

A background image of a soybean plant with green leaves and developing pods, silhouetted against a bright, warm sunset sky. A large blue teardrop-shaped graphic is overlaid on the left side of the image.

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Lecithin



Strategic rationale for moving into lecithin and acquiring a majority stake in Soya International

- ☑ One of the closest adjacent ingredients to oils & fats
- ☑ Strong market growth on the back of global trends
- ☑ Increase customer proximity within key segments
- ☑ Scalable platform with a solid track record
- ☑ Clear speciality/semi-speciality segment offering attractive margin levels

The lecithin market shares the same structure as oils & fats



Lecithin is a **natural by-product** from the processing of vegetable oils sharing many application areas with our existing product range

Sources



Rapeseed

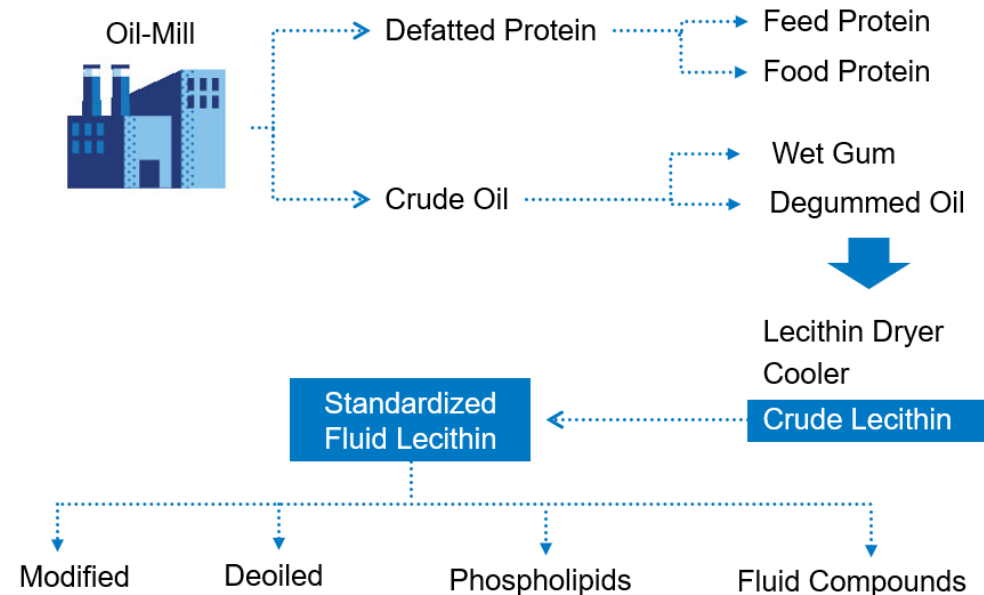


Sunflower

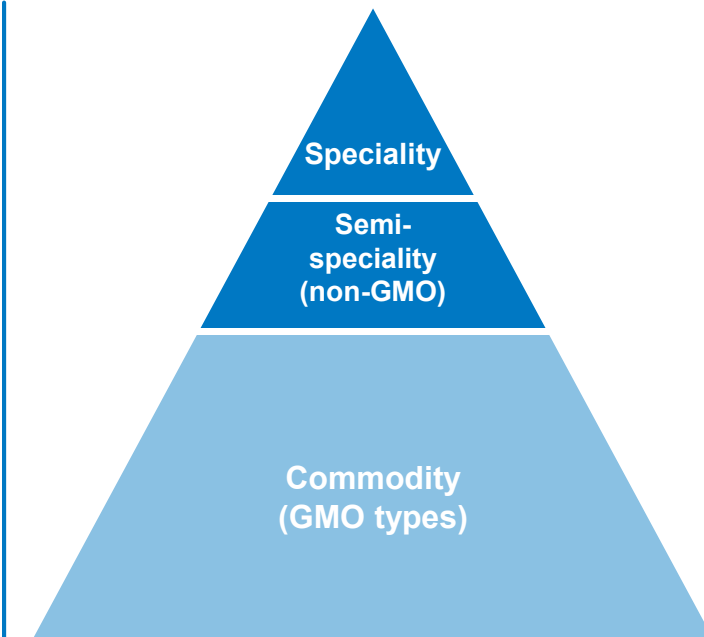


Soybean

Process



Market segments



Lecithin is a key ingredient in many of AAK's core segments

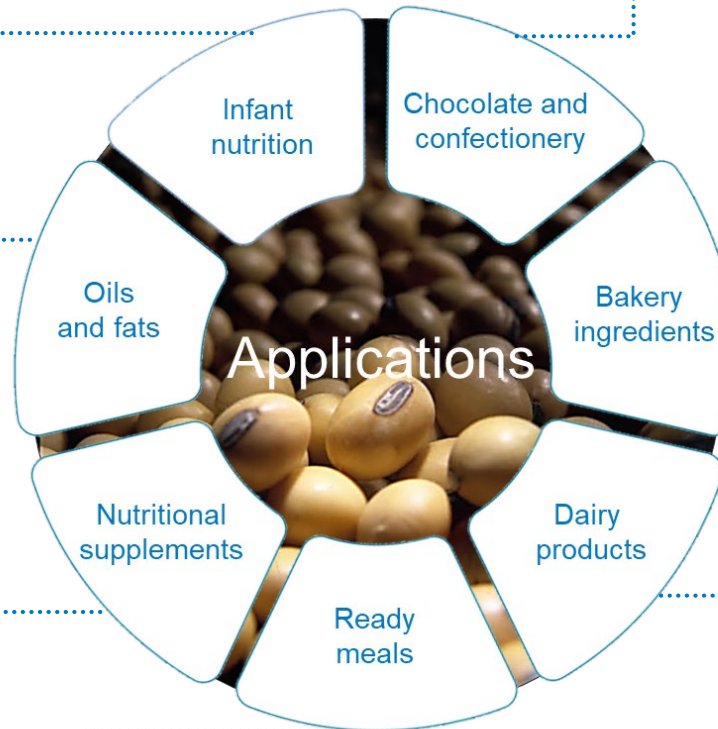
Within the food industry, lecithin has a wide range of uses...

- ◆ Good powder solubility in milk and water
- ◆ High nutritional content
- ◆ No labeling as allergen required with sunflower lecithin
- ◆ Microbiological and qualitative safety per EU guidelines

- ◆ Better spreadability
- ◆ Less frying spatter
- ◆ Sediment formation for sauces
- ◆ Better flavor development
- ◆ Longer keeping through antioxidant effect

- ◆ Protects flavors
- ◆ Preserves food's prepared state
- ◆ Enhanced shelf life

- ◆ Improved cognitive health
- ◆ Improved cardiovascular health



- ◆ Faster, easier processing through shorter conching times
