

# Spreading true joy

Annual and  
Sustainability  
Report 2024



# Cloetta

# Contents

Cloetta at a glance	3
<b>CEO comment</b>	6
<b>Targets &amp; strategy</b>	
Long-term financial targets	8
Strategic priorities	10
<b>Market &amp; consumer</b>	
The market	12
Consumer trends and behaviors	14
Know our consumer – bring moments of Joy	16
Accelerate brand strength and grow consumer base	18
<b>Sustainability agenda</b>	20
For You	21
For People	22
For the Planet	23
<b>Main markets</b>	24
<b>Share &amp; shareholders</b>	29
<b>Financial performance</b>	
Net sales and profit	33
Financial position	36
Cash flow statement	38
Future outlook	39
Environmental impact and environmental management	39
<b>Risks &amp; Corporate Governance</b>	
Risks and risk management	40
Chairman’s Comment	45
Corporate Governance Report	46
Remuneration of the Group Management Team	53
Internal control over financial reporting	56
Board of Directors	58
Group Management Team	60
<b>Sustainability report</b>	62
General information	63
Environmental information	74
Social information	92
Governance information	104
<b>Financial reports</b>	110
Consolidated financial statements	111
Parent Company financial statements	150
Proposed appropriation of earnings	159
Auditor’s report	160
Ten-year overview	164
Key ratios	166
Reconciliation of alternative performance measures	168
Glossary	170
Definitions	171
Shareholder information	174

The auditors have audited the annual accounts and consolidated accounts of Cloetta AB (publ) for the year 2024 except for the corporate governance statement on pages 46–61 and the sustainability report on pages 62–106. The annual accounts and consolidated accounts of the company are included on pages 33–159 in this document. While every care has been taken in the translation of this Annual and Sustainability Report, readers are reminded that the original Annual and Sustainability Report, signed by the Board of Directors or in European Single Electronic Format (ESEF), is in Swedish. The Annual and Sustainability Report in ESEF is published on [www.cloetta.com](http://www.cloetta.com).

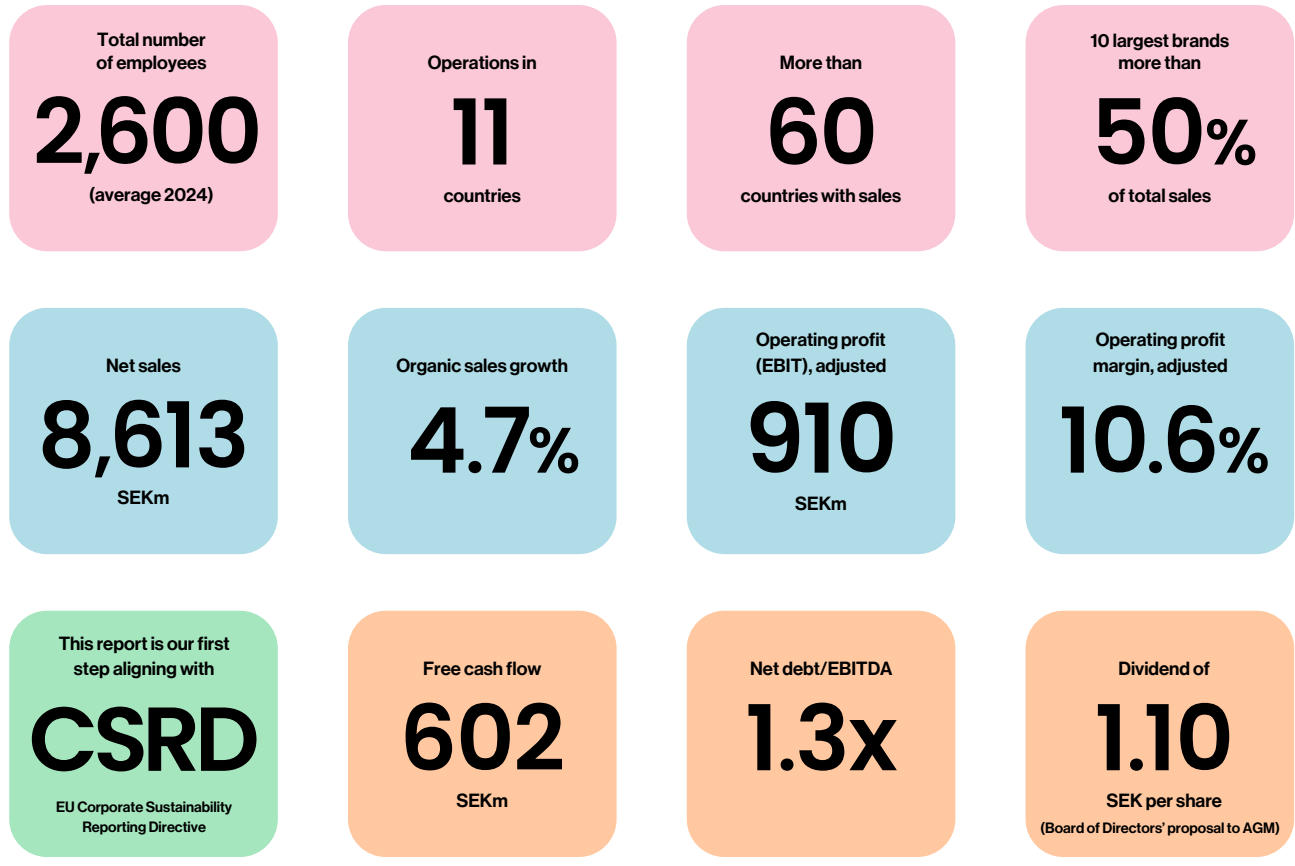
# Spreading true joy

Cloetta is a leading confectionery company in Northern Europe and home to some of the strongest brands on the market.

Our main markets are Sweden, Finland, Denmark, Norway, the Netherlands, Germany and the UK. Cloetta’s class B-shares are traded on Nasdaq Stockholm.

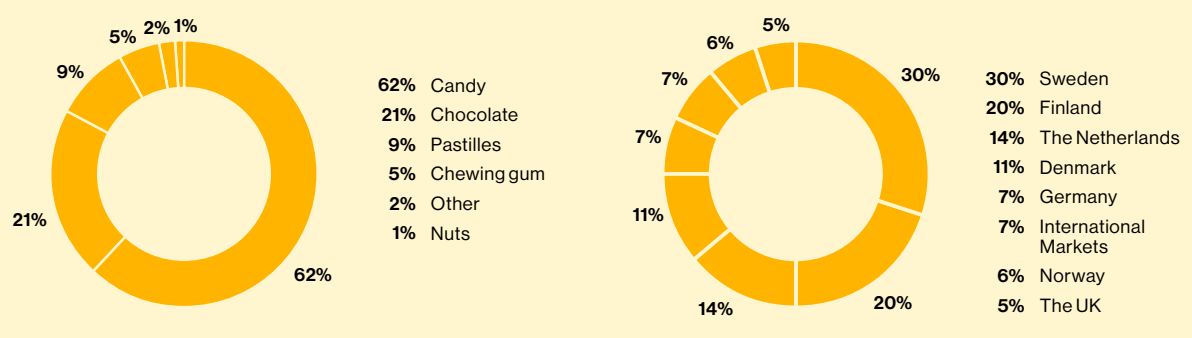


# Cloetta at a glance



“Cloetta is a proud provider of joyful moments – our brands and products bring fun and joy to memorable occasions”

## Net sales by category and country



# Business segments

## Branded packaged products

This segment is primarily characterised by Cloetta manufacturing, marketing and selling packaged products under strong consumer brands. To build long-term brand health, and consequently consumer preference and retail sales, Cloetta invests significantly in new product and packaging development, advertisement and promotion of the brands.

# 72%

Per cent of net sales



## Pick & mix

This segment is primarily characterised by contracts where Cloetta manages the customers' sales of candy when sold through in-store fixtures that allow shoppers to pick individual pieces of candy to create their own customised bag.

The assortment of products, which is central to the offering, is managed by Cloetta and products are manufactured by Cloetta or by third parties, including competitors. Other aspects of the contract, such as fixtures, merchandising, and the use of the CandyKing brand varies by customer.

# 28%

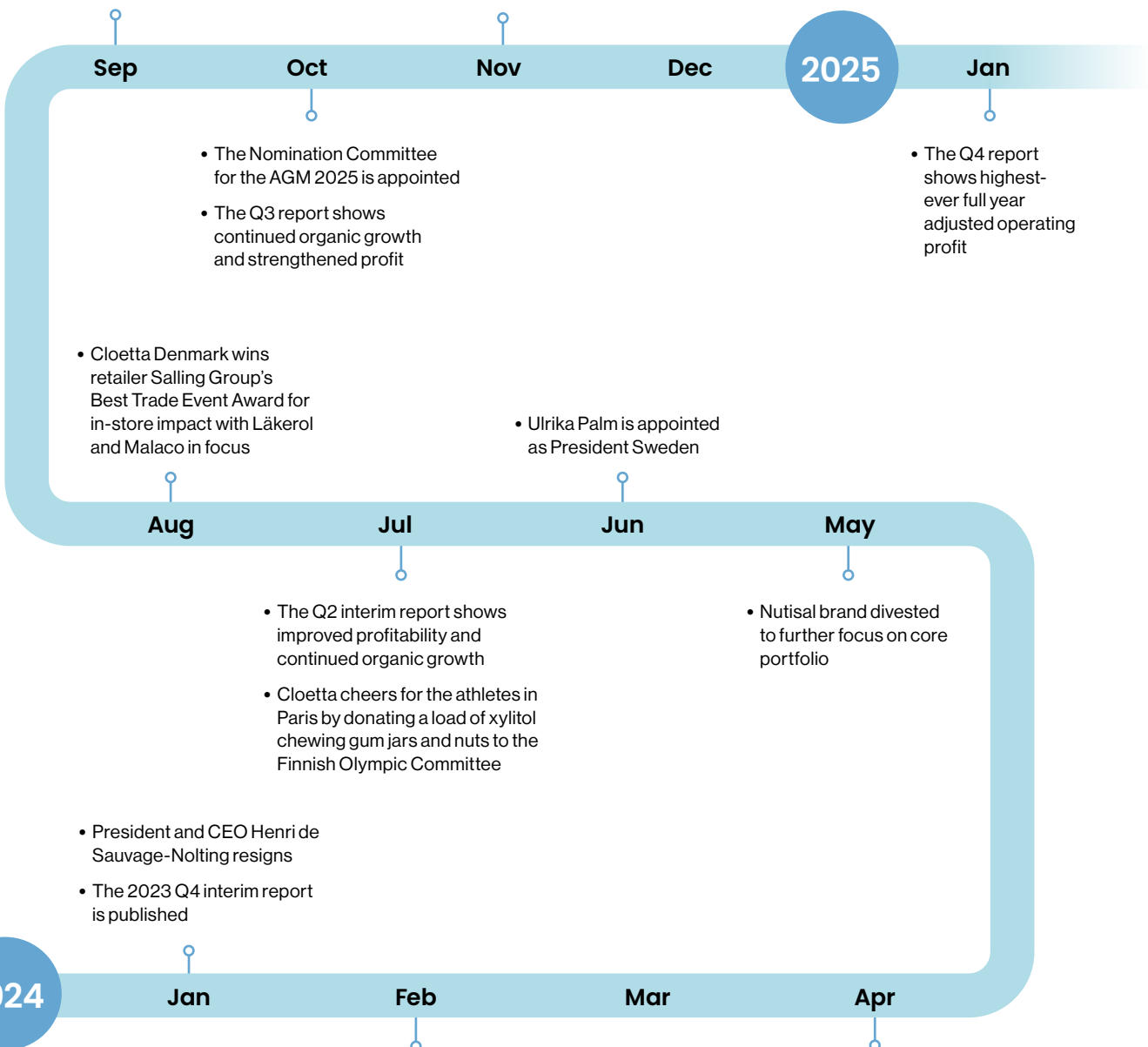
Per cent of net sales



# Key highlights

- The beloved Tupla chocolate bar, launched in Finland in 1960, is now also available in two different ice cream flavours
- Investment in greenfield plant in the Netherlands put on hold and reassessment initiated

- Cloetta grants the wish to swim in a pool of candy with Make-A-Wish Netherlands



2024

2025

Jan

Feb

Mar

Apr

Aug

Jul

Jun

May

Sep

Oct

Nov

Dec

Jan

- President and CEO Henri de Sauvage-Nolting resigns
- The 2023 Q4 interim report is published

- The Nomination Committee proposes Morten Falkenberg as the new Chairman

- President Sweden Katarina Tell is appointed President and CEO, effective no later than September
- The Q1 interim report shows a protected profit despite the historically high cocoa price

- Cloetta Denmark wins retailer Salling Group's Best Trade Event Award for in-store impact with Läkerol and Malaco in focus

- Ulrika Palm is appointed as President Sweden

- The Q2 interim report shows improved profitability and continued organic growth
- Cloetta cheers for the athletes in Paris by donating a load of xylitol chewing gum jars and nuts to the Finnish Olympic Committee

- Nutisal brand divested to further focus on core portfolio

- The Nomination Committee for the AGM 2025 is appointed
- The Q3 report shows continued organic growth and strengthened profit

- The Q4 report shows highest-ever full year adjusted operating profit

CEO comment

# Another year of profitable growth

**I am very pleased with the past year, as many things are progressing in the right direction and our initiatives are delivering results. We leave a very successful 2024 behind us with strong sales growth, stable total volumes and improved profitability, mainly driven by our margin-enhancing initiatives in the Pick & mix segment.**

In the end of the third quarter we took on the challenge to continue delivering double-digit adjusted profitability in the fourth quarter, despite continued raw material cost inflation. I am pleased to say that we more than met that challenge. In addition to keeping volumes stable and without reducing long-term investments in our core brands, we were able to deliver our highest ever full-year adjusted operating profit of SEK 910m (799), and an adjusted profitability of 10.6 per cent.

Sales for the year increased by SEK 312m and amounted to SEK 8.6b, of which organic growth accounted for 4.7 per cent. Improved cash flow generation continues and we delivered an all-time low net debt/EBITDA ratio of 1.3x, well below our long-term target of approximately 2.5x. The proposal from the Board to increase the dividend to SEK 1.10 is supported by our continued ability to deliver very healthy cash flows and a strong balance sheet.

**Flexibility in the product portfolio**

A key success factor for Cloetta is our diversified portfolio with several different product categories, which, gives us the flexibility to quickly target our activation efforts to meet strong demand or ups and downs in input costs. It is widely known that cocoa prices have risen sharply during the year, which among other things led us to shift our focus to activate non-chocolate categories in the fourth quarter to compensate for the higher raw material costs. Cloetta applies a fair pricing strategy, where we handle cost increases by charging them to our customers, but we also have the ability to focus on other categories to maintain or strengthen our profitability.

**“We have indeed successfully rebuilt the Pick & mix segment after the pandemic and the category is today the fastest growing confectionery category in the Nordic region”**



Our work to improve profitability is perhaps best exemplified by the development of our Pick & mix segment with profitability in line with the long-term target of 5-7 per cent in each quarter of the year. We have indeed successfully rebuilt the Pick & mix segment after the pandemic and the category is today the fastest growing confectionery category in the Nordic region.

In May we divested the Nutisal brand to further focus on our core confectionery product portfolio. To ensure the profitability of our growth opportunities, we will

continue to optimise our product portfolio. This includes reducing SKU's with lower profitability and maximising our production capacity.

**Responsive to consumer trends**

Another key success factor is our ability to respond to prevailing consumer trends. We continue to see further growth opportunities based on post-pandemic consumer behaviors and long-term consumer trends. The recent increased interest in Pick & mix in the US, known in social media as Swedish

Candy, continues to drive growth in our relatively small business in North America, and is a good example of our opportunities to grow further. Our sales to the US grew by approximately 30 per cent in 2024.

In our Branded packaged products segment, continued growth is driven by investments in core brands and new product launches. During the year, we implemented several successful examples of our ability to extend our strong brands with new lines and focus on new target groups, such as Gott & Blandat Juicy Giants, Chewits Jewels and Läkerol Strawberry.

During the year, and as part of our sustainability agenda, we decided to start aligning our reporting according to the Corporate Sustainability Reporting Directive (CSRD) requirements already in 2024, one year ahead of the required deadline.

**“ Without reducing long-term investments in our core brands, we were able to deliver our highest ever full-year adjusted operating profit of SEK 910m ”**

I am proud of this decision, as CSRD marks a significant step towards comparable accounting for sustainability reporting alongside financial reporting.

**The right path forward**

Since I assumed my new role during the summer, I have together with the Group Management Team worked on updating the long-term plan for Cloetta. I am incredibly proud of the work my colleagues across the organisation are doing to help strengthen Cloetta’s position in an evolving world.

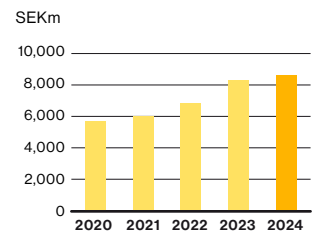
As previously communicated, the challenge relating to energy supply in Europe has impacted our strategic plan to ensure an efficient manufacturing structure. In September 2024, we decided to initiate a reassessment and put the greenfield investment in the Netherlands that was announced in 2022, on hold. In February 2025, we decided not to proceed with the investment due to the previously communicated increased risk relating to energy supply and the still on-going permitting process. Cloetta has the ability to develop long-term financial and supply network flexibility without the greenfield plant and can focus on both its own current and contract manufacturing network.

I look forward to continuing to bring both joy to consumers and value to our shareholders!

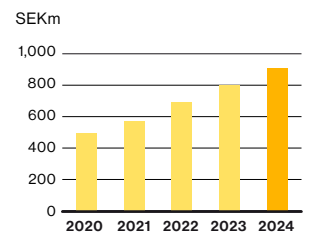
Stockholm, March 2025

Katarina Tell  
CEO and President

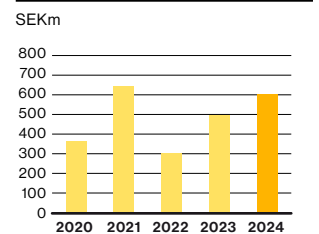
**Net sales**



**Operating profit, adjusted**



**Free cash flow**



# Targets

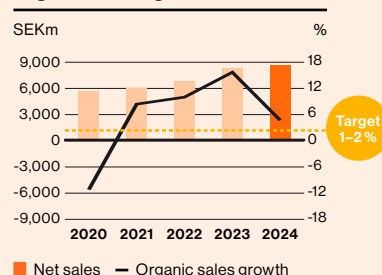
## Long-term financial targets

### Organic sales growth

Cloetta's long-term target is to grow organically by 1-2 per cent, which is in line with or better than the market.

**Comment on the year's outcome:** Organic growth was 4.7 per cent, resulting in Net sales for the second time in Cloetta's history exceeding SEK 8 billion. Sales of Branded packaged products increased organically by 1.9 per cent mainly driven by pricing enabled by the strengthening of our core brands, including the product category mix, and strong in-store execution. Sales of Pick & mix increased organically by 12.8 per cent mainly driven by increased volumes and the continued premiumisation of the offering.

### Net sales and organic sales growth

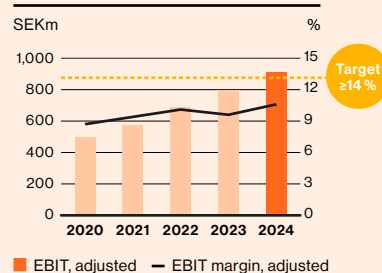


### EBIT margin

Cloetta's long-term target is an adjusted EBIT margin of at least 14 per cent.

**Comment on the year's outcome:** The adjusted EBIT margin amounted to 10.6 per cent, mainly driven by margin enhancing activities in Pick & mix. The full year adjusted operating profit of SEK 910m (799) was the highest-ever in Cloetta's history.

### EBIT and margin, adjusted

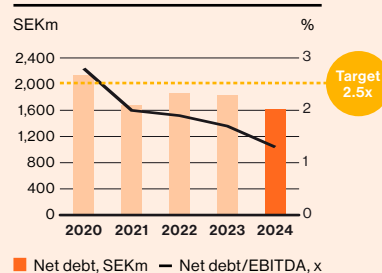


### Net debt

Cloetta's long-term target is a net debt/EBITDA ratio of around 2.5x.

**Comment on the year's outcome:** In 2024, Cloetta continued to deliver very strong cash flow, resulting in the lowest net debt/EBITDA in the company's history, of 1.3x, well below the long-term target of 2.5x.

### Net debt/EBITDA

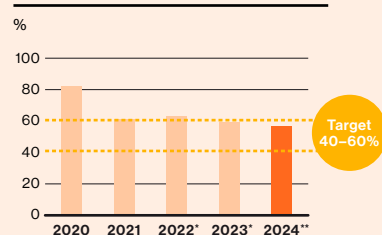


### Dividend policy

Cloetta's policy is to have a dividend payout ratio of 40 to 60 per cent of profit for the year.

**Comment on the year's outcome:** The Board of Directors of Cloetta AB proposes to distribute an increased dividend to the shareholders of SEK 1.10 (1.00) per share for the 2024 financial year, corresponding to 66 per cent (65) of profit for the year, and corresponding to 57 per cent of the profit for the year excluding impact of the impairment and other items affecting comparability relating to the divestment of the Nutisal brand. The ambition is to continue using future cash flows for payment of share dividends, while at the same time providing financial flexibility for planned investments.

### Dividend policy (share of profit)



\* Adjusted for items affecting comparability relating to the greenfield facility.  
 \*\* Excluding the impact of the impairment and other items affecting comparability relating to the divestment of the Nutisal brand.

# We believe in the Power of True Joy



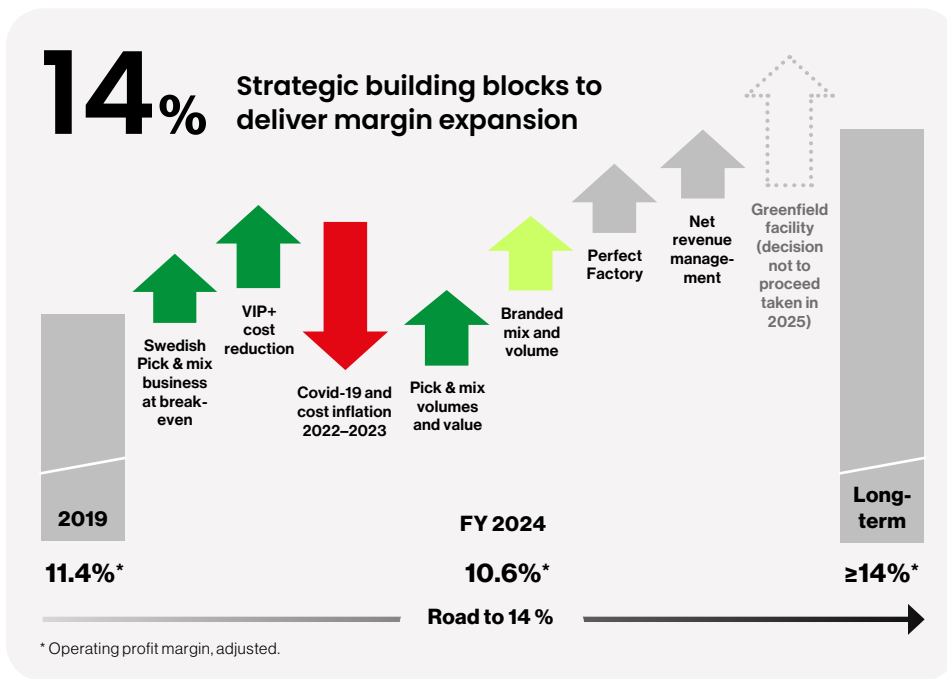
# Strategic priorities

**Cloetta is a proud provider of joyful moments – our brands and products bring fun and joy to memorable occasions. We are convinced that our consumer focus is the basis for us to grow and our brands to flourish.**

Cloetta aims to strengthen its position as the leading confectionery company in Northern Europe within the candy, chocolate, pastilles, chewing gum categories as well as in the Pick & mix segment. Our aim is to grow in line with or better than the long-term trend in our core markets and even higher

growth beyond our core markets through the expansion of selective brands. We continuously develop new innovative offerings and further strengthen our e-commerce and q-commerce focus. Furthermore, we aim to achieve an adjusted EBIT margin of at least 14 per cent, by driving further volumes,

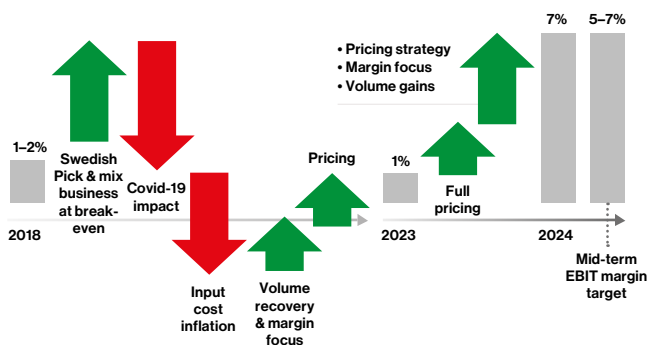
favourable mix and product and packaging innovation in both business segments. In addition, we will continue to drive further cost savings and efficiency activities throughout the organisation and the entire value chain.



- ### Cloetta's strengths
- Strong leading brands
  - Core markets in stable Northern Europe
  - Strong European leader in Pick & mix
  - Scale benefits in Northern Europe versus local competition
  - Route-to-market scale in core markets
  - Effective launch of novelty products

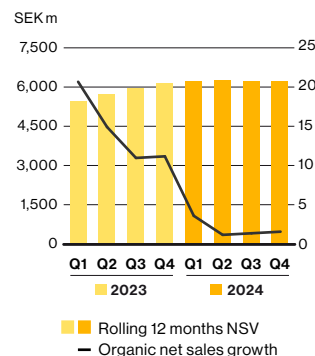
## P&M delivering targeted profitability margin consistently throughout 2024

Operating profit margin, adjusted



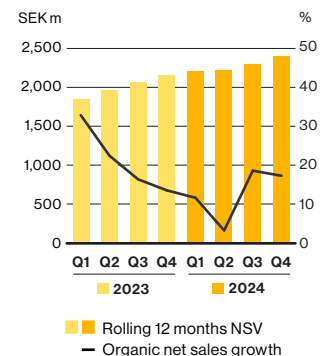
## Organic sales growth in Branded packaged products

Change from previous year

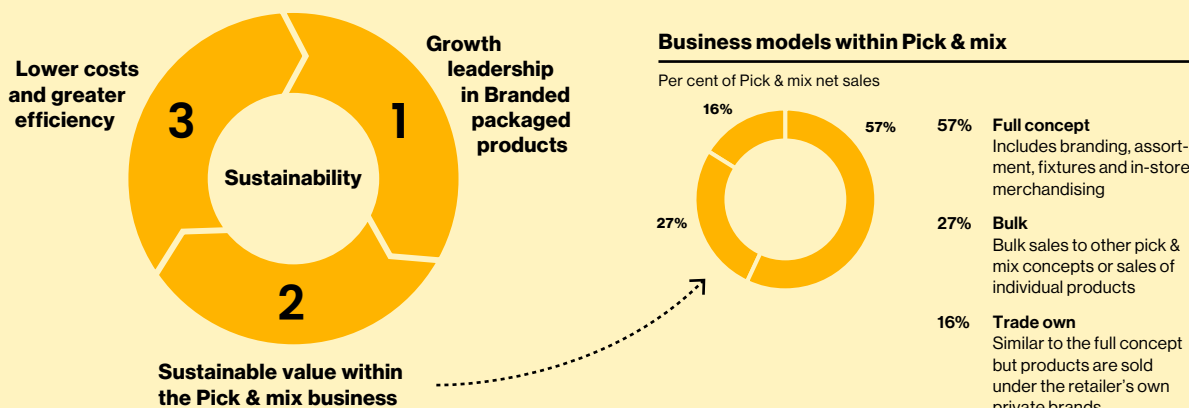


## Organic sales growth in Pick & mix

Change from previous year



# Strategic priorities



## 1 Growth leadership in Branded packaged products

We have a clear growth strategy for Branded packaged products which focuses on both the core operations and our strong brands, well positioned to respond to the growing consumer trends demanding innovative offerings with a sustainable approach. As Branded packaged products have an EBIT margin above the Group average, this segment is important for Cloetta to be able to reach its long-term profitability target.

### Achievements 2024

In 2024, Branded packaged products continued its growth journey. This was achieved mainly through successful marketing and strong innovation initiatives enabling successful in-store execution and continued solid fair pricing execution. We have continued to focus on recovering sales of high-margin products such as chewing gum and pastilles with milestone product launches like Läkerol Strawberry in the Nordics and Sportlife Sweet Gums in the Netherlands.

The comparative figures for the business segment for 2023 include a full year of net sales of the Nutisal brand, divested in the second quarter of 2024.

## 2 Sustainable value within the Pick & mix business

Pick & mix is an important consumer market as the concept matches underlying consumer trends such as individualisation and sustainable packaging. The segment is of importance for our customers as it also increases in-store traffic and impacts our ability to sell other categories. Cloetta's strong market position has enabled the development of the category and the Pick & mix business. We continue to focus on creating sustainable value within the segment through continued margin enhancing activities, and volume.

### Achievements 2024

The Pick & mix segment has continued to deliver growth, both in volume and value, for fifteen consecutive quarters. We have continued expanding with e-commerce and q-commerce pilots. We also continued to secure the extension of contracts in several of our markets, proving the attractiveness of our CandyKing concept to the retailers. Our CandyKing brand communication was visible in both paid media as well as earned traditional and social media, partly driven by the global Swedish candy trend on social media. Last quarter of 2024 was the fourth consecutive quarter of profitability in line with the long-term target of 5–7 per cent.

## 3 Lower costs and greater efficiency

Cloetta invests to continue to grow. This includes increasing marketing investments in core brands in Branded packaged products, adapting to changing consumer and customer demand, and creating capacity to produce more products. Cloetta's efficiency programmes are important drivers to improve the overall profitability which allows for the investments.

### Achievements 2024

During the year, our efficiency programmes including the VIP+ cost programme, the Perfect Factory programme, and the Net Revenue Management programme progressed as planned, delivering improvements that helped offset input cost inflation and strengthen our operating profit.

# Our market

The confectionery market is traditionally divided into candy, chocolate, pastilles and chewing gum. Cloetta is active in all these categories, as well as in the nuts category in the Pick & mix business segment.

## The confectionery market

The total market for confectionery in Cloetta's main markets amount to approximately SEK 387bn (339).

The confectionery market is relatively insensitive to economic fluctuations and shows stable growth that is driven primarily by population trends and price increases. Market recessions affect us mainly through general price pressure from the retail trade and increased competition from the trade's own private labels. Private labels still account for a relatively small share of confectionery compared to other grocery products; however, they grew their market share within confectionery in 2024.

## Consumption patterns

Confectionery is one of the most impulse-driven categories in the retail trade. Up to 80 per cent of purchasing decisions are made at the point of sale. Brand awareness, availability, and product placement are significant success factors. The European confectionery market is characterised by relatively strong consumer loyalty to local brands. This ties into drivers like nostalgia and trust as well as security and national

pride. Shoppers however rarely buy only one brand but rather tend to have a few brands in their purchasing repertoire. The main considerations when buying are brand liking, flavour, quality, and curiosity about new products.

Consumption patterns and taste preferences vary between the different markets. For example, compared to the rest of Europe, the Nordic region has a higher per capita consumption of chocolate and candy.

## Competitive market

The global market for confectionery is dominated by international companies like Mars, Mondelez International, Nestlé, Ferrero, Perfetti Van Melle, Haribo and Lindt & Sprüngli. However, in the local markets these companies meet tough opposition from players with locally established brands such as Cloetta, Fazer, Orkla and Toms. No player has a strong position across all European markets. Consolidation of the confectionery industry is taking place gradually. For example, in 2023 Mondelez International completed the sale of its chewing gum business to Perfetti Van Melle.

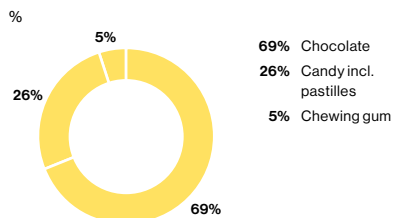
## Pick & mix

The Pick & mix segment has a very strong position in the Nordic countries and accounts for a large share of the total confectionery consumption, while the consumption of pick & mix is considerably lower in Central Europe where packaged candy and chocolate have a stronger position. In Sweden, pick & mix normally accounts for 30 per cent of the total confectionery market, while in the other Nordic countries it accounts for 5 to 15 per cent. After volume decline during the Covid-19 pandemic, pick & mix has recovered well with strong growth in the years 2022, 2023 and 2024.

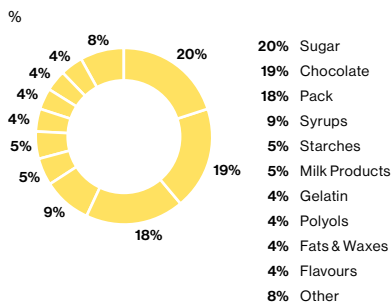
## The nut market

In 2024, Cloetta divested the Nutisal brand and is now only active in the nut market via the brand Parrots in the Pick & mix business segment. In recent years the category has been declining in volume but growing in value due to price increases and a shift to the premium product category.

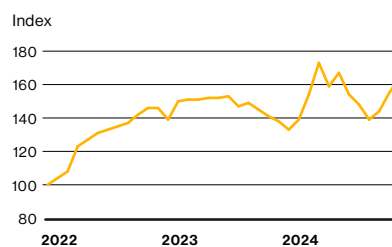
### The confectionery market



### Breakdown of raw materials and packaging costs



### Index of key commodities used by Cloetta



Source: Mintec, EUWID, Kingsman.

# Cloetta's sales channels

## Grocery retail trade

*One of Cloetta's most important sales channels, typically covered by central agreements at a national level.*

**Development** The grocery retail trade has undergone extensive consolidation and restructuring over the past ten years, with increasingly fewer and larger stores. Concentration in the grocery trade is high in the majority of European markets, which means that the channel can place high demands on its suppliers.

## Service trade

*One of Cloetta's most important sales channels, characterised by generous opening hours, centrally located in the form of convenience stores and filling stations.*

**Development** Over the past decade, confectionery sales to the service trade have decreased, primarily due to the presence of fewer filling stations, but also because the service trade has developed its own snack alternatives that compete with confectionery. Service trade faced a big hit due to the pandemic and the related restrictions and decrease in people mobility. It has gradually been moving back to normal levels since 2022 but has not yet fully reached pre-Covid sales.

## E-commerce

*Cloetta's fastest growing sales channel, with a mix of both established and new players. Younger target groups with convenience as main driver.*

**Development** Over the last decade, FMCG e-commerce in Europe has experienced strong growth further fueled by the Covid-19 pandemic. Key accelerators are technology-based improvements solutions such as mobile shopping, improved online shopper experience and automated supply chain systems giving faster and more accurate deliveries and quick payment methods. In recent years, fast delivery retailers have established a new way of shopping, quick commerce, with home delivery of groceries in less than 30 minutes. Further, new services focused on convenience, such as meal kit subscriptions have attracted consumers who seek to simplify their everyday life.

## Other channels

*Includes cinemas, building supply stores, airports, and arenas. This channel often requires support in developing its confectionery sales.*

**Development** In recent years, this channel has broadened to also include non-traditional confectionery sales channels such as building supply stores, furniture and appliance stores, hotels, and bars.

## Raw material and packaging

Cloetta's largest cost items in production are raw materials and packaging. We collaborate closely with our largest raw material suppliers, for example through automated order and delivery processes that are adapted to the raw material consumption in each factory.

The prices of Cloetta's most important raw materials are set on the European commodities exchange, either directly, as is the case for cocoa, or indirectly such as with glucose syrup, the price of which is influenced

by the price of wheat and barley. This means that our purchasing costs for these items are dependent on market pricing. Cloetta has a central procurement function that develops and implements sourcing strategies to manage risk and drive competitive advantage.

As a rule, the central purchasing department contracts the most important raw materials so that raw materials are available for the equivalent of six to nine months of production. This also creates predictability in prices and financial outcomes since price changes affect our purchasing costs with

a certain delay. In this way, we usually avoid temporary price swings in the commodities market. Furthermore, in a high inflationary environment, Cloetta's strategy is to protect its profitability by compensating for all input costs in absolute terms, also including packaging, freight, and energy costs, through price increases towards its customers as well as cost savings and reduced overall energy consumption.

# Consumer trends and behaviors

**Cloetta continuously monitors market trends at macro and micro levels through market research, category and trend reports, social listening, and various trackers. Keeping track of trends provides valuable information for us to feed into the development of new ideas and concepts.**

## Greater individualisation

*Consumers increasingly wish to satisfy their individual needs. This means that they want the option of both choosing products, and also having access to products and services that are individualised and can be adapted to different occasions.*

### Cloetta's response

Pick & mix is a good example of a concept that is individualised, and a category in which we are a leading market player. The CandyKing-concept relaunch has made it a more relevant and appealing offering and has given consumers exciting new options on the pick & mix shelf, through exclusive collaboration with suppliers. Cloetta also consistently works on different packaging sizes and formats to cater for different occasion needs, such as The Jelly Bean Factory providing a range of different formats, spanning from smaller "grab and go"-sachets, to larger sharing & gift jars.

## Responsibility for the environment and human rights

*One of the key trends is the interest in the impact of food production on the environment and the social conditions of the producer. Suppliers have responded to consumer demand for information; above all in terms of the origins of raw materials, the farmers' working conditions, quality, and farming methods, by introducing different types of labelling and certifications.*

### Cloetta's response

During 2024, Cloetta continued driving several programmes within these areas that aim to make a real impact in the world. In partnership with the Rainforest Alliance, we contribute to The Living Income Fund that bridges the living income gap by making extra payments directly to cocoa farmers. Science Based Targets initiative (SBTi) approved Cloetta's targets to reduce direct and indirect carbon emissions by 46 per cent by 2030 compared to the base year of 2019. As an example of our commitment, we continue to calculate the climate footprint for a selection of our products, involving continued data collection and engagement with our suppliers.

## Health

*Consumers are increasingly looking for natural raw materials with positive health benefits. Additives of various types and artificially produced substances are being questioned in favour of natural ingredients. E-numbers are being replaced with the name of the additive in plain language. Natural sugar and natural sweeteners like xylitol and stevia are preferred to artificial sweeteners. Less sugar and fewer calories are another important aspect that consumers are demanding.*

### Cloetta's response

We are working to remove artificial flavourings and colourants from our assortment. They will be entirely replaced by natural fruit and plant extracts in our candy products. Cloetta provides alternatives in the form of sugar-free products, products with less sugar and products that are naturally free from sugar, giving consumers the opportunity to choose. We also use the natural sweetener xylitol in brands such as Jenkki, Mynthon and Läkerol Dents.

## Local, genuine and transparent brands

*Local brands with a strong history are favoured by consumers. This became even more apparent during the pandemic, when consumers reverted far more to traditional and familiar brands. Authenticity and transparency are key for brands to deliver in order to earn consumer trust.*

### Cloetta's response

In all core markets, we have some of the strongest local brands that consistently deliver joy and fun moments in consumers' daily lives. We continue to invest in local brands and develop them in accordance with consumer trends whilst ensuring they meet consumer expectations. To earn consumer trust and to truly deliver genuine brands, we work continuously to ensure all products meet high quality standards and provide clear and transparent information about the contents of the products on the packaging and our website.

## Superior sensory experiences

*With the increased exposure to social media platforms where consumers share consumption experiences, and the need for affordable escapism, consumers are seeking heightened sensory experiences from their food. This is driving companies to regularly launch exciting new flavours and textures.*

### Cloetta's response

With our strong brands acting as a trustworthy ambassador for novel taste sensations, 2024 brought exciting taste experiences to consumers. A recent example is Finland's most popular chocolate bar Tupla expanding into a Tupla Crispy Puffs bag that contains crispy and crunchy wheat puffs with the same cocoa nougat found in the original Tupla bars. In 2024, Cloetta expanded the offering with the mint flavoured Crispy Puffs. In the third quarter of 2024, Cloetta launched Tupla ice-cream in a licensing partnership with an ice-cream company.

## E-commerce and digital channels increasingly important

*E-commerce is in general growing across all sectors, including the grocery retail trade, and growth was fueled further by the Covid-19 pandemic. Despite turbulent times in the last few years, grocery e-commerce is mid-term expected to grow to a significant size in several key markets. Online sales in confectionery are still lower than for other consumer product categories, but have more than doubled in Cloetta's core markets compared to before the pandemic.*

### Cloetta's response

E-commerce is one of our key focus areas. Cloetta's e-commerce strategy is focused on growth through a dynamic channel that matches our strong offline shares in online trade. Online grocery market maturity differs depending on the markets. This means that Cloetta sets clear priorities for where and how to drive e-commerce including online content, e-trade marketing activation and dedicated online product development. We are constantly developing new marketing tools to get noticed and end up being the preferred brand in a shopping cart.



# Know our consumer – bring moments of Joy

**At Cloetta, consumer centricity is our long-term commitment and passion to identify and satisfy consumer needs. Consumer and market insights are a key source of input for our product development, marketing, and branding strategies. It is important to understand all parts of the consumer journey to provide brands and products that are liked, purchased, and consumed. Our efforts are mobilised around the following three key areas.**

## **The consumer in focus**

Cloetta continuously monitors market trends to gain valuable information to feed into the development of new ideas and concepts, see pages 14–15. Cloetta develops different hypotheses, concepts and prototypes to test those and ensure our offerings resonate well with consumers expectation.

By evaluating the physical products, consumers provide essential feedback to our innovation team which subsequently improves the product recipes to fully meet consumers' preferences before launch. We manage and make use of our own consumer panel to efficiently conduct product tests, establishing a direct line with consumers, which supports the improvement of our current products as well as the development of new ones.

