Life

We chose this tagline because MAKFA wants all its customers feel goodness in their everyday meals.

Our Logo

MAKFA is the abbreviation of two Russian words: МАКароны (pasta) and ФАбрика (factory). MAKFA was founded in 1937 in Russia as a manufacturer of pasta. Today MAKFA Company has become a world leader among the elite of pasta producers. Currently MAKFA Company adopted an operating structure being divided into following areas: Europe, Middle East, Russia.

Our logo is the reflection of key MAKFA brand advantages: the picture of mill is a symbol of the best and most nutritious raw materials; wheat image on the packages of wheat flour means a selection of the finest grains and the sun represents the positive beginning.

MAKFA logo is the flagship brand for all MAKFA products in each segment: pasta, cereals, flakes, flour.

We promise to our Customers

Our Goal:

to work hard bringing you everyday meal full of healthy and tasty products.

What we offer:
to bring health to you by the healthy products (as a part of the Mediterranean diet).
Construction of the first pasta factory in the South Ural.

Producing more than 45,000 tons of pasta for Soviet Army during WWII.


Establishment of innovative mill.

Expanding of production scope - development of confectionery.

New production facilities in Italy and Turkey involved into the production chain.

Expanding of an international sales network by launching of new products. Launching of modern plant in Altay territory for cereals cleaning and packing.

Launching of gluten free pasta.

Starting of sales on Chinese, Japanese markets.

Development of innovative packaging line for flour.
### Key MAKFA Figures in the Global PASTA Market

**Company Shares (Global - Historical Owner) | Retail Value RSP | % breakdown***

<table>
<thead>
<tr>
<th>Company</th>
<th>Retail Value RSP</th>
<th>% Breakdown*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ebro Foods SA</td>
<td>1,70</td>
<td></td>
</tr>
<tr>
<td>Barilla Holding SpA</td>
<td>1,60</td>
<td></td>
</tr>
<tr>
<td>Nestle SA</td>
<td>0,80</td>
<td></td>
</tr>
<tr>
<td>MAKFA JSC</td>
<td>0,30</td>
<td></td>
</tr>
<tr>
<td>Flli De Cecco di Filippo Fara San Martino SpA</td>
<td>0,30</td>
<td></td>
</tr>
</tbody>
</table>

***MAKFA ranks in TOP-5 of global pasta producers, brand #1 in Eastern Europe

**Company Shares (Umbrella – Historical Owner) | Retail Value RSP | US$ mn | Year-on-Year Exchange Rates | Period Growth***

<table>
<thead>
<tr>
<th>Brand</th>
<th>Company name (GBO)</th>
<th>2010-15 %</th>
<th>2010-15 CAGR %</th>
<th>2010-15 Absolute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flli De Cecco di Filippo Fara San Martino SpA</td>
<td>16,10</td>
<td>3,00</td>
<td>66,80</td>
<td></td>
</tr>
<tr>
<td>MAKFA JSC</td>
<td>15,80</td>
<td>3,00</td>
<td>60,00</td>
<td></td>
</tr>
<tr>
<td>Ebro Foods SA</td>
<td>-6,10</td>
<td>-1,20</td>
<td>-156,40</td>
<td></td>
</tr>
<tr>
<td>Nestlé SA</td>
<td>-13,20</td>
<td>-2,80</td>
<td>-175,20</td>
<td></td>
</tr>
<tr>
<td>Barilla Holding SpA</td>
<td>-13,80</td>
<td>-2,90</td>
<td>-366,30</td>
<td></td>
</tr>
</tbody>
</table>

*Euromonitor 05/2017, Pasta Category
Company/Brand Share in the Russian market

Brand No1 in Russian pasta market

Premium pasta segment

Medium pasta segment

Economy pasta segment
MAKFA in the World

MAKFA distributes its products in the territory of all Russian Federation and to 28 countries of Europe, Asia, South & North America and the CIS.
Continuous monitoring of grain quality 7 qualified LABORATORIES

Innovative mills 4 in Russia 1 in CIS

Continuous monitoring of flour quality 7 qualified LABORATORIES

Own farmlands 50 000 hectares

Modern production lines 27 lines

Modern packing lines More than 50 lines

Market monitoring EUROMONITOR Nielsen Store Checking

High marketing activity Brand N1 in Russia pasta market

Consignations stock chains 5 000 tons

Well-developed logistics Own flour-trucks and freight vehicles

Gravity warehouses. Class A. 20 000 pallets. Using of 80% storage volume

Our business processes allow us to monitor all the stages of production: from the raw materials till purchase by the end customer.

