

WARTÉ

WELLCOME TO BUSINESS AND OVERVIEW
OF KAZAKHSTAN MARKET



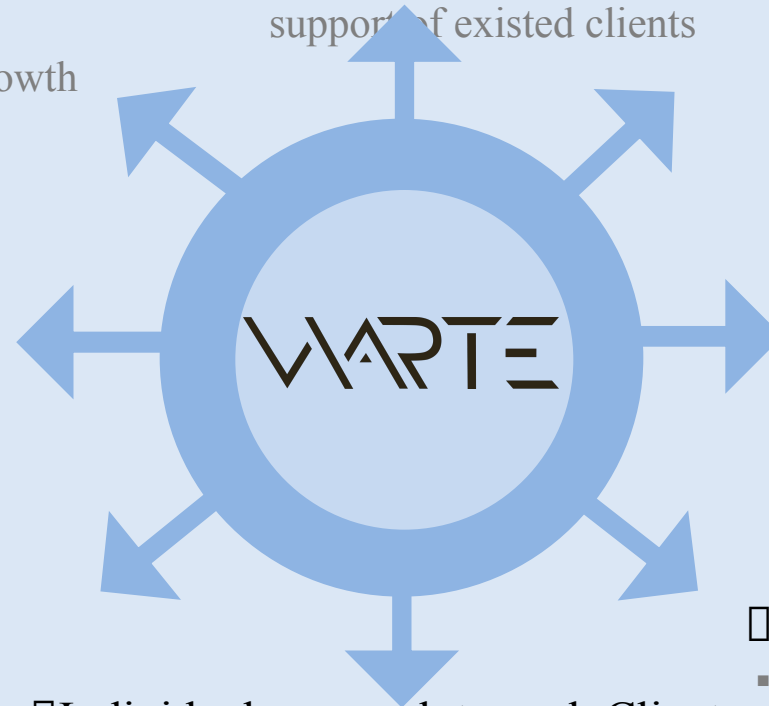
VIARTE COMPANY

- **Financial stability**
 - Reliable investors
 - Stable turnover growth

- **Wide sales network**
 - Whole Kazakhstan market

- **Digitalization of business processes**
 - Mobile App for orders
 - Site for products originality check
 - Online control of sales team performance

- **100% Kazakhstan based company**
 - Deeply keen for extension of business in Kazakhstan
 - Strong relations and full support of existed clients



- **Individual approach to each Client**
 - Product + Technical support
 - Stock and orders planning control
 - Warehouse works by FIFO
 - > 500 Customers | Partners

- **Successful distribution experience**

Well established business processes covering all aspects of the business such as Sales, Marketing, Technical support, Pricing, Accounting, Finance, etc.

- **Team of professionals**
 - Experience in distribution and lubricants business

- **Price offer**
 - Prices from the manufacturer
 - Deferral of payment
 - Individual discount system

MISSION & VISION

WARTÉ

Company Vision

Qualified employees, customer orientation, first-class quality products and financial stability will allow us to be the professional distribution company in Kazakhstan with potential to countries of Central Asia.

Mission

We build partnerships with customers by offering comprehensive solutions in the field of lubricants, spare parts and services for the successful development of a long-term strong business.

HEALTH & SAFETY

RESPECT FOR OTHERS

INTEGRITY

SUSTAINABILITY

ANTIBRIBERY AND CORRUPTION

HONESTY





MAJOR STRENGTHS



We are to continuously increase the market share by strengthening the competitive advantages such as:

Constantly learning and developing professionally staff



Wide infrastructure including regional offices and warehouses

Strong business relations with a key clients and partners



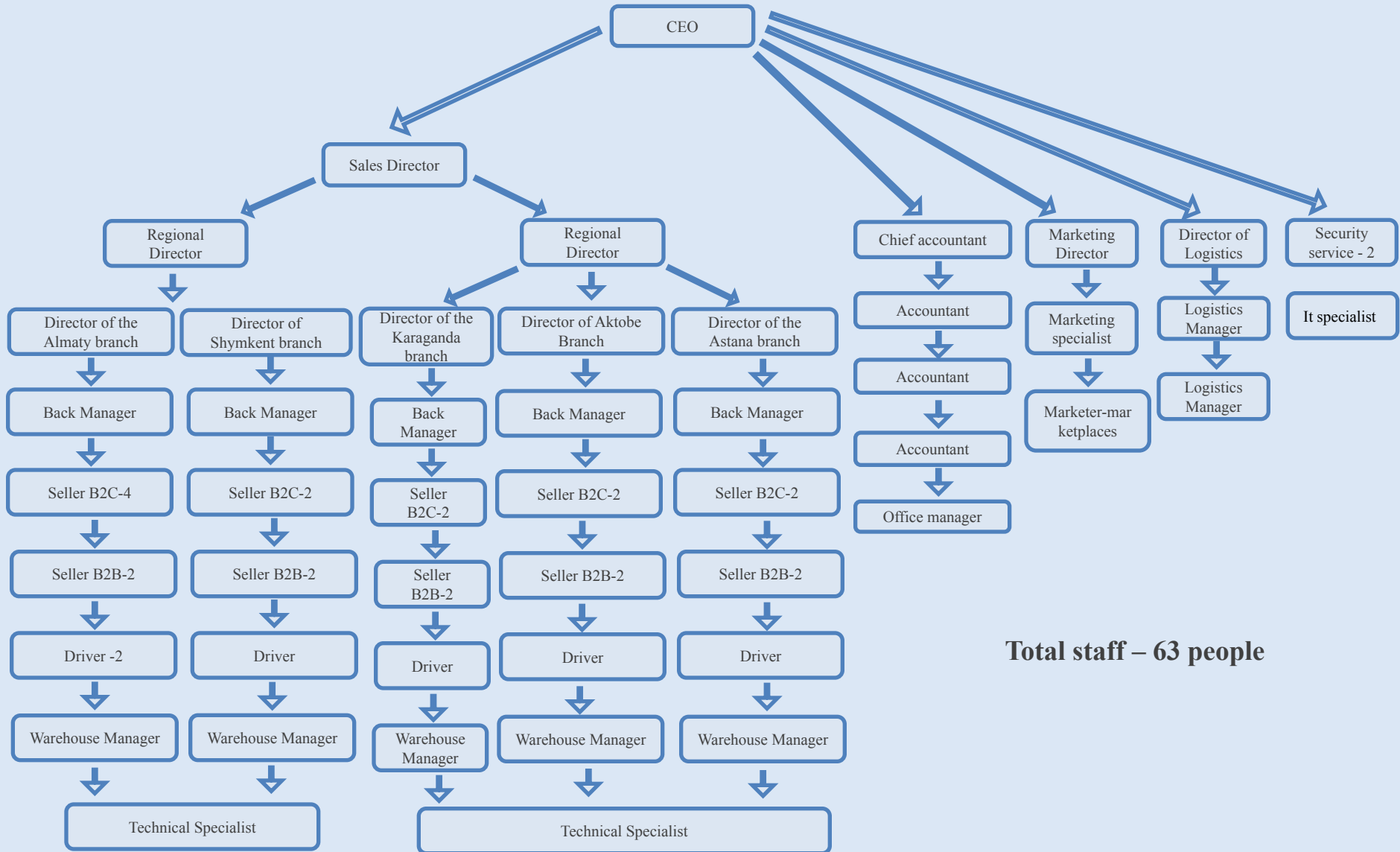
Well established business processes
ISO 9001-2016 Quality Management System

Digitalization of all processes – autonomy of success in business



Quality control of products on all stages after sale

MANAGEMENT TEAM



Total staff – 63 people

Strengths

- successful experience of the initiator in distribution business and lubricants;
- integrated approach to business development (direct sales to consumers, installation of oil winding machines in points with high traffic, development of a mobile application, development of other sales formats);
- organization of a developed sales network (branches and distributors) in the Kazakhstan market;
- availability of formed loyalty to Shell trademark among the consumers in Kazakhstan;
- price competitiveness of products to be sold (middle plus price segment);
- established relationships with major customers and partners;
- use of advanced digital technologies in solving the Company's and customers' tasks;
- positive actual and expected market development trends.