We closely follow the health of our brands regarding consumer perception through advanced tracking tools based on specific KPIs to systematically follow the effect of our marketing activities and new launches. The high frequency of data points ensures a thorough understanding of the brand performance and enables quick and effective actions when needed.

## **Strategic product development**

Product development is one of the key enablers to win new consumers and drive brand health while differentiating in the market. On an ongoing basis we introduce product extensions such as launches of new flavours, textures and packaging as well as adaptations to local needs.

A product that is successful in one market can be launched in another market under an existing brand, provided consumer approval.

To ensure valorisation and competitive edge, we focus on fewer but bigger innovations every year to provide truly new taste and ingredient experiences based on key consumer insights. It enables us to enter new market segments, grow categories, be margin-accretive and launch these innovations cross markets to ensure synergies of scale.

## **Brand and category leadership**

The continuous development and care of its unique brands are of vital importance for Cloetta. Strong brands and top-quality products provide the anchor and orientation in times of uncertainty and volatility.

In an impulse driven category with high percentage of shoppers buying the category only a few times per year, our strategy

is strongly influenced by the focus to constantly recruit new consumers and grow the consumer base of our brands. Doing so, we drive marketing return on investment with increased emphasis on the largest brands of the brand portfolio to grow them even bigger. Cloetta's ten largest brands account for more than half of the Group's sales. For each brand there is an individual development plan aimed at continuously developing and strengthening the brand.

Another overarching ambition is to ensure that the marketing investments we make are effective in driving incremental sales and brand equity for the long-term. This involves creating the right impactful content combined with a suitable media channel mix, which must be carefully developed and planned for each campaign, based on the defined performance objectives.

Cloetta typically combines marketing activities with in-store campaigns. New products are normally given sales support through campaigns, events, in-store activities, and advertisements to reach consumers as quickly as possible.

Over the last years, efficiency gains have enabled us to increase the share of marketing that is visible to the consumers, reaching close to 70 per cent, helping us to invest competitively.

**“Consumer and market insights are a key source of input for our product development, marketing, and branding strategies,”**



# Accelerate brand strength and grow consumer base

Cloetta is executing a number of strategies to accelerate brand strength and grow the consumer base. The following two areas describe examples of how we address this objective and successfully advance in consumer penetration and brand growth.

“ Expand strong brands into new consumer segments and markets ”



## Successful launch of Mynthon Zip Mint in Norway

A significant milestone in Cloetta’s ability to stretch its leading brands into new consumer segments was achieved in 2024, when Mynthon Zip Mint was very successfully launched in Norway. Mynthon is the leading pastille brand in Finland, where it was launched in 1976. The Zip Mint launch in Norway swiftly surpassed the set market-share target.

The launch is a significant step towards growing the refreshment category and reaching new consumers through new need states.

## Successful launch of Chewits jewels in the UK



With an iconic position in chewy candy, Chewits entered the gummy candy segment in the UK with a product innovation that meets the HFSS\* standards. The successful launch of Chewits Jewels in the UK won silver in The Grocer’s New Product and Packaging Awards 2024 and the social media campaign in connection with the launch in the UK reached 18.8 million impressions through organic spread, boosts and paid ads.

In a blind test trial, 82% of UK consumers couldn’t tell that the product contains less sugar than customary confectionery\*\*



\* High in fat, salt and sugar  
\*\* WSS Product Testing Report done pre-launch in February 2023

# “ Reaching new consumers through strong product innovation ”

## The launch of Strawberry takes Läkerol into new consumer segment

The extensive and very successful Nordic launch of Läkerol Strawberry supported the Läkerol brand in addressing a new consumer segment through product innovation. The pastille is sugar-free, vegan and contains only natural colors and flavors.




**Sportlife Fruity Flavor jars offer exciting, sweet flavor combinations**

In the Netherlands, Sportlife continued to attract younger consumers to the gum category and the Sportlife brand through the launch of the Sportlife Fruity Flavor jars and enabled growth in the gum jars segment.

## Red Band Juicy Bites

In the Netherlands, Red Band Juicy Bites won food media Distrifood's Wheel of Retail Award for the best product innovation in 2024 within sugar confectionary. The launch was a significant step for the brand to reach new consumer segments.



# Our sustainability agenda

**Our overall goal for the sustainability work is to create the conditions for long-term value creation. We are a fast-moving consumer goods company with a global value chain. The initiatives within the sustainability agenda hence cover topics across the value chain where we have the ability and the responsibility to create a positive impact.**

This means growing as a company, managing risks and identifying opportunities while respecting and managing the impact on people and the environment and fulfilling the expectations of those around Cloetta.

Our sustainability agenda, A Sweeter Future, focuses on creating joy and long-lasting value For you, For people and For the planet. As a signatory participant of the UN Global Compact since 2009, we support the Sustainable Development

Goals (SDGs), both directly and indirectly through our work in our three pillars. In 2020, we joined the Science Based Targets initiative (SBTi) and set science-based targets aligned with SBTi guidelines, using 2019 as the baseline year.



# For you

**Our consumers are at the center of our business, which is why we work towards meeting their diverse needs, but also ensuring safe, high quality, transparently labelled and trusted products. Through continuous innovation we aim to offer products that align with evolving consumer preferences, including healthier options and environmentally responsible choices.**

**“Our consumers are at the center of our business, which is why we work towards meeting their diverse needs, but also ensuring safe, high quality, transparently labelled and trusted products,”**



**Our targets are to:**

- Offer sugar-free, less sugar and options with functional ingredients
- Offer more vegan options
- Support dental health with our xylitol products

**SDG commitment**

Responsible Consumption and Production is central to our efforts in the For you-pillar. We take responsibility for product quality and food safety, we source sustainable ingredients and we provide options that consider consumers' health.



# For people

Taking care of the people involved in our products extends beyond the walls of our plants and offices. Engaging in partnerships and collaborating with organisations allows us to support farmers and improve living conditions throughout our supply chain.

“Taking care of the people involved in our products extends beyond the walls of our plants and offices,”



**Our targets are to:**

- Continue to work towards zero work-related accidents
- Cloetta engagement survey to be in line with the global benchmark by 2025
- Maintain existing partnerships and initiate a new collaboration to improve living conditions in our supply chain by 2025

**SDG commitment**

In the For people-pillar we contribute directly to SDGs 5, 8, 12 & 17. Gender equality (5) and decent work and economic growth (8) are important in our own operations as well as in our supply chain. Through our partnerships we are able to strengthen these impacts (17). Responsible consumption & production (12) is at the core of our responsible marketing practices and our societal impact.



# For the planet

A healthy planet is the source of all our ingredients. Climate action, sustainable sourcing, and less and better packaging are our three main priorities in improving our footprint. Within these, we work towards improving the environmental performance of our suppliers, assessing topics like biodiversity, energy usage, waste, and emissions in our own operations but also in our supply chain.

**“We make sure to use resources efficiently, lower our climate impact and work towards our science-based targets,”**



**Our targets are to:**

- Reduce absolute greenhouse gas emissions with 46 per cent by 2030\*
- Use 100 per cent recyclable packaging by 2025
- Use 100 per cent packaging from renewable sources or recycled materials by 2030
- With palm oil-based vegetable oils continue to source 100 per cent RSPO certified segregated palm oil
- Maintain 100 per cent Rainforest Alliance certified cocoa

**SDG commitment**

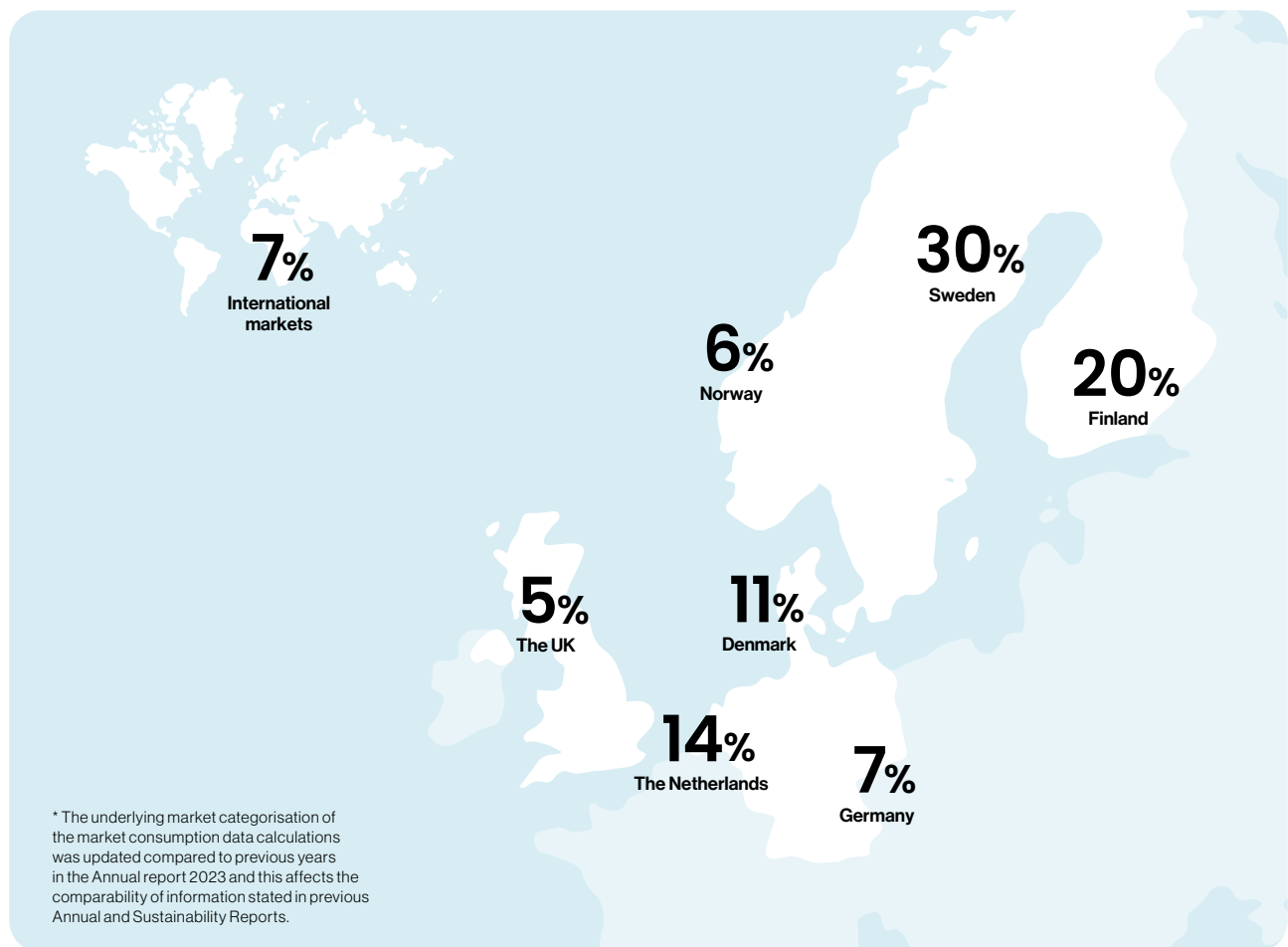
In the For planet-pillar, the SDGs focused on Responsible Consumption and Production (12), Climate Action (13), and Life on Land (15) are of the greatest importance to us. Our products are dependent on raw materials across the world, and the consumption and production of our products also create a greater responsibility on our climate footprint.



\* compared to 2019 base year emissions

# Cloetta's main markets

Cloetta's main markets are the countries in which we have our own sales and distribution organisation, and include Sweden, Finland, the Netherlands, Denmark, Germany, Norway and the UK\*.



## Market position per category

Market	Candy	Pastilles	Chocolate	Chewing gum	Pick & mix
Sweden	1	1	2	-	1
Finland**	2	1	4	1	1
Norway	2	3	5	-	1
Denmark	2	1	-	-	1
The Netherlands	1	5	-	2	-
Germany**	6	-	-	-	-
The UK**	*	-	-	-	1

\* Presence on the market without confirmed market position.

\*\* Estimated market position based on data from specific customers.

Source: Kesko, SOK, Circana and Nielsen.

# Sweden

Sweden is the largest single market in the Nordic region, with a population of around 10.5 million people and almost one third of the total confectionery consumption. In 2024, the Swedish market recorded consumer sales of around SEK 18bn, an increase compared to the prior year.

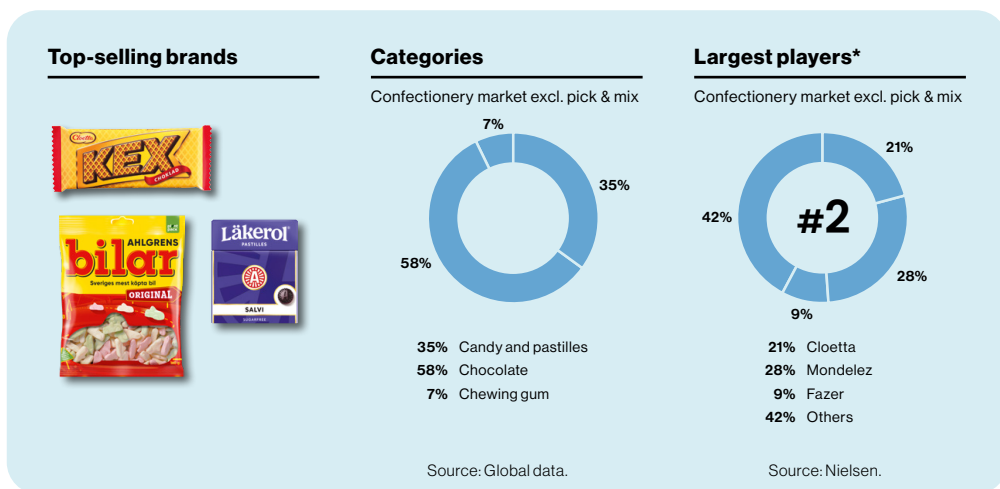
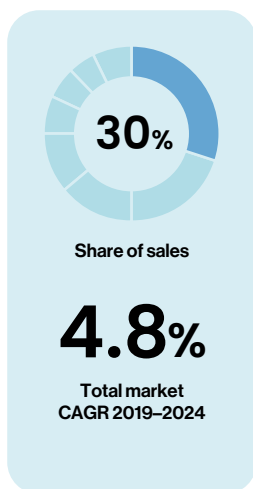
### Sales channels

Cloetta's largest customers include Axfood, Coop, ICA and Rusta. The Swedish grocery retail trade is concentrated and increasingly centrally controlled, but with good opportunities for influence at the local store level. The task for Cloetta's sales force is to ensure

distribution as well as placement and space in the stores in accordance with the central agreements, and also to provide the trade with support in implementing campaigns and launches. The pick & mix concepts are handled by a dedicated merchandising organisation. The service trade is a vital sales channel. In recent years, alternative sales channels such as building supply stores, cinemas and arenas have become increasingly important.

### Organisation

In Sweden, there are a total of around 240 employees in the sales and merchandising organisation and the office in Malmö.



\* During 2024, Cloetta divested the Nutisal brand and the Nuts category is hence excluded from the overview.

# Finland

Finland is the third largest market in the Nordic region, with a population of around 5.6 million people and one fourth of the total confectionery consumption. In 2024, the Finnish market recorded consumer sales of around SEK 14bn, an increase compared to the prior year.

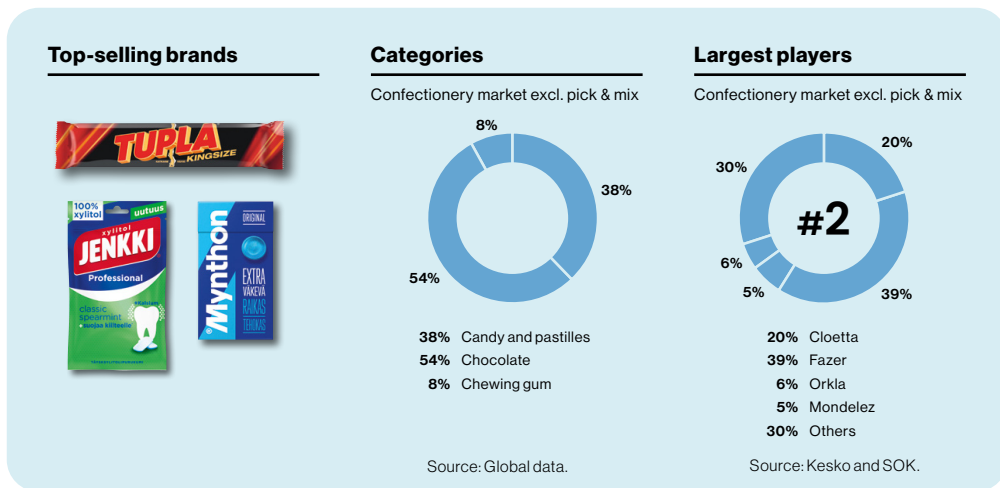
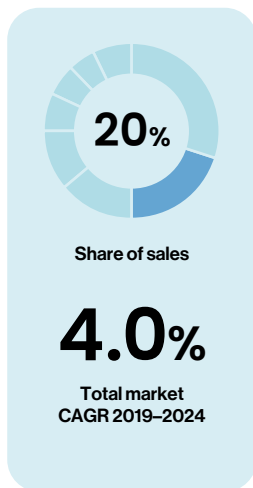
### Sales channels

The Finnish grocery retail trade is dominated by two players, Kesko and S-Group. Lidl also has a large share of retail trade with 10 per cent. Finland has the most centralised purchasing of all the Nordic

region markets which enables new products to achieve wide distribution and quickly become available to consumers. Cloetta's largest customers include S-Group, Kesko and Tokmanni. Cloetta is the market leader in pick & mix which represents about 9 per cent of the total market value.

### Organisation

In Finland, there are around 200 employees in the sales and merchandising organisation and at the office in Turku. Cloetta Suomi Oy employs around 125 people in field sales, visiting stores every day.



# The Netherlands

The Netherlands is the sixth largest confectionery market in Western Europe, with a population of around 18.2 million people. In 2024, the Dutch market recorded consumer sales of around SEK 26bn, an increase compared to the prior year.

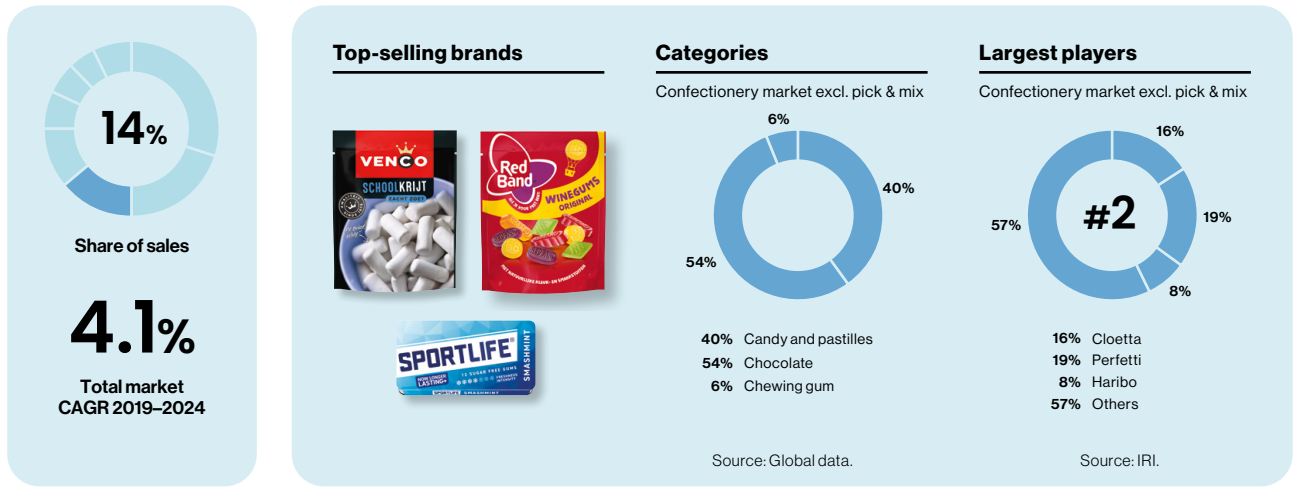
### Sales channels

The grocery retail trade is concentrated around a few major players. Primarily centralised purchasing allows for wide and rapid distribution of new products that are launched. Other important channels include the hard discount and non-food retail chains, pharmacies and out-of-home. Also, online grocery shopping has a strong posi-

tion in the Netherlands in which Cloetta is present. Cloetta's largest customers include Albert Heijn, Jumbo Supermarkten, Plus Retail, AS Watson and Lekkerland.

### Organisation

Cloetta has around 85 employees in the commercial organisation at the office in Breda mainly focusing on the Dutch market. The Breda office also supports the Cloetta International Markets division through back-office and support activities including demand, customer service, marketing, business controlling and finance & accounting.



# Denmark

Denmark is the second largest market in the Nordic region with a population of around 5.9 million people and almost one third of the total confectionery consumption. In 2024, the Danish market recorded consumer sales of around SEK 20 bn, an increase compared to prior year.

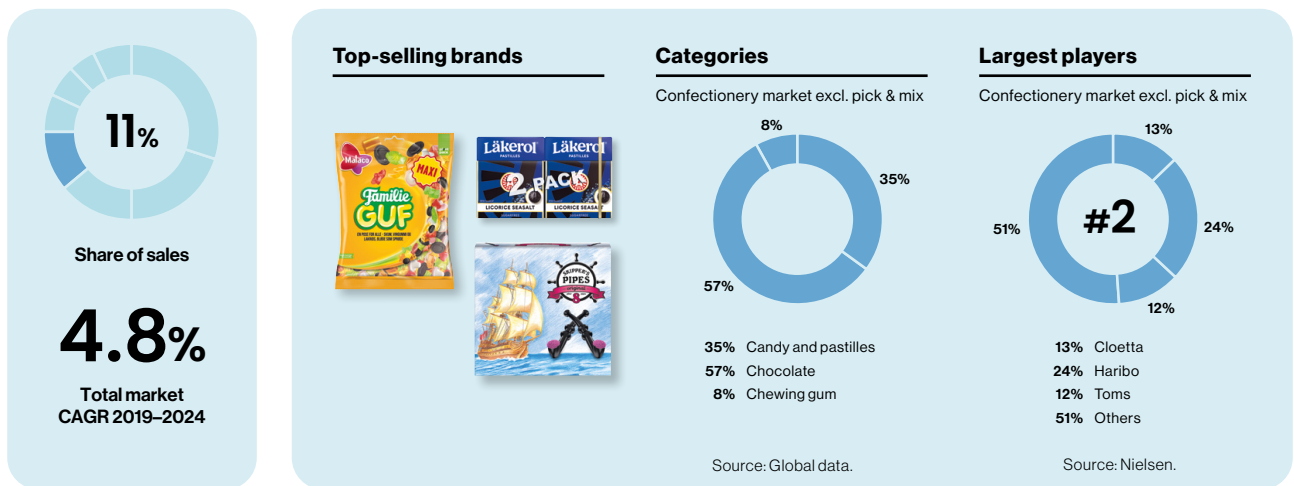
### Sales channels

The grocery trade in Denmark is moving towards increasing centralisation, albeit with a combination of centrally driven chains and a more decentralised approach than in the other Nordic countries.

Extensive efforts are therefore required at an individual store level to achieve distribution and sales of in-store display racks. The Discount channel is growing and new channels such as non-food outlets and DIY stores are growing in importance. Cloetta's largest customers include Coop, Salling Group and Reitan.

### Organisation

In Denmark, there are around 130 employees at the offices in Brøndby and Randers and in the sales and merchandising organisation.



# Germany

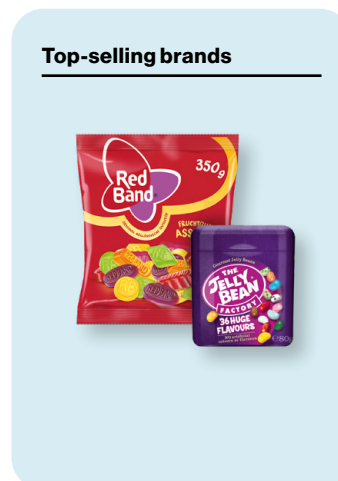
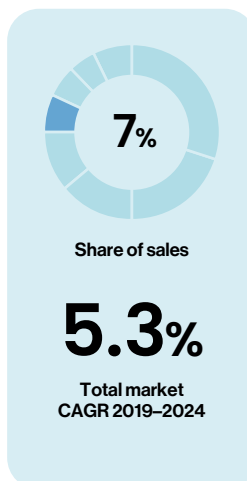
Germany is the largest market in Western Europe, with a population of around 84.5 million people. In 2024, the German market recorded consumer sales of around SEK 148 bn, an increase compared to prior year.

### Sales channels

The market is characterised by its large proportion of discounters and fierce competition. Cloetta's largest customers include Edeka, Lidl & Schwarz, Metro and Rewe.

### Organisation

Cloetta has its own sales organisation in Bocholt, Germany with 12 employees. The office takes care of marketing, customers and the brands, and also has direct contact with all major customer groups, which are supplied directly out of the German central warehouse. To ensure full country service coverage, Cloetta Germany works with sales agents in seven regions and more than 80 sales representatives.



# Norway

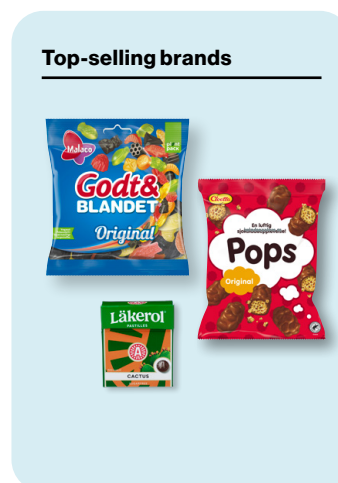
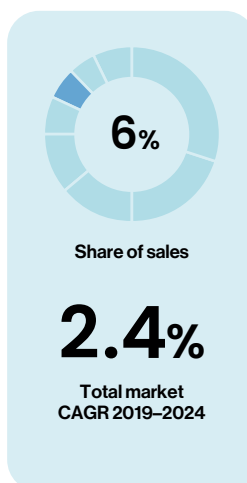
Norway is the smallest market in the Nordic region, with a population of around 5.5 million people and almost one fourth of the total confectionery consumption. In 2024, the Norwegian market recorded consumer sales of around SEK 15 bn, an increase compared to prior year.

### Sales channels

Cloetta's largest customers include Coop, NorgesGruppen and Rema 1000.

### Organisation

In Norway, Cloetta has around 30 employees at the office in Lysaker just outside of Oslo and in the sales and merchandising organisation.



# United Kingdom

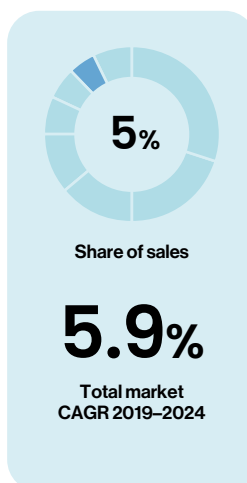
The UK is the second largest market in Western Europe, with a population of around 68.3 million people. In 2024, the UK market recorded consumer sales of around SEK 145 bn, an increase compared to prior year.

### Sales channels

The market is characterised by fierce competition from all international confectionery companies. Cloetta's largest customers include Poundland and Tesco.

### Organisation

Both the Branded packaged products business and the Pick & mix business are commercially managed from Cloetta's office in Fareham. Cloetta has a sales and merchandising team of approximately 130 people.



# International Markets

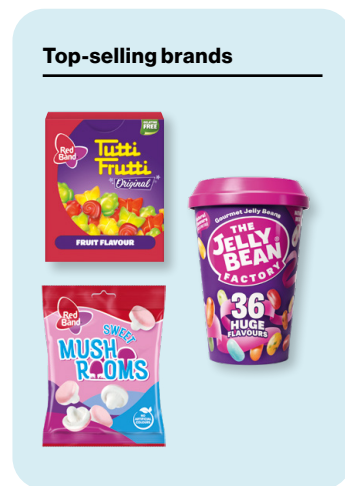
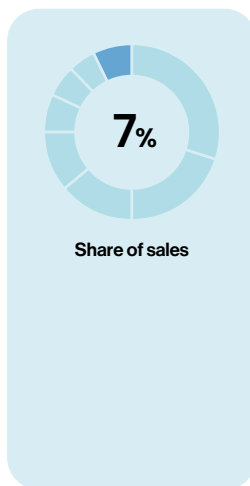
International Markets consists primarily of sales to countries where Cloetta does not have its own sales and marketing organisations, a total of more than 60 markets. In these markets Cloetta is active in three categories: Candy, chocolate and pastilles, with focus on five strategic Cloetta brands; Red Band, The Jelly Bean Factory, Chewits, Kexchoklad and Läkerol.

### Sales channels

Cloetta's largest distributors include Regal Confections (Canada), Conaxess Trade (Switzerland and Austria), AS König (Latvia), Tridens (Estonia) and Al Wefag (Saudi Arabia).

### Organisation

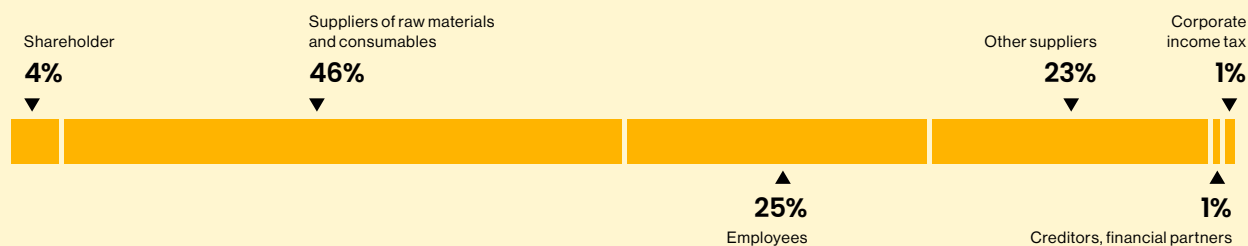
All markets within International Markets are serviced by external distributors managed out of regional hubs, which Cloetta has in Latvia, Switzerland and United Arab Emirates. All other distributors in Europe, America and Asia are managed by local Cloetta staff from the Breda office in the Netherlands.



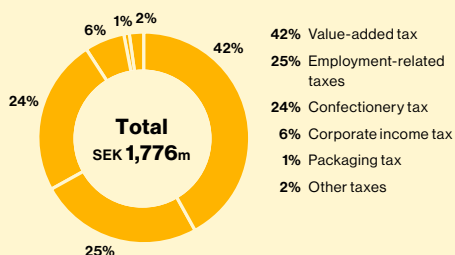
# Other information

### Distributed value SEK 8,077m<sup>1</sup>

Manufacturing and sales of Cloetta's products generate economic value that benefits its stakeholders.

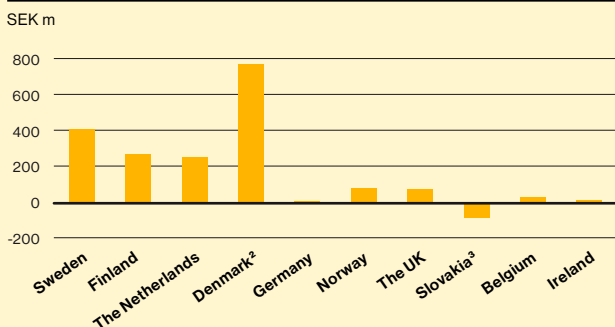


### Taxes paid



Our intention is to pay taxes in accordance with international and local legislation in the countries where Cloetta is operational.

### Taxes paid per country



1) Net sales of SEK 8,613m excluding profit for the year, amortisation, depreciation and impairments and including paid dividends. Total retained economic value of SEK 536m.

2) Tax paid in Denmark is proportionally higher due to sugar taxes.

3) Net tax receivable position due to the value-added tax receipts.

# Share and shareholders

The main objective of Cloetta’s Investor Relations is to produce accurate, sufficient and timely information regarding the development of Cloetta’s business operations, strategy, markets and financial position to ensure that the capital markets have relevant information in order to determine the fair value of the company.

## Investor relations

Cloetta regularly meets with investors and analysts and arranges both virtual and physical roadshows. Cloetta also maintains regular contact with equity research analysts and participates in investor conferences. The IR team, that includes the CEO, CFO and the Director, Communications & IR, also participates in events especially targeted for private investors.

In 2024, Cloetta also introduced new ways of working to further develop the company’s dialogue with the capital market;

- **Quarterly pre-silent period calls** were organised by the CFO and the Director, Communications & IR. The purpose of these calls is to provide an opportunity for equity analysts to ask questions and to provide further access to management.
- **Plant visits** are arranged to further demonstrate the operations of Cloetta.

## Listing and share trading

Cloetta’s class B shares have been listed on Nasdaq Stockholm since 16 February 2009 and have been traded on the Mid Cap

list since 2 July 2012. Cloetta’s shares are part of the OMX Stockholm Mid Cap index, and also the Nordic and Swedish industry sector index for Food Producers and Food & Beverage.

## Shareholders<sup>1</sup>

On 31 December 2024, Cloetta AB (publ) had 40,831 (43,164) shareholders, a decrease of 5.4 per cent (increase of 8 per cent) since the previous year-end.

Of the shareholders, 1,379 were financial and institutional investors and 39,452 were private investors. Financial and institutional investors held 81.3 per cent of the votes and 78.0 per cent of the share capital. There were 1,583 foreign shareholders who held 33.0 per cent of the votes and 38.7 per cent of the share capital. The 15 largest shareholders accounted for 67.9 per cent of the votes and 62.1 per cent of the share capital. On 31 December 2024, AB Malfors Promotor was Cloetta’s largest shareholder with a holding representing 42.9 per cent of the votes and 32.7 per cent of the share capital in the company. The second largest

shareholder was Van Lanschot Kempen Investment Management with 4.2 per cent of the votes and 4.9 per cent of the share capital, and the third largest shareholder was LSV Asset Management with 3.2 per cent of the votes and 3.7 per cent of the share capital.

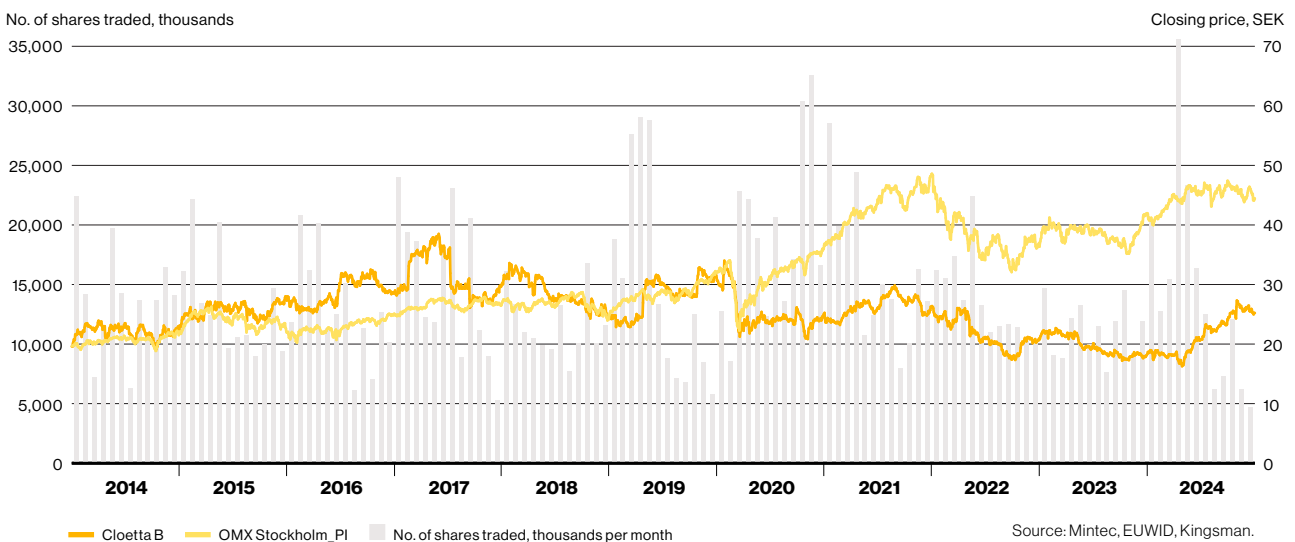
## Share price and trading<sup>2</sup>

Between 1 January and 31 December 2024, 172,962,836 Cloetta shares were traded on Nasdaq Stockholm for a total value of SEK 3,066m, equal to around 61 per cent of the total number of class B shares at the end of the period. Trading on Nasdaq Stockholm accounted for 47.9 per cent, and other markets where the Cloetta share was traded include Cboe Global Markets at 40.9 per cent, LSE Group at 6.7 per cent and Aquis at 2.3 per cent.

The highest quoted bid price during the period from 1 January to 31 December 2024 was SEK 27.56 on 28 October, and the lowest bid price was SEK 15.92 on 23 April 2024. The share price on 31 December 2024 was SEK 25.20 (last

## Share price performance

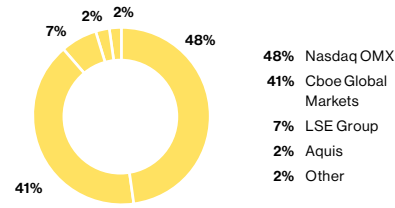
2014–2024



1) Source: Euroclear and Monitor. 2) Source: Nasdaq Stockholm.

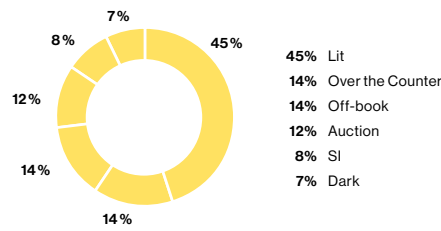
**Marketplaces, %**

1 January–31 December 2024



**Trading categories, %**

1 January–31 December 2024



**LIT**, i.e. buy-and-sell orders are public. Traditional exchange trading.  
**Off-book**, stock trades that are executed away from the exchange and are registered later.  
**Over the Counter**, trading of securities executed outside of formal exchanges and without the supervision of an exchange regulator.  
**SI**, Systematic Internalisers, outside regulated markets or trading platforms.  
**Auction**, auction trading process on an exchange.  
**Dark** buyers and sellers trade shares anonymously, without public transparency. Not registered on any public exchange.

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

price paid). During the period from 1 January to 31 December 2024, Cloetta’s share price increased by 37.0 per cent, while Nasdaq OMX Stockholm PI increased by 5.7 per cent.

**Share capital and capital structure**

Cloetta’s share capital at 31 December 2024 amounted to SEK 1,443,096,495. The total number of shares is 288,619,299, divided between 5,735,249 class A shares and 282,884,050 class B shares, equal to a quota value per share of SEK 5.

According to the Articles of Association, the share capital shall amount to not less than SEK 400,000,000 and not more than SEK 1,600,000,000, divided between no less than 80,000,000 shares and no more than 320,000,000 shares. At 31 December 2024 Cloetta had 2,553,892 class B shares in treasury.

**Dividend and dividend policy**

Cloetta’s long-term goal is a dividend payout of 40–60 per cent of profit for the year. The ambition is to continue to propose a stable dividend. Neither the Swedish Companies Act nor Cloetta’s Articles of Association contain any restrictions regarding the right to dividends for shareholders outside Sweden. Aside from any limitations related to banking or clearing activities in the affected jurisdictions, payments to foreign shareholders are carried out in the same manner as to shareholders in Sweden.

A dividend of SEK 285m was transferred to the shareholders in 2024. For the financial year 2024, the Board of Directors of Cloetta AB proposes to distribute a dividend to the shareholders of SEK 1.10 (1.00) per share for the 2024 financial year corresponding to 66 per cent (65) of profit for the year and corresponding to 57 per cent of the profit for the year excluding impact of the impairment and other items affecting comparability relating to the divestment of the Nutisal brand. As the impairment for the

divestment of the Nutisal brand is non-cash, it has not affected our ability to issue share dividends. The dividend is resolved on by the Annual General Meeting (AGM) and disbursement is handled by Euroclear Sweden AB. The right to a dividend is granted to those persons who are listed as shareholders in the share register maintained by Euroclear Sweden AB on the record date.

**Articles of Association**

Cloetta’s Articles of Association contain a Central Securities Depository (CSD) provision and its shares are affiliated with Euroclear Sweden AB, which means that Euroclear Sweden AB administers the company’s share register and registers the shares to owners. Each A share grants ten votes and each B share one vote in shareholders meetings. All shares grant equal entitlement to the company’s profits and an equal share in any surplus arising from liquidation. Should the company issue new shares of class A and class B through a cash or set-off issue, holders of class A and class B shares have the right to subscribe for new shares of the same class in proportion to the number of shares already held on the record date. If the issue includes shares of only class B, all holders of class A and class B shares have the right to subscribe for new class B shares in proportion to the number of shares already held on the record date. Corresponding rules of apportionment are applied in the event of a bonus issue or issue of convertibles and subscription warrants. The transference of a class A share to a person who is not previously a holder of class A shares in the company is subject to a preemption procedure, except when the transfer is made through division of joint property, inheritance, testament or gift to the person who is the closest heir to the bequeathed. After receiving a written request from a holder of class A shares, the company shall convert the class A shares specified in the request to class B shares.

**Individuals with an insider position**

Persons discharging managerial responsibilities for Cloetta as well as persons or legal entities closely associated with them are obliged to notify Cloetta and the Swedish Financial Supervisory Authority of every transaction conducted related to changes in their holdings of Cloetta shares once a total amount of EUR 20,000 has been reached within a calendar year, according to the Market Abuse Regulation. Listed companies are required to maintain a logbook of individuals who are employed or contracted by the company and have access to insider information relating to the company when insider information arises within the company. These can include both persons discharging managerial responsibilities, and also other individuals who have obtained inside information.