We are convinced that the constant analysis of the market, strict quality control of raw materials used in the manufacturing process, as well as competent strategy sales support are the terms of success.
Certified Quality of complete MAKFA production cycle

MAKFA standards of flour and pasta quality

2-level control GMO-FREE

1. Raw materials
2. Finished products

Ecological certificate
ISO 9001 and HACCP certificates
MAKFA Product Portfolio

Pasta

Flour

Cereals and grains

Oats
MAKFA Pasta

Russian market size in Pasta category, per year
960 000 tons
1 200 000 000 $

MAKFA sales volume
190 000 tons

MAKFA brand share
19% volume

Amount of pasta
Producers
More than 500

MAKFA sales value
300 000 000 $

MAKFA brand share
25% value

MAKFA pasta brand power*:

Awareness: 98 of 100 customers know MAKFA pasta

Consumption: 80 of 100 customers choose MAKFA pasta

Loyalty: 68 of 100 customers are loyalty customers (buy often)

*according to TNS Gallup Agency, 2017
**MAKFA Italy Premium pasta**

1. Premium quality product made in Italy
2. 100% durum wheat semolina
3. The right protein content
4. Bright Italian-style design
5. 5 kg box for HoReCa
6. Up to 30 SKU
7. Shelf life is 36 month
8. Competitive price
9. Heavy trade-marketing budgets
Complete MAKFA production cycle

Italy brings a distinct colorful, vibrant & sensual Mediterranean experience and it is the source of Makfa's excellent premium pasta. Our pasta is made in Northern Italy and our recipes are typical to the region. We choose selected durum wheat from own farmfields (more than 50 000 hectares). We have qualified laboratory to check raw materials and finished products at any production site. We analyze products according to strict MAKFA standards (2-level ingredients control). We use the state-of-art equipment for production. We have huge investments into innovative product development.

Bronze drawing

We use bronze drawing equipment as a fine tool for producing wonderful types of pasta, both long and short. Extremely high quality pasta has a roughness and porosity, given by the very structure of the bronze holes, that ensures all the flavour and colour of the chosen sauce is captured when tossed in the pan.

Eye-catching packaging

We highlighted on the package the key benefit of our brand – the product. The image of pasta shapes is the center of package design. This eye-catching design is supplemented by premium polypropylene material.

Target audience

Modern customers who prefer tasty and healthy branded food from natural high quality products.
1 Made from 100% durum wheat
2 The most wide range of shapes
3 3 standard weight of packages: 350g, 400g, 450g and 500g
MAKFA Flour

Flour production in Russia, per year
10,000,000 tons

Amount of flour producers
More than 2,000

MAKFA sales volume
500,000 tons

MAKFA brand share
5% volume

MAKFA pasta brand power*:

Awareness: 70 of 100 customers know MAKFA flour
Consumption: 50 of 100 customers choose MAKFA flour
Loyalty: 40 of 100 customers are loyalty customers (buy often)

*According to TNS Gallup Agency, 2017
Key MAKFA flour production advantages

- **Stable quality** is reached thanks to the preparation of grain groups. The result of this process is the professional quality and established features of flour despite the characteristics of the harvest. MAKFA doesn’t use chemical additives.

- **Whiteness and lightness** of flour are achieved thanks to the airing, a process of oxygen saturation during which the flour is moving in production stages, and correct conditions of maturation.

- **The maturation production method** is a process when the flour «rests» after the production cycle. The result of maturation is improved of satisfying quality of flour.

- **Grain mills into flour with an entity size of 112 microns (~1/10 millimeters).** As a result the flour of very high quality, and the particle sizes have a great role for the quality of future bread.

The MAKFA research equipment allows to define protein and starchy structure of grain and flour: baking flour features, its elasticity, flexibility, stretchability, interrelation between elasticity and stretchability, grain and flour power, influence analysis of additives on reology and the finished product quality.

Video excursion to MAKFA production cite here: [https://www.youtube.com/watch?v=rYR2x0Ge-eY](https://www.youtube.com/watch?v=rYR2x0Ge-eY)
MAKFA Wheat Flour Range

**SUPERIOR GRADE FLOUR**

- Short pastry dough
- Flaky pastry dough
- Yeast dough

**FIRST GRADE FLOUR**

- White bread
- Cakes
- Pizza
- Some types of cookies
- Dumplings
- Muffins
- Buns
- Lean dough

**SECOND GRADE FLOUR**

- Bread
- Pies
- Rolls
- Thick pancakes
- Pancakes

SECOND GRADE flour is used together with other types of flour to improve the baking and taste characteristic values of confectionery and bakery products.