Weaknesses

- Dependence on the volume of production and supplies of Shell products (import of goods).
- Finding, building and staffing a strong team (raising the skill level of personnel will take some time)
- new name for the company amongst the lubricant distribution players

Opportunities

- expansion of sales channels;
- expansion of the offered product range;
- diversification of the company's activities (products, services, etc);
- attraction of new segments of consumers of products, search for new niches/channels in the market of Kazakhstan.

Threats

- disruptions in the supply of Shell products to the Kazakhstan market;
- decrease in real income of customers;
- availability of counterfeit products on the market
- Availability of other distributors in the Kazakhstanian market (price dumping)
- Weak representation of Shell brand at the moment (customers switching to other brands)
- Shell increase prices more than competitors on market

KAZAKHSTAN – KEY SECTORS B2C



Economics overview

Area = 2,724,902 km²
 Population = 19,6 mln.
 GDP 2021 nominal = 213 bln. USD

Lubricants Market

Total Volume = 175,6 mln. LT.
 B2C – 35 mln. LT.

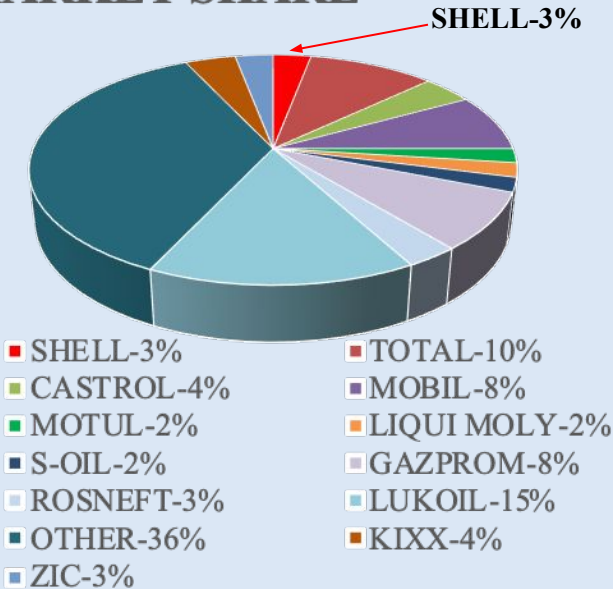
Top segments B2C

Fast Fit & Oil Change Centers, IWS, FWS

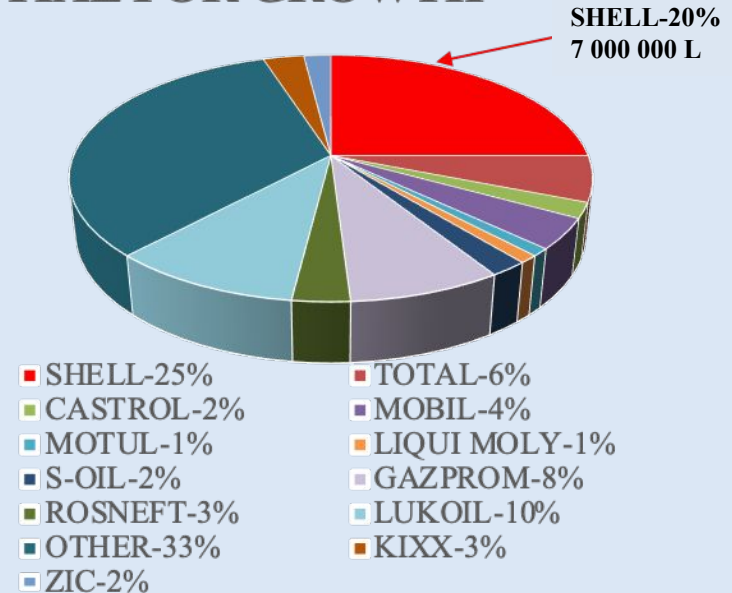
The volume of the B2C market is 32 million liters