**Silent periods**

Cloetta observes a silent period starting at least 25 calendar days prior to publication of the year-end or interim report and including the day of the report publication. The period was previously 30 calendar days. The silent period ends when the financial report is published.

During this period, Cloetta representatives refrain from providing estimates, answering questions or commenting on Cloetta’s financial development, financial results, outlook or significant business prospects that are material and/or are of strategic importance.

If any incident that arises during a silent period is subject to regulatory timely disclosure, Cloetta will disclose the information according to the disclosure regulations and may comment on that particular matter.

### 15 largest shareholders at 31 December 2024

	% of votes	% of share capital	Total no. of shares	No. of A shares	No. of B shares
Aktiebolaget Malfors Promotor	42.9	32.7	94,429,542	5,729,569	88,699,973
Van Lanschot Kempen Investment Management	4.2	4.9	14,213,777	-	14,213,777
LSV Asset Management	3.2	3.7	10,746,398	-	10,746,398
Nordea Funds	2.7	3.2	9,144,554	-	9,144,554
Vanguard	2.3	2.7	7,792,122	-	7,792,122
Dimensional Fund Advisors	2.2	2.6	7,511,686	-	7,511,686
Thompson, Siegel & Walmsley LLC	1.5	1.8	5,234,800	-	5,234,800
Avanza Pension	1.5	1.8	5,117,364	-	5,117,364
Ulla Håkanson	1.5	1.7	5,000,000	-	5,000,000
Olof Svenfelt	1.2	1.4	4,170,030	30	4,170,000
Fidelity Group Trust for Employee Benefit Plans	1.2	1.4	3,915,510	-	3,915,510
La Financière de l'Echiquier	1.1	1.3	3,731,476	-	3,731,476
BlackRock	1.0	1.2	3,415,863	-	3,415,863
Arrowstreet Capital	0.8	1.0	2,890,173	-	2,890,173
Unionen	0.6	0.7	2,053,064	-	2,053,064
<b>Total, 15 largest shareholders</b>	<b>67.9</b>	<b>62.1</b>	<b>179,366,359</b>	<b>5,729,599</b>	<b>173,636,760</b>
Treasury shares	0.8	0.9	2,553,892	-	2,553,892
Other shareholders	31.3	37.0	106,699,048	5,650	106,693,398
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>288,619,299</b>	<b>5,735,249</b>	<b>282,884,050</b>

Source: Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

### Size categories at 31 December 2024

	Total no. of shares	No. of known owners	Share of known owners, %	Capital, %	Votes, %
1 - 500	3,652,800	29,753	72.8	1.3	1.1
501 - 1,000	3,611,125	4,483	11.0	1.3	1.1
1,001 - 5,000	11,918,341	5,136	12.6	4.1	3.5
5,001 - 10,000	5,356,946	715	1.8	1.9	1.6
10,001 - 15,000	2,574,246	208	0.5	0.9	0.8
15,001 - 20,000	2,193,406	120	0.3	0.8	0.6
20,001 -	244,651,803	416	1.0	84.6	87.0
Unknown holding size	14,660,632	-	-	5.1	4.3
<b>Total</b>	<b>288,619,299</b>	<b>40,831</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

### Shareholders by country at 31 December 2024

Country	No. of shareholders	% of votes	% of share capital	No. of A shares	No. of B shares
Sweden	39,248	67.0	61.3	5,735,249	170,867,177
United States	55	16.1	18.9	-	54,693,335
Netherlands	23	4.3	5.1	-	14,754,234
Finland	484	3.3	3.8	-	11,085,431
France	14	1.3	1.5	-	4,278,545
Other	1,001	3.7	4.3	-	12,496,164
Unknown country	6	4.3	5.1	-	14,709,164
<b>Total</b>	<b>40,831</b>	<b>100.0</b>	<b>100.0</b>	<b>5,735,249</b>	<b>282,884,050</b>

Source: Monitor by Modular Finance AB. Compiled and processed from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

### Shareholder categories at 31 December 2024

	No. of shareholders	% of shareholders	% of votes	% of share capital
Private investors	39,452	96.6	18.7	22.0
<i>Of which, Swedish residents</i>	38,805	95.0	18.0	21.1
Legal entities	1,379	3.4	81.3	78.0
<i>Of which, Swedish residents</i>	443	1.1	49.1	40.1
<b>Total</b>	<b>40,831</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>Of which, Swedish residents</i>	39,248	96.1	67.1	61.2

Source: Monitor by Modular Finance AB. Compiled and processed from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

## Development of the share

Year	Event	Increase in share capital	Total share capital	Increase in no. of shares	Total no. of shares
1998	Opening share capital, par value of the share is SEK 100	-	100,000	-	1,000
2008	Non-cash issue in connection with de-merger of Cloetta Fazer	99,900,000	100,000,000	999,000	1,000,000
2008	Share split, quota value of the share changed from SEK 100 to SEK 4	-	100,000,000	23,119,196	24,119,196
2008	Bonus issue, quota value of the share changed from SEK 4 to SEK 5	20,595,980	120,595,980	-	24,119,196
2011–2012	Conversion of convertible debenture loan	2,836,395	123,432,375	567,279	24,686,475
2012	Issue in kind	825,934,620	949,366,995	165,186,924	189,873,399
2012	Rights issue	493,729,500	1,443,096,495	98,745,900	288,619,299

Source: Euroclear.

## Incentive schemes

The table below represents the main characteristics of the share-based long-term incentive plans that have been approved by the AGM. For more information about the incentive plans, see pages 53–55, and Note 23 on pages 139–142.

	LTI 2024	LTI 2023	LTI 2022	LTI 2021	LTI 2020
AGM approval date	April 2024	April 2023	April 2022	April 2021	April 2020
Maximum number of B shares to be allocated	2,391,629	1,923,844	1,622,932	1,590,629	1,206,374
as a percentage of total shares	0.8	0.7	0.6	0.6	0.4
as a percentage of voting rights	0.7	0.6	0.5	0.5	0.4
Number of employees offered the opportunity to participate	44	46	47	48	45
Number of participants at inception date	32	36	35	38	30
Estimated number of B shares to be allocated, subject to possible recalculation	1,531,492	1,018,220	740,208		
as a percentage of total shares	0.5	0.4	0.3		
as a percentage of voting rights	0.5	0.3	0.2		
Number of participants at reporting date	31	32	29		
Vesting date				27 April 2024	27 April 2023
Realised performance target, %				69	-
Actual number of performance shares A granted on vesting date				191,363	-
Actual number of performance shares B granted on vesting date				532,000	-
<b>Total number of B shares granted on vesting date</b>				<b>723,363</b>	<b>-</b>
as a percentage of total shares				0.3	-
as a percentage of voting rights				0.2	-
Number of participants at vesting date				31	24

### Analysts

The following analysts regularly monitor Cloetta's development:

**Nordea: Stefan Stjernholm**  
stefan.stjernholm@nordea.com

**Handelsbanken:**  
(coverage temporarily suspended)

### Share data

<b>Marketplace</b>	Nasdaq Stockholm
<b>Date of listing</b>	16 February 2009
<b>Segment</b>	Mid cap
<b>Sector</b>	Food Producers, Food & Beverage and Consumer Goods
<b>Ticker symbol</b>	CLA B
<b>ISIN code</b>	SE0002626861
<b>Currency</b>	SEK
<b>Standard trading unit</b>	1 share
<b>No. of shares in issue</b>	288,619,299 A and B shares
<b>Highest price paid in 2024</b>	SEK 27.56 (28 October 2024)
<b>Lowest price paid in 2024</b>	SEK 15.92 (23 April 2024)
<b>Last price paid 2024</b>	SEK 25.20
<b>Share price growth in 2024</b>	37.0 per cent

### Communications and IR contact

**Laura Lindholm**  
Director, Communications  
& Investor Relations

#### Communications & IR team

+46 766 96 59 40  
ir@cloetta.com

# Financial performance

## Net sales and profit

### Condensed consolidated profit and loss account

SEKm	2024	2023
Net sales	8,613	8,301
Cost of goods sold	-5,747	-5,751
<b>Gross profit</b>	<b>2,866</b>	<b>2,550</b>
Selling expenses	-1,160	-1,073
General and administrative expenses	-899	-742
<b>Operating profit</b>	<b>807</b>	<b>735</b>
<b>Net financial items</b>	<b>-148</b>	<b>-165</b>
<b>Profit before tax</b>	<b>659</b>	<b>570</b>
Income tax	-182	-133
<b>Profit for the year</b>	<b>477</b>	<b>437</b>
<i>Operating profit, adjusted</i>	<i>910</i>	<i>799</i>

Germany for 7 per cent (6), Norway for 6 per cent (6) and the UK for 5 per cent (5).

Sales of Branded packaged products grew organically in Sweden, Denmark, Norway, the Netherlands, Germany, International Markets, the UK and declined slightly in Finland. Sales of Pick & mix grew in all Cloetta's markets except the UK.

#### International Markets

In addition to the main markets, Cloetta's products are sold through distributors in more than 60 countries. Sales in these other markets increased in 2024 and accounted for 7 per cent (7) of Cloetta's sales.

#### Pricing strategies

In Cloetta's main markets, the grocery trade is consolidated with few, very large retail chains. Concentration of the grocery retail trade exerts strong price pressure on all our suppliers. Cloetta continuously improves its efficiency to cope with the pressure from the grocery retail trade.

To offset changes in raw material costs and exchange rates, Cloetta's strategy is to pass these on by adjusting its prices. Furthermore, in a high inflationary environment, Cloetta's strategy is to protect its profitability by compensating for all input

#### Net sales

Net sales for the year increased by SEK 312m to SEK 8,613m (8,301) compared to last year. Organic growth was 4.7 per cent and structural changes were -0.9 per cent. Sales of Branded packaged products increased organically by 1.9 per cent. Pick & mix sales increased organically by 12.8 per cent.

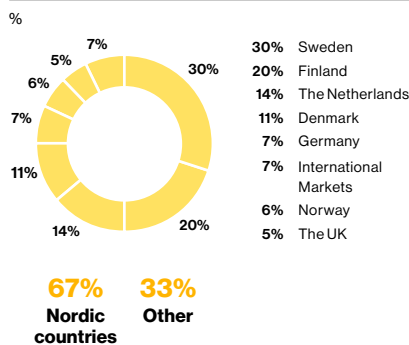
Sales of Branded packaged products account for 72 per cent (74) of total sales, and Pick & mix accounts for 28 per cent (26) of total sales. Divided by category, candy

accounts for 62 per cent (62) of sales and chocolate accounts for 21 per cent (19). Pastilles account for 9 per cent (10), chewing gum for 5 per cent (5), nuts for 1 per cent (2) and other products for 2 per cent (2).

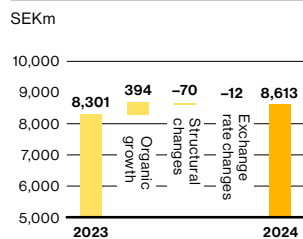
#### Sales in seven main markets

Cloetta has seven main markets, of which Sweden is the largest with around 30 per cent (30) of Cloetta's sales. The second largest market is Finland with 20 per cent (21). The Netherlands accounts for 14 per cent (15), Denmark for 11 per cent (10),

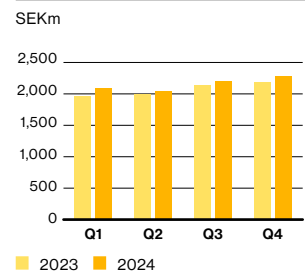
#### Cloetta's net sales by country



#### Net sales – change



#### Net sales



**Quarterly data**

	2024	Q4	Q3	Q2	Q1	2023	Q4	Q3	Q2	Q1
Net sales, SEKm	8,613	2,285	2,196	2,038	2,094	8,301	2,182	2,148	1,998	1,973
Operating profit, SEKm	807	252	238	124	193	735	174	201	182	178
Operating profit, adjusted, SEKm	910	258	238	222	192	799	200	208	191	200
Operating profit margin, %	9.4	11.0	10.8	6.1	9.2	8.9	8.0	9.4	9.1	9.0
Operating profit margin, adjusted, %	10.6	11.3	10.8	10.9	9.2	9.6	9.2	9.7	9.6	10.1

**Net financial items**

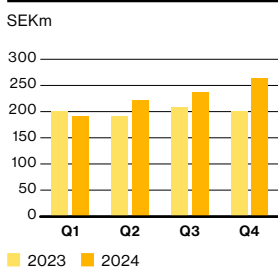
SEKm	2024	2023
Exchange differences on cash and cash equivalents in foreign currencies	-35	-43
Other financial income	83	91
Unrealised gains or losses on single currency interest rate swaps	-19	-45
Interest expenses on third-party borrowings and realised gains or losses on single currency interest rate swaps	-149	-141
Interest expenses, third-party pensions	-9	-9
Other financial expenses	-19	-18
<b>Net financial items</b>	<b>-148</b>	<b>-165</b>

**Key ratios**

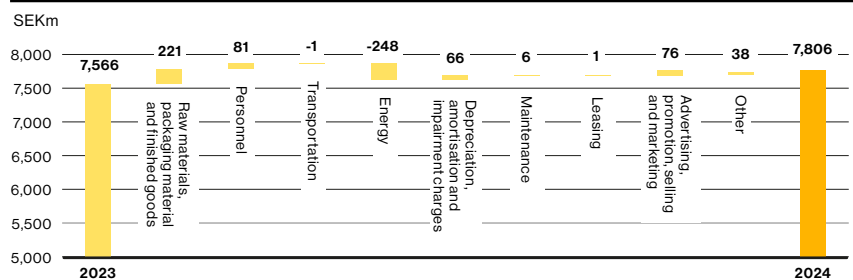
%	2024	2023
Gross margin	33.3	30.7
Operating profit margin	9.4	8.9
Operating profit margin, adjusted	10.6	9.6
Return on capital employed	11.2	10.9
Return on equity	8.8	8.6

For definitions, see pages 170–171.

**Operating profit, adjusted**



**Operating expenses – change**



costs in absolute terms, also including packaging, freight and energy costs, through price increases towards customers as well as cost savings and reducing overall energy consumption.

**Gross profit**

Gross profit amounted to SEK 2,866m (2,550), which equates to a gross margin of 33.3 per cent (30.7). Gross profit, adjusted for items affecting comparability, amounted to SEK 2,841m (2,598), which equates to a margin of 33.0 per cent (31.3). The increase in gross profit, adjusted, was mainly driven by continued fair pricing and margin-enhancing initiatives in Pick & mix and a favourable mix in our Branded packaged business, partially offset by higher input costs.

**Operating profit**

Operating profit amounted to SEK 807m (735). Operating profit, adjusted for items

affecting comparability, amounted to SEK 910m (799). The adjusted operating profit was positively impacted by higher gross profit partially offset by increased marketing investments in core brands.

**Items affecting comparability**

Operating profit for the year includes items affecting comparability of SEK -103m (-64), mainly for impairments of intangible assets related to the divestment of the Nutisal brand.

**Employees**

The average number of employees was 2,577 (2,582).

**Research and development**

Costs for research and development (R&D) were charged to operating profit for an amount of SEK 57m (37) and are primarily attributable to the development of new product and brand varieties as well as

packaging solutions within the framework of the existing product range. No expenses for research and development have been capitalised.

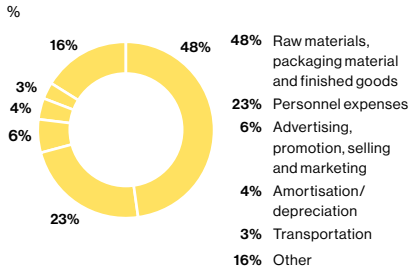
**Seasonal variations**

Cloetta's sales and operating profit are subject to some seasonal variations. Sales in the first and second quarters are affected by the Easter holiday, primarily in Sweden, depending on in which quarter it occurs. In the fourth quarter, sales are usually higher than in the first three quarters of the year, which is mainly attributable to the sale of products in Sweden in connection with the holiday season.

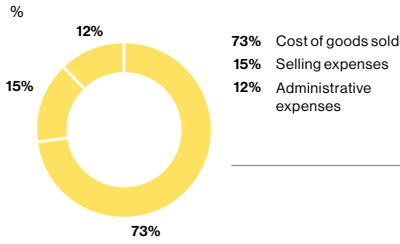
**Net financial items**

Net financial items for the year amounted to SEK -148m (-165). Net interest expenses related to external borrowings, cash pool and realised results on single currency

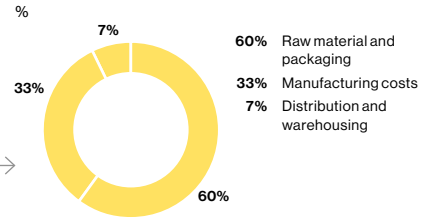
**Operating expenses – by type**



**Operating expenses – by category**



**Cost of goods sold**



interest rate swaps were in total SEK -66m (-50), net exchange differences on cash and cash equivalents were SEK -35m (-43) which mainly related to the development of the Norwegian krona against the euro. Other financial items amounted to SEK -47m (-72) of which SEK -19m (-45) related to the unrealised results on single currency interest rate swaps. Of the total net financial items SEK -56m (-58) is non-cash in nature.

**Profit for the year**

Profit for the year was SEK 477m (437). Income tax for the year was SEK -182m (-133). The effective tax rate for the year was 27.6 per cent (23.3) and was negatively impacted by the revaluation of deferred tax positions following changes in tax rates, increased provisions for tax losses carry forward in the UK and differences between expected and actual tax filings. Profit for the year equates to basic and diluted earnings per share of SEK 1.67 (1.53).

**Sensitivity analysis**

The effects on profit before tax of changes in the Swedish krona against the euro, interest rate and average raw material prices are shown in the table at the right. These are estimated effects which could occur with an isolated change in each variable and should be interpreted with caution. The calculations are hypothetical and should neither be considered as an indicator of either of these factors being more or less likely to change, nor the size of the magnitude of the change. Real changes and their effects may be larger or smaller than presented in the table. In addition, it is likely that the actual changes will affect other items, and that actions by Cloetta and others, as a result of the changes, may thereby affect other items.

Cloetta's development is affected by multiple factors, which include those disclosed in the section Risks and risk management on pages 40–44.

**Sensitivity analysis**

	Change	Profit before tax
<b>Currency risk</b> If the Swedish krona weakens/strengthens against the euro	-/+ 10%	+/- SEK 53m
<b>Interest rate risk</b> Interest rate	+/- 1%	+/- SEK 7m
<b>Commodity price risk</b> Average raw material prices	+/- 10%	+/- SEK 195m

# Financial position

## Consolidated balance sheet

SEKm	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	5,833	5,862
Property, plant and equipment	1,695	1,686
Deferred tax asset	59	23
Derivative financial instruments	1	5
Other financial assets	4	3
<b>Total non-current assets</b>	<b>7,592</b>	<b>7,579</b>
<b>Current assets</b>		
Inventories	1,336	1,292
Trade and other receivables	1,256	1,089
Current income tax assets	4	47
Derivative financial instruments	4	18
Cash and cash equivalents	953	658
<b>Total current assets</b>	<b>3,553</b>	<b>3,104</b>
<b>TOTAL ASSETS</b>	<b>11,145</b>	<b>10,683</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>5,434</b>	<b>5,098</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,306	2,264
Deferred tax liability	910	900
Derivative financial instruments	4	8
Provisions for pensions and other long-term employee benefits	378	382
Provisions	163	160
<b>Total non-current liabilities</b>	<b>3,761</b>	<b>3,714</b>
<b>Current liabilities</b>		
Short-term borrowings	203	220
Derivative financial instruments	45	1
Trade and other payables	1,573	1,585
Provisions	11	14
Current income tax liabilities	118	51
<b>Total current liabilities</b>	<b>1,950</b>	<b>1,871</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,145</b>	<b>10,683</b>

### Assets

Total assets at 31 December 2024 amounted to SEK 11,145m (10,683), which is an increase of SEK 462m compared to the previous year.

### Non-current assets

Intangible assets totalled SEK 5,833m (5,862). The change consists mainly of impairments of SEK -91m and disposals of trademarks of SEK -57m, related to the divestment of the Nutisal brand, amorti-

sation of SEK -12m (-13) and exchange differences related to intangible assets recognised in foreign subsidiaries of SEK 130m (-10). Investments for the year amounted to SEK 1m (2). Of total intangible assets, 99 per cent (99) or SEK 5,784m (5,803) pertained to goodwill and trademarks at 31 December 2024. Goodwill and trademarks are tested at least yearly for impairment.

Property, plant and equipment amounted to SEK 1,695m (1,686). The year's investments amounted to SEK 223m (377). Investments were primarily in continuous efficiency-enhancing and replacement investments in the existing production lines, as well as investments in Pick & mix fixtures. Reversal of impairment losses amounted to SEK 31m (17) and are related to the postponed investment in the greenfield facility and closure of the factories in Roosendaal, the Netherlands and Turnhout, Belgium. Depreciation amounted to SEK -272m (-282). Exchange differences related to property, plant and equipment recognised in foreign subsidiaries amounted to SEK 45m (-5) during the year. Other movements add up to SEK -18m (-2).

### Current assets

Current assets amounted to SEK 3,553m (3,104). This change is mainly due to higher cash and cash equivalents of SEK 295m and higher trade and other receivables of in total SEK 167m.

### Equity and liabilities

#### Equity

Consolidated equity at 31 December 2024 amounted to SEK 5,434m (5,098), which equates to SEK 19.0 (17.9) per share. On the balance sheet date, the share capital amounted to SEK 1,443m (1,443). The equity/assets ratio on the same date was 48.8 per cent (47.7).

**Net debt**

SEKm	31 Dec 2024	31 Dec 2023
Gross non-current loans from credit institutions	2,232	2,187
Commercial papers	149	149
Lease liabilities	136	159
Derivative financial instruments (non-current and current)	44	-14
Interest payable	2	2
<b>Gross debt</b>	<b>2,563</b>	<b>2,483</b>
Cash and cash equivalents	-953	-658
<b>Net debt</b>	<b>1,610</b>	<b>1,825</b>

**Liabilities**

Non-current liabilities amounted to SEK 3,761m (3,714), which is an increase of SEK 47m compared to previous year. Long-term borrowings totaled SEK 2,306m (2,264) and consisted of SEK 2,232m (2,187) in gross non-current loans from credit institutions, SEK 80m (85) in non-current lease liabilities and SEK -6m (-8) in capitalised transaction costs. The deferred tax liability increased by SEK 10m to SEK 910m.

Pension provisions decreased by SEK -4m to SEK 378m. The long-term provisions of SEK 163m (160) relate to the severance payments and outplacement costs recognised in relation to the announced closure of the factories in Turnhout, Belgium and Roosendaal, the Netherlands.

Total short-term borrowings amounted to SEK 203m (220) and consisted of commercial papers of SEK 149m (149), current lease liabilities of SEK 56m (74), accrued interest on borrowings from credit institutions of SEK 2m (2) and capitalised transaction costs of SEK -4m (-5).

**Borrowings**

In the second quarter of 2024, Cloetta extended the maturity of two of its loan facilities with the existing bank group by one year.

The facilities agreement bears variable interest at a rate based on STIBOR, plus an

applicable fixed margin for loans in SEK, and variable interest at a rate based on EURIBOR plus an applicable fixed margin for loans in EUR. The applicable margin at 31 December 2024 was 0.95 per cent (0.95) for the outstanding loans in SEK and 1.05 per cent (1.05) for the outstanding loans in EUR. Interest on the issued commercial papers at 31 December 2024 amounted to 3.08 per cent (4.85). Furthermore, an additional 35 per cent (35) of the fixed applicable margin on the unutilised amounts of the credit revolving loans is paid as a commitment fee.

The effective interest rate for the loans from credit institutions and the commercial papers was 4.81 per cent (4.42) during the year. The effective interest rate including the effect of single currency interest rate swaps was 3.56 per cent (2.85).

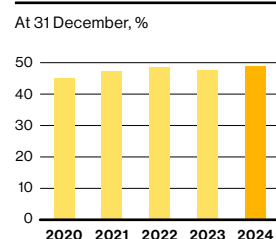
**Change in capital employed**

Capital employed during the year increased by SEK 397m to SEK 8,370m (7,973) compared to last year.

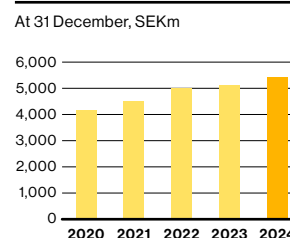
**Net debt**

Interest-bearing liabilities exceeded cash and cash equivalents and other interest-bearing assets by SEK 1,610m (1,825). The net debt/equity ratio on the balance sheet date was 29.6 per cent (35.8).

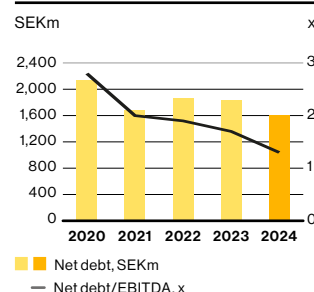
**Equity/assets ratio**



**Equity**



**Net debt/EBITDA**



# Cash flow statement

## Condensed consolidated cash flow statement

SEKm	2024	2023
Cash flow from operating activities before changes in working capital	961	878
Cash flow from changes in working capital	-196	-100
<b>Cash flow from operating activities</b>	<b>765</b>	<b>778</b>
Investments in property, plant and equipment	-162	-280
Investments in intangible assets	-1	-2
<b>Free cash flow</b>	<b>602</b>	<b>496</b>
<b>Other investing activities</b>		
Disposals of property, plant and equipment	72	2
<b>Cash flow from other investing activities</b>	<b>72</b>	<b>2</b>
<b>Cash flow from operating and investing activities</b>	<b>674</b>	<b>498</b>
<b>Cash flow from financing activities</b>	<b>-367</b>	<b>-379</b>
<b>Cash flow for the year</b>	<b>307</b>	<b>119</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>658</b>	<b>583</b>
Cash flow for the year	307	119
Exchange difference	-12	-44
<b>Cash and cash equivalents at end of year</b>	<b>953</b>	<b>658</b>

### Cash flow from other investing activities

Cash flow from other investing activities was SEK 72m (2) and mainly relates to the proceeds from the divestment of the Nutisal brand.

### Cash flow from financing activities

Cash flow from financing activities was SEK -367m (-379). The cash flow from financing activities was related to the dividend distribution of SEK -285m (-285), payments of lease liabilities of SEK -79m (-88), net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK -3m (-5) and purchase of treasury shares of SEK 0m (-1).

### Cash and cash equivalents

The net cash flow was SEK 307m (119), which together with exchange differences of SEK -12m (-44) increased cash and cash equivalents by SEK 295m to SEK 953m, compared to SEK 658m in the previous year. Cloetta had an unutilised credit facility of SEK 2,521m (2,441) and the possibility to issue additional commercial papers for an amount of SEK 850m (850).

Cloetta's working capital is exposed to seasonal variations, partly resulting from a build-up of inventories in preparation for increased sales ahead of the Christmas holiday. This means that the working capital requirement is normally highest during the summer and lowest at year-end.

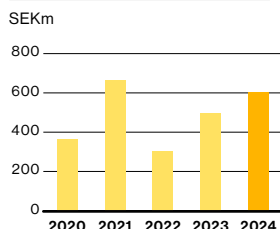
### Free cash flow

The free cash flow was SEK 602m (496). Cash flow from operating activities before changes in working capital was SEK 961m (878). The cash flow from changes in working capital was SEK -196m (-100). The cash flow from investments in property, plant and equipment and intangible assets was SEK -163m (-282).

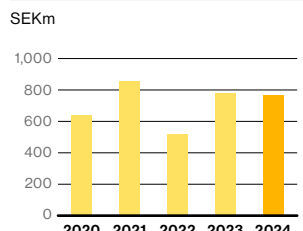
### Cash flow from changes in working capital

Cash flow from changes in working capital was SEK -196m (-100). The cash flow from changes in working capital was negatively impacted by an increase in receivables amounting to SEK -131m (-63), a decrease in payables of SEK -64m (175) and an increase in inventories for an amount of SEK -1m (-212).

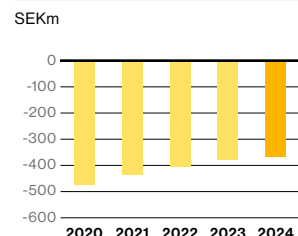
### Free cash flow



### Cash flow from operating activities



### Cash flow from financing activities



## Future outlook

### Goal attainment

Cloetta's target is to increase sales organically at least in line with market growth. Historically, annual growth in the markets has been one to two per cent, although in the last years the growth in the market has been higher in line with the overall inflationary environment.

In 2024, Cloetta's organic growth was 4.7 per cent. Sales of Branded packaged products grew organically by 1.9 per cent and Pick & mix sales grew organically by 12.8 per cent. The strong growth was primarily driven by a continued strong pricing execution. The stable volumes are a result of Cloetta's strategic agenda to strengthen its core brands over the last years and ability to execute. Cloetta's long-term target is an adjusted EBIT margin of at least 14 per cent. In 2024, the adjusted EBIT

margin was 10.6 per cent (9.6). The increase was mainly driven by margin-enhancing initiatives in the Pick & mix business segment.

Another of Cloetta's long-term targets is to keep the net debt/EBITDA ratio around 2.5x. At 31 December 2024 the net debt/EBITDA ratio was at an all-time low of 1.3x (1.7) and well below the target.

Cloetta's policy is to have a dividend payout ratio of 40 to 60 per cent of profit for the year. The Board proposes an ordinary dividend of SEK 1.10 per share (1.00), corresponding to 66 per cent (65) of profit for the year, and corresponding to 57 per cent of the profit for the year excluding impact of the impairment and other items affecting comparability relating to the divestment of the Nutisal brand. The ambition is to continue to propose a stable dividend.

### Profitable growth

Cloetta has during the past years firmly delivered on the set strategic priorities and its related financial targets. The focus in 2025 will be on continued profitable growth as well as driving further cost-savings and efficiency activities throughout the entire value chain.

### Financial outlook

As in earlier years, Cloetta is not issuing any financial forecast for 2025.

## Environmental impact and environmental management

Cloetta works to reduce its environmental impact through systematic environmental management. Our greatest direct environmental impact comes from water and energy consumption, wastewater emissions, waste and transportation. Over the entire life cycle of the products, the most significant environmental impact arises during raw material and packaging production. Cloetta complies with the statutory environmental requirements and is not involved in any environmental disputes. At 31 December 2024, Cloetta conducted operations at six plants in five countries. The plant in Ljungsbro, Sweden was subject to reporting requirements according to the Swedish Environ-

mental Code. These permits apply until further notice. The manufacturing units outside Sweden adapt their operations, apply for the necessary permits and report to the authorities in accordance with local legislation. All of Cloetta's plants conduct systematic environmental management that includes action plans and monitoring in a number of areas. Environmental management is an integral part of Cloetta's operations and environmental aspects are taken into account when making decisions. Frequent evaluation and follow-up of measures increase awareness about the effects of operations on the environment.

## Statutory sustainability report

Pursuant to the Swedish Annual Accounts Act, Chapter 6, Section 10, Cloetta AB (publ) has chosen to prepare its statutory sustainability report as a separate report from the annual report. The statutory sustainability report consists of pages 63-73 (general information), 74-91 (environmental information), 92-103 (social information) and 104-106 (governance information).



# Risks and risk management

**Uncertainty about future events is a natural part of all business activities. Future events can have a positive impact on operations through opportunities to create increased value, or a negative impact through risks that may have an adverse effect on Cloetta's business and results.**

New risks can arise as a result of events or decisions that are beyond Cloetta's control, but they can also be an effect of incorrect risk management within Cloetta or among its suppliers or customers.

### Organisation for risk management

Cloetta's Board of Directors has a responsibility to the shareholders to oversee the company's risk management. Risk assessment associated with business development and long-term strategic planning is prepared by the Group Management Team and decisions are made by the Board of Directors.

The Group Management Team continually reports to the Board of Directors on risk areas such as the Group's financial status and compliance with the Group's finance policy. Operational risk management that takes place at all levels of the organisation is regulated by Cloetta's Code of Conduct and a number of other central policies.

### Identification of risks

The identification of risks and proactive measures to limit them or prevent them from materialising and having a negative impact on operations, is of fundamental importance for operations and is a central part of every manager's responsibility at Cloetta. Cloetta works continuously to assess and evaluate the risks to which the organisation is, and can be, exposed. All events that could affect confidence in Cloetta or disrupt operations are essential to monitor and minimise. This is the responsibility of the Group Management Team and is managed through dialogue with various stakeholders.

### Risk management

Effective handling of risks is an integral part of Cloetta's management and control. Rapid distribution of relevant information is ensured via the company's management structures and processes. Where possible, risks are eliminated, and undesired events

are minimised through proactive measures. Alternatively, risks can be transferred, for example through insurance or agreements. However, certain risks are impossible to eliminate or transfer. These are often an active part of business operations.

### Risk overview









A number of risk areas have been identified through Cloetta's risk management process. A selection of these, and a brief description of how each risk area is handled, is presented on the following pages. The Group's financial risk management is also described in more detail in Note 26, on pages 143–145.

Pages 56–57 contain a description of the internal control processes and risk assessment aimed at preventing misstatements in the financial reporting.

Management of risks in the workplace environment is described in the Sustainability report on pages 92–97.

# Industry and market-related risks

Cloetta works continuously to assess and evaluate the risks to which the Group is, and can become, exposed. Critical external risks are managed both strategically through business and product development, and operationally through daily purchasing, sales and marketing activities.

	RISKS Probability	MITIGATION Impact
<b>Market climate</b>	 <p>Crises can have a negative impact on consumers' disposable income and consumption patterns. This can affect Cloetta both with lower sales as well as a shift towards more price consciousness that can lead to retail customers experiencing lower profitability, which leads to price pressure.</p> <p>A new resurging global pandemic may have a negative impact on consumption patterns as well as a sharp decrease of mobility which lower sales of impulse categories in channels such as convenience stores and travel retail.</p>	 <p>Historically, the confectionery market has been relatively mildly affected by market downturns in consumption. This is particularly true for Cloetta's products, which most people can afford to buy and our products are also available in discount price channels. To support the customers' business, Cloetta cooperates with its customers on in-store sales activities and other measures.</p> <p>The majority of Cloetta's sales comes from grocery stores, which remained open during a global pandemic as they were considered essential for society. Cloetta has proven to be able to adjust its business model to cope with the huge changes of consumer behaviour by being agile and adaptable.</p>
<b>Competition</b>	 <p>The confectionery market is highly competitive and includes several major players. Furthermore, grocery retailers offer private labels that compete with certain Cloetta products.</p> <p>Cloetta is a significant pick &amp; mix player, which by its nature is a market that often consists of multi-year contracts that must be continuously renewed. Competition from other players, including the grocery retail chains, and Cloetta's strategy to improve profitability may result in losses of major contracts.</p>	 <p>This competition means that Cloetta needs to continue on its strategic journey to strengthen its key brands versus competition by good commercial execution, not the least by increasing brand support to competitive levels. Strong brands lead to more sales, can bear premiumisation and demand a price premium.</p> <p>Cloetta competes in the market by a strong consumer focus approach, insights generated will lead to product innovation, product quality, brand recognition and loyalty, marketing investments and in-store execution.</p> <p>Cloetta endeavours to offer the best pick &amp; mix concepts in terms of the customer and consumer experience. Furthermore, an integrated production chain enables Cloetta to be cost-effective in Pick &amp; mix.</p>
<b>Retail trade development</b>	 <p>The European grocery and service trade has undergone a process of consolidation leading to the establishment of large, sophisticated players with substantial purchasing power. These major players are not necessarily dependent on individual brands and can hold back price increases and demand higher investment in marketing initiatives. They can also take over shelf space that is currently used for Cloetta's products for their own brands.</p> <p>E-commerce is challenging the current retail structure and will over time likely change the retail landscape substantially. The introduction of self-scanning services in stores might impact sales of Cloetta's products since they are often placed next to regular store checkouts.</p> <p>As with most consumer-facing companies, major retailers are increasing their efforts on backing climate change and are requesting and even demanding their suppliers to do the same.</p>	 <p>Cloetta's strategic direction to strengthen its key brands and market position, together with a strong sales force and close cooperation with the retail trade enables Cloetta to maintain good relations with the retail trade. Cloetta also works actively with new sales channels. Cloetta has a relatively wide and diversified customer base.</p> <p>Cloetta is working actively with retailers regarding e-commerce, helping them to learn how to sell impulse confectionery products online.</p> <p>By supporting retailers in learning how to sell products in self scanning and -checkout areas, Cloetta is able to maintain sales in the checkout area.</p> <p>Cloetta joined the Science Based Target initiative in 2020, and has committed to reduce its greenhouse gas emissions by 46 per cent by 2030, enabling us to also meet customers' expectations and demands.</p>
<b>Consumer trends Health and Sustainability</b>	 <p>Health trends and the debate on health, weight and sugar may have a negative impact on confectionery consumption. The health trend has also spurred a growing interest in natural raw materials.</p> <p>Furthermore, there is a growing interest amongst consumers, especially in North America, to use drugs to help with weight loss and where the drug's effectiveness requires the patient to adhere to a lower sugar diet.</p> <p>In the wake of rapid globalisation, individual consumers are more aware of how their consumption patterns affect the environment and social/ethical conditions all over the world. Consumers want to know more about product origins, manufacturing methods and raw materials. Claims suggesting that Cloetta, or Cloetta's suppliers, do not take adequate environmental or social responsibility could damage Cloetta's brand.</p>	 <p>Health trends have not affected confectionery sales to any great extent, since confectionery is often eaten as a small luxury in everyday life.</p> <p>Cloetta has the For You pillar within the sustainability agenda, where we inform consumers about product content and calories, and we work to continue to develop products which offer lower sugar or sugar-free alternatives next to portion control in general. We do not see a strong consumer trend against confectionery consumption. We also work on dental health propositions to promote dental health. Cloetta's sustainability agenda focuses on social, environmental and consumer-centric areas in order to improve our overall performance and meet the current and future needs of our consumers. Consumers' increased awareness opens an opportunity to inform and be transparent with our sustainability performance.</p> <p>Improving social and environmental conditions in our supply chain remains a priority, as reflected in our Supplier Code of Conduct.</p> <p>Cloetta sources certified raw materials where this is possible and continuously looks to improve conditions through cooperation with suppliers and NGO's.</p>

**RISKS**  
Probability

**MITIGATION**  
Impact

**Laws and taxes**

Cloetta conducts operations through companies in a number of countries. New legislative requirements in the various markets where Cloetta are active may lead to restrictions in operations or introduce new and increasing requirements affecting its operations and its results. There is a risk that applicable tax regulations in different markets will change, or that the interpretations of the same will change, possibly with an adverse retroactive effect, leading to an increasing tax pressure.

Cloetta continuously assesses legislative developments in order to predict and prepare its operations for possible changes. Provisions for legal and unresolved tax disputes or uncertainties, are based on an estimation of the related costs. Estimates are made with the support of legal and tax advice where needed and are based on the information available. An increased focus on compliance in various areas including increasing tax transparency requirements will require more time and resources spent on ensuring such compliance and reporting. The introduction of sugar taxes and fat taxes often have a short-term impact on sales.

**Raw material prices and cost inflation**

Price development for raw materials is steered mainly by supply and demand and is beyond Cloetta's control. The prices of sugar and many of the other raw materials purchased by Cloetta can also be affected by agro-political decisions in the EU regarding quotas, support, subsidies, trade barriers, general geopolitical tensions, and also by rising living standards and the activity of financial investors on the commodities exchanges. Input costs, including for raw materials, packaging, freight, and energy, have been increasing significantly, constituting a risk for negative impact on Cloetta's profitability.

Cloetta continuously monitors the development of raw material prices, and all purchasing is carried out through a central procurement function. To ensure access and price levels, Cloetta normally enters into supplier contracts that cover the need for raw materials for a period of 6–9 months ahead. Cloetta may choose to deviate from this policy, should higher flexibility be deemed required. Cloetta's policy is to compensate for higher raw material costs by raising prices to its customers. In a high inflationary environment, Cloetta's strategy is to protect its profitability by compensating for all input costs in absolute terms, also including packaging, freight and energy costs, through price increases towards its customers as well as cost savings and reducing overall energy consumption.

**Increased geopolitical uncertainty**

Tensions between the US and China, Russia's escalation of the war in Ukraine, Middle East tension with conflicts and political instability remains high and entails risks of further impact on the global economy, further cost inflation, disruptions in supply chains and significant implication for the European security and global energy markets.

Cloetta does not have any significant direct financial exposure to any of the countries involved. However, the company is being impacted by rising input costs and global supply chain challenges, which are being addressed as commented on in the sections for Raw material prices, Cost inflation, Interest rate risks and Disruption and relocation of product manufacturing.

## Operational risks

**Operational risks can often be influenced, which is why they are normally regulated by policies, guidelines and instructions. Operational risks are part of Cloetta's day-to-day work and are managed by the operating units. Operational risks include those related to the brand, relocation of production, insurable risks and environmental, health and safety-related risks and IT-related risks.**

**RISKS**  
Probability

**MITIGATION**  
Impact

**Business ethics and brand risks**

Demand for Cloetta's well-known brands is driven by consumers' association of these brands with positive values. If Cloetta or any of the Group's partners take any measures that conflict with the values represented by the brands, the Cloetta brands could be damaged.

Cloetta takes a proactive approach by adhering to a Code of Conduct and a policy on anti-corruption and bribery, as well as responsible marketing. Cloetta's Supplier Code of Conduct covers human and labour rights, business ethics and anti-corruption, health and safety, and environmental protection.

**Social conditions in the supply chain**

Cloetta uses some raw materials that originate from regions or countries with an increased risk of human rights violations and corrupt behaviour. Further, political instability in places where raw materials are produced can have a negative impact on availability and costs.