- ◆ Individually adjustable viscosity and flow moisture point
- ◆ Use less cocoa butter (more expensive alternative)
- ◆ Homogeneous chocolate mass
- ◆ Gentle melting
- ◆ Longer keeping and temperature stability
- ◆ Reduced fat blooming

- ◆ Higher volume
- ◆ Longer freshness
- ◆ More even pores
- ◆ Homogenization of fatty doughs
- ◆ Less sticky doughs
- ◆ Better processing characteristics
- ◆ Better baking properties



- ◆ Good powder solubility in milk and water
- ◆ Better flow properties
- ◆ Longer keeping
- ◆ Improved stability

...and Soya International products are used by customers for all of these possible applications

Lecithin is a natural by-product from the processing of vegetable oils

Emulsifier technologies

Only **natural/clean label** emulsifier

 Natural
 Synthetic

Lecithin

Mono- and diglycerides

Ammonium phosphatides

Fatty acid esters

Sucrose esters /
sucroglycerides

Polyglycerol esters (PGPR)

Calcium / sodium stearyl
lactylate

Sorbitan esters

Both oils & fats and lecithin are often used in our customers' recipes



Infant Nutrition

Nestlé Little Steps 1 (Stage 1 Baby Formula)

whey product, skimmed milk, lactose (from milk), vegetable oils (22.3%) (sunflower oil, rapeseed oil), coconut fat, calcium citrate, fish oil, potassium citrate, potassium hydroxide, emulsifier (soy lecithins), potassium chloride, magnesium chloride, choline bitartrate, vitamin blend (vitamin C, vitamin E, niacin, pantothenic acid, vitamin B1 (thiamine), vitamin A, vitamin B2 (riboflavin), vitamin B6, folic acid, vitamin K, vitamin D, biotin, vitamin B12), sodium chloride, sodium orthophosphate, taurine, inositol, acidity regulator (citric acid), iron sulfate, zinc sulfate, L-carnitine, copper sulfate, manganese sulfate, potassium iodide, sodium selenate