MARKET SHARE

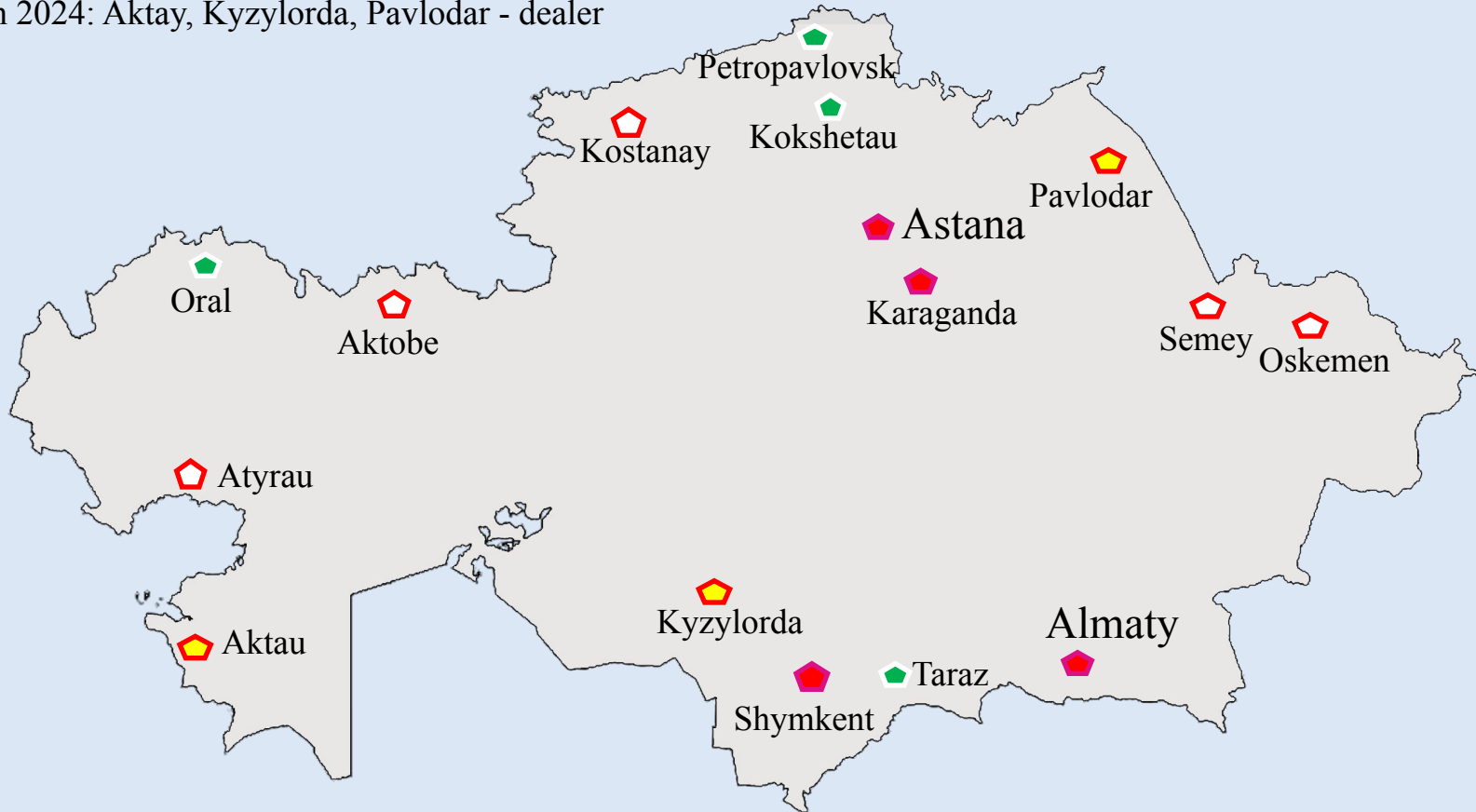


POTENTIAL FOR GROWTH



DISTRIBUTION COVERAGE

- Plan 2023: Direct Team (Branch Office + Warehouse) B2C 65%: Almaty, Astana, Karaganda, Shymkent
- Plan 2024: Semey, Oskemen, Kostanay, Aktobe, Atyrau
- Plan 2024: Uralsk, Petropavlovsk, Kokshetau, Taraz - regional representatives
- Plan 2024: Aktay, Kyzylorda, Pavlodar - dealer



Distribution development will be carried out through the division of the territory of the Republic of Kazakhstan into 5 regions:

- 1) SOUTH region – Almaty, Shymkent, Taraz, Kyzylorda, Taldykorgan, Konaev,
- 2) EAST Region – Semey, Ust-Kamenogorsk,
- 3) WEST Region – Atyrau, Aktau, Aktobe, Uralsk,
- 4) NORTH Region – Kostanay, Kokshetau, Petropavlovsk,
- 5) CENTRAL region - Astana, Karaganda, Pavlodar, Ekibastuz, Temirtau, Balkhash, Zhezkazgan.

This territorial split will allow the creation of warehouses in the mentioned regions for the most efficient use of logistics supplies and shipments to customers.

HOW CLIENTS WILL KNOW ABOUT VIARTE



Actions planned to be done:

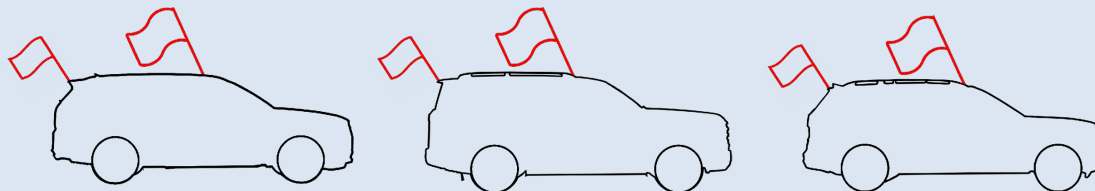
- 1) Informing by mass media channels at the start of work, in such as – tengrinews.kz, dknews.kz, sputnik.kz, forbes.kz
- 2) Presentations in biggest cities of Kazakhstan – Almaty, Astana, Karaganda, Shymkent – inviting all clients from near regions.

Presentations will contain next topics:

- Presentation of a company,
- Products presentation,
- Presentation on product security from counterfeit, how to check originality on a website
- Presentation of a web App for products ordering