Cloetta's Supplier Code of Conduct is part of all supplier agreements. Cloetta assesses the raw materials, monitors suppliers for certain materials based on climate, social and human-rights related risks, and prioritises involvement with supporting organisations. 100 per cent of all cocoa purchased to produce Cloetta products is Rainforest Alliance certified. With palm oil-based vegetables oils, Cloetta continues to source 100 per cent RSPO Certified Segregated palm oil, which is one of the highest standards to ensure that human rights are upheld in sourcing sustainably farmed palm oil. Certification of Cloetta's factories according to this standard has been upheld since 2019. Since 2017 Cloetta has purchased sustainable and traceable shea butter from women cooperatives in Africa. Cloetta participated in a pilot initiative with Rainforest Alliance to close the income gap for cocoa farmers in Africa and will continue the collaboration on the Living Income Fund.

**RISKS**  
Probability

**MITIGATION**  
Impact

**Environmental and climate related risks**

There is a risk that climate change will impact Cloetta. This may involve transition risks such as changing rules and taxation, as well as physical risks. Physical risks include changes that are both long-term and urgent in nature, for example extreme weather conditions and natural catastrophes that could impact Cloetta's access to raw materials and disrupt business operations directly or indirectly.

The climate crisis coincides with a biodiversity crisis and water-crisis, which agriculture is directly impacted by.

Climate-related risks are becoming an ever-growing concern among the investment community and new initiatives are receiving more attention.

Cloetta is raising the ambition level to improve its total environmental footprint through the work in our sustainability agenda.

We joined the Science Based Targets initiative to set targets and action plans to reduce our carbon footprint throughout our value chain and in cooperation with our stakeholders. In our efforts toward climate action, we have undertaken measures to reduce emissions, such as decreased energy consumption in our factories, incorporating vegan options into our candy portfolio, and transitioning to electric company cars.

100 per cent of all cocoa purchased is Rainforest Alliance certified. With palm oil-based vegetables oils, Cloetta continues to source 100 per cent RSPO Certified Segregated palm oil, which is one of the highest standards to ensure deforestation free and sustainably farmed palm oil. Certification of Cloetta's factories according to this standard has been upheld since 2019.

Cloetta manages the environmental and climate impact of its business operations through systematic work within the scope of the company's environmental management system.

**Product safety risks**

Handling of food products places high demands on traceability, hygiene and safety. In a worst-case scenario, inadequate control can lead to contamination or allergic reactions. These types of deficiencies in the handling of food products can lead to lower trust in Cloetta and the Group's brands.

Cloetta works with first-class raw materials and in accordance with international quality standards. Analyses through chemical and physical tests are performed on both raw materials and finished products. Issues of importance for product safety are collated in special policies. Plans for information or product recalls in the event of deficiencies have been prepared.

**Insurable risks**

Assets such as factories and production equipment can be seriously damaged, for example in the event of a fire or power outage. Product recalls can incur substantial costs, resulting in direct costs, claims for financial compensation and damage to Cloetta's reputation. Cargo may be damaged in transit.

Cloetta has an insurance programme for property and liability risks appropriate to Cloetta's operations and works systematically to limit the risk of incidents and to have robust contingency plans in place to limit the effects of any incidents.

**Disruption and relocation of product manufacturing**

Disturbances and inefficiencies in the supply chain, as well as undesirable effects on and from the external environment, such as a fire, strikes, shortage of energy supply or raw- and packaging materials, pandemics, or extreme weather, could result in stoppages in production, operations and deliveries, and thus negatively affect the company's business and reputation. To optimise efficiency, Cloetta continuously monitors capacity utilisation in manufacturing and evaluates the need to move manufacturing from one factory to another. This is however a complex process that can result in disruptions and delays in production, which can in turn also lead to delivery problems.

Cloetta has a good monitoring process in place to anticipate short term disruption both in sourcing and delivery. In our factories we have clear protective protocols in place to reduce the risk, provide a safe workplace and limit the impact. We have also prepared certain scenarios for our plants in case of energy disruptions. Cloetta also has an experienced and efficient organisation with well-established routines for handling.

**Access to the right expertise**

To a large extent, Cloetta's future is dependent on its capacity to recruit, retain and develop competent senior executives and other key staff. Cloetta occasionally reorganises and streamlines its operations, which in the short term may have a negative impact on its performance.

Cloetta endeavours to continue to be an attractive employer. Employee development and follow-up plans, together with market-based and competitive compensation, enable Cloetta to recruit and retain employees.

Cloetta has a strong and experienced organisation that is well equipped to handle organisational changes.

**IT security**

Cloetta is highly dependent on having an efficient IT platform. Disruptions or faults in critical systems can have a direct impact on both production, financial systems, and business processes. Over the years, efforts have been made to harmonise and standardise the IT landscape by minimising the number of supported IT applications and continuously invest in IT infrastructure. Examples of risk mitigation in infrastructure is redundant network access, using SaaS (Software as a Service), for the business-critical solutions, NIS2 compliance and continuous internal awareness programs. The IT security is the defence to protect against potential loss or harm related to technical infrastructure, use of technology or reputation of our organisation.

Cloetta operates under a centrally controlled IT governance and continuously mitigates against all dimensions of attacks by assessing its cyber risk profile, remediating where necessary and proactively managing and investing in its defences. End-users are frequently trained in information security to further increase the awareness.

## Financial risks

The primary financial risks are composed of foreign exchange, refinancing, interest rate and credit risks. Financial risks are managed by the Group’s central finance function according to the guidelines in the finance policy established by Cloetta’s Board of Directors. Financial risk management primarily aims to identify the Group’s risk exposure and, with a certain degree of foresight, to attain predictability in the financial outcome and minimise possible unfavourable effects on the Group’s financial results, in close cooperation with the Group’s operating units. Consolidating and controlling these risks centrally enables the Group to minimise the level of risk while reducing the cost of measures such as currency hedging. Financial risk management is described in detail in Note 26, on pages 143–145.

	RISKS Probability	MANAGEMENT Impact
<p><b>Foreign exchange risks</b></p>	<p style="text-align: center;"></p> <p>Exchange rate fluctuations affect Cloetta’s financial results in connection with buying and selling in different currencies (transaction exposure), and through translation of the profit and loss accounts and balance sheets of foreign subsidiaries to Swedish kronor (translation exposure). Cloetta’s reporting currency is the Swedish krona, while many subsidiaries have the euro as their functional currency, thus translation exposure is significant. Aside from SEK and EUR, Cloetta also has exposure to DKK, NOK, GBP and USD.</p>	<p style="text-align: center;"></p> <p>The objective of Cloetta’s foreign exchange management is to minimise the effects of exchange rate fluctuations by utilising incoming currency for payments in the same currency. The Group hedges parts of its translation exposure through borrowing in euro and is continuously monitoring the cash positions in foreign currency and executes FX deals to lower the translation effect on cash balances in foreign currencies. If the Swedish krona had weakened/strengthened by 10 per cent against the euro, the year’s profit would have been around SEK 41m (27) higher/lower.</p>
<p><b>Refinancing risks</b></p>	<p style="text-align: center;"></p> <p>Refinancing risk refers to the risk that it will not be possible to obtain financing or that financing can only be obtained at a significantly higher cost.</p>	<p style="text-align: center;"></p> <p>Through the term and revolving facilities agreement with the club of banks and the commercial paper programme, Cloetta has a favourable situation for accessing financing, for example for potential acquisitions and significant investment projects. In 2022 Cloetta secured financing for the greenfield facility in the Netherlands by entering a new term loan facility and by increasing the multicurrency revolving loan facilities. The agreed financing is reviewed periodically with the banks to remain aligned with the progress of the project. In 2024, Cloetta extended its existing multicurrency term and revolving facilities agreement with the banks with one year for some facilities. In 2024, Cloetta ended below its financial target related to a net debt/EBITDA ratio of around 2.5x.</p>
<p><b>Interest rate risks</b></p>	<p style="text-align: center;"></p> <p>Cloetta is exposed to interest rate risks in interest-bearing current and non-current liabilities. Although some of the Group’s bank loans are hedged via interest rate swaps, there is still exposure to interest rate risk for the parts that are not hedged or when hedges expire.</p>	<p style="text-align: center;"></p> <p>The Group continuously analyses its exposure to interest rate risk and performs regular simulations of interest rate movements. Interest rate risk is reduced by hedging a share of future interest payments through interest rate swaps. At reporting date Cloetta has covered for an average 52 per cent of the interest rate risk exposure on the drawn facilities. In 2024, if the interest rate had been 1 percentage point higher with all other variables held constant, profit before tax for the year would have been approximately SEK 7m (6) lower. If the interest rate had been 1 percentage point lower with all other variables held constant, profit before tax for the year would have been approximately SEK 7m (6) higher.</p>
<p><b>Credit risks</b></p>	<p style="text-align: center;"></p> <p>Credit risk refers to the risk that a counterparty to Cloetta will be unable to meet its obligations and thereby cause a loss.</p> <p>Financial transactions also give rise to credit risks in relation to financial and commercial counterparties.</p>	<p style="text-align: center;"></p> <p>Credit risk in trade receivables is relatively limited considering that the Group’s customer base is diverse and consists mainly of large customers, and because distribution takes place primarily through the major grocery retail chains. Customers are subject to credit assessments in accordance with the credit policy, and receivables balances are monitored continuously. Cloetta acts promptly in case of delayed payments. Following the default of Wilko in the UK Cloetta has updated its payment terms and credit limits policy.</p> <p>The Group’s counterparties in financial transactions are banks and credit institutions with good credit ratings (between AA– and A-2).</p>
<p><b>Valuation risks</b></p>	<p style="text-align: center;"></p> <p>The Group has a number of assets and liabilities that have been valued with the input from or the help of various experts. These include goodwill, trademarks and deferred tax assets on the asset side and the pension liability and deferred tax liabilities on the liability side. The valuation risk refers to the risk that these assets and liabilities have a lower value than recognised in the balance sheet and have to be impaired.</p>	<p style="text-align: center;"></p> <p>Assets and liabilities are tested for impairment annually or when there is an indication that such testing may be necessary. Read more in Note 12, Intangible assets on pages 127–128 and Note 30, Critical accounting estimates and judgements on pages 148–149.</p>

Chairman's comment

# Strong platform for further profitable growth

**With a continued ability to navigate both inflation and an operational environment with increased geopolitical uncertainty, Cloetta looks back on another successful year. We made significant progress in securing an even stronger platform for further profitable growth.**

Through strong brands, Cloetta reaches thousands of people every day. Consumer centricity is a long-term commitment and the latest result of this is the further strengthened market position within Pick & mix, where we have delivered both profitability and growth through developing both the category itself as well as our own business.

We also further increased our focus on our core confectionery portfolio when we divested the dry roasted nuts brand Nutisal, in line with our plan to continue streamlining the brand and product portfolio to reduce complexity to support the long-term profitability goal.

After taking on my new role earlier this year, after several years spent in other industries and companies, I was impressed by the strong leadership and market position that Cloetta has built over time. The company has successfully captured many opportunities to develop the business in the long-term.

We conclude another year with all-time high net sales and adjusted operating profit and an all-time low leverage. We continue the work to secure a competitive cost base. I'm very pleased that we continue to deliver a very healthy cash flow and have an even stronger balance sheet to support an increased dividend, well in line with the higher end of our targeted range. We will also continue to further strengthen our leading brands and accelerate our work with product innovations that follow the always evolving consumer preferences.

**“ I'm very proud of Cloetta's performance in 2024 and that the company is very well positioned to create further value ”**



This year also included a reassessment of the greenfield plant project in the Netherlands, as announced in September 2024. The reassessment of the project and options is done to secure an efficient manufacturing structure and to validate if the greenfield remained the optimal way forward for Cloetta to create long-term shareholder value. In February 2025 we decided not to proceed with the project due to increased risk relating to energy supply and the delayed permitting process. The reassessment confirmed the ability to develop Cloetta's long-term financial and supply network flexibility without the greenfield plant.

Our corporate governance continues to be based on international norms such

as the UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption. This report is also our first step in moving into CSRD-reporting next year.

Cloetta is starting off 2025 from a position of strength – a year during which we will further solidify profitable growth. My warmest thank you to all our dedicated employees and to the Group Management Team for their efforts. Your focus and dedication have been crucial to achieve our performance!

Stockholm, March 2025

Morten Falkenberg  
*Chairman of the Board*

# Corporate Governance Report

**The purpose of corporate governance is to ensure that the company is managed as effectively as possible in the interests of its shareholders, and that Cloetta complies with all applicable rules. Corporate governance is also aimed at creating order and establishing systems for both the Board and the Group Management Team. Well-defined structures, clear rules and processes allow the Board to ensure that the Group Management Team and employees focus on developing the business and thereby creating shareholder value.**

Cloetta AB (publ) is a Swedish public limited company, with corporate identification number 556308-8144. The company's class B shares are traded on the Nasdaq Stockholm, Mid Cap. The company is domiciled in Ljungsbro, Linköping, and its head office is located in Sundbyberg, Stockholm.

## Framework for corporate governance

The governance of Cloetta is based on the Swedish Companies Act, Swedish Annual Reports Act, Nasdaq Nordic Main Market Rulebook for Issuers of Shares (the "Rulebook for Issuers"), and the Swedish Corporate Governance Code (the "Code"), as well as other relevant Swedish and foreign laws and regulation. Governance is further established through internal steering instruments such as the Articles of Association, instructions, policies and guidelines. The Code is available on the website of the Swedish Corporate Governance Board, which administrates the Code, [www.corporategovernanceboard.se](http://www.corporategovernanceboard.se). The website also includes a description of the Swedish model for corporate governance. During the year, Cloetta complied with Rulebook for Issuers and good stock market practice and Cloetta has complied with the Code, without deviations.

## 1 Shares, shareholders and voting rights

The share capital of Cloetta AB (publ) consists of class A and class B shares. Each class B share corresponds to one vote and each class A share corresponds to ten votes, although all shares carry equal entitlement to the company's assets and profits. On 31 December 2024, the number of shares was 288,619,299 of which

282,884,050 were class B shares and 5,735,249 were class A shares, whereof Cloetta held 2,553,892 class B shares in treasury. The number of shareholders on 31 December 2024 was 40,831 compared to 43,164 on 31 December 2023. On 31 December 2024, AB Malfors Promotor was Cloetta's largest shareholder, with a holding corresponding to 42.9 per cent of the votes and 32.7 per cent of the share capital in the company. On the same date, there were no other shareholders representing a minimum of 10 per cent of the voting rights. For more information about Cloetta's shares and shareholders, see section "Share and shareholders" on pages 29–32.

## 2 General meeting of shareholders

The decision-making rights of shareholders in Cloetta AB (publ) are exercised at shareholders' meetings. Cloetta's financial year is 1 January to 31 December. The annual general meeting ("AGM") must be held within a period of six months after the end of the financial year. Notice of the AGM must be given no earlier than six weeks and no later than four weeks prior to the AGM through publication in "Post- och Inrikes Tidningar" (the Swedish Official Gazette) and on the company's website. At the same time, confirmation that notification has been given must be published in Dagens Industri.

Every shareholder has the right to request that a matter shall be taken up at the AGM and in such case, must submit a written request to the Board. In order to be addressed at the AGM, the request must be submitted to the Board no later than seven weeks prior to the AGM. In accordance with Chapter 7, paragraph 32, of the Swedish Companies Act, at a general meeting of

shareholders, all shareholders have the right to pose questions to the company about the matters that are addressed at the meeting and the financial situation of the company and the Group.

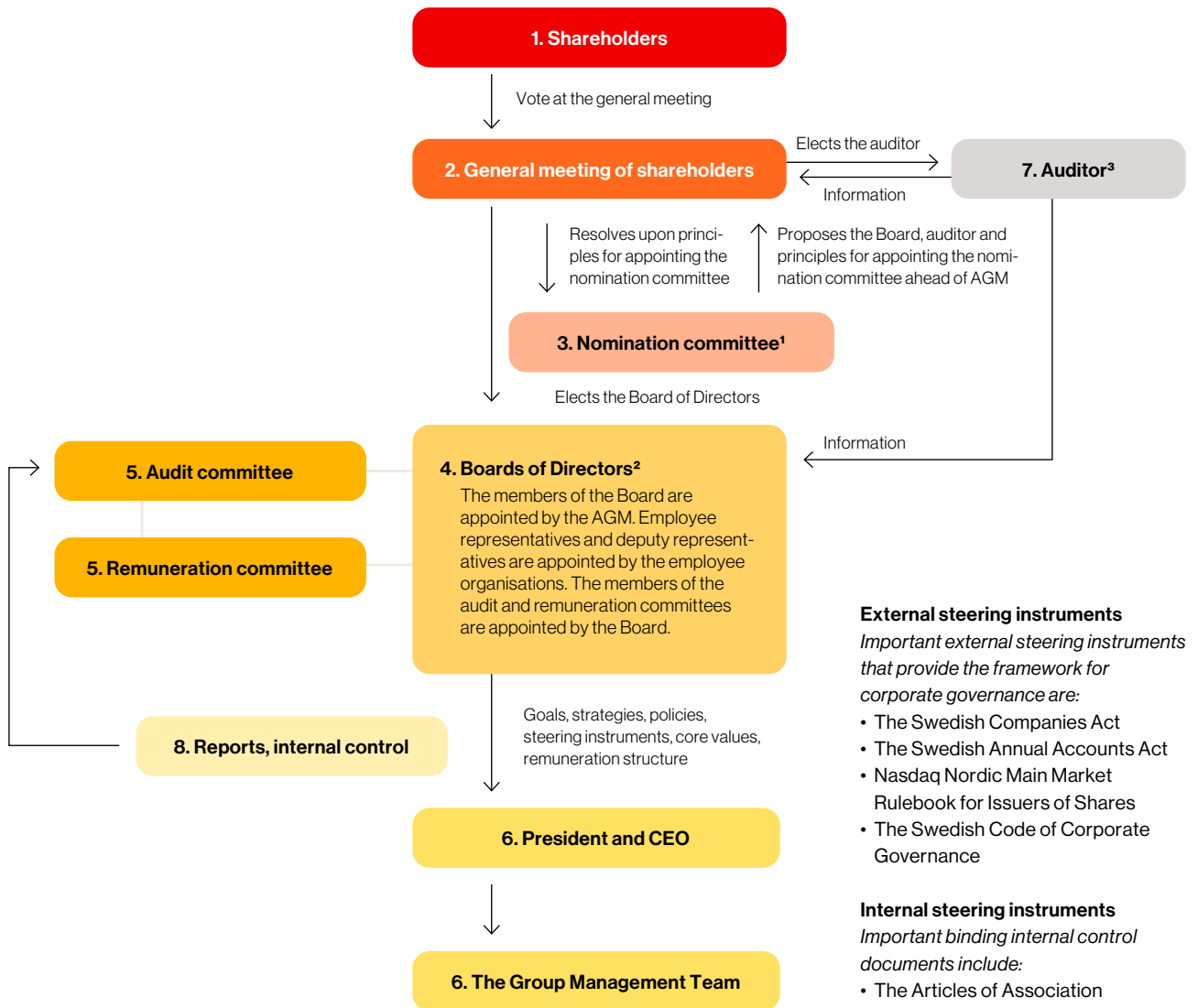
## 2024 Annual General Meeting

The most recent AGM was held on 9 April 2024 in Stockholm. The AGM was attended by 186 individuals representing 62,7 per cent of the votes in the company. The Board members, the Group's President and CEO as well as the CFO, the company's independent auditors and the chairman of the nomination committee were also present at the AGM.

The AGM approved the proposals of the Board and the nomination committee regarding:

- Adoption of the balance sheet and the profit and loss account;
- Appropriation of the earnings of the company through a dividend of SEK 1.00 per share, corresponding to SEK 285,342,034;
- Approval of the remuneration report;
- Discharge of liability for the board members and the President and CEO;
- The number of Board members elected by the AGM to be seven;
- Re-election of sitting Board members Mikael Svenfelt, Camilla Svenfelt, Alan McLean Raleigh, Patrick Bergander, Malin Jennerholm and Pauline Lindwall. Morten Falkenberg was elected as a new board member. The AGM elected Morten Falkenberg as the Chairman of the Board. Aside from the members elected by the AGM, the employee organisation LIVS appointed an employee representative to the Board;

# Governance structure



**External steering instruments**  
Important external steering instruments that provide the framework for corporate governance are:

- The Swedish Companies Act
- The Swedish Annual Accounts Act
- Nasdaq Nordic Main Market Rulebook for Issuers of Shares
- The Swedish Code of Corporate Governance

**Internal steering instruments**  
Important binding internal control documents include:

- The Articles of Association
- The Board’s work plan
- Instructions for the President and CEO, the audit committee, the remuneration committee and financial reporting
- Policies

1) The nomination committee prepares proposals for decision that are presented to the AGM. The AGM decides on principles for appointment of the nomination committee.  
 2) The Board establishes the committees and appoints their members.  
 3) The auditor is responsible, on behalf of the shareholders, for auditing Cloetta’s annual accounts and accounting records and the administration of the Board of Directors and the President and CEO. Reports to the Board of Directors and the shareholders.

- Setting the Board fees at SEK 800,000 for the Board Chairman and SEK 340,000 for each of the other Board members elected by the AGM. Fees for work on the Board committees shall be paid in the amount of SEK 110,000 for each member of the audit committee, SEK 175,000 for the Chairman of the audit committee, SEK 100,000 for each member of the remuneration committee and SEK 150,000 for the Chairman of the remuneration committee;
- Fees for the auditor are to be paid according to approved account;
- Re-appointing the registered public accounting firm Öhrlings Pricewater-

houseCoopers AB (“PwC”) as the auditor for the period until the next AGM. Sofia Götmar-Blomstedt will continue as the Lead Audit Partner;

- The implementation of a new share-based long-term incentive plan;
- Authorisation for the Board of Directors to resolve upon repurchase of own B-shares.

The complete minutes from the AGM can be reviewed at [www.cloetta.com](http://www.cloetta.com).

### 2025 Annual General Meeting

The 2025 AGM will be held on Thursday, 10 April 2025, at 15:00 at Bonnier

Fastigheter Konferens, Torsgatan 21, Stockholm. The Notice of the Annual General Meeting was published in March 2025 and contained the Board’s proposals. For more information, please refer to [www.cloetta.com](http://www.cloetta.com).

### 3 Nomination committee

#### Work of the nomination committee

The principal task of the nomination committee is to prepare recommendations to be put before the AGM for decisions regarding election of Board members and the Chairman of the Board, fees for the Board of Directors, potential remuneration for

committee work, election of auditors and remuneration for the auditor. In addition, it shall propose the election of a chairman of the AGM and rules for the nomination committee if there is a reason for a change. The Chairman of the Board presents an annual evaluation of the Board's performance during the year to the nomination committee, which provides a basis for the nomination committee's work together with the provisions of the Code and Cloetta's own company-specific requirements. The nomination committee's recommendations for election of Board members, board fees and auditors are presented in the notification of the AGM and on [www.cloetta.com](http://www.cloetta.com).

**Composition of the nomination committee**

In accordance with the decision of the AGM, Cloetta's nomination committee shall consist of at least four and at most six members. Of these, one shall be a representative of the Board and three shall be members appointed by the three largest shareholders in terms of voting power per 31 July each year. The members appointed may themselves appoint one additional member.

**Independence of the nomination committee**

The majority of the nomination committee's members shall be independent in relation to the company and its Group Management Team and at least one of these shall also be independent in relation to the company's largest shareholder in terms of voting power. Of the appointed members, all four are independent in relation to the company and its Group Management Team and three are independent in relation to the

**Nomination committee ahead of the 2025 AGM**

Members	Appointed by	Independent <sup>1</sup>	Share of votes at 31 Dec 2024, %
Lars Schedin, Chairman	AB Malfors Promotor	Yes/No	42.9
Magdalena Kettis	Nordea Funds	Yes/Yes	2.7
Lena Lundin	Ulla Håkanson	Yes/Yes	1.5
Morten Falkenberg	The Board of Cloetta AB	Yes/Yes	0.0

1) Independent from the company and its Group Management Team/from the company's largest shareholder in terms of voting power.

company's largest shareholder in terms of voting power.

**Shareholder proposals**

All shareholders have the right to propose candidates for election to the Board by contacting the nomination committee. Proposals shall be sent to the Chairman of the nomination committee by e-mail to [nominationcommittee@cloetta.com](mailto:nominationcommittee@cloetta.com).

**Meetings of the nomination committee**

The nomination committee held three meetings ahead of the 2025 AGM. No fees have been paid for work on the nomination committee.

the Articles of Association and the Code. The Board is also responsible for making sure that the Group is suitably structured so that the Board can optimally exercise its governance responsibility over the subsidiaries and that the company's financial accounting, financial management and financial circumstances in general can be controlled satisfactorily. At least once a year the Board shall meet with the company's auditor without the presence of the Group Management Team and shall continuously and at least once a year evaluate the performance of the President and CEO. The Board of Directors shall also prepare necessary proposals before the AGM.

**4 Board of Directors**

**The work of the Board**

One of the key tasks of the Board is to serve the interests of the company and the shareholders by managing the company's operations in such a manner as to assure the shareholders that their interests in terms of a long-term profitable growth and value creation are being met in the best possible manner. The Board shall also appoint the President and CEO and ensure that the company complies with all applicable laws,

**Composition of the Board**

According to the Articles of Association, Cloetta's Board of Directors shall consist of at least three and at most ten members that are elected annually at the AGM for a period until the next AGM has been held. On 9 April 2024, the AGM resolved that the Board shall have seven members appointed by the AGM. The AGM elected the following Board members to serve for the period until the next AGM: Morten Falkenberg (Chairman), Mikael Svenfelt,

**Composition of the Board**

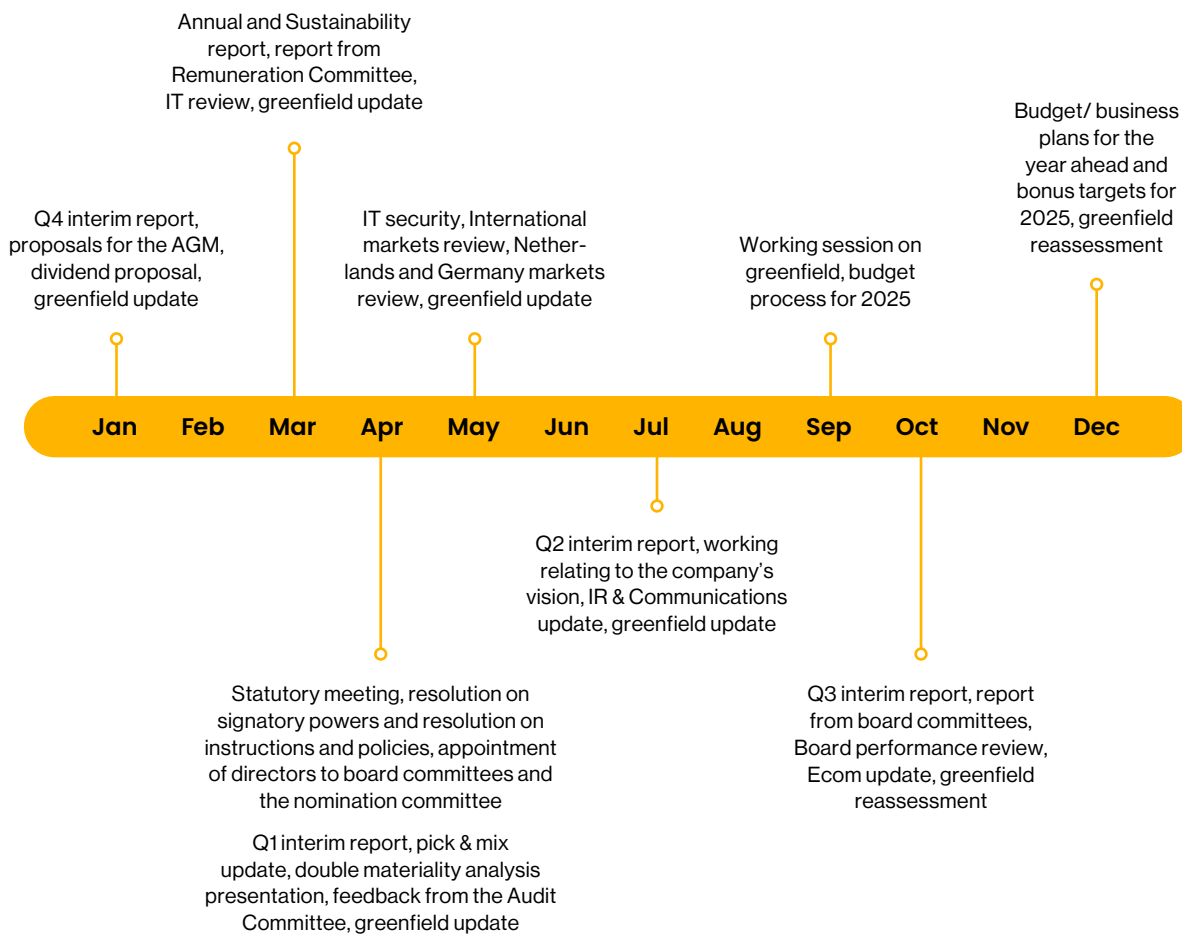
Elected by the AGM	Nationality	Year elected	Year of birth	Fees <sup>1</sup>		Independence	Attendance <sup>2</sup>		
				Board fees	Committee fees		Board meetings	Audit committee	Remuneration committee
Morten Falkenberg <sup>3</sup>	Danish	2024	1958	800,000	100,000	Yes/Yes	7/9		3/4
Mikael Norman <sup>3</sup>	Swedish	2020	1958	0	0	Yes/Yes	2/9		1/4
Camilla Svenfelt	Swedish	2016	1981	340,000	110,000	Yes/No	9/9	4/4	
Patrick Bergander	Swedish	2019	1971	340,000	175,000	Yes/Yes	9/9	4/4	
Alan McLean Raleigh	British	2018	1959	340,000	100,000	Yes/Yes	9/9		4/4
Mikael Svenfelt	Swedish	2008	1966	340,000	100,000	Yes/No	8/9		4/4
Malin Jennerholm	Swedish	2022	1970	340,000	110,000	Yes/Yes	9/9	3/4	
Pauline Lindwall	Swedish	2023	1961	340,000	150,000	Yes/Yes	8/9		4/4

1) The fees refer to set amounts during the period from the AGM on 9 April 2024 until the AGM on 10 April 2025. Board fees shall be paid in amount of SEK 800,000 (750,000) to the Board Chairman and SEK 340,000 (325,000) to each other board member elected by the AGM. Fees for work on the Board committees will be paid in the amount of SEK 110,000 (100,000) for each member of the audit committee, SEK 175,000 (150,000) for the Chairman of the audit committee, SEK 100,000 (unchanged) for each member of the remuneration committee and SEK 150,000 (unchanged) for the Chairman of the remuneration committee; For further details, see Note 7 on page 125.

2) Attendance refers to meetings during the 2024 calendar year.

3) At the 2024 AGM on 9 April 2024, Morten Falkenberg was elected to the Board of Directors. Mikael Norman declined re-election.

## Board meetings in 2024



Camilla Svenfelt, Alan McLean Raleigh, Patrick Bergander, Malin Jennerholm and Pauline Lindwall. In addition, the employee organisation LIVS appointed one employee representative to the Board, Lena Grönedal. All Board members have attended Nasdaq's stock market training course for boards and management. The average age of the Board members elected by the AGM was 57 years at year-end and three of the seven are women. For information about the Board members' assignments outside the Group and holdings of shares in Cloetta, see pages 58–59 and cloetta.com.

### Diversity policy

The nomination committee applies rule 4.1 of the Code as its diversity policy to propose election of directors to the Board. According to this rule, the board com-

position of the elected directors must be set with regard to appropriateness to the company's operations and phase of development and must collectively exhibit diversity and breadth of competence, experience and background. An equal balance between the genders should be aimed for. The objective of the diversity policy is to underline the importance of appropriate diversity within the Board with regard to gender, age, nationality and experience, professional background and business expertise. The Nomination Committee endeavours to achieve diversity and gender balance on the Board. This is evaluated each year along with a continuous process to identify future board candidates with relevant backgrounds and experience. The proposed composition of the board more than satisfies the requirements for expertise

and experience, in view of the company's operations and future development. The proposed composition also met the applicable requirements including board independence, sufficient experience with listed companies and expertise in accounting and auditing.

### Independence of the Board

In accordance with the Code, the majority of the Board members elected by the AGM shall be independent in relation to the company and its Group Management Team and at least two of these shall also be independent in relation to the company's major shareholders. Of the Board's seven members, all are independent in relation to the company and its Group Management Team and five are independent in relation to the company's major shareholders.

**The Board's instructions and policies**

On a yearly basis, the Board reviews and adopts a work plan for its own activities and those of the Board's audit and remuneration committees. The Board also adopts instructions for the President and CEO and instructions for financial reporting. Among other things, these regulate the segregation of duties between the Board of Directors, the Chairman of the Board, the President and CEO and the auditor, quorum, conflict of interest, the work of the committees, internal and external reporting, routines for notification of general meetings, Board meetings and minutes. In addition, the Board has issued and adopted a Code of Conduct that applies throughout the group for all relationships with employees, customers, consumers, suppliers, competitors, official authorities and non-governmental organisations (NGO) and other important policies.

**Selection of policies**

**The Board reviews and adopts a number of policies on a yearly basis, these are a selection of policies:**

- Code of Conduct
- Communication and Disclosure policy
- Finance policy
- HR policy
- Insider policy
- Internal control framework policy
- IT security policy
- Fraud policy
- Whistleblowing policy
- Anti-bribery and anti-corruption policy
- Trade controls policy
- Approval and Authorisation framework

**Evaluation of Board performance**

The performance of the Board is evaluated annually in order to continuously improve the Board's working methods and efficiency. The Chairman of the Board is

responsible for carrying out the evaluation and presenting the results to the nomination committee. The intention of the evaluation is to gather the Board members' views on the Board's performance, measures that can be taken to improve the efficiency of board work and whether the Board has a well-balanced mix of competencies. The evaluation provides valuable input for the nomination committee ahead of the AGM.

In November 2024, Cloetta had a digital board performance survey using the company Board portal. The results of the survey have been reported to and discussed by both the Board and the nomination committee.

**Board meetings**

During 2024, the Board held nine scheduled meetings. The President and CEO and the CFO, who also acts as the Board Secretary, take part in the Board's meetings. Other members of the Group Management Team participate as needed to report on special items of business.

**5 Board committees**

**Audit committee**

In 2024, the audit committee consisted of members Patrick Bergander (Chairman), Camilla Svenfelt and Malin Jennerholm. The majority of the committee's members shall be independent in relation to the company and its Group Management Team and at least one of these shall also be independent in relation to the company's major shareholders. At least one member shall be independent and have accounting or auditing expertise. Of the audit committee's three members, all are independent in relation to the company and its Group Management Team and two are independent in relation to the company's major shareholders. The work of the audit committee is regulated by instructions that have been adopted by the Board as part of its work plan. The audit committee is responsible for ensuring the quality of the financial and sustainability reporting and the effectiveness of the company's internal control and risk management regarding financial reporting as well as overseeing the sustainability reporting process. In brief, the audit committee, without affecting the other tasks and responsibilities of the Board, shall meet regularly with the company's auditors to remain informed about the focus and scope of the audit of the financial reporting and

the limited assurance of the sustainability reporting. The company's auditor shall be invited to participate in the meetings of the audit committee. The audit committee shall meet at least four times every financial year. All audit committee meetings must be documented. The audit committee shall inform the Board about the matters dealt with by the committee. The committee held four meetings during 2024.<sup>1</sup>

**Remuneration committee**

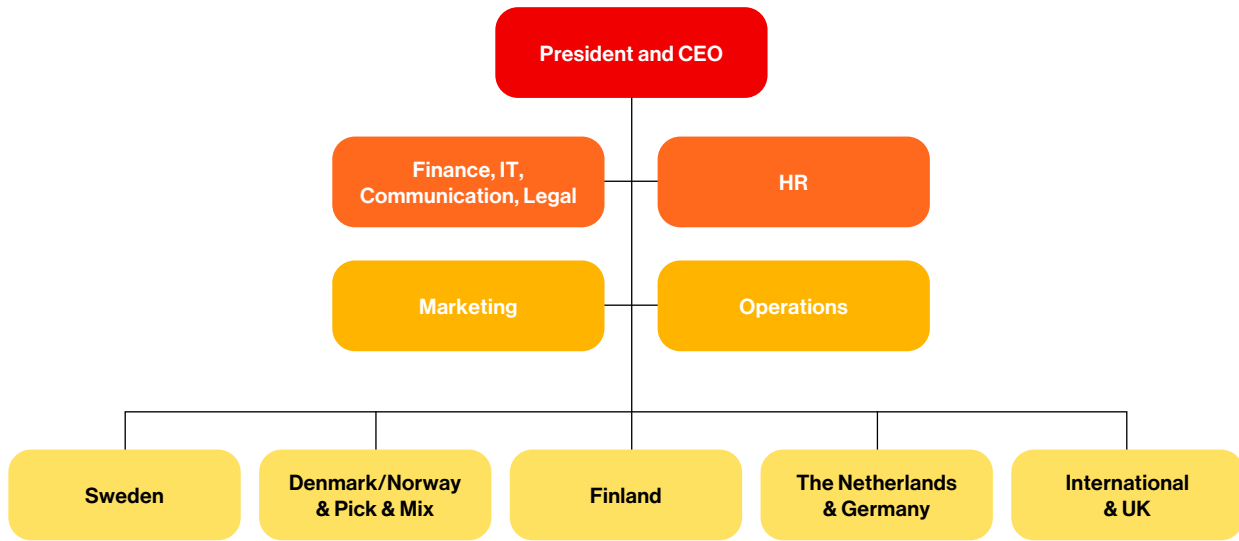
The remuneration committee shall have no more than four members who are appointed by the Board on a yearly basis. One of the members shall be the chairman of the committee. The Board's remuneration committee consists of members Pauline Lindwall (chairman), Mikael Svenfelt, Alan McLean Raleigh and Morten Falkenberg. The majority of the committee's members shall be independent in relation to the company and its Group Management Team. Of the remuneration committee's members, all four are independent in relation to the company and its Group Management Team. The work of the remuneration committee is regulated by special instructions that have been adopted by the Board as part of its work plan. The main tasks of the remuneration committee are to prepare recommendations to the Board for decisions on remuneration principles, remuneration and other terms of employment for the Group Management Team, to monitor and evaluate programmes for variable remuneration completed during the year and ongoing programmes for the Group Management Team as adopted by the AGM and to monitor the current remuneration structures and levels in the Group. The remuneration committee shall meet at least twice every financial year. During 2024 the committee held four meetings.<sup>1</sup>

**Chairman of the Board**

The Chairman of the Board is elected by the Annual General Meeting and on 9 April 2024 the AGM elected Morten Falkenberg as the Chairman of the Board. The Chairman shall supervise the work of the Board and ensure that the Board discharges its duties and has special responsibility for ensuring that the work of the Board is well organised and effectively executed and for monitoring the Group's development. The Chairman oversees the effective implementation of the Board's decisions and is

<sup>1</sup> In the corporate governance report for 2023, the number of meetings related to the period between the AGM in 2023 and the publication of the 2023 Annual and Sustainability Report. These numbers are therefore not comparable to last year's corporate governance report.

# Organisational chart



responsible for ensuring that the work of the Board is evaluated yearly and that the nomination committee is informed about the results of this evaluation.

## 6 President and Group Management Team

The President and CEO is appointed by the Board. The President and CEO supervises operations according to the instructions adopted by the Board and is responsible for the day-to-day management of the company and the Group, in accordance with the Swedish Companies Act and other applicable rules. In addition, the President and CEO, together with the Chairman, decides which matters are to be dealt with at Board meetings. The Board regularly evaluates the President and CEO's duties and performance. The President and CEO is responsible for ensuring that the Board members are supplied with the necessary information to make decisions and presents reports and proposals at Board meetings regarding issues dealt with by the Group Management Team. The President and CEO regularly informs the Board and Chairman about the financial position and development of the company and the Group.

Katarina Tell has been the President and CEO of Cloetta since 1 June 2024, Henri de Sauvage-Nolting was the President and CEO of Cloetta until 31 May 2024 and his resignation was communicated by the company on 25 January 2024. Effective as of 15 August 2024, Ulrika Palm was appointed as

President Sweden. Per 31 December 2024 the Group Management Team consisted of the five regional presidents (one also being the Chief Pick & Mix Officer), the President of Operations, the CFO, the CMO and the Chief Human Resources Officer. For information about the President and CEO and other members of the Group Management Team, see pages 60–61. The Group Management Team holds regular management meetings and held twelve meetings in 2024. The meetings are focused on the Group's strategic and operational development and financial performance.

## 7 Auditor

The auditor is elected by the AGM to examine the company's annual accounts and accounting records and the administration of the Board of Directors and the President and CEO. The auditor's reporting to the shareholders takes place at the AGM through the presentation of the auditor's report. At the AGM on 9 April 2024, the registered public accounting firm PwC was re-appointed as the auditor for the company for the period until the next AGM. The authorised public accountant Sofia Götmar-Blomstedt was elected to continue as the Lead Audit Partner.

## 8 Financial and sustainability reporting and sustainability governance

**Financial and sustainability reporting**  
The Board of Directors is responsible for ensuring that the company's organisation is

structured in such a way that the company's financial circumstances can be controlled satisfactorily and that external financial and sustainability information, such as interim, annual and sustainability reports to the market, are prepared in accordance with the legal requirements, applicable accounting standards and other requirements applicable to listed companies.

