80 YEARS OF SUCCESS
History of MAKFA Company

The strategy of MAKFA company is in constant development: launching of new products, increasing of productivity, expanding product markets.

**The largest pasta producer in South Ural: 1937-1997**
- **1937**: Construction of the first pasta factory in Southern Urals
- **1937-1997**: Qualitative update of technology base, expansion of dealer network, establishment of cereals packaging workshop, launching of new brands

**The largest pasta and flour producer in Russia 1997-2012**
- **2010**: Establishment of innovative mill
- **2012**: Expanding of production scope - development of confectionery

**The leader of Russian grocery market 2012-2015**
- **2014**: New production facilities in Italy and Turkey involved into the production chain
- **2015**: Expanding of an international sales network by launching of new products, launching of modern plant in Altay territory for cereals cleaning and packing
MAKFA in the World

MAKFA distributes its products in the territory of all Russian Federation and to 35 countries of Europe, Asia, South & North America and the CIS.
MAKFA Production Facilities

Capitalization of MAKFA: more than 1 billion USD*

- **Moscow Region**
  - 3 confectionery lines - 8 000 tons per year

- **Sverdlovsk Region**
  - Pasta production line - 11 000 tons per year

- **Chelyabinsk Region**
  - 2 flour mills - 200 000 tons per year
  - 14 pasta production lines - 180 000 tons per year
  - Groats production department - 12 000 tons per year

- **Altai Territory**
  - Grain mill 20 000 tons - per year

- **Kurgan Region**
  - 2 flour mills - 200 000 tons per year

- **Stavropol Region**
  - Flour mill 100 000 - tons per year

- **Kherson Region (Ukraine)**
  - Rice mill - 20 000 tons per year

- **Gaziantep, Turkey (private label)**
  - Pasta production line - 306 000 tons per year

- **Napoli, Italy (private label)**
  - Pasta production line - 250 000 tons per year
Certified Quality of complete MAKFA production cycle

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

1. Analysis of mill blend (raw material – grain)
2. Figures by alveograph
3. Colour test
4. Indication of humidity

2-level control GMO-FREE

1. Raw materials
2. Finished products

Ecological certificate
ISO 9001 and HACCP certificates
### Key MAKFA Figures in the Global PASTA Market

Companies (Global - Historical Owner) | Historic | Retail Value RSP | % breakdown

<table>
<thead>
<tr>
<th>Companies</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ebro Foods SA</td>
<td>1,70</td>
</tr>
<tr>
<td>Barilla Holding SpA</td>
<td>1,60</td>
</tr>
<tr>
<td>Nestle SA</td>
<td>0,80</td>
</tr>
<tr>
<td>Makfa JSC</td>
<td>0,30</td>
</tr>
<tr>
<td>Flli De Cecco di Filippo Fara San Martino SpA</td>
<td>0,30</td>
</tr>
</tbody>
</table>

### Company Shares (Umbrella – Historical Owner) | Historic | 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><img src="image" alt="De Cecco" /></td>
<td>Flli De Cecco di Filippo Fara San Martino SpA</td>
<td>16,10</td>
<td>3,00</td>
<td>66,80</td>
</tr>
<tr>
<td><img src="image" alt="MAKFA" /></td>
<td>MAKFA JSC</td>
<td>15,80</td>
<td>3,00</td>
<td>60,00</td>
</tr>
<tr>
<td><img src="image" alt="Panzani" /></td>
<td>Ebro Foods SA</td>
<td>-6,10</td>
<td>-1,20</td>
<td>-156,40</td>
</tr>
<tr>
<td><img src="image" alt="Buitoni" /></td>
<td>Nestlé SA</td>
<td>-13,20</td>
<td>-2,80</td>
<td>-175,20</td>
</tr>
<tr>
<td><img src="image" alt="Barilla" /></td>
<td>Barilla Holding SpA</td>
<td>-13,80</td>
<td>-2,90</td>
<td>-366,30</td>
</tr>
</tbody>
</table>

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

The largest producer of pasta in Russian Federation and Eastern Europe
Ranks in the TOP 5 world’s leading pasta producers.
Brand №1 in Russian pasta market.

<table>
<thead>
<tr>
<th>Premium pasta segment</th>
<th>Medium pasta segment</th>
<th>Economy pasta segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Value</td>
<td>10%</td>
<td>38%</td>
</tr>
<tr>
<td>Sales Volume</td>
<td>12%</td>
<td>33%</td>
</tr>
</tbody>
</table>
MAKFA and Global Retail Chains

MAKFA Co. position in the Russian market is #1 with 95% distribution/100% coverage of international and local retail chain stores
MAKFA Co. position in the CIS countries markets is #2 with 75% distribution/100% coverage of international and local retail chain stores
MAKFA Product Portfolio

Pasta

Flour

Cereals and grains

Confectionary

Premium –

Premium

Medium +

Economy

Flakes
MAKFA Pasta

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

Amount of pasta
Producers
More than
500

MAKFA sales volume
190 000 tons

MAKFA sales value
300 000 000 $

MAKFA brand share
19% volume

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, 2015
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

Short shape
11 items

Long shape
3 items

Special shape
1 items
1 Product of the core of selected durum wheat semolina

2 Excellent sauce absorbing Qualities

3 Hold shape and texture after cooking

Short shape 7 items
Long shape 6 items
Special shape 2 items
Pasta for kids 1 items
Special format 2 items
MKFA Pasta Medium segment

1. Made from 100% durum wheat
2. The most wide range of shapes
3. 3 standard weight of packages: 350g, 400g, 450g and 500g

- Short shape: 30 items
- Long shape: 11 items
- Special shape: 2 items
- Special format: 3 items
MAKFA Pasta special range