- Discussion terms and conditions of partnership,
- Contest and lottery for clients
- Dinner.

- 3) Under discussion option for motor run (on 3 branded car) with presentations and conversations with the clients.

Possibly motor run will happen in Spring 2024 as separate action.



MARKETING ACTIVITIES IN B2C



2C Special events

STRATEGIES

TASKS

Counterfeit

Detection of counterfeit channels and collaborative work on removal of them

- Removal of empty containers/cans from the market and disposal.
- Identification of counterfeit manufacturers.
- Sales management through cans control.

Contactless sale

Providing customers with the opportunity to purchase original products through oil vending machine.

- Develop and produce of the oil vending machine
- Work on program and technology for contactless payments for clients

5P Marketing Mix

STRATEGIES

TASKS

Product

Create and offer to the market products that meet market needs and requirements.

To suggest the assortment of options for a point of sale / fast lubes and the end user by segments.
Marketing support (promotions, technical seminars, etc.) with more focus on a synthetic product.

Price

Launch differentiated price policy in the market (for it to be price competitive in each segment vs. main competitors Castrol, Mobil).

Provide beneficial price for the end-user comparing to direct competitors and let the trade earn more with Shell Helix than with a product of direct competitors via regular market census.

Place

The strategies of expansion by opening direct teams.
The strategies of deepening the existing market. (increasing the share in the channels).