The tasks of the Board are to oversee the Group's financial development, assure the quality of the financial and sustainability reporting and internal control and regularly monitor and evaluate operations. The task of the audit committee is to support the Board in assuring the quality of the company's financial and sustainability reporting. The audit committee also oversees the financial and sustainability reports and significant accounting matters, as well as matters related to internal control, compliance, material uncertainty in reported values, events after the balance sheet date, changes in estimates and judgements and other circumstances affecting the quality of the financial and sustainability reports.

The President and CEO ensures that the financial accounting in the Group companies is carried out in compliance with legal requirements and that financial management is conducted in a satisfactory manner. Cloetta's President and CEO and the CFO are members of the boards of all operating subsidiaries. Every month, the Group prepares a closing of the books that is submitted to the Board and the Group

Management Team. For each financial year, a profit & loss statement, cash flow statement and investment budget are prepared and are adopted at the scheduled Board meeting in December. External information is regularly provided in the form of:

- Interim reports;
- Annual and Sustainability report;
- Press releases about important news that is deemed to have a potential impact on the share price;
- Presentations for financial analysts, investors and the media on the date of publication of the year-end and interim reports;
- Meetings with financial analysts and investors;
- External information on the Group's sustainability work is reported in the sustainability reporting forming part of the Annual Report.

**Sustainability governance**

The overall strategies for Cloetta's sustainability work have been adopted by the Group Management Team and the ultimate responsibility for sustainability matters lies with Cloetta's Board of Director and its President and CEO. Cloetta's sustainability work is led by the CMO, who works together with the Global Marketing Director for Sustainability and the Sustainability (Reporting) Managers. The Sustainability Manager is the spokesperson for environmental and social issues and is responsible for identifying prioritised areas. The Sustainability Reporting Manager is the spokesperson for reporting and governance issues. Both act as the stakeholders' link to the Group Management Team and support the implementation of Cloetta's sustainability agenda. During 2024, Cloetta has also established a Sustainability Board which gathers director-level employees that have

close ties to daily operations to enable a more practical and responsive forum for sustainability matters.

The Group Head of Health & Safety, Environment (HSE) leads the work on health, safety and environment. All factories have dedicated HSE managers and in the rest of the organisation, local managers are responsible.

Sustainability updates are provided to the Board of Directors and its audit committee is responsible to oversee processes and internal control relating to sustainability reporting.

**Additional information**

The following information can be found at [www.cloetta.com](http://www.cloetta.com): Articles of Association, Cloetta's Code of Conduct, information from previous AGMs and corporate governance reports from previous years.

**Press releases 2024**

**October**

- Cloetta AB interim report July–September 2024: Continued organic growth and strengthened profit
- Cloetta's Nomination Committee for the AGM 2025

**September**

- Cloetta puts investment in greenfield plant on hold and initiates reassessment of the plant and options

**July**

- Cloetta AB interim report April–June 2024: Improved profitability and continued organic growth

**June**

- Cloetta appoints Ulrika Palm as President Cloetta Sweden

**May**

- Cloetta divests Nutisal brand to further focus on core confectionary portfolio

**April**

- Cloetta AB interim report January–March 2024: Profit protected despite historically high cocoa price
- Decisions taken at the Annual General Meeting of Cloetta on 9 April 2024
- Cloetta appoints Katarina Tell as President and CEO

**March**

- Cloetta's Annual and Sustainability Report 2023 published
- Notice of the Annual General Meeting of Cloetta AB (publ)

**February**

- Proposals of Cloetta AB's Nomination Committee – Morten Falkenberg proposed as new Chairman

**January**

- Cloetta AB interim report: October–December 2023
- CEO Henri de Sauvage-Nolting to leave Cloetta
- Cloetta appoints Laura Lindholm as Director, IR and Communications

# Remuneration of the Group Management Team

## Guidelines for remuneration of Group Management Team

The current guidelines for remuneration of the Group Management Team were adopted by the AGM on 4 April 2023. The total remuneration shall be market-based and competitive and shall be proportionate to the individual's responsibilities and powers. In addition to base salary, remuneration of the President and CEO, other members of the Group Management Team and other executives reporting directly to the President and CEO can include: short-term variable compensation, share-based long-term variable compensation, pension benefits, termination benefits and other benefits.

### Short-term variable compensation

Short-term variable compensation is linked to specific business targets and is derived from the annual business plan approved by the Board of Directors. The short-term variable compensation is delivered through a cash-based bonus programme. Short-term variable compensation is based on personal targets linked directly or indirectly to the achievement of the financial targets set by Cloetta's Board of Directors.

### Share-based long-term variable compensation

Share-based long-term variable compensation consists of the share-based long-term incentive plans, which are resolved on yearly by the AGM. It is aimed at increasing value for the Group's shareholders by promoting and upholding the senior management's commitment to the Group's development and thereby aligning the interests of the Group Management Team and other key employees with those of the shareholders to ensure maximum long-term value creation. The targets for share-based long-term variable compensation are the compound annual growth rate, the adjusted operating profit margin and the EBIT level.

## Pension benefits

Pension benefits vary depending on the agreements and practices in the country where the individual is employed. Defined contribution plans are strived for, which means that pension benefits most often consist of defined contribution plans for which annual premiums are paid as a percentage of pension-qualifying salary up to the age of retirement. Variable salary and benefits are not pension qualifying unless provided by law or collective agreement. The retirement age is not less than 60 years and not more than 67 years.

The Board has the right to deviate from these principles in individual cases where there is special reason to do so.

## Termination benefits

Upon termination of employment on the part of the company, the notice period shall be no longer than 12 months. Any termination benefits may not exceed one fixed annual salary. Due to employment contracts entered into by Leaf prior to Cloetta's acquisition of the company, there are contracts with members of the Group Management Team granting termination benefits exceeding 12 monthly base salaries.

## Other benefits

Other benefits consist mainly of sign-on fees, severance pay, non-compete fees and company car benefits.

## President and CEO

The retirement age is 65 years. The pension terms consist of a defined contribution plan for which annual premiums are paid up to the age of retirement in an amount corresponding to 30 per cent of pension-qualifying salary, consisting of base salary. Variable compensation and other benefits are not pension-qualifying.

The President and CEO has a notice period of six months. Upon termination on the part of the company, the notice period is 12 months.

## Remuneration in 2024

In 2024, the total remuneration of the Group Management Team including the President and CEO amounted to SEK 86,356 thousand (80,031) including pension benefits and SEK 78,541 thousand (71,533) excluding pension benefits.

## Share-based long-term incentive plan for senior executives

On 9 April 2024, the Annual General Meeting approved the Board's proposal for a share-based long-term incentive plan. The plan aligns the interests of the shareholders with those of the Group Management Team and other key employees in order to ensure maximum long-term value creation.

A personal shareholding in Cloetta is required for all participants. See page 32 and Notes 23 and 28 for more information about share-based payment.

## The Board of Directors' report on the remuneration committee's evaluation of remuneration of the Group Management Team

The Board of Directors has established a remuneration committee consisting of four members who prepare recommendations for decision by the Board regarding remuneration principles, remuneration levels and other terms of employment for the Group Management Team. The recommendations have included the proportional distribution between base salary and variable compensation and the size of any salary increases. Furthermore, the remuneration committee has discussed pension terms and termination benefits.

The remuneration committee is also entrusted with the task of monitoring and evaluating programmes for variable remuneration of the Group Management Team, application of the guidelines for remuneration adopted by the AGM and the current remuneration structures and remuneration levels in the company. Pursuant to paragraph 9.1, points 2 and 3 of the Swedish

Code of Corporate Governance, the Board hereby presents the following report on the results of the remuneration committee's evaluation:

The variable compensation that is payable according to the guidelines is linked to both the individual's responsibility for results and the Group's profitability targets, which contributes to value growth for the company's shareholders.

Market surveys are conducted regularly with respect to salary statistics, remuneration structures and levels for variable remuneration. In the opinion of the remuneration committee, Cloetta's remuneration structures and remuneration levels have allowed Cloetta to recruit and retain the right personnel to the Group Management Team.

Remuneration of the President and CEO and other members of the Group Management Team for the financial year 2024 has been determined by the Board. Remuneration of other senior executives has been approved by the President and CEO. Since the 2024 AGM, the remuneration committee has met on four occasions. The current guidelines for remuneration to the Group Management Team was adopted at the AGM on 4 April 2023.

In accordance with the remuneration guidelines, the Board may temporarily deviate from the remuneration guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests.

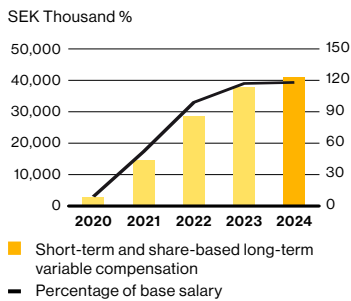
For more information about remuneration of the President and CEO, see the company's Remuneration Report published on the website.

Any variable salary shall be linked, directly or indirectly, to the achievement of Cloetta's long-term financial targets, without it being necessary that the profit for the year, or that the other financial targets, exceed the previous year's results, even if the starting point when deciding on payment of variable salary shall be that the adjusted profit for the year exceeds the previous year's adjusted profit.

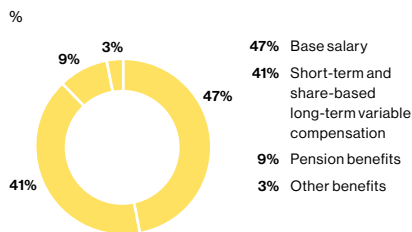
**Short-term variable compensation as a percentage of base salary**

	Target level	Maximum level
President and CEO	50 %	100 %
Other Group Management Team, average	35 %	70 %

**Total variable remuneration (costs incurred) of the Group Management Team incl. the President and CEO**



**Remuneration of the Group Management Team incl. the President and CEO**



## Remuneration cost incurred for the Group Management

2024 SEK Thousand	Base salary	Short-term variable compensation incurred in the year, expected to be paid out in the next year	Share-based long-term variable compensation	Other benefits	Subtotal	Pension costs	Total
<b>Costs incurred in 2024</b>							
<i>President and CEO</i>							
- Katarina Tell <sup>1</sup>	3,220	3,220	1,114	81	7,635	564	8,199
- Henri de Sauvage-Nolting <sup>1</sup>	4,446	4,194	-2,166	1,001	7,475	1,275	8,750
<i>Other Group Management Team<sup>2</sup></i>	26,989	19,177	15,396	1,869	63,431	5,976	69,407
<b>Total</b>	<b>34,655</b>	<b>26,591</b>	<b>14,344</b>	<b>2,951</b>	<b>78,541</b>	<b>7,815</b>	<b>86,356</b>
<i>of which, Parent Company</i>	16,571	14,012	4,717	1,427	36,727	4,510	41,237

### Amount paid in 2024

<i>President and CEO</i>							
- Katarina Tell <sup>1</sup>	3,220	-	-	81	3,301	564	3,865
- Henri de Sauvage-Nolting <sup>1</sup>	4,446	6,000	1,666	1,001	13,113	1,275	14,388
<i>Other Group Management Team<sup>2</sup></i>	26,989	17,976	6,496	1,820	53,281	6,011	59,292
<b>Total</b>	<b>34,655</b>	<b>23,976</b>	<b>8,162</b>	<b>2,902</b>	<b>69,695</b>	<b>7,850</b>	<b>77,545</b>
<i>of which, Parent Company</i>	16,571	12,367	3,943	1,427	34,308	4,510	38,818

2023 SEK Thousand	Base salary	Short-term variable compensation incurred in the year, expected to be paid out in the next year	Share-based long-term variable compensation	Other benefits	Subtotal	Pension costs	Total
<b>Costs incurred in 2023</b>							
<i>President and CEO</i>							
- Henri de Sauvage-Nolting	6,000	6,000	2,912	87	14,999	1,800	16,799
<i>Other Group Management Team<sup>2</sup></i>	26,357	17,590	11,224	1,363	56,534	6,698	63,232
<b>Total</b>	<b>32,357</b>	<b>23,590</b>	<b>14,136</b>	<b>1,450</b>	<b>71,533</b>	<b>8,498</b>	<b>80,031</b>
<i>of which, Parent Company</i>	14,347	12,298	7,129	422	34,196	4,304	38,500

### Amount paid in 2023

<i>President and CEO</i>							
- Henri de Sauvage-Nolting	6,000	4,959	-	87	11,046	1,800	12,846
<i>Other Group Management Team<sup>2</sup></i>	26,357	14,874	-	1,363	42,594	6,698	49,292
<b>Total</b>	<b>32,357</b>	<b>19,833</b>	<b>-</b>	<b>1,450</b>	<b>53,640</b>	<b>8,498</b>	<b>62,138</b>
<i>of which, Parent Company</i>	14,347	10,205	-	422	24,974	4,304	29,278

1) Henri de Sauvage-Nolting resigned during 2024, with a termination date of 31 August 2024. Katarina Tell started as President and CEO on 1 June 2024.

2) Until 30 September 2023 Other Group Management Team comprised 9 persons. For the period 1 October 2023 until 31 December 2023, Other Group Management Team comprised 10 persons, for the period 1 January 2024 until 31 May 2024 it comprised 9 persons, for the period 1 June 2024 until 14 August it comprise 8 persons and as of 15 August 2024 the Other Group Management Team comprised 9 persons.

# Internal control over financial reporting

The Board has overall responsibility for the financial and sustainability reporting and the company’s systems pertaining to internal control. The responsibility is regulated by the Swedish Companies Act, which also states that the audit committee has a specific responsibility for monitoring quality assurance in risk management and internal control over the financial reporting.

Cloetta’s internal control over financial reporting is based on the framework published by the Committee of Sponsoring Organisations of the Treadway Commission (COSO framework). The COSO framework objectives are divided into three distinct disciplines: operations, reporting and compliance, and consists of five individual areas: control environment, risk assessment, control activities, information and communication, and monitoring.

## Control environment

The control environment comprises the organisational structure and the values, policies, instructions and similar, according to which the organisation works. It forms the basis of good internal control and involves creating the necessary conditions for an organisational structure with clear roles and responsibilities, leading to effective management of the risks in the operation.

The Board of Directors is responsible for establishing fundamental rules and guidelines for internal control. The audit committee assists the Board of Directors with its oversight of the performance of the company’s risk management function and internal control insofar as these affect the company’s quality and integrity of financial reporting. The Board of Directors and the

audit committee interact directly with the external auditors.

Where the Board of Directors is responsible for establishing fundamental rules and guidelines, the President and CEO is responsible for the design effectiveness, implementation and supervision of monitoring of the internal control within the Group. The CFO is responsible for the design and operating effectiveness of the internal control environment within the Group.

The Group Management Team and local management teams ensure that the group has employees with the right competency in all key financial positions and that there are procedures in place to ensure that employees in key financial positions have the requisite knowledge and skills.

## Risk assessment

Central and local risk assessments covering both financial and other risks are prepared and form the basis for how risks are managed through various controls. These assessments comprise the likelihood that risks could occur and the potential impact they may have. In addition, the velocity at which a risk could occur is considered. Central and local financial reporting risks are assessed with respect to account balance assertions such as existence, completeness, rights and obligations, valuation and allocation, presentation and disclosure and financial impact. The internal control environment is designed to mitigate risks identified to a level considered acceptable by management.

Certain specific risks, for example risks related to taxes and legal matters and other

financial risks, are reviewed proactively on a periodic basis. Risks and risk management are reported on separately in more detail in the Annual and Sustainability report, on pages 40–44. Tax, legal and other financial risks are reflected based on management’s best estimate and judgement and in accordance with the applicable accounting standards in the consolidated financial statements.

## Fraud risk

Cloetta’s Group Management Team, local management teams and the central finance team are responsible for addressing the risk of fraud and for carrying out a continuous assessment of the risk for fraud with respect to the prevailing attitudes, incentives and opportunities to commit fraud. The Board of Directors has issued a fraud policy and a whistleblower policy aimed at preventing dishonest and/or fraudulent activity and to establish procedures for reporting fraudulent activities to Cloetta’s management and audit committee.

In addition to these policies, Cloetta has adopted an anti-bribery and anti-corruption policy. The purpose of the policy is to prevent bribery and corruption by any employee or third party acting on behalf of Cloetta. The trade controls policy summarises potentially applicable sanctions and export control rules and compliance procedures to be followed by all Cloetta employees. The purpose of this policy is to provide guidelines to ensure compliance with all local trade control laws and regulations including countries through which shipments or financial transactions flow.

## Basis for financial reporting risk assessment

<p><b>Existence:</b> Reported assets and liabilities exist on the reporting date.</p>	<p><b>Completeness:</b> All transactions during the reporting period are recorded and reported.</p>	<p><b>Rights and obligations:</b> Assets are the rights of the organisation and the liabilities are its obligations as of a given date.</p>	<p><b>Valuation and allocation:</b> All items in the financial reporting are reported in compliance with IFRS valuation principles and are correctly calculated and summarised and appropriately recorded.</p>
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**Presentation and disclosure:** Items in the financial reports are properly described, sorted and classified.

**Control activities**

Control activities reduce the risks identified to ensure accurate and reliable financial reporting as well as process efficiency. Control activities occur throughout the organisation, at all levels and in all functions. They are embedded in business process and include a range of activities as diverse as approvals, authorisations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties. The controls contain a balanced mix of preventive and detective controls and of automated and manual controls. In addition to a standard set of automated controls in Cloetta's central systems, local management teams are encouraged to automate controls insofar possible and efficient, especially for routine transactions. Nevertheless, there are also manual control activities in place to verify that the automated controls function as intended and to validate non-routine transactions. All identified financial reporting risks are covered by one or more control activities.

Cloetta has a systematic and structured process in place for dealing with reporting whereby periodically reported financial results from a local level is reviewed by the Group Management Team. This reporting process serves as the basis for Cloetta's internal and external reporting as well as for legal and business reviews. The business reviews, conducted for each business area, are carried out periodically according to a structure in which sales, earnings, cash flow and other key ratios and trends of importance to the Group are compiled and form a basis for analysis and actions by management. Other important and group-wide components of internal control and reporting routines include the annual business planning process and the monthly and quarterly forecasting cycles.

The company's financial situation is discussed at each Board of Directors meeting. The Board's audit committee has important monitoring and control duties regarding loans, investments, financial management, financial reporting and internal control. The audit committee and Board of Directors review and formally approve interim reports and the Annual and Sustainability Report prior to publication. In addition, the audit committee receives regular reports from the independent auditor addressing amongst others financial reporting, IT and internal control matters.

**Information and communication**

Effective communication ensures the information flows in the organisation. Significant policies, guidelines, instructions

# Process for financial reporting

**Monthly**

**Collection of information**

Local units report monthly according to an established timeframe in compliance with the applicable laws, regulations and accounting practices and the Group's accounting manual.

**Controls**

The Group's reporting system contains embedded controls. In addition, the central finance team carries out analytical controls as well as controls of completeness and reasonability.

**Processing and consolidation**

Any corrections are implemented in dialogue with the affected parties. Reconciliation occurs.

**Reporting**

Reporting of operational and financial information to the Board of Directors and the Group Management Team.

**Quarterly**

**Audit committee**

The auditor attends every quarterly audit committee meeting. Possible actions are carried out based on the auditors reporting to the audit committee.

**External reporting**

Cloetta publicly discloses its interim and year-end reports through press releases and publication on the company's website.

and manuals that are important to internal control are regularly updated and made available on the intranet. There are both formal and informal information channels to Group management from employees. For external communication, there is a policy in place setting out the requirement to provide external stakeholders with correct and relevant information in a timely manner.

**Monitoring of internal control**

Cloetta continuously strengthens its internal control environment by evaluating the design and operating effectiveness of the environment. Annually, procedures are performed to verify the design and operating effectiveness in specific areas and relevant control documents are reviewed. Internal control deficiencies detected through the ongoing monitoring activities or separate evaluations are reported upstream and corrective actions are taken to ensure continuous improvement of the internal control environment. Weaknesses identified internally or by the auditor are reported and discussed with the persons involved, with members of Cloetta's Group Management Team and where needed with the audit committee.

**Evaluation of the need for a separate internal audit function**

There is currently no internal audit function at Cloetta. The Board of Directors has reviewed this matter and determined that the existing structures for monitoring and evaluation provide a satisfactory basis for control. For certain special internal audit activities, external resources may be used.

# Board of Directors



## Morten Falkenberg

*Position: Chairman of the Board  
Member of the Remuneration Committee*

**Elected:** 2024

**Born:** 1958

**Nationality:** Danish

**Education:** B.Sc., Copenhagen Business School

**Other assignments:** Board member of Ansell och Duni Group

**Previous assignments:** CEO and Group CEO of Nobia from 2010 to 2019. Previously held senior positions at both divisional and group management levels within Electrolux, Tele Denmark and Coca-Cola.

**Independence:**

In relation to major shareholders: Yes

In relation to the company and management: Yes

**Shareholding:** Direct: 400,000 class B shares  
Related parties: –



## Patrick Bergander

*Position: Member of the Board  
Chairman of the Audit Committee*

**Elected:** 2019

**Year of birth:** 1971

**Nationality:** Swedish

**Education:** B.Sc. Business and Economics, Stockholm University.

**Other assignments:** CEO of Nordic Tyre Group and Board member of SPP Pension & Försäkring AB.

**Previous assignments:** CFO of Rosti Group, CEO and CFO RSA Scandinavia (Codan/ Trygg-Hansa), several positions at Electrolux, including CFO Asia Pacific and Head of Group Business Control. CFO, Business area Private at If Skadeförsäkring and Consultant and Auditor at Arthur Andersen.

**Independence:**

In relation to major shareholders: Yes

In relation to the company and management: Yes

**Shareholding:** Direct: 4,180 class B shares  
Related parties: –



## Malin Jennerholm

*Position: Member of the Board  
Member of the Audit Committee*

**Elected:** 2022

**Year of birth:** 1970

**Nationality:** Swedish

**Education:** B.Sc. in Business Administration and Economics from School of Business, Economics and Law at the University of Gothenburg.

**Other assignments:** CEO Svenska Retursystem AB.

**Previous assignments:** Board member of Livsmedelsföretagen, Board member of Sweden Food Arena, CEO at Orkla Confectionery & Snacks Sweden, General Manager Professional Nordics at Jacobs Douwe Egberts and various positions at Mondelez International and Kraft Foods.

**Independence:**

In relation to major shareholders: Yes

In relation to the company and management: Yes

**Shareholding:** Direct: 7,000 class B shares  
Related parties: –



## Pauline Lindwall

*Position: Member of the Board  
Chairman of the Remuneration Committee*

**Elected:** 2023

**Year of birth:** 1961

**Nationality:** Swedish

**Education:** M.Sc. (Econ), Växjö University.

**Other assignments:** Board member of Huhtamaki Finland and European Institute of Innovation & Technology (EIT) Food.

**Previous assignments:** Board member of Duni AB, Swedish Match AB, McKesson Europe AG and Lantmännen. Senior Advisor of Stora Enso AB.

**Independence:**

In relation to major shareholders: Yes

In relation to the company and management: Yes

**Shareholding:** Direct: 11,261 class B shares  
Related parties: –



## Alan McLean Raleigh

*Position: Member of the Board  
Member of the Remuneration Committee*

**Elected:** 2018

**Year of birth:** 1959

**Nationality:** British

**Education:** B.Sc. (Hons) Production Engineering and Production Management, University of Strathclyde.

**Other assignments:** Board Chairman of Robinson plc.

**Previous assignments:** Trustee on the Board of the Chartered Institute of Procurement and Supply (CIPS), Executive Vice President, Personal Care Supply Chain, Unilever.

**Independence:**

In relation to major shareholders: Yes

In relation to the company and management: Yes

**Shareholding:** Direct: 8,144 class B shares  
Related parties: –



## Camilla Svenfelt

*Position: Member of the Board  
Member of the Audit Committee*

**Elected:** 2016

**Year of birth:** 1981

**Nationality:** Swedish

**Education:** Bachelor of Science in Social Work and courses in business administration, labour market economics and management, Stockholm University.

**Other assignments:** Board member of AB Malfors Promotor, deputy board member of the Hjalmar Svenfelt Foundation and Accounting supervisor at AB Malfors Promotor.

**Previous assignments:** –

**Independence:**

In relation to major shareholders: No

In relation to the company and management: Yes

**Shareholding:** Class A shares, Direct: 60  
Related parties: 5,729,569  
Class B shares, Direct: 512,485  
Related parties: 88,794,068



**Mikael Svenfelt**

*Position: Member of the Board  
Member of the Remuneration Committee*

**Elected:** 2008

**Year of birth:** 1966

**Nationality:** Swedish

**Education:** Marketing and Business Economics, Tibbleskolan and Law studies, Folkuniversitetet.

**Other assignments:** CEO and Board member of AB Malfors Promotor.

**Previous assignments:** Senior positions in Nicator Group, Dell Financial Services, GE Capital Equipment Finance AB and Rollox AB, Board Chairman of Fjärilshuset Haga Trädgård AB, Board member of Fjärilshuset Haga Trädgård Café AB.

**Independence:**

In relation to major shareholders: No

In relation to the company and management: Yes

**Shareholding:** Class A shares, Direct: 25  
Related parties: 5,729,569  
Class B shares, Direct: 47,535  
Related parties: 88,699,973



**Lena Grönedal**

*Position: Employee board member, LIVS*

**Elected:** 2008

**Year of birth:** 1962

**Nationality:** Swedish

**Position at Cloetta:** Factory Operative, Cloetta Sverige AB.

**Shareholding:** Direct: –  
Related parties: –

Shareholding stated as at 31 December 2024

# Group Management Team



## Katarina Tell

*Position: President and CEO since 1 June 2024  
Employed by Cloetta since 2018*

**Year of birth:** 1970

**Nationality:** Swedish

**Education:** M.Sc. Food & Nutrition, Umeå University and studies in business administration, Lund University.

**Other assignments:** Board member of Svensk Plastindustri i Motala and DLF, Dagligvaruleverantörernas Förbund.

**Previous positions:** President Cloetta Sweden, General Manager Findus, Sweden. Managing Director Heinz Northern and Eastern Europe, Retail Sales Manager Heinz Sweden and Business development Findus.

**Shareholding:** Direct: 161,801 class B shares  
Related parties: –



## Frans Rydén

*Position: Chief Financial Officer (CFO) since 2018  
Employed by Cloetta since 2018*

**Year of birth:** 1972

**Nationality:** Swedish

**Education:** B.Sc. Business Administration and Degree of Master of Laws, LL.M, Stockholm University.

**Other assignments:** –

**Previous positions:** Various finance positions in Mondelez such as chief financial officer for India and for Indonesia, Finance Director ZBB Asia-Pacific, Regional Manager Financial Planning and Analysis and Area Manager Internal Controls. Vice President Finance at Arla Foods.

**Shareholding:** Direct: 162,932 class B shares  
Related parties: –



## Thomas Biesterfeldt

*Position: Chief Marketing Officer (CMO) Marketing, Innovation and Sustainability since 2018  
Employed by Cloetta since 2018*

**Year of birth:** 1980

**Nationality:** German

**Education:** MBA (Major Marketing), Hamburg University of Applied Sciences.

**Other assignments:** –

**Previous positions:** Marketing Director at L'Oréal Paris in the Nordics (based in Denmark), previously Marketing and Group product manager at L'Oréal Paris in Germany and Sweden.

**Shareholding:** Direct: 65,676 class B shares  
Related parties: –



## Ewald Frenay

*Position: CHRO since 2023  
Employed by Cloetta since 2000 (through acquired company LEAF)*

**Year of birth:** 1963

**Nationality:** Dutch

**Education:** M.Sc. Economics, Erasmus University.

**Other assignments:** –

**Previous positions:** Area President Cloetta Middle 2012-2023, Interim President Cloetta Italy and Export Markets 2016-2017. Various positions at LEAF 2000-2012 including President Middle at LEAF and Chief Marketing Officer. Member of LEAF Executive Committee 2008-2012. Vice President Segment Sugar confectionery at CSM 2005-2007, Marketing Director at CSM 2004-2005 and Marketing Director of RBV LEAF the Netherlands 2000-2004. Several marketing and sales positions at Mars Inc. 1989-1999.

**Shareholding:** Direct: 54,434 class B shares  
Related parties: –



## Michiel Havermans

*Position: Senior Vice President Cloetta International since 2018  
Employed by Cloetta since 2018*

**Year of birth:** 1973

**Nationality:** Dutch

**Education:** M.Sc. Economics, Erasmus University.

**Other assignments:** –

**Previous positions:** Regional Director sales and marketing for Europe, Middle East and Americas at United Dutch Breweries (UDB), Export Director, Country Manager UK and Managing Director Vietnam and the Philippines at Perfetti van Melle.

**Shareholding:** Direct: 24,041 class B shares  
Related parties: –



## Marcel Mensink

*Position: President Operations (COO) since 2017  
Employed by Cloetta since 2017*

**Year of birth:** 1971

**Nationality:** Dutch

**Education:** MBA University of Canterbury and B.Sc. Food Technology, van Hall Institute.

**Other assignments:** –

**Previous positions:** Supply Director, Mars Supply Petcare Europe. Several leading positions at Mars in various business units, including Petcare, Food and Chocolate, Supply Director Mars Care & Treats Europe, Plant director Mars Food UK, several different operational roles at Mars Chocolate.

**Shareholding:** Direct: 60,086 class B shares  
Related parties: –



**Ulrika Palm**

*Position: President Sweden since 15 August 2024  
Employed by Cloetta since 2024*

**Year of birth:** 1973

**Nationality:** Swedish

**Education:** Master of Business and Administration from the School of Business, Economics and Law at the University of Gothenburg.

**Other assignments:** Board member of Board Member of GS1 Sweden and DLF (Trade Association of Sweden).

**Shareholding:** Direct: 3,300 class B shares  
Related parties: –



**Ville Perho**

*Position: President Finland since 2015  
Employed by Cloetta since 2004 (through acquired company LEAF)*

**Year of birth:** 1979

**Nationality:** Finnish

**Education:** M.Sc. Turku School of Economics.

**Other assignments:** Co-owner and Board member of Varastooura Oy, Chairman of Finnish Chocolate, Sugar Confectionery and Biscuit Industries' Association.

**Previous positions:** Sales Director Cloetta Finland 2010–2015, Category Development Manager LEAF 2004–2010, Global Account Manager Lidl at LEAF 2007–2009.

**Shareholding:** Direct: 85,447 class B shares  
Related parties: –

**Changes in the Group Management Team**

On 17 January 2025, Cloetta shared that Marcel Mensink, President Operations and COO, will leave Cloetta and its Group Management Team in the middle of April 2025.

On 19 June 2024, Cloetta appointed Ulrika Palm as Katarina Tell's successor as President Sweden, effective in autumn 2024 at the latest.

On 25 January 2024 Cloetta shared that CEO Henri de Sauvage-Nolting had informed that he wishes to resign from his position. On 4 April 2024 Cloetta appointed Katarina Tell President and CEO, which became effective as from 1 June 2024.



**André Ruikes**

*Position: President Middle since 2023  
Employed by Cloetta since 2010 (through acquired company LEAF)*

**Year of birth:** 1985

**Nationality:** Dutch

**Education:** Bachelor Business Administration and Master Marketing Management, Erasmus University Rotterdam, the Netherlands.

**Other assignments:** –

**Previous positions:** Different positions in Cloetta such as Customer Director 2019–2023, Customer Marketing Director 2015–2019, Sr. Account Manager 2012–2015 and Brand Manager 2010–2012.

**Shareholding:** Direct: 10,632 class B shares  
Related parties: –



**Niklas Truedsson**

*Position: President Cloetta Denmark, Norway and Chief Pick & Mix Officer since 2021  
Employed by Cloetta since 2019*

**Year of birth:** 1972

**Nationality:** Swedish

**Education:** M.Sc. Business Administration and Economics, Lund University.

**Other assignments:** –

**Previous positions:** Various managerial roles at Unilever in the Nordics and Asia including Country Manager Sweden, CEO at Risenta, part of the Paulig Group.

**Shareholding:** Direct: 57,031 class B shares  
Related parties: –

Shareholding stated as at 31 December 2024

# Sustainability report

The sustainability report outlines Cloetta’s governance and performance concerning key sustainability issues, including detailed performance indicators and metrics.

## Content

<b>General information</b>	<b>63</b>
Basis for preparation	63
Material sustainability matters	67
Interaction with business model and strategy	69
Sustainability governance	72
<b>Environmental information</b>	<b>74</b>
Climate change	74
EU taxonomy	80
Biodiversity and ecosystems	86
Resource use and circular economy	88
<b>Social information</b>	<b>92</b>
Own workforce	92
Workers in the value chain	98
Consumers and end-users	101
<b>Governance information</b>	<b>104</b>
Business Conduct	104

# General information

## Basis for preparation

As of the financial year 2024, Cloetta AB (publ) sustainability report is prepared with inspiration of the new EU legislation Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). To give a fair picture of our operations, our ambition has been to implement the reporting standards to the extent possible for the financial year 2024. The sustainability report is excluded from the management report for 2024, as it is inspired by the ESRS standards but does not yet fully align with them. Cloetta is preparing to meet the CSRD requirements for 2025, at which point the sustainability report will be integrated into the management report in accordance with the legislation. Cloetta's annual statutory sustainability report is prepared in accordance with Chapter 6, Section 10 of the Swedish Annual Accounts Act, as described on page 39 of the management report. Cloetta's sustainability report is also prepared in accordance with the Norwegian Transparency Act 2021 and other relevant regulations. Disclosures required by the Norwegian Transparency Act are provided in chapters on "Human Rights," "Own Workforce," and "Workers in the Value Chain".

## Consolidation

The data is consolidated according to the same principles as the financial statements, meaning it includes the parent company, Cloetta AB (publ), and its controlled subsidiaries. The sustainability report covers the entire business operations of the company, unless otherwise noted. This approach to consolidating information is consistent across all disclosures and material topics.

## Accounting principles

We collect and verify data systematically across all key sustainability metrics, integrating this information into our non-financial reporting processes. Sustainability data is internally reviewed and approved before data is entered into the report, ensuring central oversight and control. To reduce the risks associated with manual data entry, a quality control process is used, ensuring

that at least two people review and verify the data before approval. Where necessary, external audits are conducted to validate the accuracy, completeness, and reliability of the reported data. Cloetta's reporting structures and calculations are evaluated annually to ensure they reflect real conditions as accurately as possible.

A primary risk in sustainability reporting is that data may be reported inaccurately or not consolidated correctly. Some reported data points, such as taxonomy KPIs and scope 3 emissions, rely on assessments and estimates. Climate data is generally associated with some uncertainty due to different measurement methods and data quality. We use well established methods and frameworks, such as the Greenhouse Gas Protocol (GHG protocol), for calculating our greenhouse gas emissions. Any changes to these estimates are recognised in the period they are updated. Informed judgments are applied when implementing accounting policies. This includes making decisions about how data is calculated, presented, or classified based on the specific context. Details of these estimates and assumptions are available in the following quantitative environmental, social, and governance (ESG) data sections.

## Reporting changes and prior reporting errors

For Cloetta's 2024 sustainability disclosures, reporting has transitioned from the Global Reporting Initiative (GRI) to an initial alignment with ESRS requirements. Key changes include an updated materiality assessment, a restructured sustainability report, and reporting on ESRS topical standards. All data points included in the sustainability sections have been assessed as material according to Cloetta's double materiality assessment. No major errors from previous reports were found, but some corrections to waste and climate data have been made, affecting historical records and leading to revised figures in this year's report. Such corrections are described in the respective disclosures.

## External review

Selected disclosures from ESRS are covered by review (limited assurance) performed by the company's auditor PwC. Please see the auditor's limited assurance report on page 107–109. The latest sustainability report was issued on March 11, 2024. Questions about Cloetta's sustainability report can be directed to: [sustainability@cloetta.com](mailto:sustainability@cloetta.com).

## Strategy, business model and value chain

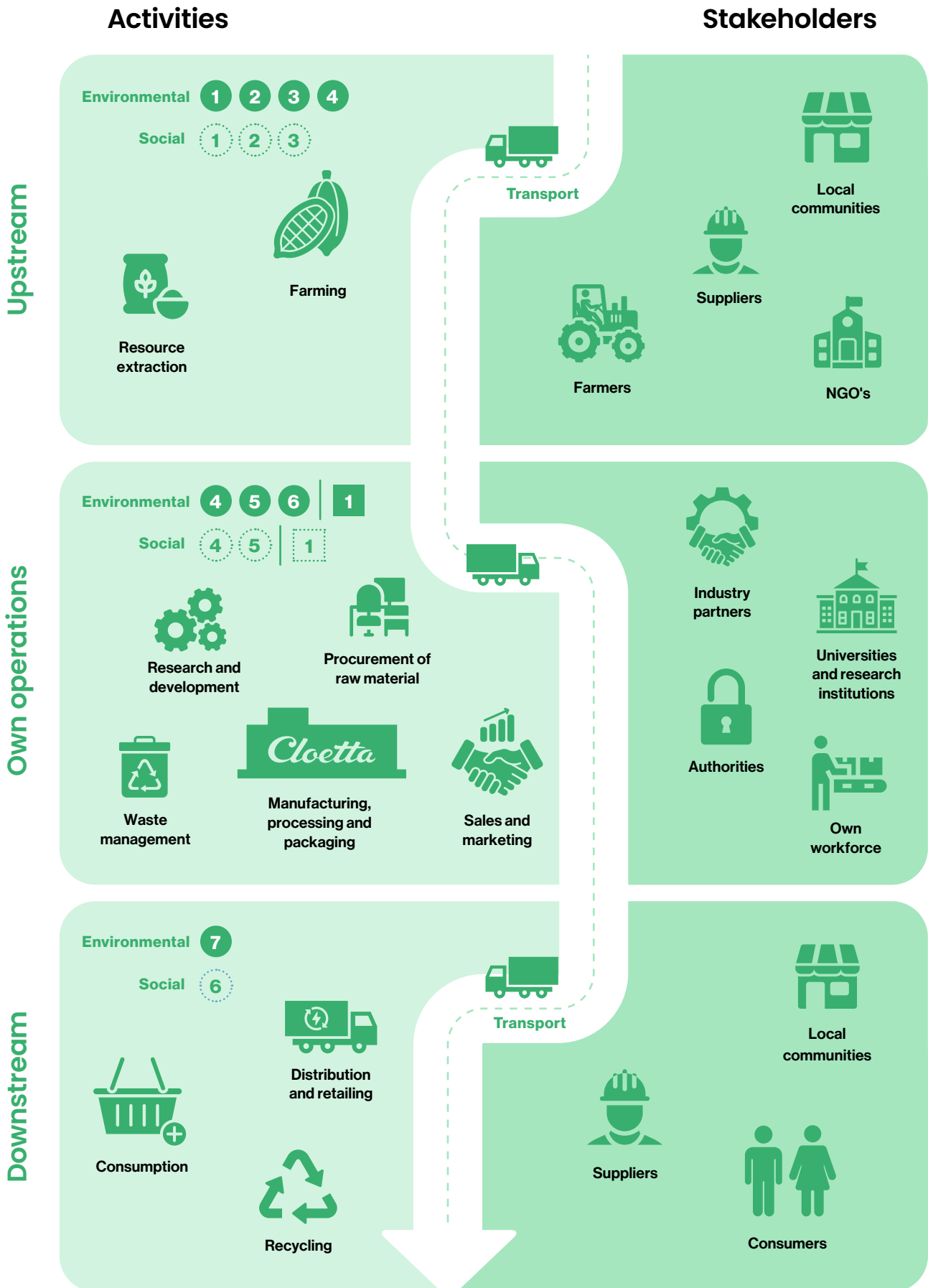
### Creating value through sustainability

Cloetta's sustainability agenda "A Sweeter Future" focuses on creating joy and long-lasting value For you, For people and For the planet. The three pillars represent our most important areas in our business and value chain where we have the ability and the responsibility to create a positive impact. Sustainability is integrated into the core of our business, our mission connects to Cloetta's purpose, and the progress of our initiatives raises our ambition to create a sweeter future. Our sustainability efforts create value by enhancing our brand image, driving consumer preference, ensuring supply chain stability, and preparing our company for future regulatory requirements. By embedding sustainability into our business strategy, we not only contribute to a healthier planet and society but also secure our long-term success and profitability.

### Our business

Cloetta's business model focuses on producing and marketing confectionery products, targeting both branded consumer goods and the Pick & mix segment. Our offerings include products like Läkerol, CandyKing, Jenkki, Kexchoklad, Malaco, Sportlife, and Red Band. We operate in key European markets, including Sweden, Finland, the Netherlands, Denmark, Norway, the UK, and Germany, as well as selected international markets. Cloetta's plants are located in multiple countries, supporting our extensive product portfolio. Read more about our business model and strategy on pages 10–11 and 18–23, our markets on pages 12–13 and 24–28, and our consumers on pages 14–16.

# Our value chain



## Negative impact

### Environmental

- 1 Natural resources exploitation and land-use change
- 2 Deforestation
- 3 Biodiversity/Habitat loss
- 4 Greenhouse gas emissions
- 5 Energy consumption
- 6 Waste generation during operation
- 7 Waste generation from packaging/ non-recyclable packaging waste, food waste

### Social

- 1 Working conditions
- 2 Fair wages
- 3 Child and forced labour
- 4 Worker safety
- 5 Labour conditions
- 6 Health and nutrition impacts

## Risks

### Environmental

- 1 Increased operational costs

### Social

- 1 Health and safety incidents – productivity loss and brand impact

Cloetta's value chain encompasses the full lifecycle of confectionery products and is structured into upstream, own operations, and downstream stages. Each stage plays a vital role in delivering high-quality products while addressing material sustainability impacts, risks, and opportunities.

In the upstream stage, activities include the farming and resource extraction of our raw materials, as well as their growing, harvesting, and refining or processing.

This stage also involves the trade and transportation of these raw materials to Cloetta's manufacturing facilities.