Rye-bread Gingerbread Certain types of cookies

* – Arabic language version
– English language version
MAKFA Wheat Flour Special Range

**Wheat flour MAKFA 『EXTRA』**

- Light dough
- Snow-white crumb
- Not necessary to bolt

**Wheat flour MAKFA superior grade for Italian pizza**

- High elastic properties allow dough to roll easily and to retain shape
- Pizza, pies, and puff pastry

**Wheat flour MAKFA superior grade for pasta (made of 100% durum wheat)**

- Recommended for dumpling’s dough and pastry
- Homemade pasta, dumplings, confectionery

*MAKFA*
Example of special package for UAE
GRAINS AND CEREALS
Altay region is the place of MAKFA cereals and flakes origin. It’s a unique land which has a reputation for the most eco-friendly grains in Russia

**MAKFA cereals and grains:**

- Automatic production sorting by colour for the best cleaning.
- Automatic calibration of raw materials for homogeneous products
- Flakes of different thickness and cooking time thanks to modern flating press
- The complete production cycle from grain to package allows checking the grain and flakes quality
# MAKFA Grains

<table>
<thead>
<tr>
<th>Buckwheat</th>
<th>Crushed peas</th>
<th>Polished millet</th>
<th>Round-grain rice</th>
<th>Long-grain rice</th>
<th>Steamed long-grain rice</th>
<th>Pearl barley</th>
<th>Durum semolina</th>
<th>Corn grits</th>
<th>Peeled barley</th>
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</tr>
</tbody>
</table>

| Cartoonboxes 400g | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ | X | ✔ | ✔ |
| 5x80g boiling bags | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ |

| Polypropylene Package 800 g | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ | X | ✔ |

1. Produced in Russia with high quality raw material input control
2. Four cycles of cleaning
3. Hydrothermal treatment (it increases the yield of the whole kernel and increases the nutritional value of the product)
4. Calibration of grain before filling (result - smooth grain size)
5. Shelf life is 9-20 month
6. Competitive prices
7. Synergy with Wheat Flour & Pasta MAKFA brand
MAKFA Boiling Bags Advantages
(Package)

1. Convenient boiling bags
2. GMO free MARK
3. Discover new dishes
4. Discover new products
5. Easy to cook
   - Easy to open
     - simply pull
1. Cereal cleanness is much higher than competitors’. Flakes are cleaner, airier without additives.

2. Cereal size is selected carefully for required porridge consistence.

3. Cooking time is from 3 to 5 minutes for consumers` needs (except traditional oat porridge time cooking 15 minutes).

4. The shelf life is 12 months.

*according to internal MAKFA laboratory research*
On the 25th of February, 2017 in Moscow in the MUZEON park at the height of the Pancake week celebrations MAKFA Company got the GUINNESS WORLD RECORDS title for the «Largest serving of pancakes». Sixteen professional cooks baked 12 716 of pancakes using the MAKFA's extra-quality flour and shared them with everyone. Ten thousand people came to the festival to become the witnesses of the historical event to taste the record-breaking pancakes, to take part in amusing games and to win prizes from MAKFA!
MAKFA and Sport Activities

MAKFA Company is a partner of key national sport events in Russia to develop sport activities. The popular Moscow hockey club DINAMO is supported by MAKFA.

In 2015-2016 MAKFA is a sponsor of the Ice-Hockey Team from the Russian Federation. It’s an exciting sport event under the aegis of Russian Ice-Hockey Federation. Target audience is taken thanks to the competitions which take place all over the country; it helps to create a positive image of the brand. MAKFA products are healthy, it’s energy-giving food for sportsmen.

MAKFA Company is an annual partner of International Fitness Convention «Fitness Territory». Instructors from Europe and Russia present new programs for staying fit. MAKFA products are perfectly suited for a varied menu of wellness trend.
A basic premise of our market leadership is high quality. From the very beginning MAKFA actively invested in high quality equipment, modern technologies, research and development. New state-of-art production lines and new mills were purchased from Italy; best world practices are used widely on a regular basis. From then onward high quality level of products has never changed. Time proved that MAKFA brand means a constant high quality.
OUR TEAM

Division Director – Nikita Ivantsov

Newly-appointed division director has both experience and wisdom, as he is in charge for a foreign markets for more than eleven years, of which six is with MAKFA. MAKFA’s main asset is our team, which has experience and will-to-win spirit, efficient staff is a key to success. Our team consists of professionals that leads MAKFA to the new horizons, such as sales in a new countries and new areas of collaboration within existing countries. Each country has its own culture and habits, our goal is to maintain high quality MAKFA service level within all.

Please contact: +79193465596 ivantsov@makfa.ru

Territorial Manager – Anastasia Startseva

Makfa Company is proud of the high quality products with reputation of natural and healthy one. Our company is among TOP-5 of the biggest pasta producers in the world. A passionate belief in your work and personal objectives can make all the difference between success and failure. Currently we distribute our products up to 40 countries in Europe, Asia, the CIS, South and North America. Makfa team keeps all interests of our clients and treats it as priority always.

Please contact: +79068936190 a.startseva@makfa.ru

Export Development Manager – Elena Karmanova

My responsibility are marketing and advertising activities. I have joined to MAKFA team more then 5 years ago and I am very proud to belong to pasta brand number ONE in Eastern Europe! It is challenge for me and happiness at the same time. I believe that our products will successful around the world because of natural ingredients, taste and health features!

Please contact: +79227073455 karmanova@makfa.ru
Thank you,
Get in contact!

www.makfapasta.com
www.makfahealth.com