Expand geographic presence via opening branches in Aktobe, Atyrau, Kostanay, Semey, Oskemen
Increasing channel shares – focus on the service channel
Retain relationships with existing Distributor-Partners

Promotion

To increase the awareness of Shell Helix brand to TOP 2*
*According to the latest MLT report, Shell Helix is the fourth most recognizable, after Mobil, Castrol and Lukoil.

Conducting the technical seminars for clients in every city at least once a year Increase the level of recommendations via motivation program for mechanics/salesmen.
Branding of Fast lubes / Trade points.
Trade equipment / communication material.
ATL.

People

Grow a team of highly qualified employees.
Education for employees / Experience sharing.

CRM system / Monthly execution of the Forecast.
Increase Active Client Database,
To provide the attentive and professional approach to customers.
Launch motivation program for supervisors and DSRs.
Monthly trainings for employees.

STRATEGY FOR GROWN OF SHELL BUSINESS

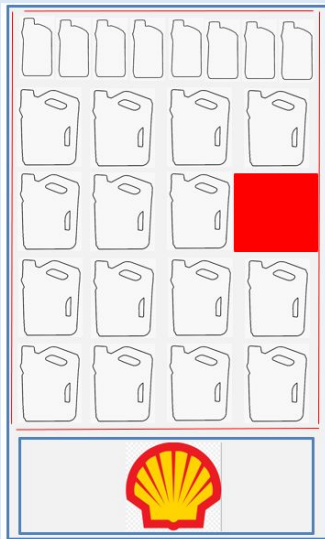


Installation of oil wending machines for services and shops

Potential increase > 100 kL annually

+

Reduction of counterfeit and client loyalty



Pro and Sport products extension

Potential increase > 50 kL annually

+

Gathering of own sport team



First fill discussion with Chinese OEM's

Potential increase > 100 kL annually



N  **TO COUNTERFEIT**

Counterfeit products remission
Potential increase > 100 kL annually

INTERNAL LOGISTIC

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Owning of fully metalbody Gazel NEXT fleet with rear and side unloading :

- 1)Almaty – 2 car,
- 2)Astana – 2 car,
- 3)Karaganda – 1 car,
- 4)Shymkent – 1 car



Advantages of this model – low loading level, side unloading option in case of lack parking place/unloading place, closed cabin, extended opportunity for branding.