Own operations encompass procurement, manufacturing, processing, and packaging activities. Raw materials are sourced and transformed into confectionery products at Cloetta's facilities under strict food safety and quality control standards. Packaging is designed to protect products while minimising environmental

impact. Innovation, design, and development play key roles in enhancing product value and addressing customer needs, while marketing ensures the effective communication of product benefits.

The downstream stage involves the distribution of finished products to retailers and consumers through various sales channels. This stage includes product consumption, with efforts to promote recycling to minimise waste and environmental impact.

# Our engagement with stakeholders

Stakeholder engagement is an ongoing process integrated into our strategic and operational activities. We collaborate with stakeholders at all levels, globally and locally, to build trust and gain insights that inform our business decisions. This engagement helps us anticipate market trends, innovate, and align actions with the

needs of our consumers, suppliers, and communities, ultimately driving our sustainability goals and creating value. Ongoing stakeholder dialogue has been maintained throughout the year, complemented by a dedicated stakeholder dialogue as part of the double materiality analysis. Insights from stakeholder engagements are sys-

tematically reviewed and communicated to relevant parties. When these insights influence Cloetta's strategic direction or operational priorities, they are shared with the Group Management team and the Board of Directors to ensure alignment with stakeholder expectations.

Stakeholder	Key issues – sustainability	Communication and cooperation
<b>Customers and consumers</b>	<ul style="list-style-type: none"> <li>Responsible Marketing</li> <li>Food safety and product transparency</li> <li>Less and Better Packaging</li> <li>Climate action</li> </ul>	<ul style="list-style-type: none"> <li>Clear labeling, certifications</li> <li>Cloetta's website, social media</li> <li>Customer and sales meetings three times per year (in-person or online), and via customer surveys and collaborative initiatives for e.g. eco-efficient transportation</li> </ul>
<b>Employees, Board &amp; Management</b>	<ul style="list-style-type: none"> <li>Competence development</li> <li>Health and safety, employee well-being</li> <li>Equality &amp; diversity in the workplace</li> <li>Ethics and anti-corruption</li> <li>Climate action</li> <li>Long-term sustainable value growth</li> </ul>	<ul style="list-style-type: none"> <li>Daily meetings to discuss occupational health and safety in the factories</li> <li>Annual performance reviews with all employees</li> <li>Systematic skills development</li> <li>Up-to-date information provided monthly, e.g. via managers, union representatives and Cloetta's intranet</li> <li>Employee survey "Cloetta Engagement survey" every other year</li> </ul>
<b>Workers in the value chain</b>	<ul style="list-style-type: none"> <li>Human &amp; labour rights in the supply chain</li> <li>Transparency &amp; risk management</li> <li>Ethics and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Annual audits by certification bodies for ISO, RSPO and Rainforest Alliance</li> <li>Supplier sustainability questionnaires</li> <li>Collaboration with suppliers and third-party organisations</li> <li>Development projects</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>Long-term sustainable value growth</li> <li>Transparency &amp; risk management</li> <li>Ethics and anti-corruption</li> <li>Climate action</li> <li>Human &amp; labour rights in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Analyst and investor meetings</li> <li>Interim reports</li> <li>Annual general meeting</li> <li>Annual and Sustainability Report</li> <li>Cloetta's website</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Food safety</li> <li>Climate action</li> <li>Human &amp; labour rights in the supply chain</li> <li>Biodiversity impact from key raw materials</li> <li>Ethics and anti-corruption</li> <li>Less and Better Packaging</li> </ul>	<ul style="list-style-type: none"> <li>Annual evaluation of suppliers' performance</li> <li>Audits</li> <li>Development projects</li> <li>Collaborative projects for sustainability</li> </ul>
<b>Communities and the public</b>	<ul style="list-style-type: none"> <li>Transparency</li> <li>Community involvement</li> <li>Climate action</li> <li>Human &amp; labour rights in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Continuous contact with the local communities/municipalities close to Cloetta's factories with regard to the local environment</li> <li>Annual audits by certification bodies for ISO, BRC, RSPO and Rainforest Alliance</li> <li>Continuous contact with key opinion leaders</li> </ul>
<b>Regulatory authorities</b>	<ul style="list-style-type: none"> <li>Legal and regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Continuous contact with public authorities in areas related to workplace health and safety, environmental and product</li> </ul>

# Material sustainability matters

During 2024, Cloetta’s double materiality assessment was finalised, assessing both the impact on environment and people, and the financial effects of sustainability risks and opportunities. This approach is required under the European Sustainability Reporting Standards (ESRS) as part of the new EU Corporate Sustainability Reporting Directive (CSRD). Our updated process reflects these requirements, incorporating a financial assessment and a more thorough evaluation of our value chain.

The double materiality assessment is a central component of Cloetta’s sustainability strategy, guiding us in identifying and prioritising the environmental, social, and governance issues that are most material for our business and stakeholders. This process enables us to align our sustainability efforts with our core values and business objectives, ensuring that we focus on areas where we can make the most significant impact. The outcome of the double materiality assessment is integrated into our sustainability agenda, which reflects our commitment to providing high-quality products, supporting the well-being of people involved in our value chain, and minimising our environmental footprint. This is also reflected in our external reporting and serves as the basis for the content of the sustainability report. The process and outcome was reviewed and approved by Cloetta’s Group Management Team and the Board of Directors during 2024, to ensure alignment with the company’s strategic priorities and sustainability commitments.

## Double materiality assessment methodology

### Background

Material issues for Cloetta are those topics that represent significant environmental, social, and governance (ESG) impacts, as well as risks and opportunities that shape stakeholder perceptions of our performance and affect our capacity to create and sustain value. These issues become material when they are critical to our business strategy and management of non-financial matters. Cloetta’s double materiality assessment considers impacts arising both from its own operations and its business relationships throughout the value chain.

### Process

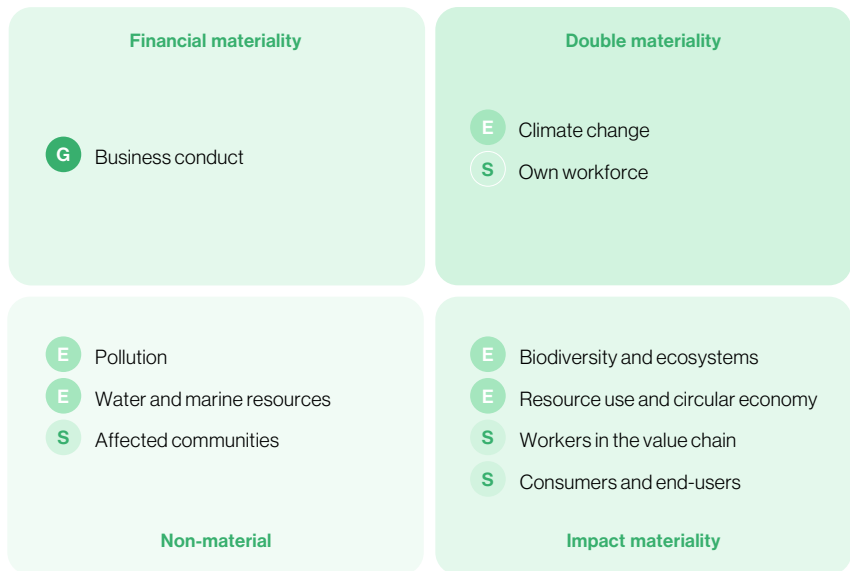
In collaboration with external consultants, Cloetta identified material sustainability topics by analysing internal and publicly available documents, interviewing internal experts and external stakeholders, and conducting workshops involving Group Management Team. Our assessment focused on specific activities, business relationships, and other factors that may pose an increased risk of adverse impacts. In particular, we examined the upstream value chain, including raw material sourcing and exposure to high-risk geographies, where human and labour rights, environmental impacts, and business ethics risks may be more prevalent due to the nature of our industry. The assessment was based on industry-wide value chain assessments, sector expertise, and internal insights gained through participation in various forums. We also assessed the connections between our impacts and the potential financial risks or opportunities they may generate by evaluating whether each specific impact leads to a financial risk or opportunity. This thorough process ensured that all potentially relevant issues are covered and validated, ensuring a complete and accurate assessment of material sustainability issues across the business.

### Assessment of impact materiality and financial materiality

Impact Materiality is evaluated based on whether Cloetta’s impact on a material topic is positive and/or negative, as well as whether the impact is actual or potential. Negative impacts are assessed based on severity, which includes scale, scope, and irremediability, along with likelihood (for potential impacts). For potential negative human rights impacts, severity takes precedence over likelihood. Positive impacts are evaluated based on scale, scope, and likelihood. The reasoning and scoring (0-5) are based on stakeholder dialogue, primarily through in-depth interviews. Financial materiality is assessed by determining whether a topic presents a risk and/or an opportunity for Cloetta, as well as likelihood and potential magnitude. Scoring (0–5) considers the magnitude of the financial effect and the likelihood over the short, medium, and long term.

In collaboration with the Group Management Team, Cloetta’s sustainability team and external consultants established suitable thresholds to determine material topics. Any topics with a score above the threshold of 3 were deemed material and included in the reporting scope, while those below the thresholds were excluded.

## Double materiality assessment outcome



## Process for double materiality

The following steps were conducted:

1

**Scope Definition and Key Sustainability Issues:** We started by defining the scope and objectives of our assessment, focusing on key parts of the value chain and relevant sustainability issues. Objectives were aligned with our strategic goals and stakeholder expectations. We then identified and categorised potential sustainability issues through stakeholder engagement, industry research, regulatory requirements, and past performance analysis.

2

**Engage Stakeholders:** Through continuous stakeholder dialogues, including employees, consumers, business partners, non-governmental organisations (NGOs) and investors we gathered insights on their concerns and expectations. These interactions helped us identify significant issues from both sustainability and financial perspectives.

3

**Assess Impact Materiality:** We evaluated how our operations affect the environment and society by analysing the scale, scope, and potential irreversibility of impacts and if the impact is actual or potential.

4

**Assess Financial Materiality:** We analysed how sustainability issues impact our financial performance, evaluating potential risks and opportunities related to regulatory changes, market trends, operational disruptions, and financial costs or savings. We also considered dependencies on access to natural and social resources. This assessment focused on how these factors could affect our profitability, strategy, and long-term value.

5

**Prioritise Issues:** Based on the assessments, we prioritised the sustainability issues by their significance, to determine the most critical areas. This prioritisation helped us focus efforts on the most significant issues.

6

**Develop and Implement Strategies:** We formulated strategies and action plans to address the prioritised issues, setting targets, developing policies, and implementing initiatives to manage and mitigate risks while enhancing opportunities.

7

**Monitor and follow up:** Our double materiality assessment is an ongoing process, regularly updated to reflect changes in our business and stakeholder expectations. This continuous improvement ensures our sustainability strategy stays relevant in addressing key impacts, risks and opportunities. Material topics are reviewed annually by internal experts, with a reassessment occurring every three years alongside updates to Cloetta's long-term sustainability strategy.

# Interaction with Strategy and Business Model

Cloetta's sustainability strategy is integrated with its overall business model and long-term strategic goals. We recognise that addressing sustainability challenges, such as climate change, resource efficiency, and human rights, is critical to maintaining its market position, ensuring compliance, and creating long-term value for stakeholders. For example, investments in reducing greenhouse gas emissions and improving energy

efficiency not only align with Cloetta's climate targets but also drive operational cost savings and enhance resilience in the face of rising energy prices. Similarly, the focus on sustainable sourcing practices strengthens supplier relationships, mitigates impacts and risks related to supply chain disruptions. It also aligns with the growing consumer demand for responsibly produced products. Cloetta's sustainability initiatives are embed-

ded into key decision-making processes across all business functions. The Board of Directors and Group Management Team oversee the alignment of sustainability priorities with strategic objectives, ensuring that material sustainability impacts, risks and opportunities are identified, managed, and leveraged to support growth.

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation
<b>E</b> Climate change	<b>Climate change mitigation</b>	Negative impact	Biodiversity loss and shortages of raw materials due to extreme weather events, rising temperatures and shifting ecosystems impacting supply chains, damage facilities and availability of raw materials	<ul style="list-style-type: none"> <li>Reducing emissions across the value chain in alignment with science-based targets.</li> <li>Incorporating climate mitigation strategies into sourcing practices, such as reducing emissions from animal-based products through vegan options.</li> <li>Ensuring sustainable and deforestation-free practices by using certified raw materials like cocoa and palm oil.</li> </ul>
		Risk	Increased costs may arise due to investments in climate mitigation measures, such as renewable energy, sustainable sourcing, and energy-efficient upgrades.	<ul style="list-style-type: none"> <li>Collaborate with suppliers and peers for shared costs and innovation.</li> <li>Waste reduction through facility upgrades, circular economy principles and optimised logistics.</li> </ul>
		Risk	Production and supply chain disruptions, including energy shortages, raw material scarcities, or extreme weather, could stop operations, delay deliveries, and harm the company's performance and reputation.	<ul style="list-style-type: none"> <li>Monitor sourcing and delivery processes for disruptions.</li> <li>Protective protocols ensure safe workplace and limit negative impacts.</li> </ul>
		Risk	Regulatory risks, including fines, taxes, or restrictions on operations.	<ul style="list-style-type: none"> <li>Monitor and adapt to climate regulations.</li> <li>Follow science-based targets to cut carbon footprint.</li> <li>Proactively implement carbon management strategies.</li> </ul>
<b>Biodiversity and eco-systems</b>	<b>Energy</b>	Negative impact	Energy use derived from fossil-based fuels, results in greenhouse gas (GHG) emissions, which contribute to climate change.	<ul style="list-style-type: none"> <li>Shift to renewable energy (wind, solar, hydro).</li> <li>Energy efficiency improvements with upgrades and optimisation.</li> </ul>
	<b>Direct impact drivers on biodiversity loss Deforestation</b>	Negative impact	Deforestation, driven by agricultural expansion and land-use change leads to biodiversity loss. Sourcing ingredients from deforested areas can harm biodiversity and destabilise ecosystems due to changes in land use, freshwater and sea use change.	<ul style="list-style-type: none"> <li>Sourcing certified raw materials and collaborating with suppliers and NGOs to ensure deforestation-free practices.</li> <li>Exploring regenerative agriculture and alternative raw materials with lower environmental impacts.</li> </ul>

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation
Resource use and circular economy	Resource inflows, including resource use	Negative impact	High resource use and single-use plastics cause depletion, pollution, environmental degradation and high emissions.	<ul style="list-style-type: none"> <li>Proactively exploring opportunities to prevent waste generation and promoting recycling.</li> <li>Implementation of advanced technologies for better resource efficiency.</li> <li>Follow standards for environmental management.</li> </ul>
	Resource Outflows related to Products	Negative impact	Waste generation due to inefficient processes contributes to landfill and environmental pollution.	<ul style="list-style-type: none"> <li>Implementation of waste reduction practices.</li> <li>Use of environmental management system.</li> </ul>
		Negative impact	Plastic packaging negatively impacts the environment by depleting resources, contributing to greenhouse gas emissions and plastic pollution, and generating waste that persists in ecosystems.	<ul style="list-style-type: none"> <li>Reducing plastic and minimising packaging.</li> <li>Using renewable materials in packaging through the PlantPack project.</li> </ul>

## S

Own workforce	Working Conditions	Negative impact	Work-related stress can lead to burnout, reduced productivity, and higher employee turnover, impacting both employee well-being and the organisation's long-term capacity.	<ul style="list-style-type: none"> <li>Introduction programs, evaluations, learning platforms, vitality initiatives, and surveys.</li> <li>Workload monitoring and promoting time off to support work-life balance.</li> </ul>
		Negative impact	Workplace hazards primarily include machinery risks, slippery floors, chemical spills, and vehicle accidents, which can result in severe injuries, absenteeism, legal liabilities, reputational harm, and work-related stress. Health risks include chemical exposure, noise pollution, and mental health issues.	<ul style="list-style-type: none"> <li>Health and safety management system covering all Cloetta production sites and offices.</li> <li>Processes and training programs to proactively manage and minimise risks and incidents.</li> <li>Continuous monitoring and strict adherence to safety protocols to prevent incidents and accidents.</li> </ul>
		Negative impact	Lack of equality and diversity in the workplace can limit perspectives, reduce collaboration, and create barriers to equal opportunities, potentially affecting overall team performance and employee well-being.	<ul style="list-style-type: none"> <li>Measures for competence development, equal pay, and non-discrimination</li> <li>Introduction programs, platforms for development and learning, health-promoting activities, and regular employee surveys (Cloetta engagement survey)</li> <li>Leadership trainings and other initiatives to promote equal opportunities.</li> </ul>
		Risk	Productivity loss and brand impact due to injuries or illnesses can lead to a downtime in production or the overall efficiency on offices. If not adequately managed, incidents could harm the company's reputation, affecting customer and investor trust.	<ul style="list-style-type: none"> <li>See mitigations for workplace hazards and health issues.</li> </ul>

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation
<b>Workers in the value chain</b>	<b>Working conditions</b>	Negative impact	Working conditions and other work related rights risks including inadequate wages may arise in procurement of raw materials like cocoa and palm oil from high-risk regions.	<ul style="list-style-type: none"> <li>• Sourcing 100 per cent certified palm oil (RSPO) and cocoa (Rainforest Alliance).</li> <li>• Third-party monitoring through local audits.</li> <li>• Collaborating with Rainforest Alliance's "Living Income Fund" to support farmers' incomes.</li> </ul>
	<b>Other work-related rights</b>	Negative impact	Child and forced labour may occur in supply chains, particularly in agriculture and cocoa production, contributing to human rights violations. Vulnerabilities tied to poverty and weak local institutions vary by market.	<ul style="list-style-type: none"> <li>• Enhancing supplier performance through Sustainable Sourcing program to ensure that raw materials are sourced to protect and improve social impacts in the supply chain.</li> </ul>
<b>Consumers and end-users</b>	<b>Personal safety of consumers and/or end-users</b>	Negative impact	Inadequate control over food traceability, hygiene, and safety may affect consumers by increasing the risk of product contamination, allergic reactions, and other health consequences.	<ul style="list-style-type: none"> <li>• Source first-class raw materials aligned with international quality standards.</li> <li>• Conduct chemical and physical tests on raw materials and finished products.</li> <li>• Develop policies addressing key product safety issues.</li> <li>• Maintain plans for information dissemination and product recalls in case of deficiencies.</li> </ul>
		Negative impact	High sugar content in products is linked to health issues like obesity and diabetes, posing a risk as health-conscious consumers demand natural ingredients and low-sugar alternatives, potentially reducing demand for traditional sweets.	<ul style="list-style-type: none"> <li>• Provide clear information about product content and calories.</li> <li>• Develop lower-sugar and sugar-free product options.</li> <li>• Promote dental health alongside confectionery offerings.</li> </ul>
	<b>Protection of children</b>	Negative impact	Misleading or excessive marketing targeted at children can influence their consumption habits unethically as children are particularly susceptible to influence.	<ul style="list-style-type: none"> <li>• Practice responsible marketing by adhering to EU Pledge guidelines.</li> <li>• No marketing efforts targeting children to reduce risks of obesity and over-consumption.</li> <li>• Commit to being a positive role model through ethical marketing practices.</li> </ul>

## G

<b>Business conduct</b>	<b>Corruption and bribery</b>	Risks	Corruption and bribery risks, primarily significant in regions with inadequate regulations enforcement. Risks can emerge at various stages of the value chain, leading to unethical practices, increased costs, strained supplier relations, and reputational harm.	<ul style="list-style-type: none"> <li>• Cloetta has established processes for addressing potential corruption issues within the company. This includes training sessions, guidelines, and comprehensive policies. The Cloetta Code of Conduct outlines these challenges for our workforce, while the Supplier Code of Conduct obligates suppliers to comply with ethical business practices.</li> </ul>
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# Sustainability governance

## Board and Management's role and responsibility

### Organisation

The Board of Directors and President and CEO are ultimately responsible for Cloetta's sustainability-related efforts and results. They are ultimately responsible for the compliance with laws and regulations, of which there are no significant instances of non-compliance. Cloetta's Group Management Team has played a key role in developing our sustainability agenda. Each sustainability initiative has a dedicated executive sponsor from the Group Management Team to ensure focused leadership and accountability.

Cloetta's sustainability work is led by the CMO, who works together with the Global Marketing Director, Candy & Sustainability and Director's direct reports. Together with the Sustainability manager they report on progress at monthly Group Management Team meetings, where sustainability is a standing item on the agenda. The Sustainability Manager is responsible for driving the sustainability agenda, while

the Sustainability Reporting Manager oversees reporting and compliance matters. Both act as the stakeholders' link to the Group Management Team and support the implementation of Cloetta's sustainability agenda. In addition, the company's different business function leaders are responsible for the implementation of the sustainability agenda within their part of the organisation. Environmental and occupational health and safety managers are in place at all Cloetta's factories, and report to the group Director of Health, Safety and Environment (HSE).

With support of the Sustainability manager, the Group Management Team is responsible for evaluating the effectiveness and relevance of the management approach to sustainability. Sustainability updates are provided to the Board of Directors, sustainability trainings and regular progress meetings are provided for the Group Management Team and the whole company. The Audit Committee, established by the Board of Directors, primarily oversees Cloetta's processes and internal

control of sustainability reporting. For more information regarding corporate governance, see the Corporate governance report on pages 46–52 and 58–61.

### Sustainability Board

During 2024, a new sustainability forum was established, the Sustainability Board, to enhance Cloetta's focus and strategic oversight on sustainability initiatives. This board will play a crucial role in driving the sustainability agenda forward, ensuring alignment with our long-term goals, and fostering collaboration across different departments and stakeholders. With the Sustainability Board in place directors who have closer ties to the daily operations are more involved, while the Group Management Team functions takes a supportive sponsorship role. This structure enables a practical and responsive forum for addressing sustainability issues and ensures better alignment of priorities across different areas. Leaders of specific sustainability initiatives report their key performance indicators (KPIs) and overall progress directly to their designated members of the Sustainability Board and the Sustainability Affairs team.



### Governance Sustainability Board:

- Decide and approve deliveries
- Manage key questions and provide direction
- Escalation point for the Sustainability Affairs
- Prioritises resources when needed
- Monthly board meetings
- Progress of each focus area is reported by the Sustainability Board members. Focus area leads participate upon invitation.
- Follow-up on tactical plan for Cloetta's sustainability agenda

### Sustainability policies and procedures:

- Monthly progress tracking at Group Management Team meeting
- Use of third-party certification schemes
- Cloetta's Code of Conduct
- Cloetta's Supplier Code of Conduct
- Quarterly updates at Board meetings
- Discovery platforms for innovation
- BRC (British Retail Consortium, global standard for food safety)
- GMP (Good Manufacturing Practices)
- Internal control policy & management systems
- Health and Safety policy
- Environmental policy

- Approval and Monitoring of Suppliers
- Anti-bribery and Anti-corruption policy
- Fraud policy
- Whistleblower policy
- Palm oil policy

The policies commit Cloetta to conduct business responsibly in many ways, such as conducting due diligence, applying the precautionary principle, respecting human rights, and including at-risk or vulnerable groups in our organisation and/or supply chain. We communicate our policies externally on cloetta.com, as well as directly with associated stakeholders. In addition to the company-wide online training for the Code of Conduct, we also offer sustainability-related training, and news shared on our intranet.

**Risk management**

Cloetta’s sustainability-related risk identification takes place in the course of conducting and updating the double materiality analysis that covers the entire organisation and also, where relevant, the value chain. We face both opportunities and risks in our business activities, as uncertainty about future events can impact operations positively or negatively. Risks may arise from external factors beyond our control or from

internal mismanagement within the company, its suppliers, or customers.

Cloetta’s Board of Directors is responsible for the overall risk management. The Group Management Team provides risk assessments related to business development, sustainability and long-term strategy to the Board of Directors. Cloetta’s operational risk management is guided by our Code of Conduct and various policies. Risk identification and prevention are key responsibilities of the Group Management Team, ensuring proactive measures are taken to minimise or prevent negative impacts on operations. Monitoring events that could affect confidence in Cloetta or disrupt operations is a priority. Sustainability-related risks are managed separately from the company’s other risk management processes, but are partially integrated into the control processes. These risks are primarily governed by the materiality analysis. Read more about Cloetta’s risk management on page 40 and internal control on pages 56–57.

**Due diligence**

Cloetta supports international standards on business and human rights such as the Organisation for Economic Co-operation and Development (OECD) Guidelines for

Multinational Enterprises, the International Bill of Human Rights, and the core conventions of the International Labour Organization (ILO). We take a risk-based approach to due diligence, based on OECD Guidelines, and actions are adjusted accordingly across the value chain. This includes policy development and integration, strengthening of grievance mechanisms, training and capacity building, strategy development, collaborations in industry initiatives, and other ways to manage risk and contribute to a positive impact on people and the environment. Our due diligence process is designed to identify, prevent, mitigate, and account for potential adverse impacts associated with our operations and supply chain. We engage with stakeholders, including employees, suppliers, and local communities, to understand their concerns and expectations. This engagement informs our risk assessments and helps us prioritise actions to address the most significant issues.

## Cloetta’s approach to due diligence<sup>1</sup>

### 5. Communication of outcomes

We communicate how impacts are addressed in our sustainability report.



### 4. Monitoring

We track implementation and results.

### 2. Impact identification

We identify and assess adverse impacts in our operations, supply chain and business relationships.

### 6. Remediation

We enable remediation when appropriate, given our level of impact and influence.

### 3. Mitigation of impacts

We cease, prevent, or mitigate actual or potential adverse impacts through appropriate measures.

1) Approach according to the OECD guidance for responsible business conduct.

# EI Climate change

**Reducing our reliance on fossil fuels is crucial for our business resilience and the planet. We are committed to reducing our environmental footprint and advancing our understanding of the climate impacts resulting from our operations and value chain. To achieve this, we continuously refine our data collection processes and collaborate closely with our value chain partners.**

## Strategy, policy and processes

### Climate strategy and transition plan

Cloetta's climate strategy and transition plan aim to address the urgent need for climate action by integrating sustainability into all aspects of operations, including implementing key initiatives with the aim to reduce our greenhouse gas emissions. We align our effort with global standards and base our methods on scientific evidence to ensure that our climate work is credible and impactful. As a result, we continue to be innovative and find new ways to lower our product's environmental footprint. This approach ensures that we are not only reducing our emissions but also building resilience for the future. As our climate journey progresses, we are collaborating with our suppliers to expand our plant-based product portfolio, thereby increasing our range of vegan alternatives available to consumers. We are also aiming to transition to packaging from renewable sources or recycled materials as well as renewable energy

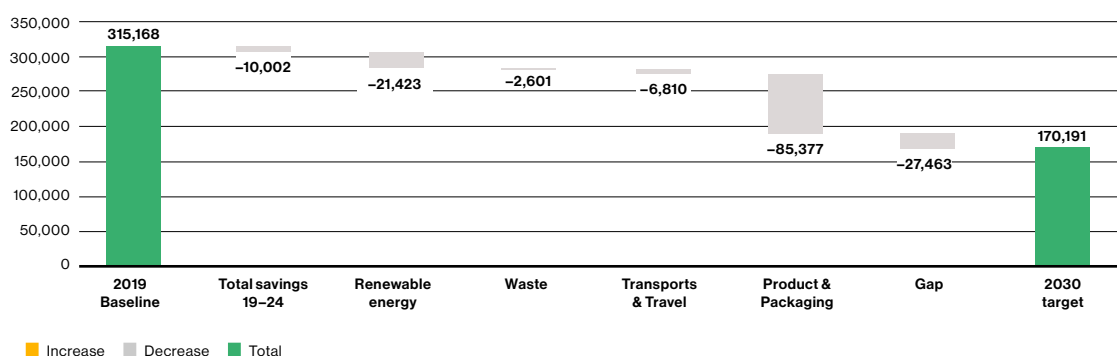
sources, all while committing to substantial reductions in CO<sub>2</sub> emissions, verified by the Science Based Targets initiative. Cloetta Climate Journey defines our overarching targets and milestones towards the science-based target of 46 per cent greenhouse gas emissions reduction by 2030.

To support this journey, we established an overall climate transition plan that is designed to align with the Paris Agreement and the 1.5-degree target and cover our scope 1, 2, and relevant scope 3 emissions across the value chain. The transition plan includes operational efficiency improvements to reduce energy consumption, transitioning to renewable energy sources across production facilities as well as collaborating with suppliers to lower emissions in raw material sourcing, packaging, and transportation. Cloetta's climate transition plan is approved by the Group Management Team and the Board of Directors and is embedded in our overall business strat-

egy through our company-wide Climate Action Program. Progress against target is monitored monthly, with updates reported transparently to ensure accountability and alignment with international climate commitments. The transition plan includes approximately 200 local and central initiatives that support our climate journey on short and long term. The main initiatives in the transition plan are the renewable energy shift for our own sites, focusing on natural gas and liquefied petroleum gas (LPG). Production processes to become more reliant on renewable electricity is also part of the plan for scope 1 and 2. Emissions occurring from our suppliers is a subcentral part of the scope 3, and this is due to the agriculture farming methods and its impact on land use carbon emissions. Also, our products and packaging have a substantial impact on the climate footprint. All outlined initiatives are essential to achieving our climate objectives.

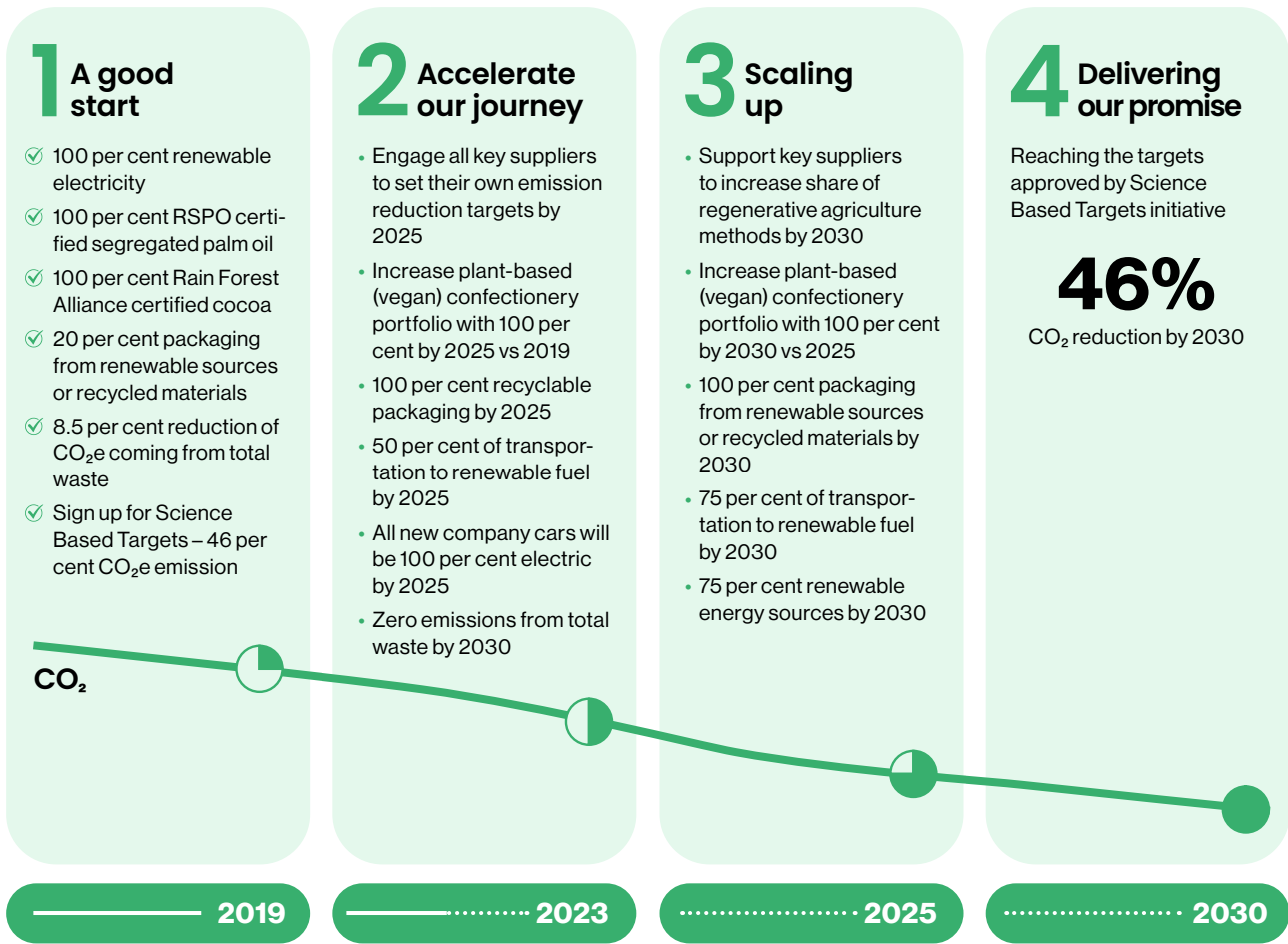
## Climate transition plan

tCO<sub>2</sub>e savings by 2030



Source: CEMAsys

# Climate journey



## Our approach and strategy

As a leading confectionary company, we recognise the important role we play in addressing climate change and are committed to reducing our environmental impact. Our products rely on raw materials sourced globally, and their production and consumption come with significant responsibilities. This drives us to integrate climate action into every aspect of our operations, from sourcing raw materials to packaging. In 2020, Cloetta set ambitious science-based targets to reduce our greenhouse gas emissions by 46 per cent by 2030, using 2019 as the baseline year. These targets are approved by the Science Based Targets initiative (SBTi) and reflect our commitment to global climate goals.

### Climate Action Program

Cloetta is committed to proactive climate governance, which is integrated into our sustainability and business strategy. Our approach is reflected in our Climate Action initiative. We have also established a Climate

Action Program to effectively manage our climate initiatives and reduce greenhouse gas emissions across all three scopes. This comprehensive initiative consists of several interconnected workstreams that bring together diverse departments. Our strategy emphasises collaboration, allowing teams to share best practices and innovative solutions that drive progress. Furthermore, we actively seek insights from industry leaders and sustainability experts to incorporate varied perspectives and enhance our strategies. Through this collaborative framework, Cloetta not only aims to meet our emission reduction targets but also strives to inspire a broader commitment to sustainability throughout our operations.

### Policies

Cloetta's Environmental Policy forms a core part of our sustainability agenda, emphasising a commitment to reducing the environmental impact throughout the value chain. The policy includes resource efficiency,

climate action, and circular economy principles, with a focus on reducing carbon emissions, energy and water use, and minimising waste. Continuous improvement is built into the approach, with clear objectives and regular reviews. This ongoing improvement process is guided by our environmental management system, which ensures compliance with regulations and stakeholder expectations. We strive for open communication with internal and external stakeholders and report regularly on our performance.

The President and CEO and the Group Management Team at Cloetta hold ultimate responsibility for ensuring the implementation of and compliance with the Environmental policy. The Environmental Policy is publicly available on our website [cloetta.com](http://cloetta.com) for transparency and accessibility.

### Relevant policies

- Cloetta Environmental policy

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation
Climate change	Climate change mitigation	Negative impact	Biodiversity loss and shortages of raw materials due to extreme weather events, rising temperatures and shifting ecosystems impacting supply chains, damage facilities and availability of raw materials	<ul style="list-style-type: none"> <li>Reducing emissions across the value chain in alignment with science-based targets.</li> <li>Incorporating climate mitigation strategies into sourcing practices, such as reducing emissions from animal-based products through vegan options.</li> <li>Ensuring sustainable and deforestation-free practices by using certified raw materials like cocoa and palm oil.</li> </ul>
		Risk	Increased costs may arise due to investments in climate mitigation measures, such as renewable energy, sustainable sourcing, and energy-efficient upgrades.	<ul style="list-style-type: none"> <li>Collaborate with suppliers and peers for shared costs and innovation.</li> <li>Waste reduction through facility upgrades, circular economy principles and optimised logistics.</li> </ul>
		Risk	Production and supply chain disruptions, including energy shortages, raw material scarcities, or extreme weather, could stop operations, delay deliveries, and harm the company's performance and reputation.	<ul style="list-style-type: none"> <li>Monitor sourcing and delivery processes for disruptions.</li> <li>Protective protocols ensure safe workplace and limit negative impacts.</li> </ul>
		Risk	Regulatory risks, including fines, taxes, or restrictions on operations.	<ul style="list-style-type: none"> <li>Monitor and adapt to climate regulations.</li> <li>Follow science-based targets to cut carbon footprint.</li> <li>Proactively implement carbon management strategies.</li> </ul>
	Energy	Negative impact	Energy use derived from fossil-based fuels, results in greenhouse gas (GHG) emissions, which contribute to climate change.	<ul style="list-style-type: none"> <li>Shift to renewable energy (wind, solar, hydro).</li> <li>Energy efficiency improvements with upgrades and optimisation.</li> </ul>

## Actions

Within our Climate Action initiative, the aim is to improve the environmental performance both in our operations and across the supply chain. This includes assessing emissions from our own operations as well as working closely with suppliers to drive emission reduction. In our production, investments are made in energy-efficient technologies, and we aim to transition fully to renewable energy. As Cloetta is a food company, approximately 90 per cent of our total carbon footprint comes from emissions from raw materials, packaging, transportation, and services we purchase (scope 3). This calls for collective action, as well as innovative ideas and collaborations beyond our operations. Consequently, Cloetta is actively working to reduce emissions from high-impact raw materials, particularly by focusing on more responsible sourcing practices and expanding the plant-based product offerings. By increasing our

portfolio of plant-based products, we not only meet the growing consumer demand for vegan options but also reduce our reliance on animal-derived ingredients, which generally have a higher environmental footprint. The aim of this plant-based shift is to contribute to lower greenhouse gas emissions, in line with our broader sustainability goals and science-based targets.

To mitigate potential negative impacts within the value chain, we proactively collaborate with suppliers, making carbon emission a central aspect of our supplier relationship management. Efforts are particularly focused on key suppliers, selected based on procurement volume, spending, product category, and geographic or social risk. By collecting data related to carbon emissions from key suppliers, we gain a better understanding of their progress and assess their impact on our carbon footprint. We aim to continue to strengthen our col-

laboration with our suppliers to collectively progress towards our climate targets.

### FLAG

In 2024, the work to set FLAG targets (Forest, Land, and Agriculture-related Greenhouse Gas) was initiated, and the process will continue in 2025. In the initial phase, the focus has been on collecting data from key suppliers, particularly those with a significant impact on our raw material portfolio, as well as selected third-party suppliers where volume is considered relevant. The data collection serves as the foundation for the continued analysis and validation of emission factors. As part of the FLAG project, the emission factors used in our calculations are reviewed and compared with alternative sources. The goal is to ensure that the most reliable and relevant factors form the basis of our analyses, with a particular

focus on materials that have the greatest impact on our carbon footprint. Once the data collection and review of emission factors are completed, we will assess whether adjustments are needed to improve the accuracy of our reporting.

**Improvements on data collection**

Throughout 2024, we worked on two projects to enhance our data systems and improve our ability to analyse the climate impact of various activities. These tools enable us to simulate and evaluate the carbon emission implications in different scenarios, such as selecting alternative raw materials for ingredients and packaging or implementing energy reduction initiatives. By refining these systems, we aim to make more informed, data-driven decisions to effectively manage and reduce our carbon footprint across operations.

**Energy efficiency improvements**

Cloetta plans to incorporate more efficient technologies to reduce internal energy consumption, showcasing our commitment to energy efficiency. Recognising that a considerable portion of our CO<sub>2</sub> emissions from factories originates from natural gas combustion, nearly double that of electricity use, we aim to phase out natural gas to lower the total carbon footprint. Cloetta is fully committed to sustainable energy practices, sourcing almost 100 per cent of our electricity from green sources, verified by green certificates. Energy consumption is closely monitored and regularly reviewed, with employees trained to understand their impact.

**External collaborations**

Due to its production site in Ljungsbro, Cloetta, together with Tekniska verken i Linköping AB, is part of the local initiative

Linköpingsinitiativet, which brings together actors from both the private and public sectors in Linköping to address challenges related to energy, material use, and transportation. Tekniska verken i Linköping AB, a municipal company specialising in sustainable energy and infrastructure solutions, helps convert by-products from Cloetta's confectionery production into renewable biogas used as fuel. The collaboration promotes resource efficiency through energy optimisation and conversion, with a shared focus on identifying innovative ways to develop circular resource flows.

In our Ljungsbro site, a study has been performed regarding increasing biometane in the production as a replacement for petroleum gas. This initiative holds the potential to lower our emissions by shifting to a renewable energy source and it supports the local energy production.