Chocolate Confectionery

Nestlé Kit Kat Raspberry Blast (Milk Chocolate)

sugar, skimmed cow's milk powder, cocoa butter, cocoa mass, wheat flour, raspberry pieces, non-hydrogenated vegetable oils (non-hydrogenated palm oil, non-hydrogenated shea oil), butter fat from milk, cocoa powder, emulsifier from plant origin (soya lecithin, sunflower lecithin), natural raspberry flavour, salt, natural vanilla flavour, raising agent (sodium bicarbonate)



Plant-based Dairy

ICA Havre Mat (Oat Based Cooking Cream)

oat base (water, oats (9%)), rapeseed oil, certified sustainable palm oil, emulsifier (rapeseed lecithin), stabilizer (E415), sea salt



Bakery

Conditorei Coppenrath & Wiese (Marzipan and Almond Cake)

cream (36%), marzipan (23%) (almonds, sugar, invert sugar syrup), wheat flour, sugar, whole egg, water, almonds (3%), chocolate (2%) (sugar, cocoa mass, cocoa butter, emulsifier (soya lecithins)), invert sugar syrup, vegetable fat (vegetable fat (palm fat), vegetable oil (rapeseed oil)), glucose-fructose-syrup, wheat starch, modified starch, beef gelatin, whole milk powder, natural flavor, milk chocolate (0.5%) (sugar, whole milk powder, cocoa mass, cocoa butter, fat reduced cocoa, whey powder (milk), emulsifier (soya lecithins)), whey powder (milk), emulsifier (mono- and diglycerides of fatty acids, sunflower lecithins), chocolate flavored icing (sugar, vegetable oil (rapeseed oil), vegetable fat (palm fat), fat reduced cocoa, emulsifier (sunflower lecithins), natural flavour), raising agent (sodium carbonate, sodium citrates), salt, skimmed milk powder, acidifier (citric acid), lactose (milk), cocoa butter, gelling agent (pectins)

Sources: www.portal.mintel.com/portal/ - Global New Products Database (GNDP)



Lecithin market trends

- ◆ Demand for “specialized” beans, such as **organic**, certified or plain **non-GMO** beans, are expected to rise as consumers look to verify the sustainability of food production and access traceability.
- ◆ Food producers and retailers are increasingly catering to the growing consumer demand for **non-GMO products**.
- ◆ Emerging markets, particularly Asia, are beginning to adopt and follow the **non-GMO trend**.
- ◆ Growing demand for lecithin with customized properties (w/o=>o/w => o/w/o and w/o/w)
- ◆ Growing consumer demand for and awareness of **healthy snacks** such as cereal bars, where lecithin is crucial.
- ◆ Growing demand for **organic/bio** products as a part of social responsibility for biodiversity
- ◆ Traceability, sustainability
- ◆ **Clean label declaration**/natural functional ingredients/allergen-free
- ◆ Growing demand for feed applications (i.e. **aqua-culture** feed) in **non-GMO** which were previously GMO