New formats for the healthy nutrition: wholegrain, buckwheat, tomato, spinach  

2-minutes pasta (Express pasta): made from 100% durum wheat without palm oil

Special formats: pasta for kids 250/300 g  

Special formats: pasta for soups 250 g
MAKFA Flour

Flour production in Russia, per year
10 000 000 tons

Amount of flour producers
More than 2000

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, 2016
MAKFA Wheat Flour Indicators

Key MAKFA flour production advantages

<table>
<thead>
<tr>
<th>MAKFA</th>
<th>INDICATORS</th>
<th>FACTORS OF QUALITY FLOUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flour grading</td>
<td>Gluten, %</td>
<td>Gluten deformation measuring, units</td>
</tr>
<tr>
<td>Baking indicators</td>
<td>Dough volume</td>
<td>Bread elasticity</td>
</tr>
<tr>
<td>High grade</td>
<td>28-30</td>
<td>65-70</td>
</tr>
<tr>
<td>First grade</td>
<td>30-31</td>
<td>65</td>
</tr>
<tr>
<td>Second grade</td>
<td>25-27</td>
<td>65</td>
</tr>
</tbody>
</table>

1. **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.**

2. **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. MAKFA flour has increased whiteness indicators in terms of Government Standards. The MAKFA flour has natural light-beige colour gradation.

3. **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.

4. 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.

5. 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.

6. **Cleanness indicators.** Thanks to modern grain sorters MAKFA flour is absolutely clean, without any residual elements.

7. **Good water-absorbing ability.** This flour indicators guarantees that the baking process is cost-efficient. In this case the bakery production is stable and doesn`t require additional costs. The finished product has excellent quality, high humidity and long shelf-life.
### MAKFA Wheat Flour Range

#### SUPERIOR GRADE FLOUR
- **Short pastry dough**
- **Flaky pastry dough**
- **Yeast dough**

#### FIRST GRADE FLOUR
- **Lean dough**
- **White bread**
- **Cakes**
- **Pizza**
- **Some types of cookies**
- **Dumplings**
- **Muffins**
- **Buns**

#### SECOND GRADE FLOUR
- **Rye-bread**
- **Gingerbread**
- **Certain types of cookies**

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**Superior grade flour**  
- 1 kg  
- 2 kg  
- 5 kg  
- 10 kg  
- 25 kg  
- 50 kg

**First grade flour**  
- 25 kg, 50 kg

**Second grade flour**  
- 25 kg, 50 kg

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<table>
<thead>
<tr>
<th><strong>1kg, 2kg and 5kg package:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. KA</td>
</tr>
<tr>
<td>2. Self Service</td>
</tr>
<tr>
<td>3. Traditional market</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>5kg, 10kg, 25kg and 50kg package:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. HoReCa + Bakery/Confectionary producers</td>
</tr>
<tr>
<td>2. Traditional market</td>
</tr>
<tr>
<td>3. Wholesale</td>
</tr>
</tbody>
</table>
MAKFA Cereals and Flakes

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 flakes:

- 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 flattening press
- The complete production cycle from grain to package allows checking the grain and flakes quality

Cereals production in Russia, per year
700 000 tons

Amount of cereals
Producers
More than
2000

MAKFA sales volume
32 000 tons

MAKFA brand share
4,5% volume
**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>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Buckwheat" /></td>
<td><img src="image2.png" alt="Crushed peas" /></td>
<td><img src="image3.png" alt="Polished millet" /></td>
<td><img src="image4.png" alt="Round-grain rice" /></td>
<td><img src="image5.png" alt="Long-grain rice" /></td>
<td><img src="image6.png" alt="Steamed long-grain rice" /></td>
<td><img src="image7.png" alt="Pearl barley" /></td>
<td><img src="image8.png" alt="Durum semolina" /></td>
<td><img src="image9.png" alt="Corn grits" /></td>
<td><img src="image10.png" alt="Peeled barley" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cartoon boxes</th>
<th>Polypropylene Package</th>
<th>HoReCa package</th>
</tr>
</thead>
<tbody>
<tr>
<td>400g</td>
<td>800 g</td>
<td>Net weight 2 kg/5 kg</td>
</tr>
</tbody>
</table>

- **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

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**HoReCa package**

![HoReCa Package](image11.png)
MAKFA Flakes

1 Flakes cleanness is much higher than competitors’. Flakes are cleaner, airier without additives

2 Flakes 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
Trade Fairs and Chef Events

MAKFA Company is the primary sponsor of national restaurant award **Golden Folk**. It's the main annual award in HoReCA segment which is held since 2002 in 19 Russian cities. MAKFA Company supports the promotion of pasta and olive oil by means of events, master classes, competitions and presentations for professional chefs and customers. Golden Fox tasting tests and gifts are effective ways to estimate MAKFA brand.

The presence at **international trade fairs** reinforces the image of MAKFA and allows buyers and distributors to see with their own eyes exactly what the company is doing.

Professional food fair ProdExpo, WorldFood (Moscow)

GOLDEN Folk master classes and events
MAKFA represented product portfolio at the Asia's largest exhibition **FOODEX in Tokyo**. MAKFA supports Japanese trend of healthy and functional claim to product. Company maintains a program of Government Healthy Japan 21 (2012-2022) about functional healthy food. MAKFA introduces to Japanese the product line of high protein pasta, wholegrain pasta and the most famous Russian superfood – **buckwheat cereals**.

MAKFA has organized **cooking show** where professional chef mixed traditional Russian food and Japanese ingredients. Meal with buckwheat made especially strong impression on Japanese people.
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.
MAKFA AND THE GUINNESS WORLD RECORD™

On the 25th of February 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!
Thank you,
Get in contact!

www.makfapasta.com
www.makfahealth.com