**Targets**

- 46 per cent absolute greenhouse gas emissions reduction by 2030 compared to 2019 base year emissions

**Performance**

**Greenhouse gas emissions**

Total greenhouse gas emissions have decreased by approximately 3 per cent compared to the baseline in 2019. In 2024, expected greenhouse gas emission savings was impacted by an increased outsourcing of manufacturing, approximately 12 per cent compared to the previous year, especially related to the closing of the production site in Roosendaal Borchwerf in mid-2024. There was also an increased volume of purchased raw materials that impacted our greenhouse gas emissions with approximately 7 per cent compared to previous year. Emissions from the company's own operations (scope 1 and scope 2) remained stable with a slight decrease, driven by operational efficiencies. Total energy consumption decreased slightly, but energy intensity increased due to lower production volumes. Additionally, changes in production and logistics influenced both emissions and energy usage. For scope 1 and scope 2 emissions, the variations are minimal, with an overall slight decrease

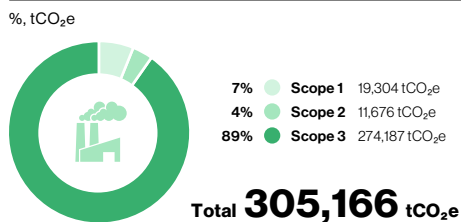
observed. Specifically, scope 1 emissions saw a marginal reduction due to decreased natural gas consumption in 2024, mainly resulting from operational efficiencies. However, this reduction was partially offset by increased consumption of purchased steam, which is accounted for under scope 2 emissions. Electricity consumption showed a modest decline across most of Cloetta's operating countries, with some regional variations. Biogenic emissions from combustion of fuel in leased vehicles are included in scope 3 reporting and totaled approximately 60.15 tCO<sub>2</sub>e

**Energy**

Total energy consumption experienced a decrease from 191,594 MWh to 189,543 MWh in 2024. However, as production volumes were lower in 2024 compared to 2023, the KPI for energy intensity increased from 1.89 MWh/tonne to 1.94 MWh/tonne. The reduction in production volumes does not directly correlate and lead to a reduction in energy consumption, as it depends

on many other factors such as the product types produced and building baseload. Therefore, the energy intensity target has not decreased, instead it has increased due to the lower production volumes. This change is attributed to small reductions in natural gas, electricity, and district heating consumption. The reduction in electricity usage was primarily observed in some regions, while the decrease in self-produced natural gas was concentrated in specific production sites. The closure of the production site also contributed to the reduced consumption of gas and electricity. District heating consumption declined, particularly linked to specific production operations. At one production site, electricity usage remained almost unchanged, while district heating decreased significantly, reflecting energy-saving measures. However, due to increased production of specific products requiring steam and utilising liquefied petroleum gas (LPG), the absolute consumption of these energy sources has increased.

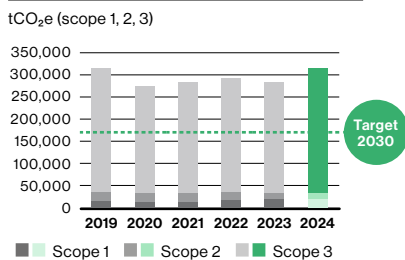
### GHG emissions distribution by scope<sup>1</sup>



Source: CEMAsys

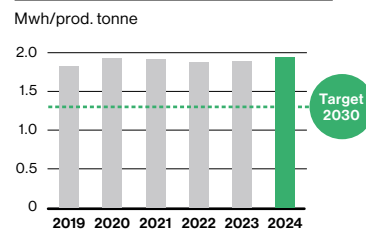
1) tCO<sub>2</sub>e (metric tons of carbon dioxide equivalent) represents emissions from all greenhouse gases.

### GHG emissions



Source: CEMAsys

### Energy consumption



Source: CEMAsys

## Metrics

Gross scopes 1, 2, 3 and Total GHG emissions	Retrospective				Milestones and target years		
	Base year	2024	2023 <sup>1</sup>	% 2024/2023	2025 <sup>2</sup>	2030	Annual % target/ Base year <sup>3</sup>
<b>Scope 1 GHG Emissions</b>							
Gross scope 1 GHG emissions (tCO <sub>2</sub> eq)	14,306	19,304	20,107	-4	17,374	7,725	4
<b>Scope 2 GHG Emissions</b>							
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> eq)	19,909	11,676	12,082	-3	11,522	10,751	4
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> eq)	15,026	2,930	2,150	36	N/A	N/A	N/A
<b>Scope 3 GHG Emissions</b>							
Total Gross Indirect (scope 3) GHG emissions (tCO <sub>2</sub> eq)	280,953	274,187	273,263	0	253,775	151,715	4
1 Purchased goods and services <sup>4</sup>	246,033	241,514	236,916	2	N/A	N/A	N/A
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	4,834	5,972	6,344	-6	N/A	N/A	N/A
4 Upstream transportation and distribution	15,299	14,425	15,979	-10	N/A	N/A	N/A
5 Waste generation	1,286	1,209	2,274	-47	N/A	N/A	N/A
6 Business travelling	2,266	1,306	1,248	5	N/A	N/A	N/A
7 Employee commuting	3,934	3,628	3,819	-5	N/A	N/A	N/A
8 Upstream leased assets	1,792	1,142	1,279	-11	N/A	N/A	N/A
9 Downstream transportation	1,773	1,878	1,855	1	N/A	N/A	N/A
12 End-of-life treatment of sold products <sup>5</sup>	3,736	3,113	3,548	-12	N/A	N/A	N/A
<b>Total GHG Emissions</b>							
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	315,168	305,166	305,452	0	292,896	170,191	4
Total GHG emissions (market-based) (tCO <sub>2</sub> eq)	310,285	296,420	295,520	0	N/A	N/A	N/A

Source: CEMAsys

- 1) Category 1: Purchased goods and services in has been adjusted for 2023 due to a calculation error in emissions from third-party production, leading to an increase in scope 3 and total carbon emissions compared to the previous reporting period.
- 2) The targets for 2025–2029 are based on a linear projection to achieve a 46% reduction by 2030.
- 3) The calculation reflects the average annual percentage reduction required to reach a 46% reduction from the 2019 base year to 2030. This is determined by dividing the emissions in the target year by the emissions in the base year and then distributing the reduction over the years from 2019 to 2030.
- 4) Transports is not included in the emissions from third-party production.
- 5) Emissions from the end-of-life treatment of sold products for 2023 have been adjusted from previous reporting due to a miscalculation.

### GHG intensity

GHG intensity per net sales <sup>1</sup>	2024	2023	2024 / 2023
Total GHG emissions (location-based) per net sales (tCO <sub>2</sub> eq/SEKm)	35.4	35.5	1.0
Total GHG emissions (market-based) per net sales (tCO <sub>2</sub> eq/SEKm)	34.4	34.3	1.0

Source: CEMAsys

1) The calculation of greenhouse gas intensity is based on Cloetta's total emissions in tonnes of CO<sub>2</sub> equivalents divided by net sales (SEKm). Net sales is reconciled with relevant items in the financial statements, which are disclosed in note 1 on page 118.

**Energy consumption and mix**

	2024	2023
(2) Fuel consumption from crude oil and petroleum products (MWh)	6,700	5,808
(3) Fuel consumption from natural gas (MWh)	83,282	88,092
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	19,397	16,612
<b>(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 2, 3, 5)</b>	<b>109,379</b>	<b>110,512</b>
<b>Share of fossil sources in total energy consumption (%)</b>	<b>58</b>	<b>58</b>
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	80,164	81,082
<b>(11) Total renewable energy consumption (MWh) (calculated as the sum of line 9)</b>	<b>80,164</b>	<b>81,082</b>
<b>Share of renewable sources in total energy consumption (%)</b>	<b>42</b>	<b>42</b>
<b>Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)</b>	<b>189,543</b>	<b>191,594</b>

Source: CEMAsys

**Accounting principles**

**Climate data and emissions reporting**

To improve the reliability of reported data, Cloetta employs internationally recognised methodologies and frameworks, including the Greenhouse Gas Protocol (GHG Protocol). Climate data is collected monthly, with emissions data consolidated at the Group level. In accordance with the GHG Protocol, an operational control approach for scope 1, 2 and 3 emissions is applied. Any material changes—such as acquisitions, divestitures, or significant changes in calculation or disclosure principles—trigger a review of the base year and may result in a restatement of historical emissions data.

**Emission factors and methodology**

For emissions calculations, Cloetta utilises up-to-date emission factors provided by its sustainability data software provider. These factors are sourced from reputable entities, including DEFRA, IEA, Ecolnvent, IMO, IPCC, AIB, and WBCSD/WRI, and are based on life cycle analysis (LCA) using a cradle-to-gate approach. Calculations are performed in Cloetta’s greenhouse gas emissions reporting system. The reporting considers the following greenhouse gases, all converted into CO<sub>2</sub>-equivalents: CO<sub>2</sub>, CH<sub>4</sub> (methane), N<sub>2</sub>O (nitrous oxide) and HFCs. The total reported GHG emissions are expressed in metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e). For all emission scopes, location-based and market-based approach for calculating GHG emissions is applied, using activity data from the most

recent annual accounts. Cloetta calculates location-based emissions based on data on electricity production in the areas where Cloetta has production sites, taking into account the energy mix, including fossil fuels. Emission factors are typically sourced from national data published by the IEA, while district heating and cooling are based on local or national averages. Market-based emissions are calculated based on Cloetta’s procurement agreements. When purchasing Guarantees of Origin (GoOs) or Renewable Energy Certificates (RECs), the electricity is assumed to have zero emissions. Without these certificates, the residual mix is used, which has a higher emission factor

Scope 1 emissions cover direct emissions from Cloetta-owned or controlled assets, including on-site energy use (natural gas, refrigerants, boilers) and fuel consumption in company-owned vehicles. Scope 2 emissions account for indirect GHG emissions from purchased energy (electricity, steam, heating, cooling) produced off-site. Scope 3 emissions represent indirect GHG emissions from Cloetta’s value chain, divided into upstream and downstream activities. Upstream emissions encompass GHG emissions related to purchased goods and services. Biogenic emissions are based on the combustion of fuel from leased vehicles. Downstream emissions cover emissions related to warehousing, distribution, transport, marketing, sales, end-of-life

treatment of products etc. According to SBT guidelines, we identify and report the scope 3 categories that are assessed to have a significant impact on our total carbon footprint and are essential to our business model, supply chain, and production. Excluded categories are considered negligible. Scope 3 estimates are based on LCA studies relevant to our operations and are conducted by a third party to ensure calculation quality. 83.5 per cent of scope 3 data is primary data from suppliers and value chain partners. Scope 1 and 2 contain no estimations, as the data is based on actual consumption records from suppliers.

**Energy consumption and mix**

Energy consumption data are collected from all our production facilities and offices. This includes direct energy consumption (scope 1) from on-site fuel use and indirect energy consumption (scope 2) from purchased electricity, steam, heating, and cooling. Energy data is collected monthly and reported at the Group level. For acquisitions, divestments, or other significant operational changes, the data collection methods are reassessed to ensure consistent and comparable reporting. Energy mix data is documented based on the sources of energy consumed, including fossil fuels, electricity, and renewable energy. Energy sources are categorised by type (natural gas, heat fuel, district heating, etc.) and reported the percentage of total energy consumption derived from each source.

# EU Taxonomy Reporting

## Background

Regulation (EU) 2020/852 (the Taxonomy Regulation) is designed to support the transformation of the EU economy to meet its European Green Deal objectives, including the 2050 climate-neutrality target. The Taxonomy Regulation establishes six environmental objectives which are described in the delegated acts adopted under the regulation. In the following section, we as a non-financial parent company present the share of our group turnover, capital expenditure (Capex) and operating expenditure (Opex) for the reporting period 2024, which are associated with Taxonomy-eligible and aligned economic activities related to the six environmental objectives.

## Our economic activities as a confectionery company – Taxonomy-non-eligible

We have examined all Taxonomy-eligible economic activities listed in the delegated acts under the Taxonomy Regulation, based on our activities as a confectionery company. As a confectionery company, we define the manufacturing of chocolate and sugar confectionery as the core of our business activities. We concluded that our core economic activities are not covered by the delegated acts under the

Taxonomy Regulation and consequently are Taxonomy-non-eligible. Referring to Annex XII in the delegated act on nuclear energy and natural gas, Cloetta does not engage in any nuclear energy or fossil gas-related activities.

## Our KPIs

The KPIs include turnover, Capex and Opex. For the reporting period 2024, the KPIs must be disclosed in relation to Taxonomy-aligned economic activities and consequently Taxonomy-eligible activities related to specific environmental objectives such as climate change, water and marine resources, circular economy, pollution and biodiversity. Capex and Opex include those that are related to the purchase of output from Taxonomy-aligned economic activities and certain individual measures enabling the target activities to become low-carbon, or to lead to greenhouse gas (GHG) emission reductions.

## Analysis of Taxonomy eligibility and alignment

A Taxonomy-eligible economic activity is an activity that is described in the delegated acts adopted under the Taxonomy Regulation irrespective of whether that activity meets any or all the technical

screening criteria laid down in those delegated acts. Regarding Capex and Opex related to purchases and measures that we consider as individually Taxonomy eligible, we refer to the explanations below in the sections “Capex KPI” and “Opex KPI” in the description of our accounting policies. Since our economic activities as a confectionery company are not covered by any of the delegated acts under the Taxonomy Regulation, the share of Taxonomy-eligible or aligned economic activities in our total turnover is 0 per cent and, consequently, the related Capex and Opex are also 0 per cent. However, we disclose Capex and Opex relating to the purchase of output from Taxonomy-eligible economic activities and individual measures to improve energy efficiency listed in the delegated acts. We have not been able to verify alignment with our suppliers. To be Taxonomy-aligned, an eligible activity must comply with the technical screening criteria, i.e., whether a substantial contribution is being made to climate protection, contribute to at least one of six listed environmental objectives, and do no significant harm (DNSH criteria) to any of the other objectives, while respecting basic human rights and labour standards, anti-bribery/anti-corruption, taxation and fair competition.

# Taxonomy reporting table 2024 – Turnover

Financial year 2024	Year		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm") (h)							Taxonomy aligned (A.1.) or eligible (A.2.) proportion of turnover, 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
	Code (a) (2)	Turnover, SEKm (3)	Proportion of turnover, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)			
Economic activities (1)	Text	Currency	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. Taxonomy-eligible activities</b>																			
<b>A1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
	Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
	Of wich enabling	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	
	Of wich transitional	-	0							-	-	-	-	-	-	-	0		-
<b>A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
	Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)	-	0														0		
	<b>A. Turnover of Taxonomy-eligible activities (A.1+A.2)</b>	-	0														0		
<b>B. Taxonomy-non-eligible activities (B)</b>																			
	Turnover of Taxonomy-non-eligible activities (B)	8,613	100																
	<b>Total (A+B)</b>	8,613	100																

# Taxonomy reporting table 2024 – Capex

Financial year 2024	Year	Substantial contribution criteria								DNSH criteria (“Does Not Significantly Harm”) (h)								Taxonomy aligned (A.1.) or eligible (A.2.) proportion of Capex, 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		Capex, SEKm (3)	Proportion of Capex, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)				
Economic activities (1)	Code (a) (2)	Capex, SEKm (3)	Proportion of Capex, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy aligned (A.1.) or eligible (A.2.) proportion of Capex, 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)	
Text	Cur-rcency	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. Taxonomy-eligible activities</b>																				
<b>A1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0			
Of wich enabling		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-		
Of wich transitional		0															0		-	
<b>A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	35	16	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7.9			
Renovation of existing buildings	CCM 7.2	3	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	4	2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.8			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5			
Acquisition and ownership of buildings	CCM 7.7	24	11	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.6			
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		66	29	-	-	-	-	-	-								27.2			
<b>A. Capex of Taxonomy-eligible activities (A.1+A.2)</b>		66	29	-	-	-	-	-	-								27.2			
<b>B. Taxonomy-non-eligible activities (B)</b>																				
Capex of Taxonomy-non-eligible activities (B)		158	71																	
<b>Total (A+B)</b>		224	100																	

# Taxonomy reporting table 2024 – Opex

Financial year 2024	Year		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm") (h)							Taxonomy aligned (A.1) or eligible (A.2) proportion of Opex, 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
	Opex, SEKm (3)	Code (a) (2)	Proportion of Opex, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)			
Economic activities (1)	Text	Currency	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. Taxonomy-eligible activities</b>																			
<b>A1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
	Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
	Of which enabling		0	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	
	Of which transitional		0							-	-	-	-	-	-	-	0		-
<b>A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
	Product-as-a service and other circular use and result-oriented service models	CCM 5.5	13	5	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								-		
	Renovation of existing buildings	CCM 7.2	0	0	EL	N/EL	N/EL	N/EL	N/EL								0.8		
	Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	4	2	EL	N/EL	N/EL	N/EL	N/EL								2.1		
	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	13	5	EL	N/EL	N/EL	N/EL	N/EL								-		
	Acquisition and ownership of buildings	CCM 7.7	11	4	EL	N/EL	N/EL	N/EL	N/EL								-		
	Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		41	16	-	-	-	-	-								2.9		
	<b>A. Opex of Taxonomy-eligible activities (A.1+A.2)</b>		41	16	-	-	-	-	-								2.9		
<b>B. Taxonomy-non-eligible activities (B)</b>																			
	Opex of Taxonomy-non-eligible activities (B)		224	84															
	<b>Total (A+B)</b>		265	100															

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**Nuclear energy related activities**

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1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

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**Fossil gas related activities**

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4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

**Accounting principles**

We determine the Taxonomy-eligible or aligned KPIs in accordance with the legal requirements and describe our accounting policy in this regard as follows:

**Turnover KPI**

The proportion of turnover shall be calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy- eligible or aligned economic activities (numerator), divided by the net turnover (denominator). The turnover shall cover the revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008 (1). The accounting policy regarding Net sales which corresponds to net turnover is disclosed on page 118. Details of the net sales is provided in Note 3 on page 123.

**Capex KPI**

The Capex KPI is defined as Taxonomy- eligible or aligned Capex (numerator) divided by our total Capex (denominator). Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes additions to fixed assets (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). Additions resulting from business combinations are also included. Goodwill is not included in Capex, because it is not defined as an intangible asset in accordance with IAS 38. Total capex can be reconciled against the year's additions in Note 12 Intangible assets on page 127, Note 13 Property, plant and equipment on page 129 and Key ratios on page 166 where Capex is disclosed separately. The amount in here consists of the two additions of Note 12 and 13.

**Opex KPI**

The KPI is defined as Taxonomy- eligible or aligned Opex (numerator) divided by our total Opex (denominator). The denominator of the KPI shall cover direct non-capitalised costs that relate to research and development, building renovation measures, short term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property plant and equipment (PP&E). In general, this includes staff costs, costs for services, and material costs for daily servicing as well as for regular and unplanned maintenance and repair measures. This does not include expenditures relating to the day-to-day operation of PP&E such as: raw materials, cost of employees operating the machinery, and electricity or fluids that are necessary to operate PP&E. The related cost items can be found in various line items in our income statement.

**Explanations on the numerator of the Capex KPI and the Opex KPI**

Since Cloetta AB has no eligible or aligned turnover generating economic activities, we do not record Capex and Opex related to assets or processes that are associated with Taxonomy-aligned economic activities in the numerator of the Capex KPI and the Opex KPI. Furthermore, there are no Capex plans to upgrade a Taxonomy-eligible economic activity to become Taxonomy-aligned ("category a and b"). Only "category c" Capex and Opex can therefore qualify as Taxonomy-eligible and consequently aligned, i.e., related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to GHG reduction. These individual measures correspond to

economic activities listed in the delegated acts supplementing the Taxonomy Regulation. The following activities were identified as taxonomy-eligible:

**Corresponding economic activity**

- 5.5** Product-as-a-service and other circular use- and result-oriented service models
- 6.5** Transport by motorbikes, passenger cars and light commercial vehicles
- 7.2** Renovation of existing buildings
- 7.3** Installation, maintenance and repair of energy efficiency equipment
- 7.5** Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- 7.7** Acquisition and ownership of buildings

These activities include investments in our factories to become more energy efficient, renovations and maintenance, car leasing, extended and new leasing agreements for buildings and circular use. For the allocation of Capex and Opex we have identified the relevant purchases and measures, and we have identified the primary related economic activity in the Climate Delegated Act. In this way, we ensure that no Capex or Opex is considered more than once.

# E4 Biodiversity and ecosystems

**As a leading confectionery company, we recognise the impact our operations can have on biodiversity and ecosystems. Our products are dependent on raw materials across the world, and the biodiversity needed to maintain healthy ecosystems that supply these crucial materials. Therefore, we have a great responsibility to reduce our environmental footprint and contribute to more resilient ecosystems.**

## Our approach and strategy

As a confectionery company, Cloetta depends on ingredients such as sugar, starch, palm oil, cocoa, and nuts, where agriculture impacts ecosystems and contributes to the loss of biodiversity. Large-scale farming practices often involve deforestation and the use of chemical pesticides, which can harm species like pollinators and contaminate ecosystems. Cloetta's dependency on palm oil and cocoa indirectly contributes to deforestation, leading to habitat loss, fragmentation, and soil degradation. Additionally, climate change further impacts biodiversity, forcing species to relocate and altering ecosystems globally. We acknowledge these challenges, and we are focused on mitigating the environmental footprint across our value chain. Cloetta's ongoing efforts to protect biodiversity and ecosystems are critical to our long-term sustainability and resilience. By integrating biodiversity into the sustainability agenda, our strategic planning and operations, we not only meet regulatory requirements but also contribute to global efforts to decrease biodiversity loss.

Sustainable sourcing of agricultural raw materials means paying particular attention to agricultural practices with the overall goal of turning negative environmental impacts into positive ones. Protecting bio-

diversity is intimately connected to climate change where deforestation adds to the issue, while reforestation can provide part of the solution. Cloetta's collaboration with the Rainforest Alliance and the Roundtable on Sustainable Palm Oil (RSPO) supports the company's sustainability goals, particularly in sourcing key raw materials like cocoa and palm oil more responsibly. These partnerships help us meet our sustainability targets by improving our environmental and social performance, supporting responsible sourcing practices across our supply chain, and contributing to the company's broader commitment to reducing our overall environmental footprint. For other raw materials, Cloetta is working directly with suppliers as well as with NGO's to improve traceability and improved overall sustainability performance.

### Policies

Cloetta has several governing documents that guide the management of biodiversity-related sustainability topics. These policies help shape our approach to minimise impact on biodiversity. Cloetta's environmental, palm oil, and Supplier Code of Conduct policies form the foundation of our commitment to responsible sourcing and business practices. The Environmen-

tal Policy emphasises Cloetta's dedication to reducing our environmental footprint by promoting resource efficiency and addressing climate change. The palm oil policy ensures that 100 per cent of the palm oil used is RSPO-certified, supporting sustainable agriculture and reducing deforestation. Cloetta's factories that manufacture products using palm oil are therefore certified according to the RSPO SCCS annually. Meanwhile, the Supplier Code of Conduct establishes expectations for ethical behavior, environmental responsibility, and fair labour practices for all suppliers, ensuring alignment with Cloetta's sustainability goals.

The President and CEO and the Group Management Team at Cloetta hold ultimate responsibility for ensuring the implementation of and compliance with these policies and they are also publicly available on our website [cloetta.com](http://cloetta.com) for transparency and accessibility. Additionally, the Supplier Code of Conduct is shared with business partners when contracts are established to ensure alignment with Cloetta's sustainability and ethical standards.

### Relevant policies:

- Supplier Code of Conduct
- Palm oil policy
- Environmental policy

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation
<p><b>E</b></p> <p><b>Biodiversity and eco-systems</b></p>	<p><b>Direct impact drivers on biodiversity loss</b></p> <p><b>Deforestation</b></p>	Negative impact	Deforestation, driven by agricultural expansion and land-use change leads to biodiversity loss. Sourcing ingredients from deforested areas can harm biodiversity and destabilise ecosystems due to changes in land use, freshwater and sea use change.	<ul style="list-style-type: none"> <li>Sourcing certified raw materials and collaborating with suppliers and NGOs to ensure deforestation-free practices.</li> <li>Exploring regenerative agriculture and alternative raw materials with lower environmental impacts.</li> </ul>

## Actions

By sourcing 100 per cent Rainforest Alliance certified cocoa, we aim to mitigate the risks associated with unsustainable practices, ensuring that our cocoa is produced responsibly, with a focus on minimising deforestation and promoting biodiversity. Our collaboration with the Rainforest Alliance allows us to contribute to initiatives that safeguard ecosystems, enhance soil health, and support responsible farming methods. Palm oil production is linked to negative impacts on biodiversity, including deforestation and habitat destruction. Today, the RSPO is the most widely supported method of achieving improved standards for palm oil production and the full supply chain is monitored by independent, RSPO-accredited auditors. Through our commitment to RSPO, we ensure that the palm oil used in our products is sourced from certified plantations, helping to reduce the negative environmental impacts, such as deforestation and habitat destruction. Cloetta has phased out palm oil from products where it is neither

necessary nor the most optimal choice for efficiency, taste, and texture.

During 2024, Cloetta has worked on further integrating biodiversity considerations into the business operations. This includes the development of additional policies to strengthen our commitment to preserving ecosystems within our supply chain. We continued our collaboration with suppliers and third-party organisations to enhance the performance of our suppliers and drive social and environmental projects related to our raw materials, ensuring that our sourcing practices protect or improve the environmental and social impacts within the supply chain.

### Value chain

During 2024, we took steps to enhance our biodiversity efforts as we conducted an in-depth assessment to identify the areas within the value chain that have the most significant impact on biodiversity. This assessment identified key agricultural raw

materials—such as sugar, cocoa, and palm oil—as having the most significant biodiversity risks, especially in regions vulnerable to deforestation. Based on these findings, Cloetta has prioritised actions in areas with the greatest potential to reduce negative impacts.

### EU Deforestation regulation (EUDR)

In 2024, Cloetta has proactively prepared for the upcoming EU Deforestation Regulation by implementing a series of strategic measures to ensure compliance and reinforce our commitment to responsible sourcing. We have strengthened our supply chain due diligence processes, focusing on traceability and transparency, particularly for raw materials linked to deforestation risks. Our efforts include collaborating closely with suppliers to verify the origin of key ingredients, enhancing our monitoring systems, and conducting risk assessments to identify and mitigate potential deforestation impacts.

## Targets

- With palm oil-based vegetable oils, continue to source 100 per cent RSPO segregated certified palm oil
- Maintain 100 per cent Rainforest Alliance certified cocoa

## Performance

In 2024, we upheld our commitment to biodiversity by continuing to source 100 per cent certified cocoa and palm oil. This ongoing dedication ensures that biodiver-

sity protection remains central to our supply chain, as both RSPO and Rainforest Alliance certification programs emphasise sustainable agriculture and responsible land use.

By adhering to these certifications, we are helping to mitigate deforestation risks and supporting biodiversity conservation in the regions where our key ingredients are grown.

# E5 Resource use and circular economy

**Efficient resource management is a priority for Cloetta across the entire value chain. We are committed to adopting a circular approach and continuously assessing the environmental impact of our products and packaging throughout their life cycle. Our key focus areas include efficient resource use, enhancing operational efficiency, reducing emissions to air, water, and soil, and ensuring responsible use of chemicals.**

## Our approach and strategy

Efficient resource management is a priority for Cloetta across the entire value chain. While sourcing raw materials and producing confectionery items, especially on a large scale, we recognise the significant amounts of energy, water, refrigeration, machinery, and transportation needed. These factors contribute to greenhouse gas emissions and environmental impacts.

Cloetta's waste streams are primarily linked to food production and packaging materials. The main waste types include food waste, such as production residues, as well as packaging waste. Additionally, process wastewater is generated during production. The waste mainly consists of biomass from food residues, plastic from packaging and production materials, paper and cardboard from packaging, and smaller amounts of metals, such as machine components from maintenance. Certain manufactured goods are discarded due to quality defects, production errors, or process inefficiencies. These products do not meet the required standards for sale and consumption. If possible, scrapped products are reintroduced into production. Some waste streams are repurposed as animal feed or converted into biogas for energy production. Example on such waste streams are sugar, fondant, masses, candy or chocolate defects and non-standard packaged products. Waste from gum goes to rework or incineration. Non-recoverable

products are disposed following food safety and environmental regulations. Packaging plays a crucial role in protecting our products, ensuring quality, and extending shelf life, which helps reduce waste and resource consumption. However, it also has an environmental impact through resource use, greenhouse gas emissions, and end-of-life disposal. Therefore, prioritising the selection of type and amount of packaging material is crucial. Furthermore, circular packaging solutions are essential to support the development in the recycling industry. By focusing on recyclable, recycled and renewable materials, we address the industry's environmental impact and aim to reduce waste throughout our value chain. Cloetta's targets of 100 percent recyclable packaging by 2025 and 100 percent packaging made from renewable or recycled materials by 2030 align with global efforts to reduce plastic waste and mitigate climate impacts.

Optimising resource use, minimising waste, and reducing emissions are critical for maintaining stakeholder trust, particularly among consumers who increasingly seek responsibly sourced products. Effective resource management not only drives cost savings and operational efficiency but also reduces risks and helps meet the growing expectations for responsible business practices. Our strategy for efficient resource use is embedded into our sustain-

ability agenda, primarily through initiatives like "Less and Better Packaging", as well as waste management practices and local collaborations focused on circular solutions.

### Policies

Cloetta's Environmental Policy guides our efforts to use resources efficiently, reduce waste, and enhance our environmental performance throughout our operations. The policy covers all stages of our supply chain, from sourcing raw materials to recycling packaging. Environmental considerations are integrated into product development, technical installations, and investments. Cloetta's way of working is founded on a philosophy of continuous improvement to strengthen our environmental performance, as outlined in our environmental management system. This system includes guidelines that support the implementation of the Environmental Policy, ensure compliance with legal and other requirements, and meet the expectations of our stakeholders.

The President and CEO and Group Management Team at Cloetta hold ultimate responsibility for ensuring the implementation of and compliance with the Environmental policy. For transparency the Environmental policy is also publicly available on our website [cloetta.com](https://www.cloetta.com).

### Relevant policies:

- Environmental policy

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation
<b>E</b> <b>Resource use and circular economy</b>	<b>Resource inflows, including resource use</b>	Negative impact	High resource use and single-use plastics cause depletion, pollution, environmental degradation and high emissions.	<ul style="list-style-type: none"> <li>Proactively exploring opportunities to prevent waste generation and promoting recycling.</li> <li>Implementation of advanced technologies for better resource efficiency.</li> <li>Follow standards for environmental management.</li> </ul>
	<b>Resource Outflows related to Products</b>	Negative impact	Waste generation due to inefficient processes contributes to landfill and environmental pollution.	<ul style="list-style-type: none"> <li>Implementation of waste reduction practices.</li> <li>Use of environmental management system.</li> </ul>
		Negative impact	Plastic packaging negatively impacts the environment by depleting resources, contributing to greenhouse gas emissions and plastic pollution, and generating waste that persists in ecosystems.	<ul style="list-style-type: none"> <li>Reducing plastic and minimising packaging.</li> <li>Using renewable materials in packaging through the PlantPack project.</li> </ul>

## Actions

### Less and Better Packaging

All Cloetta's packaging must guarantee good quality and safety for our products. On top of this Cloetta has the "Less and Better Packaging" initiative focusing on reducing plastic use, adopting renewable materials, improving recyclability, and reducing the overall environmental impact of packaging. An essential contributor to reach our target of 100 per cent packaging from renewable sources or recycled materials by 2030, is our PlantPack innovation. PlantPack replaces up to 50 per cent of fossil-based plastic with plant-based plastic derived from multiple sources such as sugar cane, used cooking oil or tall oil, a by-product of the pine pulp industry. When using used cooking oil or tall oil it's done via a mass-balance principle to ensure that renewable feedstock is integrated into the packaging production process, resulting in reduced CO<sub>2</sub> emissions and less reliance on fossil fuels. We will continue making further

progress in replacing more packaging materials with our PlantPack innovation. Regarding to our goal of all packaging material used in Cloetta production sites to be recyclable, we have worked according to The Circular Economy for Flexible Packaging's (CEFLEX) definition of recyclability. We will revise according to Packaging and Packaging Waste Regulation (PPWR) and remain committed to achieving recyclable packaging by 2030 through continuous innovations. We are continuously investigating moving additional volume from plastic tubs to bag in box solution. The bag in box solution reduces the amount of plastic used per kg packed product.

### Waste management and recycling

In our manufacturing processes, we focus on reducing waste and improving efficiency through several programs. We also have waste management procedures in place to separate and recycle waste where possible.

Our environmental management system, aligned with ISO 14001 standards, provides a structured approach, adaptable at each production site. Four of our sites are included in our ISO 14001 multi-certificate. Our environmental reporting system regularly monitors our resource usage and waste, providing insights that inform our strategies and helps us set realistic targets for waste reduction. Furthermore, we continuously work to replace hazardous chemicals with safer alternatives to reduce environmental risks. This proactive approach helps to mitigate environmental risks and aligns with our goal of a healthier environment.

In 2024, our focus has been on operational excellence and minimising scrapped products, while seeking opportunities for advanced waste management solution to achieve higher levels in the waste hierarchy. Additionally, we have further enhanced the details in our environmental data.

## Targets

### Waste

- Zero emissions from total waste by 2030
- 95 per cent recovered and recycled waste by 2030

### Packaging

- 100 per cent recyclable packaging by 2025
- 100 per cent packaging from renewable sources or recycled materials by 2030

## Performance

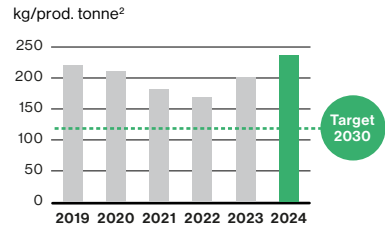
During 2024, PlantPack accounted for approximately 18 per cent of the total plastic packaging used in our Cloetta production sites, which is approximately 6 per cent more compared to 2023. Previously we have focused on tracking the PlantPack implementation progress, measuring the percentage PlantPack solutions of total plastic packaging in our production sites. From 2024, we also track the percentage PlantPack solutions of total flexible plastic packaging, since that represents the main focus of the implementation. For flexible plastic packaging, PlantPack accounted for approximately 30 per cent, which is approximately 11 per cent more compared to 2023. Since setting the 100 per cent recyclable packaging-goal, we have implemented several initiatives to phase out PVC and the use of PET in laminates. Through partnership with our suppliers, we have worked on developing new materials that push the boundaries of technology and performance to help contribute to

our targets. As of 2024, we have achieved approximately 98 percent recyclable packaging used at Cloetta's production sites and around 94 percent based on consumer packaging, leading us to consider the 2025 target achieved. However, we will continue to work together with our suppliers to improve the recyclability of our packaging to ensure compliance with PPWR.

In 2024, total waste amounted to 236 kg per tonne produced, representing an increase from previous year. An error in the reporting system affected two waste fractions, leading to higher reported waste volumes. This impacts historical waste data from 2019 to 2024, resulting in revised figures in this year's reporting compared to previous year. The increase in waste is mainly due to higher waste streams associated with process wastewater. For example, at the Ljungsbro plant, an equalization tank with aeration was installed to remove more fat from the wastewater before discharge, which has increased the waste of fats.

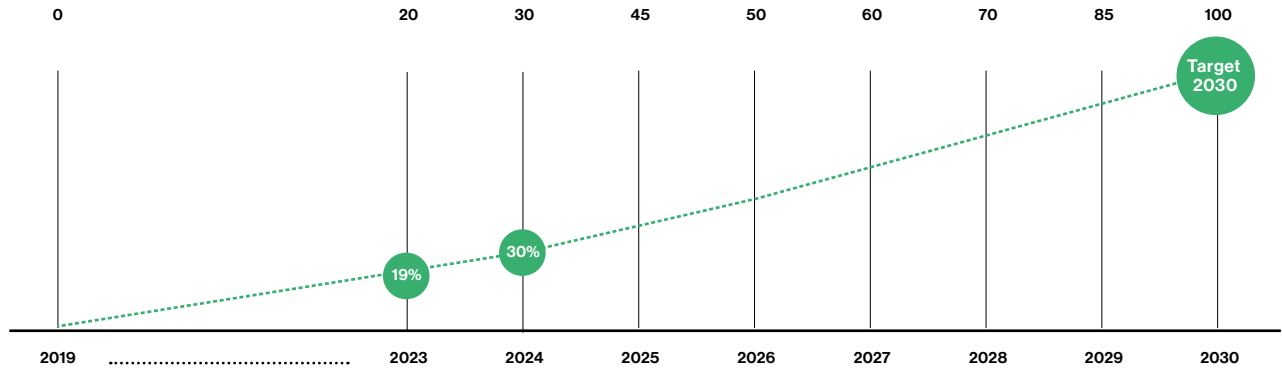
Also, due to some increased waste streams associated with process wastewater at Levice plant. Waste data from offices have also been included in the reporting for 2024. For most of the offices, estimates of the waste data have been made.

### Waste<sup>1</sup>



Source: CEMA Sys  
 1) Revised waste data from 2019 and onwards.  
 2) Waste per produced ton is calculated by dividing the total waste generated within the organisation by the total amount of product produced. The targets for 2025–2029 are projected linearly to achieve a 46% reduction by 2030.

### PlantPack 2024<sup>1</sup> %



1) Figures based on total flexible plastic packaging in Cloetta's production.

# Metrics

## Resource outflows

Waste generation	2024			2023		
	Hazardous waste	Non-Hazardous waste	Total	Hazardous waste	Non-Hazardous waste	Total
(1) Incineration	15	890	905	16	1,135	1,151
(2) Landfill	11	304	315	11	298	309
(3) Other waste fractions	99	17,250	17,349	100	14,172	14,272
<b>(4) Total waste directed to disposal (calculated as the sum of lines 1-3)</b>	125	18,444	18,569	127	15,605	15,732
(5) Recycled waste <sup>1</sup>	9	1,374	1,383	11	1,416	1,427
(6) Recovered waste <sup>2</sup>	N/A	3,127	3,127	N/A	3,163	3,163
<b>(7) Total waste diverted from disposal (calculated as the sum of lines 5-6)</b>	9	4,501	4,510	11	4,579	4,590
<b>Total waste generated, tonnes (calculated as the sum of lines 4-7)</b>	134	22,945	23,079	138	20,184	20,322

Source: CEMAsys

1) Recycled waste: reprocessing of products or components of products that have become waste, to make new materials. Material recycled waste may include paper, plastic, metal, carton, wood pallets, electronics etc.  
 2) Recovered waste, other operations: scrapped product to animal feed.

	2024		2023	
	Tonnes	%	Tonnes	%
Total amount of non-recycled waste	21,696	94	18,895	93
Total amount of waste generated	23,079	100	20,323	100

Source: CEMAsys

### Accounting principles

#### Waste

Waste data is collected and managed using standardised methodologies aligned with health, safety, and environmental (HSE) best practices, as well as relevant regulatory and sustainability reporting frameworks. Waste fractions are classified according to DEFRA's categorisation framework. Combustion factors are derived from ECO Invent. Reporting is based exclusively on measured data, capturing the precise weight or volume of waste collected by authorised waste transporters. Each local site is responsible for tracking and

validating waste data, sourcing information directly from waste transport providers and receiving facilities. This data is systematically entered into the central sustainability data management platform, which consolidates, monitors, and analyses waste generation, disposal methods, and material recovery rates across the organisation.

#### Packaging

Data on all packaging materials delivered to Cloetta production sites is collected through our ERP-system. Packaging data is calculated in absolute terms, meaning reported figures fluctuate with produc-

tion volumes; lower production typically results in reduced packaging figures and vice versa. The percentage of PlantPack is evaluated using two metrics: percentage PlantPack of total plastic packaging and the percentage PlantPack of total flexible plastic in Cloetta production sites. Flexible plastic includes all plastic films, mainly for consumer packaging but also other packaging materials, for example stretch film for pallets. Recyclability is evaluated using two distinct metrics: the percentage of all packaging materials that are recycle-ready and the percentage of consumer units meeting recycle-ready criteria.

# S1 Own workforce

**We believe that a healthy and safe working environment is crucial to foster and sustain an engaged and productive workforce. Therefore, we are committed to continuously developing a well-balanced work environment where employees can perform at their best. To systematically improve our performance, our approach to managing workforce-related matters is divided into two areas, Human Resources and Health and Safety.**

## Our approach and strategy

### Human Resources

Cloetta is driven by the conviction that value is created through our employees, and that the ability to attract, retain, and develop the best and most competent people is crucial to our success. Cloetta emphasises the importance of supporting employees through fair labour practices, strong health and safety measures, and opportunities for career growth.

Our strategy for employee well-being is embedded in our broader sustainability agenda through our initiative, Diversity, Equity and Inclusion (DEI). This initiative focuses on fostering a work environment that supports employee health, engagement, and career development. Specific actions include offering development opportunities, promoting work-life balance, and ensuring fair treatment for all employees across the organisation. By embedding employee well-being into our overall corporate strategy, we ensure a consistent, fair, and supportive environment that aligns with both our business and sustainability objectives.

### Cloetta values

Cloetta's values—Focus, Passion, Teamplay, and Pride—steer us in creating an inclusive company culture. These values unite

our diverse workforce, helping individuals with varied skills, experiences, and aspirations work together toward shared goals.

### Health and safety

Our health and safety strategy is designed to improve the physical, social, and organisational aspects of the workplace at all levels. Management at all levels of the organisation bears the responsibility of minimising potential negative impacts on employees' well-being. To this end, Cloetta has developed a comprehensive roadmap to transition from a reactive to a preventive safety mindset. Health and safety are key priorities that influence how we design our work processes and organise our activities. By maintaining a focus on health and safety, we aim to prevent workplace injuries and occupational illnesses, safeguarding the well-being of our workforce. A safe and healthy work environment directly impacts our ability to achieve our business objectives through increased productivity, reduced absenteeism, and enhanced employee morale.

Key elements of our strategy include the development and implementation of a strong safety culture. This involves targeted initiatives aimed at reducing risks and preventing injuries while promoting overall well-being

throughout the company. Our health and safety strategy is integrated into our overall sustainability agenda, ensuring it being implemented across both production sites and offices. Specific actions include regular risk assessments, safety training, and continuous improvement measures to enhance workplace safety standards.

### Operations

The backbone of operations is the Cloetta Leading Performance Program (CLPP) with the vision to create the Perfect Factory. The aim of the program is to create a trustworthy and engaging environment in which employees feel empowered to deliver improvements. The program involves improving operational excellence, and strategic investments to modernise the plant network. Through these efforts, we aim to create an organisation where health and safety considerations are embedded in our daily operations and decision-making processes.

### Policies

Cloetta has established policies to prioritise the well-being, safety, and work environment of employees. These policies outline essential principles for creating a safe and supportive workplace that promotes phys-



ical health, mental well-being, and overall safety. They guide our efforts to proactively manage potential health risks, ensure a positive work environment, and continuously improve safety standards.