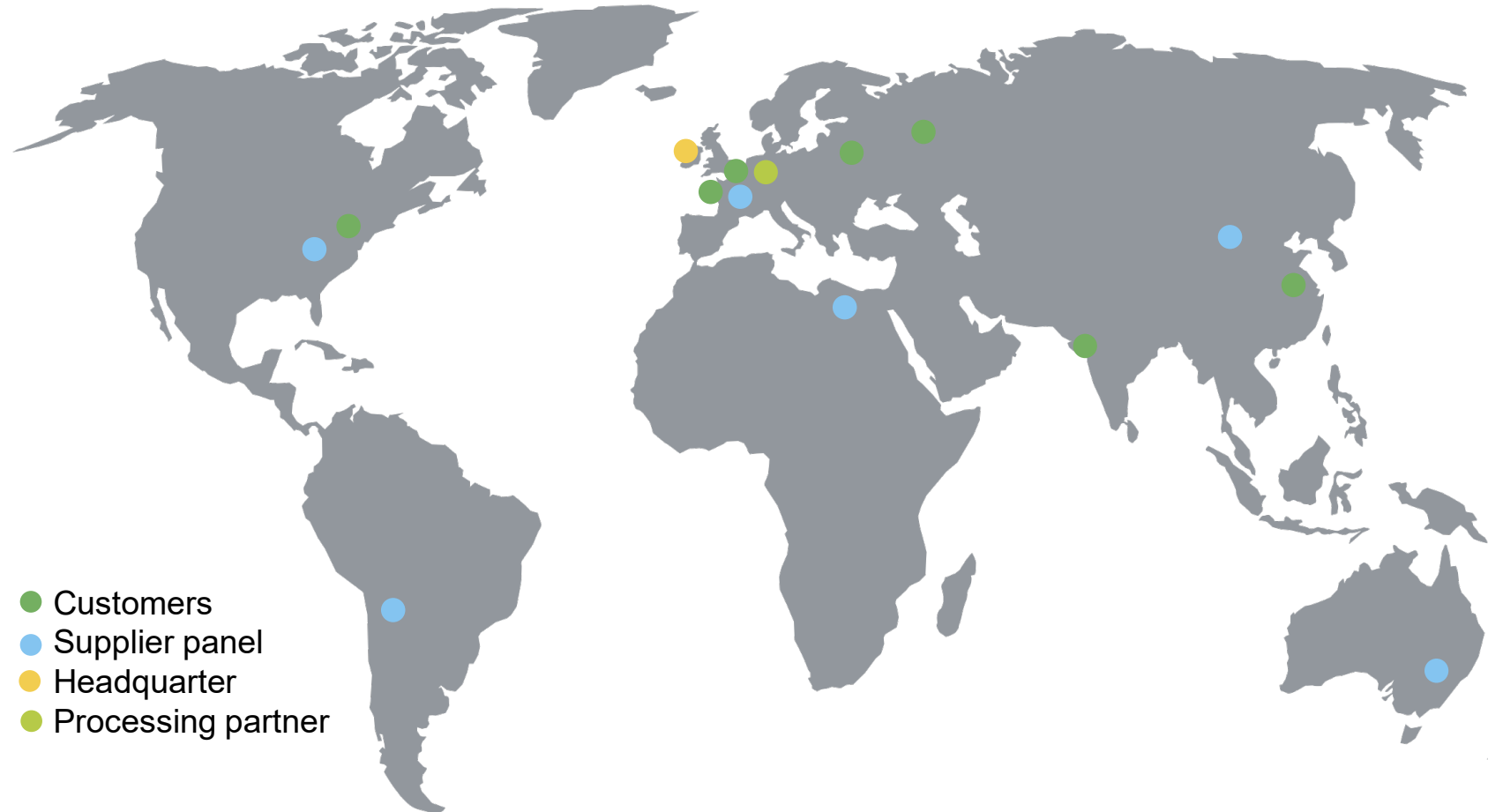
Soya International

A true global lecithin player with a scalable platform which AAK can leverage

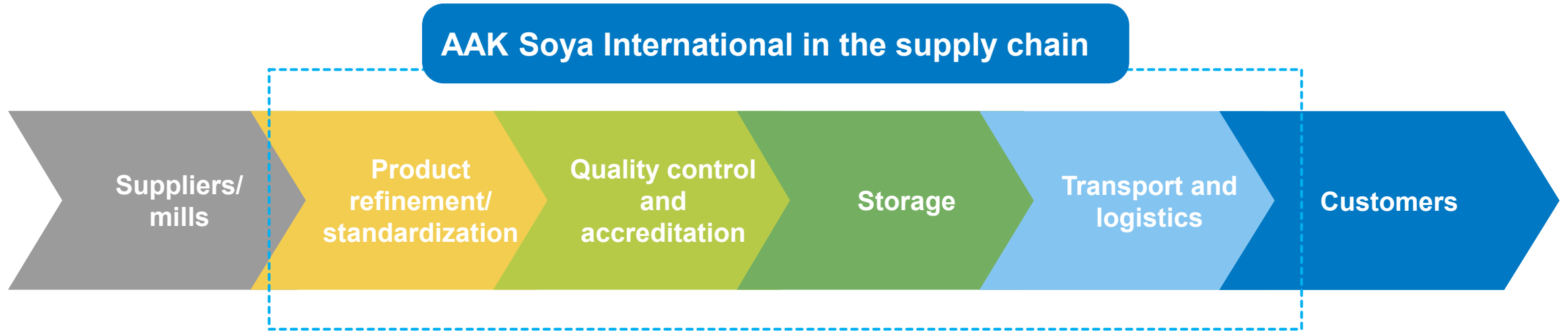
Global presence with ~€15 million of sales to more than 40 markets

