



Press release, November 25, 2022

AAK strengthens its position in southeast India by acquiring Arani Agro Oil

AAK AB (publ.) has acquired 100 percent of the shares in Arani Agro Oil Industries Ltd. The acquisition aligns with AAK's strategy to expand geographically and increase its market share in India's high-value specialty oils and fats market. Arani operates out of Kakinada Port on the southeast coast of India.

Over the coming years, AAK will invest an estimated total of SEK 200-300 million, including the acquisition consideration, to increase capacity and improve efficiency in the production facility. In addition, the investment will support the wider development of the region, and AAK will expand its community impact and support program in India to the newly acquired AAK site.

"India continues to grow in importance for the global food supply chain, and the food and health industry is uniquely positioned to enjoy both domestic and export growth. This investment confirms AAK's commitment to making a positive impact and contributing to our customers' growth and expansion in India and beyond", says Sten Estrup, President of AAK Asia.

"We have seen strong growth from our operations in India, and the acquisition of Arani is a strategic next step to further accelerate growth in a key market ", says Dheeraj Talreja, President AAK India. "The acquisition gives AAK a platform for serving a high concentration of strategic customers within Chocolate & Confectionery Fats, Nutrition, Bakery, and Dairy in the region".

Late in 2020, AAK acquired 100 percent of the shares in Kamani Oil following a successful five-year joint venture with the founding family. Since then, AAK has established a new Indian headquarters and Customer Innovation Center outside Mumbai, alongside continued investments in upgrading and expanding the company's existing footprint in India.

The transaction is expected to close before the end of 2022. The acquisition will be consolidated upon closing and has no material impact on AAK's financials.

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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 the products people love to consume. We make these products better tasting, healthier, and more sustainable. At the heart of AAK's offering is Customer Co-Development, combining our desire to understand what better means for each customer with the unique flexibility of our production assets and deep knowledge across products and industries. 4,000 employees support our close collaboration with customers through 25 regional sales offices, 15 dedicated Customer Innovation Centers and 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 more than 150 years.

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