Information

16 digits code with secure layer-
0000 1111 2222 3333

Hologram, company logo

Vertical laser grave, which cover cap,
ring and canister

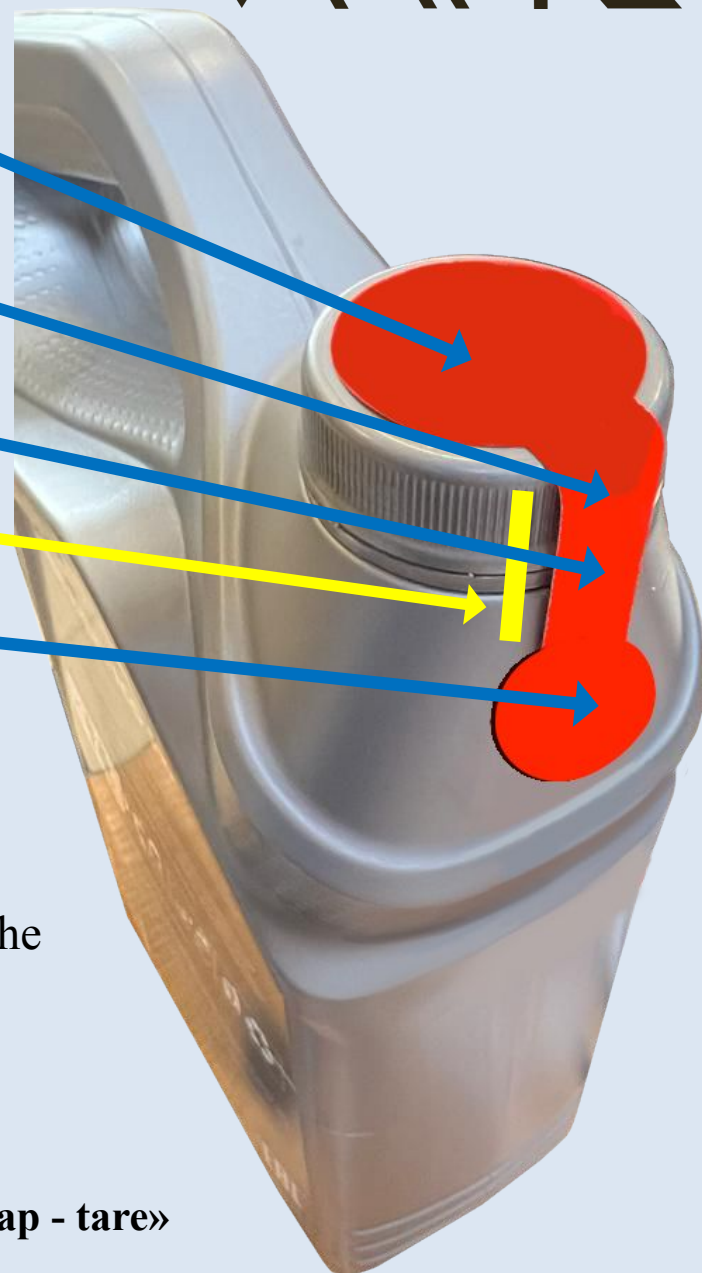
Information

Information – text of importer company, according
Kazakhstanian law (Kazakh and Russian language)

Code – check-up on an originality on the company site

Hologram – logo of company + anti-counterfeit security

Laser grave – special digits (periodically changing), cover the
cap, ring and canister with deforming it, which will help to
check secondary using of the canisters.

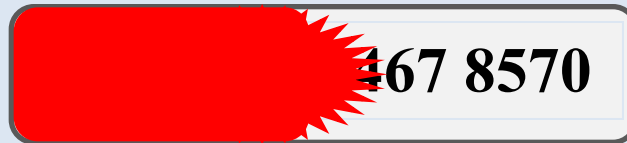


In 20, 55, 209 liters tares process will be identical process - «cap - tare»

COMPLEXITY PRODUCT SECURITY

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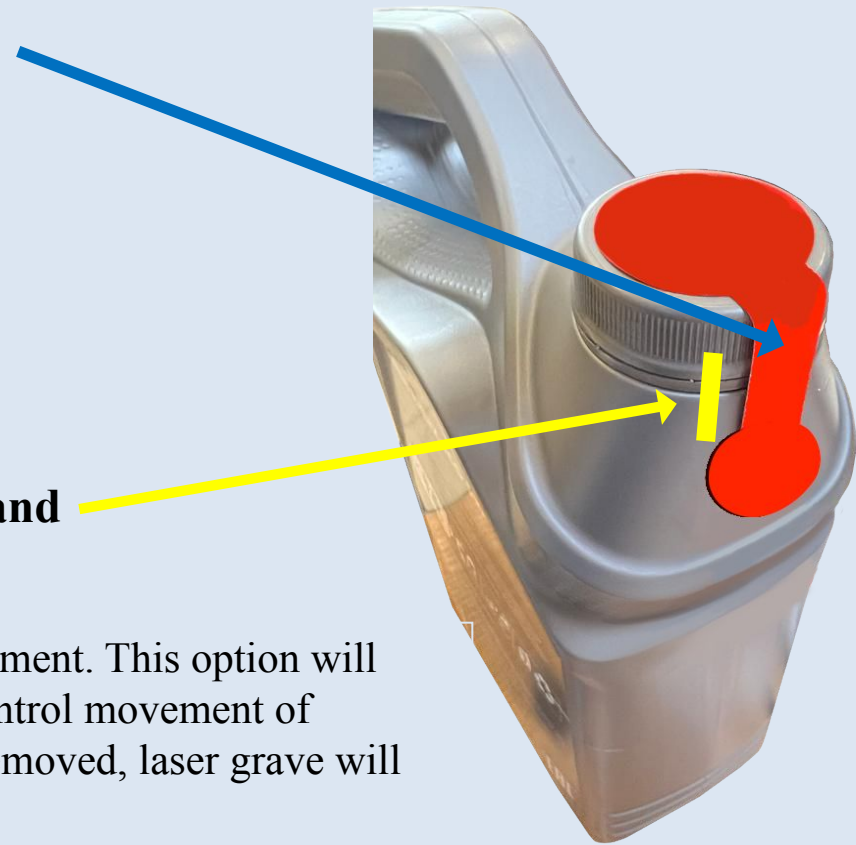
16 digits code under secured layer –
0000 1111 2222 3333