Established in 1996, headquartered in the UK with ~10 employees

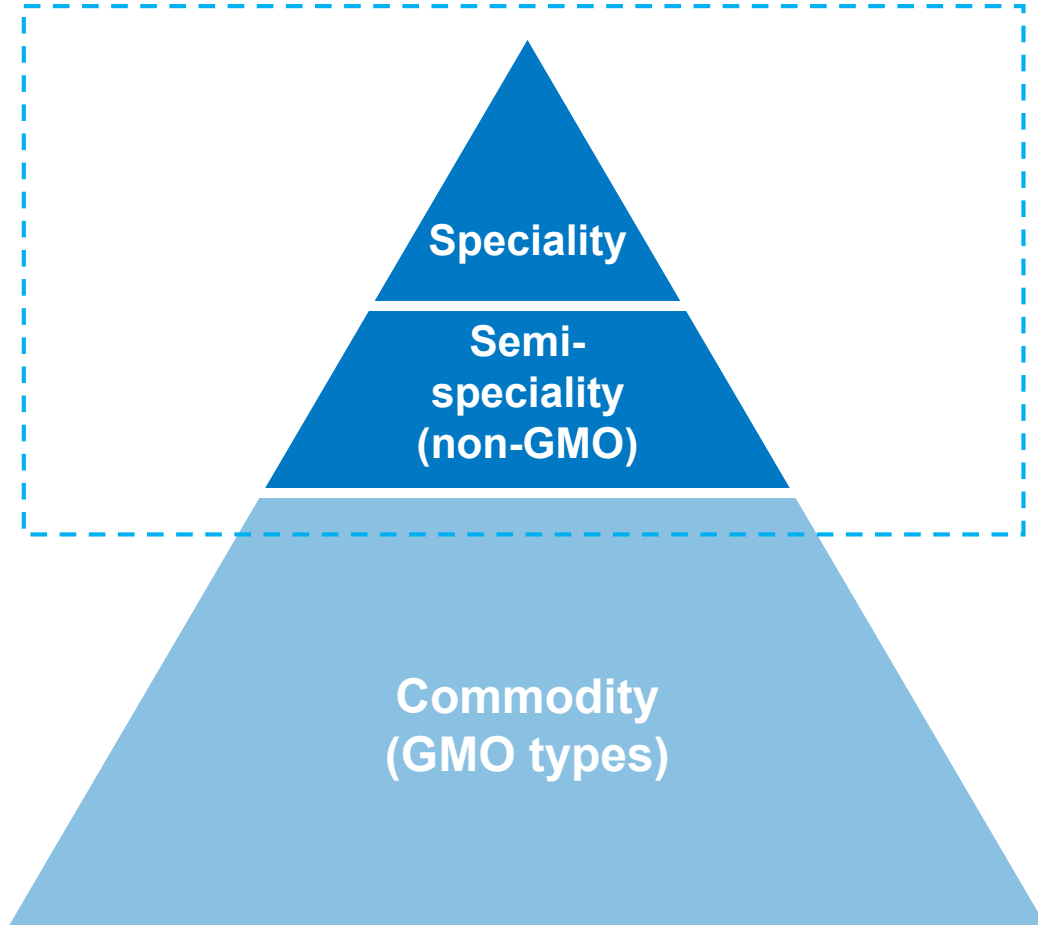
Comprehensive lecithin product range sourced from a broad supplier base



AAK Soya International controls the value chain from production to customer delivery



AAK Soya International is positioned in the speciality and semi-speciality markets



- Non-GMO speciality/semi-speciality segment offers attractive margin levels
- Fragmented market environment without a speciality/semi-speciality leader
- Market size and global density makes it unattractive to commodity giants
- Strong market growth on the back of evident trends that we are familiar with



Clean label



Sustainability



Traceability



Non-GMO



Organic



Health

Becoming a global lecithin leader by leveraging existing AAK capabilities

1



Customer portfolio

2



Go-To-Market

3



Co-development

4



Operations and Sourcing



AAK is set to become one of the world's leading suppliers of speciality lecithin after acquiring a majority stake in Soya International.

A close-up photograph of a soybean plant with several green pods hanging from a stem. The background is a warm, golden sunset with the sun low on the horizon, creating a strong backlight effect on the plant. A large, semi-transparent blue teardrop shape is overlaid on the left side of the image.

Thank you!

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www.aak.com

AAK