

Press release, June 30, 2021

AAK enters formal consultation process regarding production consolidation to further optimize its European bakery business

AAK has entered a formal consultation process with union delegates to carry out a production consolidation and subsequent closure of its site in Merksem, Belgium. The suggested initiative is in line with the company's strategy to optimize performance within the Bakery segment to improve cost efficiency and increase competitiveness.

The production site in Merksem, Belgium, which employs approximately 100 people, is predominantly a bakery fats plant, mainly producing margarines and shortenings for the industrial market in continental Europe. The proposed consolidation implies a transfer of production from Merksem to AAK's sites in Hull, United Kingdom and Zaandijk, the Netherlands, after which the site in Merksem would be closed.

"The proposed production consolidation would optimize our Bakery segment in line with our portfolio strategy", says Johan Westman, President and CEO, AAK Group. "We will maintain our strong presence in the European industrial bakery market and continue to support our customers with the same high level of dedication and service."

In order to manage potential additional volumes in Hull and Zaandijk, some production equipment would be transferred from Merksem and selective investments would be made.

If implemented, the restructuring is expected to cause non-recurring costs of EUR 30 million (SEK 304 million), for which a provision will be made in the second quarter. EUR 20 million (SEK 203 million) of this is a non-cash flow impact. A closure of the site in Merksem would lead to annual cost reductions and productivity gains of approximately EUR 5 million (SEK 51 million), expected to reach full run rate by the end of 2022.

More information and further comments will be provided in connection with the release of AAK's interim report for the second quarter on July 16, 2021.

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About AAK

Everything AAK does is about Making Better Happen™. We specialize in plant-based oils that are the value-adding ingredients in many of the products people love to consume. We make these products better tasting, healthier, and more sustainable. At the heart of AAK's offer is Customer Co-Development, combining our desire to understand what better means for each customer, with the unique flexibility of our production assets, and a deep knowledge of many products and industries, including Chocolate & Confectionery, Bakery, Dairy, Plant-based Foods, Special Nutrition, Foodservice

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and Personal Care. Our 3,900 employees support our close collaboration with customers through 25 regional sales offices, 15 dedicated Customer Innovation Centers, and with the support of more than 20 production facilities. Listed on Nasdaq Stockholm and with our headquarters in Malmö, Sweden, AAK has been Making Better Happen for 150 years.