Vertical laser grave, which will cover cap, ring and canister

Distributor will make security of product with every shipment. This option will help not only secure from counterfeit, but also help to control movement of products from outside of Kazakhstan. If sticker will be removed, laser grave will remain and help to identify the product.

If there will be any fact of violation from client for supplying of products abroad of Kazakhstan, distributor will take a measure for client in accordance with contract terms, according Republic of Kazakhstan jurisdiction.



OIL WENDING MACHINE

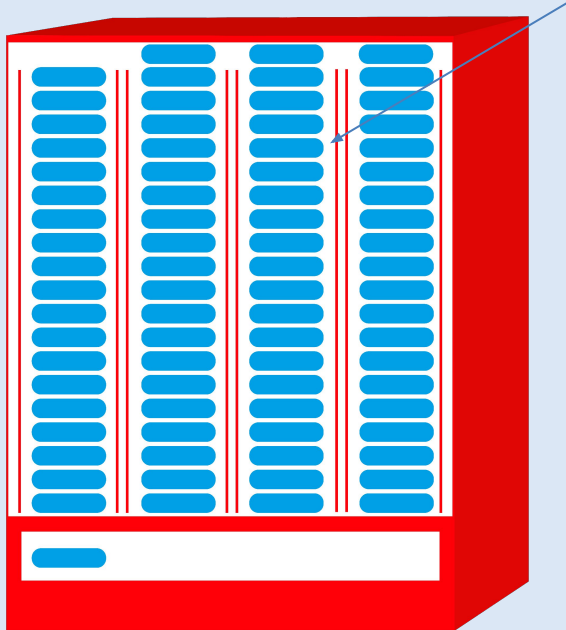


VIARTE working for producing test unit of oil wending machine which help to sell 1L and 4L tare for customers in IWC, markets, parkings and etc

There is only manual vending machines exist which more or less looks like and works as a storage case with looking glass. In this type of units after every purchase empty desk need to be filled again and there is no automation and “wow effect” there.

Oil wending machine will gave an opportunity for client to purchase different types of tares and different types/viscosities of oil. Human factor is excluded, no option for counterfeit, safe and easy purchase for client

Looking glass



Screen for video/promo



OIL WENDING MACHINES ATTRACTION CENTERS **WARTE**

Our company working on the program for implementing of the customers attraction centers. Oil wending machines can be installed in the separate rooms/locations at the special markets, petrol stations, FWS, IWS, parking's, which helps for the clients to buy products in this places 24/7.

Oil Wending Machine – is a confidence for customers in products originality.

Convenience, availability and accessibility.

New way for a standard type of sales.



Petrol stations and Oil change Stations



Currently we are in negotiation stage with Petrol stations franchise in Kazakakhstan (270 stations) for implementation of a branded oil change stations on a territory of petrols (it will be additional for branded oil change stations which will work separately).



Main factor of success in oil change service - is qualification of staff, we are planning to collaborate with colleges to get their students in starting career in Shell branded services. Which will give young specialists dive deep in Shell products, understanding of Shell advantages and gave loyalty for brand in future work.

WARTTE

Appreciate for your attention!