Through these policies, we are committed to fostering a relationship of trust and respect with employees, guided by collaboration with European and local works councils, as well as labour unions. Cloetta upholds the laws and regulations in all countries where it operates and adheres to the ILO's Fundamental Social Principles, focusing on key areas such as equality, freedom of association, collective bargaining, health and safety, and fair working hours.

**Human Resources policies**

Cloetta's HR policies are aligned with the corporate governance framework and cover all aspects of the employee lifecycle, including recruitment, onboarding, performance management, talent and succession management, and employee engagement. These policies ensure that HR manage-

ment aligns with our vision and values. The aim is to support our strategy, foster a positive workplace culture, and create a performance-driven environment based on Cloetta's core values. Additionally, the policies promote respect for diversity, equity, and inclusion, valuing employees for their unique backgrounds, skills, and experiences. These policies are also communicated to all managers within the organisation.

**Health and Safety policy**

Cloetta's Health and Safety policy has its foundation in our sustainability values. Our aim is to build Cloetta into a sustainable organisation of engaged, motivated and healthy employees. Cloetta's occupational health and safety objective centers on ensuring employees' well-being through a zero-work-related ill-health vision. Key focus areas include providing safe and healthy working conditions for physical and psychological health, reducing risks to prevent injury and ill-health, continuously

improving safety performance, and fostering a supportive, inclusive workplace free from discrimination and harassment. The policy is relevant for all people working under the Cloetta brand and/or visit Cloetta premises.

The President and CEO and the Group Management Team at Cloetta hold ultimate responsibility for ensuring the implementation of and compliance with the Health and Safety and the central HR policy. The business lead and the HR Business Partner of each unit are responsible for implementing local HR policies. For transparency, the Health and Safety policy is also publicly available on our website cloetta.com. Regular reviews ensure that our policies are effectively implemented, remain compliant with regulations, and evolve in response to changing workforce needs and feedback.

**Relevant policies:**

- Central HR Policy
- Local HR policies
- Health and Safety policy

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation
<p><b>S</b></p> <p><b>Own workforce</b></p>	<p><b>Working Conditions</b></p>	Negative impact	Work-related stress can lead to burnout, reduced productivity, and higher employee turnover, impacting both employee well-being and the organisation's longterm capacity.	<ul style="list-style-type: none"> <li>• Introduction programs, evaluations, learning platforms, vitality initiatives, and surveys.</li> <li>• Workload monitoring and promoting time off to support work-life balance.</li> </ul>
		Negative impact	Workplace hazards primarily include machinery risks, slippery floors, chemical spills, and vehicle accidents, which can result in severe injuries, absenteeism, legal liabilities, reputational harm, and work-related stress. Health risks include chemical exposure, noise pollution, and mental health issues.	<ul style="list-style-type: none"> <li>• Health and safety management system covering all Cloetta production sites and offices.</li> <li>• Processes and training programs to proactively manage and minimise risks and incidents.</li> <li>• Continuous monitoring and strict adherence to safety protocols to prevent incidents and accidents.</li> </ul>
		Negative impact	Lack of equality and diversity in the workplace can limit perspectives, reduce collaboration, and create barriers to equal opportunities, potentially affecting overall team performance and employee well-being.	<ul style="list-style-type: none"> <li>• Measures for competence development, equal pay, and non-discrimination</li> <li>• Introduction programs, platforms for development and learning, health-promoting activities, and regular employee surveys (Cloetta engagement survey)</li> <li>• Leadership trainings and other initiatives to promote equal opportunities.</li> </ul>
		Risk	Productivity loss and brand impact due to injuries or illnesses can lead to a downtime in production or the overall efficiency on offices. If not adequately managed, incidents could harm the company's reputation, affecting customer and investor trust.	<ul style="list-style-type: none"> <li>• See mitigations for workplace hazards and health issues.</li> </ul>

## Engaging with own workforce

We actively foster a workplace culture that encourages open communication, collaboration, and professional development. Through employee surveys and feedback mechanisms, we assess engagement levels and gather insights to inform our policies and practices.

### Human Resources

A key tool to continuously improve engagement is the Cloetta Engagement Survey, which measures the following indexes: Overall engagement, leadership, team, management, e-NPS. This survey is conducted every second year. Managers have access to a portal where the results for their team are visible with specific focus areas-

Results are shared within the team and define concrete actions to improve.

### Health and safety

Our processes for engaging with our workforce encompass regular communication, training, and a systematic approach to health and safety responsibilities. To enhance competence development, we provide comprehensive training programs that outline specific roles and responsibilities related to health and safety. This includes practical deployment of our health and safety awareness methodology which is designed to strengthen our overall health and safety culture. Through this initiative, we ensure that everyone understand their

vital role in maintaining a safe workplace. Our engagement processes also include regular health and safety assessments, employee feedback mechanisms, and health and safety audits. These practices allow us to continually improve our health and safety measures and respond proactively to any concerns raised by our workforce. Employees are encouraged to share their experiences and suggestions through various channels, including surveys and direct communication with management. Furthermore, risk assessments are done for vulnerable groups to prevent these groups of being exposed to physical or psychological harm.

## Remediate negative impacts

We actively identify, assess, and remediate any adverse effects our operations may have on our employees and the wider community. We have established channels for our workforce to raise potential concerns

regarding workplace conditions, discrimination, or any other issues affecting their well-being. Employees can report their concerns confidentially through our dedicated whistleblower function, or directly to their

line managers. We encourage an open dialogue, fostering a culture where everyone feels empowered to speak up without fear of retaliation. For more details, see page 105 in section G1 Business Conduct.

## Actions

### Human Resources

At Cloetta, we enhance employee well-being and engagement through various initiatives, ensuring a positive and growth-oriented workplace. Our programs include onboarding, evaluation and learning platforms, wellness activities, and regular feedback surveys. We emphasise skill development, equal pay, non-discrimination, parental leave, and mental health support, to maintain a supportive and fair work environment. Our recruitment strategy is continuously refined with tailored processes for different groups, best practices across countries, and manager training using tools like tests and self-assessments. We employ job descriptions and a rigorous selection process with interviews and tests to attract top talent. Cloetta promotes a healthy work-life balance with flexible working arrangements. The Cloetta Energy program encourages a healthy lifestyle through the 4B's: Brain, Body, Behavior & Building. Locally, we organise activities focusing on for example balance, sports, healthy behaviors, and ergonomics. Our "Cloetta Tasting" introduction program facilitates a smooth onboarding experience. This global initiative includes welcome meetings, online courses, engaging films, and a welcome package with tasks designed to help new

employees to integrate into the company culture effectively.

We apply the 70-20-10 learning model to employee development, where 70 per cent of learning occurs through practical work experiences, 20 per cent through interactions with colleagues, and 10 per cent through formal training. The formal training can take place in one of our academies. This includes the Leadership Academy, with tailored programs for different organisational roles: Personal Leadership Academy for interpersonal skills, Core Leadership Academy for first-line leaders, New Leadership Academy for emerging leaders, and Advanced Leadership Academy for experienced leaders. Our annual performance management process, supported by the Workday system, helps employees and managers review objectives and performance.

In 2024, we conducted the Cloetta Engagement Survey to gather valuable insights and feedback from our employees, helping to identify areas for workplace improvement. We also integrated the Learning Agility concept into our talent management process, emphasising adaptability and continuous learning as essential skills for career growth and organisational success. Learning Agility is the ability and will-

ingness to learn from experience and apply that learning to perform successfully under new or first-time conditions. Essentially, it means knowing what to do when you don't know what to do. Managers with learning agility can quickly adapt to changes in the business environment, identify emerging trends, and implement innovative solutions. Additionally, we launched a new HR initiative focused on Diversity, Equity, and Inclusion (DEI), which included developing policies and setting targets to foster a more inclusive work environment.

### Health and safety

Our health and safety efforts are structured around two main objectives. Firstly, we work proactively to identify and reduce health and safety risks across all work environments, from production sites to office spaces, by implementing health and safety protocols, conducting regular risk assessments, and ensuring compliance with health and safety standards. Secondly, we aim to build a strong health and safety culture across Cloetta, where employees are empowered with the knowledge, tools, and mindset to prioritise health and safety in every task. Regular training sessions, health campaigns, and engagement programs encourage employees to adopt

health and safety practices and take active responsibility for their own well-being and that of their colleagues. We prioritise health care services in each country where we operate, offering accessible support for medical treatment and preventative measures. Health examinations and wellness initiatives are part of our commitment to ensuring that employees receive the necessary care to maintain their physical and mental well-being.

Cloetta's way of working is built on a continuous improvement philosophy and is described in our health and safety management system, including guidelines to fulfill policies and organisation compliance obligations. Internal and external audits are part of our continuous improvement philosophy as well as monitoring progress through identified KPIs. Our health and safety management system covers

all Cloetta production sites and offices. All our employees, temporary personnel, consultants and visitors are part of our health and safety management system where the core is to identify hazards and risks and report all types of incidents. Our processes enable our employees to regularly submit reports on incidents, hazards, and risks through each site-specific incident reporting structure. These reports are tracked and monitored within our health and safety management system. All employees have the right to stop unsafe work if they perceive a risk to themselves or others. Investigation of incidents are managed by our HSE incident and reporting process that supports us in finding the root cause and take appropriate actions.

In 2024, we developed two of our health and safety processes; risk assessment and incident reporting & investigation.

The main focus was to include a broader scope related to human, technology and organisational factors when performing risk assessments and incident investigation. This approach supports the organisation in understanding the root causes and prevents incidents from re-occurring. We also launched several E-learning for our workforce, this with the aim to increase the health and safety awareness and understanding of how we work at Cloetta and what is expected from each individual. Additionally, we integrated health and safety leadership skills and behaviors into our daily work practices, prioritising safety and ensuring that our teams are equipped with the knowledge and tools needed to sustain a safe and supportive work environment.

## Targets

### Human Resources

- Cloetta Engagement survey to be in line with the global benchmark by 2025

### Health and safety

- Continue to work towards zero work-related accidents

## Performance

### Human Resources

#### Cloetta Engagement Survey

The results of the engagement survey reveal significant improvements in our engagement score and the Employee Net Promoter Score (E-NPS). We had a high response rate of 88 per cent, which shows strong participation from our colleagues. Our ambition is to score on or above the Global Benchmark. In the 2024 survey, we achieved this benchmark on all indexes, and we are very close to reaching it in team efficiency, with just a minor gap of one percent remaining. All managers involved have developed action plans based on the survey's focus areas for

their respective teams. These actions will be evaluated throughout the year to ensure continuous improvement and our ambition to achieve the highest standards.

### Health and safety

In 2024, we achieved a 95 per cent SRA index, highlighting the correlation between risk observations, near misses, and accidents, and underscoring our organisational focus on preventative measures. However, we observed an increasing trend in lost time and recordable accidents, due to recurring root causes. To address this, we have expanded our approach to incident

investigations and risk assessments, incorporating a broader focus on human, technological, and organisational factors. As part of our focus on incidents that could lead to a severe work-related accident, we have introduced the criteria: critical, major, moderate, minor, and limited. The number of incidents in the "major" category, according to the new criteria, decreased by 63 per cent in 2024 compared to 2023. This reflects improvements in the work environment and increased awareness of health and safety across the organisation.

## Metrics

### Workforce characteristics 2024

Country	Own workforce <sup>1</sup>	Regular Employees	Fixed Term Employees	Seasonal hours employees	Contingent Workers
Sweden	747	696	37	-	14
Slovakia	702	631	69	-	2
The Netherlands	510	432	26	-	52
Finland	296	208	11	75	2
The UK	208	207	1	-	-
Belgium	117	108	-	-	9
Denmark	144	136	6	-	2
Ireland	68	52	16	-	-
Norway	29	28	-	-	1
Germany	11	11	-	-	-
Italy	3	3	-	-	-
Other	7	4	-	-	3
<b>Total</b>	<b>2,842</b>	<b>2,516</b>	<b>166</b>	<b>75</b>	<b>85</b>

Source: Workday

1) Ref. ESRS 2, SBM-1 disclosure paragraph 40; headcount of employees by geographical area. See note 6 on page 125 for average number of employees per country.

Employment category	Female	Male	Other <sup>1</sup>	Not disclosed	Total
Regular Employees	1,369	1,147	-	-	2,516
Fixed Term Employees	100	66	-	-	166
Seasonal hours employees	61	14	-	-	75
Contingent Workers	24	61	-	-	85
<b>Total</b>	<b>1,554</b>	<b>1,288</b>	<b>-</b>	<b>-</b>	<b>2,842</b>

Source: Workday

1) Gender as stated by the worker.

Turnover <sup>1</sup>	#	%
Total employee turnover	584	21

1) Turnover rate calculation based on average number of employees and total number of employees who left during the year.

### Diversity metrics

Gender distribution management	Female		Male		Other <sup>1</sup>		Employee age distribution <sup>1</sup>	#	%
	#	%	#	%	#	%			
Board of Directors	3	43	4	57	-	-	<30 years	463	17
Group Management Team <sup>2</sup>	2	20	8	80	-	-	30-50 years	1,379	50
Managers	152	44	193	56	-	-	>50 years	915	33
							<b>Total</b>	<b>2,757</b>	<b>100</b>

Source: Workday

1) Gender as stated by the worker.

2) Top management refers to the managerial level directly below the administrative and supervisory bodies and consists of the Group Management Team.

Source: Workday

1) Only employees are counted; contingent workers are excluded

## Health and safety

KPI	Employees / Contractors	Target	2024 <sup>1</sup>	2023
<b>Number of fatalities<sup>2</sup></b>	Employees	-	-	-
	Contractors	-	-	-
<b>Lost time injury frequency rate (LTIR)<sup>3</sup></b>	Employees	3.2	3	3.2
<b>Number of LTIs</b>	Employees	6	12	8
	Contractors		1	1
<b>Severity rate<sup>4</sup></b>	Employees	48	113.2	48.3
<b>Number of lost days from work</b>	Employees	81	457	122
<b>Number of recordable accidents</b>	Employees	6	16	3
	Contractors		1	1
<b>Number of first aid accidents</b>	Employees	170	166	170
	Contractors		7	2
<b>Total recordable incident rate (TRIR)<sup>5</sup></b>	Employees	4.7	6.9	4.4
<b>Total injury rate (TIR)<sup>6</sup></b>	Employees	72	48.1	71.6
<b>Near miss reporting</b>	Employees	548	692	696
	Contractors		5	5
<b>Number of unsafe acts &amp; conditions</b>	Employees	5,579	5,498	5,699
	Contractors		35	38
<b>Number of safety conversations</b>	Employees	14,015	15,027	15,126

Source: CEMAsys

1) In 2024, the data for health and safety includes not only production sites but also offices, reflecting an expanded scope of reporting compared to previous years.

2) Refers to fatalities resulting from work-related injuries and fatalities resulting from work-related ill health.

3) LTIR:  $LTA \text{ 's} \times 1000.000 / \text{worked hours for the same period}$ . LTA = An accident that resulted in days off from work (lost days), starting with the next following day according to work schedule.

4) Severity =  $LDWI = \text{Day out of work due to a work-related injury or ill health}$ . Severity:  $LDWI \text{ 's} \times 1000.000 / \text{worked hours for the same period}$ .

5) TRIR:  $LTA \text{ 's} + REC \times 1000.000 / \text{worked hours for the same period}$ . REC = work related injury that requires outside medical treatment.

6) TIR:  $LTA \text{ 's} + REC + FA \times 1000.000 / \text{worked hours for the same period}$ . FA = Personal Injury that requires either self-treatment or treatment by qualified first aid person in the factory.

### Accounting principles

#### Human Resources

Cloetta's workforce data is reported based on headcount as of December 31, 2024. Data covers demographics, employment types, and turnover rates. The data is primarily gathered through Cloetta's centralised HR system, ensuring consistent management. If data is unavailable in the system, it is sourced from local HR or payroll systems. All changes, including hires, role updates, and terminations, are recorded, approved, and updated in the HR system. Our HR system is business process-oriented, with all changes reviewed and approved by designated function holders. Data integrity is ensured by extracting information directly from the HR system using predefined reports. Exclusions or limitations in employee data reporting may occur in regions or employee categories where data is unavailable or when estimates or assumptions are necessary due to data collection constraints.

Regular employment refers to permanent or indefinite-term positions, while fixed-term employment is for a specific duration or assignment, including internships. Seasonal employees are hired for temporary work with non-guaranteed hours, typically during peak seasons. Contingent workers: (co-) workers who are contracted via agencies, consultancy organisations etc. or being self-employed, who are hired to fulfil certain assignments.

#### Health and safety

Worker-related health and safety data is sourced directly from Cloetta's HR systems and integrated into our central sustainability data platform. Work-related incidents and accidents are reported by each site – production sites, offices, or stores. Data verification occurs monthly at both the local site and Group level, ensuring accuracy for reliable reporting. Data is monitored on a rolling 12-month basis. To monitor performance, data from the sustainability data platform is

transferred on a daily basis, enabling real-time tracking of key health and safety KPIs. Cloetta measures work-related injuries through the Lost Time Injury Rate (LTIR), Total Recordable Incident Rate (TRIR), and Total Incident Rate (TIR), which are calculated as the number of accidents and injuries per million hours worked. LTIR refers to injuries resulting in at least 24 hours of absence, while TRIR also includes injuries requiring medical treatment, and TIR covers all recordable incidents, including cases that only require first aid. The severity rate indicates the length of absence and is measured by the number of lost workdays in relation to hours worked. Additionally, near misses, including serious incidents without injuries, as well as hazardous behaviors and conditions, are tracked. These observations, often identified through safety dialogues, are essential for proactive accident prevention. Incidents are assessed based on the criterias: critical, major, moderate, minor, and limited.

# S2 Workers in the value chain

**In order to respond to sustainability challenges and meet Cloetta's overall sustainability agenda, we must take care of the people involved in the making of our products. This responsibility extends beyond our production sites and offices. Engaging in partnerships and collaborating with organisations allows us to support farmers and improve living conditions throughout our supply chain.**

## Our approach and strategy

The physical and mental well-being of individuals throughout our value chain is fundamental to how we operate and is essential for the continued trust from all stakeholders impacted by our activities. In line with international standards, we are guided by the International Bill of Human Rights, the International Labour Organization's (ILO) Core Conventions, and the UN Guiding Principles on Business & Human Rights. As a signatory of the UN Global Compact, we also support the OECD Guidelines for Multinational Enterprises. These frameworks guide our work, ensuring that we operate ethically and responsibly, with a particular focus on preventing and minimizing negative impacts on people directly or indirectly affected by our business. Cloetta takes an active role in collaborating with partners and organisations to improve living conditions throughout our supply chain. This approach is embedded in our Sustainable Sourcing initiative, a core element of our sustainability agenda. We work to minimise negative impacts by

engaging proactively with stakeholders, including suppliers, farmers, and local communities. Through ongoing dialogue and collaboration, we continuously improve practices and actively address any potential impacts arising from our operations. Our efforts include ensuring compliance with human rights standards including child and forced labour, and maintaining ethical working conditions and a living income throughout our supply chain. Our different partnerships allow us to extend our commitment to ethical practices beyond our own facilities, ensuring that our values are reflected across the value chain.

### Policies

Cloetta has established policies to ensure that our suppliers adhere to ethical, environmental, and social standards throughout the supply chain. Our Supplier Code of Conduct outlines the minimum requirements to ensure that our supply chain partners respect human rights, establish good

labour conditions, ensure ethical business practices and continuously improve their environmental and health and safety performance. We evaluate compliance with our Supplier Code of Conduct as a key part of the supplier selection process. This Code sets out minimum standards of ethical and responsible conduct, which we expect all suppliers to uphold in both intent and action. We expect our suppliers to be transparent and have an open dialogue with us about challenges which they encounter as part of their operations.

The President and CEO and the Group Management Team at Cloetta hold the ultimate responsibility for ensuring the implementation of and compliance with the Supplier Code of Conduct. For transparency this Code is also publicly available on our website [cloetta.com](https://cloetta.com).

### Relevant policies

- Supplier Code of Conduct

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation
<p><b>S</b></p> <p><b>Workers in the value chain</b></p>	<b>Working conditions</b>	Negative impact	Working conditions and other work related rights risks including inadequate wages may arise in procurement of raw materials like cocoa and palm oil from high-risk regions.	<ul style="list-style-type: none"> <li>Sourcing 100 per cent certified palm oil (RSPO) and cocoa (Rainforest Alliance).</li> <li>Third-party monitoring through local audits.</li> <li>Collaborating with Rainforest Alliance's "Living Income Fund" to support farmers' incomes.</li> </ul>
	<b>Other work-related rights</b>	Negative impact	Child and forced labour may occur in supply chains, particularly in agriculture and cocoa production, contributing to human rights violations. Vulnerabilities tied to poverty and weak local institutions vary by market.	<ul style="list-style-type: none"> <li>Enhancing supplier performance through Sustainable Sourcing program to ensure that raw materials are sourced to protect and improve social impacts in the supply chain.</li> </ul>

### Value chain workers engagement

We engage with our suppliers and partners through various mechanisms, such as audits, surveys and questionnaires, and open communication channels, which help us gather insights into working conditions, labour rights, health and safety standards. Furthermore, our different partnerships include collaboration with suppliers in agricultural sourcing to promote sustaina-

ble farming practices and worker welfare. Through partnerships with third-party organisations and NGOs, we extend this outreach to farmers and workers for our raw materials. Through selected certification programs or other collaborations, we work to enhance agricultural practices that protect biodiversity, uphold community welfare, and ensure fair labour standards.

Our initiatives also include training programs that encourage sustainable farming methods, advocate for fair working hours and a living income as well as empowering women. Our partners continuously evaluate and track progress through on-the-ground visits, audits, and local engagements, which assess the effectiveness of these initiatives.

### Remediate negative impacts

Cloetta's whistleblower service allows both employees and external stakeholders to report cases of suspected serious misconduct within the company, particularly

regarding actions that would go against our ethical values, policies, or applicable laws. This service serves as a risk-reduction tool and supports ethical business standards by

providing a secure, confidential channel for reporting suspected issues without fear of retaliation. For more details, see page 105 in section G1 Business Conduct.

### Actions

Cloetta works continuously to identify and assess potential human rights risks and impacts on employees, contractors, as well as the people in our supply chain. These risks are identified based on information from impact assessments, internal and external experts, and other relevant sources. Through our risk assessments we have identified ingredients that are sourced in countries where there have been historical instances of human rights breaches. To safeguard the sustainability of our supply chain, we are taking proactive steps to address identified risks with our suppliers. Through our partnerships with NGOs and suppliers we reach the people growing the raw materials. Cloetta has chosen to

take part in several international initiatives to mitigate the risk of incidents of lacking human rights in the value chain.

During 2024, we have evaluated new partnerships to improve living conditions in our supply chain. The requirements for a new partnership were based on many criteria, including having a system-wide approach, programs addressing human and labour rights as well as environmental aspects, and the documented effectiveness of the initiatives. Based on these criteria we have decided to partner with World Cocoa Foundation. However, no decisions have yet been made regarding specific programs to support. These decisions will be finalised in 2025.

#### The Living Income Fund

Approximately 87 per cent of cocoa growing households in the Ivory Coast earn less than a living income, a country producing much of the world's cocoa. Building better livelihoods for farmers is critical to create a world where people and nature thrive together. Since 2020, Cloetta has partnered with the Rainforest Alliance to tackle inadequate pay for cocoa farmers. This initiative utilises mobile direct payments to facilitate direct payments to cocoa farmers, resulting in increased incomes for participants. Alongside this financial uplift, the initiative has also led to significant positive impacts, including improved school attendance, enhanced food security,

better access to healthcare, and greater economic resilience within farming communities. Find out more at [ra.org](http://ra.org).

**Sustaining Shea**

Since 2017, we have collaborated with one of our long-term suppliers on the Kolo Nafaso sustainability program, aimed at promoting the production of sustainable

shea butter in Burkina Faso, Ghana, and the Ivory Coast. The aim is to directly source and trace shea kernels, while empowering the women who source the shea nuts in rural areas. The program aims to establish direct trade relationships with women who collect nuts, bypassing the traditionally male-dominated intermediaries in the supply chain. Through this partnership, we

support the women to organise themselves into producer groups and to get training in business management and in good post-harvest practices. The main advantage for the women is a higher return, as they receive the same price that would typically be paid to intermediaries. It is also a guaranteed outlet for all of their shea kernels.

**Targets**

- **Maintain existing partnerships and initiate a new collaboration to improve living conditions in our supply chain by 2025**

**Performance**

In 2024, we continued our support in the Kolo Nafoso program promoting sustainable shea butter and empowering women. The Living Income Fund has been a successful project. As a result of the Living Income Fund in Côte d'Ivoire, 337 cocoa farmers received an estimated 11 per cent

increase in incomes. The increase of income has had proven positive impacts for farming communities, including better school attendance for their children, more food security, improved access to health-care, and increased economic resilience. In mid-2024, the Living Income Fund project

ended, due to other partners pulling out of the project. For that reason, Cloetta has been investigating other potential partnerships and programs to improve living conditions in our supply chain.

# S4 Consumers and end-users

**Our consumers are at the center of our business. Innovating for the future is a key success factor in order for Cloetta to stay in tune with the changing demands. By responding to different preferences and needs, we aim to ensure the accuracy and significance of our product range. We are committed not only to meeting their diverse tastes and preferences but also to ensure high standards of safety, quality, and transparency in all our products.**

## Our approach and strategy

Consumers increasingly wish to satisfy their individual needs. This means that they want the option of both choosing products and having access to products and services that are individualised and can be adapted for different occasions. Cloetta strives to build trust by providing clearly labeled ingredients, responsibly sourced materials, and products that align with evolving health expectations. This commitment is integrated into our sustainability agenda, ensuring that our approach to consumer safety, product quality, and transparency is supported by targeted initiatives.

### Impact on consumers

We acknowledge that we may have an impact on consumer’s health and safety, given that our products are consumed by people and that sugar has a documented adverse effect on health. Certain products within Cloetta’s portfolio also contain elevated levels of fat, presenting potential health risks. The primary impact associated with a high fat intake include weight gain and obesity due to the resulting calorie consumption. Other impacts of consuming products high in sugar could include tooth damage, both through the direct effects of sugar on dental health and by chewing on

hard pieces. Over the past decade, we have focused on reducing sugar and calories in our products, supporting World Health Organisation (WHO) recommendations to limit added sugar intake. Our approach helps consumers make balanced choices for themselves and the environment by concentrating on key areas such as creating products with less sugar, launching sugar-free options, enhancing portion messaging, implementing responsible marketing, and developing products with lower carbon footprints through ingredient reformulation.

### Quality management and product safety

To control risks and enhancing consumer satisfaction all Cloetta plants have stringent quality and food safety management systems in place which includes our Good Manufacturing Practices (GMP) standard, comply with food safety regulations and are certified according to BRCGS international Food standard. Cloetta has a central Food Safety team appointed to safeguard the business against external food safety risks. This team is responsible for monitoring emerging food safety challenges within supply chains and keeping up to date with new regulations.

### Policies

Cloetta has established several policies to ensure that the operational work within the organisation is aligned with our ambitions and strategy.

### Responsible marketing

Cloetta is committed to responsible marketing, guided by our Responsible Marketing Policy, which ensures that our practices reflect our dedication to ethical standards and positively influence the communities we serve. Through this policy, we prioritise transparency, fairness, and integrity in all our marketing efforts, reinforcing our position as a positive role model within the industry. Our Responsible Marketing Policy is consistent with current legislation in countries in which Cloetta is present. The guideline also considers industry-specific agreements such as the International Chamber of Commerce (ICC) framework for responsible food and beverage communications, the EU Pledge and the European Brands Association. We ensure that all relevant employees are informed of our policy and we train our existing and future media and creative partners to adhere to our Responsible Marketing Policy. The policy is reviewed annually, and adjustments are made if necessary.

### Factory location

### Certifications<sup>1</sup>

Levice, Slovakia	BRC Global Standard for Food Safety, IFS, SMETA
Ljungsbro, Sweden	BRC Global Standard for Food Safety
Roosendaal, the Netherlands	BRC Global Standard for Food Safety
Turnhout, Belgium	BRC Global Standard for Food Safety, SMETA
Sneek, the Netherlands	IFS, GMP, BRC Global Standard for Food Safety, SMETA
Dublin, Ireland	BRC Global Standard for Food Safety, SMETA

<sup>1</sup>) The table presents certifications related to food safety and does not constitute a comprehensive list of Cloetta’s certifications.

### Food Safety and Quality Policy

Cloetta's Food Safety and Quality Policy is integral to our sustainability agenda. We are dedicated to delivering high-quality products that are safe, authentic, transparently labeled, and compliant with legal and customer requirements. Central to this commitment is a culture of food safety and quality, where every employee understands their responsibilities and feels empowered to

uphold these standards. Our comprehensive management system, grounded in risk assessment and continuous improvement, includes adherence to GFSI-recognised food safety standards, collaboration with compliant suppliers, and proactive engagement with customer feedback.

The President and CEO and the Group Management Team at Cloetta hold ultimate responsibility for ensuring the implementa-

tion of and compliance with the Responsible Marketing Policy and the Food Safety and Quality Policy. For transparency, the Responsible Marketing Policy is publicly available on our website [cloetta.com](http://cloetta.com).

#### Relevant policies

- Cloetta Responsible Marketing Policy
- Food Safety and Quality Policy

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation
<b>S</b> <b>Consumers and end-users</b>	<b>Personal safety of consumers and/or end-users</b>	Negative impact	Inadequate control over food traceability, hygiene, and safety may affect consumers by increasing the risk of product contamination, allergic reactions, and other health consequences.	<ul style="list-style-type: none"> <li>• Source first-class raw materials aligned with international quality standards.</li> <li>• Conduct chemical and physical tests on raw materials and finished products.</li> <li>• Develop policies addressing key product safety issues.</li> <li>• Maintain plans for information dissemination and product recalls in case of deficiencies.</li> </ul>
		Negative impact	High sugar content in products is linked to health issues like obesity and diabetes, posing a risk as health-conscious consumers demand natural ingredients and low-sugar alternatives, potentially reducing demand for traditional sweets.	<ul style="list-style-type: none"> <li>• Provide clear information about product content and calories.</li> <li>• Develop lower-sugar and sugar-free product options.</li> <li>• Promote dental health alongside confectionery offerings.</li> </ul>
	<b>Protection of children</b>	Negative impact	Misleading or excessive marketing targeted at children can influence their consumption habits unethically as children are particularly susceptible to influence.	<ul style="list-style-type: none"> <li>• Practice responsible marketing by adhering to EU Pledge guidelines.</li> <li>• No marketing efforts targeting children to reduce risks of obesity and over-consumption.</li> <li>• Commit to being a positive role model through ethical marketing practices.</li> </ul>

### Consumer engagement

At Cloetta, we actively engage with consumers to ensure their needs, preferences, and concerns are incorporated into our business practices. Through a variety of channels, including surveys, focus groups, and direct feedback mechanisms, we gather insights on consumer expectations related to product safety, quality, sustainability, and ethical business practices. This feedback is systematically analysed

and integrated into our product development and marketing strategies to enhance transparency and align our offerings with consumer demands. Our consumer engagement efforts also help us identify emerging risks and opportunities in areas such as health, environmental impact, and social responsibility, enabling us to adapt and improve continuously. Cloetta continuously monitors consumer trends

to enhance product development, using insights from market analysis to shape new concepts. Our innovation team develops and tests prototypes, collecting feedback from a dedicated consumer panel to ensure the products meet customer expectations. This feedback informs recipe adjustments, enabling us to optimise products before launch.

## Remediate negative impacts

We have established processes to monitor and respond to potential concerns regarding product quality, safety, or other issues impacting consumer well-being. Consumers can communicate their feedback or

concerns through dedicated channels, making sure that their voices are heard and appropriate corrective actions are taken. For more details, see page 105 in section G1 Business Conduct.

## Actions

Cloetta has implemented a series of strategic actions aimed at mitigating risks and meeting evolving consumer demands. These actions focus on product innovation, responsible marketing, and product safety and quality. In 2024, we focused on enhancing our Health and Wellbeing strategy by reviewing current practices and identifying areas for improvement. As part of this process, we are also working on setting targets that reflect our material topics, ensuring a structured and measurable approach to our commitments. We expect to finalise the strategy and complete target setting during 2025.

### Listening to consumer trends

Cloetta continuously monitors consumer preferences, particularly the growing demand for healthier options, resulting in innovative ways to incorporate healthier ingredients while staying true to our product identity. Furthermore, we have diversified our portfolio by offering vegan options and lower-sugar or sugar-free alternatives, such as within our Gott & Blandat and Red Band ranges. Expanding our healthier

offerings helps reduce risks related to consumer health concerns, while addressing growing demand and benefiting from the lower carbon footprint of plant-based ingredients.

### Commitment to natural ingredients

As part of our commitment to natural ingredients, Cloetta was the first to introduce a 50 per cent real fruit candy concept, with focus on product quality and taste. Through our NAFNAC (No Artificial Flavors and No Artificial Colors) initiative, we are actively reducing artificial substances in our products. By only replacing artificial ingredients when we can ensure the same high quality, we mitigate the risk of diminishing consumer satisfaction while aligning with health and wellness trends.

### Responsible marketing and consumer communication

Cloetta is committed to responsible marketing practices to minimise health risks, particularly those related to childhood obesity and over-consumption. In line with

the EU Pledge, we have made a deliberate decision not to target children in our marketing efforts, with 100 per cent of our marketing focused on individuals over 13 years of age. Additionally, we are introducing portion control communication across our packaging to help consumers make informed decisions about portion sizes. This initiative is designed to align with food legislation guidelines and mitigate risks associated with over-consumption. Portion communication guidelines for chocolate products were developed in 2024 as part of Cloetta's commitment to promoting responsible consumption. These guidelines are designed to provide clear information about portion sizes, helping consumers make informed choices. Starting in the coming year, this information will be rolled out on product packaging across markets.

# G1 Business conduct

**Cloetta is committed to fostering a transparent and ethical business environment, both internally and in our external partnerships. We prioritise high standards of business conduct by proactively addressing risks related to corruption and bribery through robust processes, targeted internal training, and close collaboration with our business partners.**

## Strategy, policy and processes

### Corporate Culture

Cloetta's corporate culture centers on accountability, compliance, and integrating sustainability into governance. The Board of Directors and CEO are ultimately responsible for sustainability outcomes, with the Group Management Team driving the agenda and key functions ensuring implementation. The Board's Audit Committee oversees reporting and controls, aligning with compliance and corporate objectives. For more details, see section General information on pages 72–73 and the Corporate governance report on pages 46–61.

### Policies

Cloetta maintains a comprehensive governance structure to address business risk, in particular as relates to its commitment against corruption and bribery, the following policies are relevant to highlight:

#### Code of Conduct

Cloetta is committed to maintaining a corporate culture that upholds lawful and ethical business practices and effective governance. Through our Code of Conduct, we promote values of integrity, transparency, and accountability across all business units. All our employees and representatives acting on behalf of Cloetta are responsible for adhering to our Code of Conduct. Defined principles are designed to ensure that our people understand and uphold the principles and ethical standards essential to Cloetta. Managers are expected to lead by example, demonstrating exemplary conduct and decision-making in line with our Code of Conduct, while ensuring their teams receive the necessary training to understand and uphold these values. In the event of a breach, or suspected breach, our employees should immediately report to their line manager, a suitable person or function within the com-

pany, such as HR, Legal or managers on management level, or through our whistleblowing service.

#### Supplier Code of Conduct

The principles set out in Cloetta's Code of Conduct is cascaded into requirements that apply towards Cloetta's business partners through Cloetta Supplier Code of Conduct. It ensures that third parties comply with legal, ethical, environmental, and social standards throughout all activities in our supply chain. Our Supplier Code of Conduct outlines the minimum requirements for responsible and ethical practices, which all suppliers are expected to uphold in both their actions and commitments. Minimum requirements require that our business partners respect human rights, maintain fair labour conditions, engage in ethical business practices (including refraining from corruption or bribery), and continuously improve environmental, health, and safety performance. In the event of a breach, or suspected breach, people employed at a third party or other affected parties are able to report through Cloetta's whistleblowing service or directly to their point of contact within Cloetta.

#### Anti-Bribery and Anti-Corruption Policy

Through our governance policies we uphold a strict zero-tolerance towards corruption across all business areas, including activities conducted by third parties acting on our behalf. The Anti-Bribery and Anti-Corruption Policy applies to all business dealings and transactions, regardless of the country of operation. It requires that before offering or accepting any gifts, hospitality, or donations, our employees and third parties must verify compliance with Cloetta's guidelines and, if there are

any question shall be addressed with the CFO, in order to ensure that our operations remain ethical and fully transparent. The consequences for breaching this policy can lead to disciplinary actions against the relevant employee or third party.

#### Fraud Policy

Through the Fraud Policy, in combination with our Code of Conduct, Cloetta has set out a strict prohibition for dishonest and/or fraudulent activities, which includes corruption and bribery. Together with the Internal Control Framework Policy, a number of procedures and processes are set in place to detect fraudulent activity with the group through the policy. This allows Cloetta to identify business conduct incidents promptly and if issues are identified they will be processed independently and objectively by senior members of the central finance functions. Through the policy, procedures are also established for reporting fraudulent activities to Cloetta's management and/or Audit Committee.

#### Internal control framework policy

The Internal control framework policy sets out the principles for internal control within Cloetta. The framework sets out principles for detecting non-compliance with external and internal rules, including fraud, corruption and bribery, and requires implementation of necessary control features which includes both automated and manual controls as well as other procedural controls to identify non-compliance issues. Supervision of the policy is conducted by the Board of Directors via the Audit committee and the design and implementation is delegated to the Group Management Team who delegates responsibility to relevant functions in the company.

**Whistleblower policy**

Through the Whistleblower Policy, Cloetta provides a whistleblowing service accessible to all our employees and external parties, offering an anonymous platform for reporting potential legal violations, breaches of Cloetta’s Code of Conduct, Cloetta’s Supplier Code of Conduct or its sustainability or quality certificates. This process ensures that misconduct can be reported confidentially and securely by anyone who may be hesitant to use other reporting channels. The service is available globally via an online system managed by an independent third party, ensuring confidentiality and protection for the whistleblower. Cloetta has established a number of internal channels for reporting of concerns and has held multiple trainings for its internal investigators. Through the whistleblowing policy, Cloetta also commits, in-line with applicable EU legal requirements, to protect any whistleblowers from retaliation. The policy also established a

requirement to report all whistleblowing reports to the Audit Committee. Information on whistleblowing is part of the Code of Conduct trainings provided to employees and is prominently displayed on the intranet.

**Overview of policies**

We conduct at least an annual review of our policies and the described procedures to ensure alignment with legal and other regulatory developments. In case of material legislative updates during the year, policies are reviewed to ensure compliance with relevant legislation. The Board of Directors bears the ultimate responsibility for ensuring that the operations within the group are conducted in compliance with all applicable legislation. The President and CEO is responsible for implementing and ensuring compliance with all policies and guidelines issued by the Board, including the Code of Conduct, Supplier Code of Conduct and the Anti-Bribery and Anti-Corruption Policy. The Audit Committee of the Board of

Directors shall act to oversee the group’s compliance with the Whistleblower Policy and is informed of each report submitted. For full transparency, these documents are available publicly on our website [www.cloetta.com](http://www.cloetta.com).

**Relevant policies**

- Cloetta Code of Conduct
- Cloetta Supplier Code of Conduct
- Cloetta Anti-Bribery and Anti-Corruption Policy
- Fraud Policy
- Internal control framework policy
- Cloetta Whistleblower Policy and guidelines

**Animal welfare**

Cloetta does not have any policy for animal welfare, however, to the extent that raw materials of animal origin are sourced, the company requires its suppliers to adhere to any applicable legislation in the production and supply of such products.

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation
<b>G</b> Business conduct	Corruption and bribery	Risks	Corruption and bribery risks, primarily significant in regions with inadequate regulations enforcement. Risks can emerge at various stages of the value chain, leading to unethical practices, increased costs, strained supplier relations, and reputational harm.	<ul style="list-style-type: none"> <li>• Cloetta has established processes for addressing potential corruption issues within the company. This includes training sessions, guidelines, and comprehensive policies. The Cloetta Code of Conduct outlines these challenges for our workforce, while the Supplier Code of Conduct obligates suppliers to comply with ethical business practices.</li> </ul>

**Management of relationships with suppliers**

Our work with suppliers is based on the principles of Cloetta’s Supplier Code of Conduct. For suppliers that supply direct material, requirements relating to product quality and food safety is set out in the Cloetta Quality Agreement. Suppliers are obliged to adhere to these governance documents and report any changes in their operations that may lead to deviations from agreements with us.

on their health, safety, and environmental practices to ensure compliance with Cloetta’s sustainability standards. The submitted materials are thoroughly evaluated and approved only if they meet Cloetta’s requirements.

action if non-conformities arise. We follow up on suppliers through regular dialogue and supplier evaluations. Our suppliers are obligated to take action to respond to the requirements of the Supplier Code of Conduct, and to incorporate the principles of the code into their own operations. To make sure all documents for existing suppliers are valid we have established a process for follow-up on certificates and policies.

**Screening and approval process of new suppliers**

During the screening process for potential new suppliers, the procurement department issues a questionnaire that includes sustainability-related questions to evaluate the supplier’s maturity and practices in these areas. Suppliers must provide detailed information and documentation

**Monitoring of suppliers**

Suppliers are monitored based on risks related to procurement volume, procurement spend, product category, as well as geographical and social risks, and their own performance over time. The objective is for suppliers to continuously improve their performance. Cloetta uses a questionnaire to assess selected supplier’s adherence to the Supplier Code of Conduct and related criteria, verifying that required documentation is in place and enabling corrective

**Actions during 2024**

In 2024, we prioritised identifying and addressing sustainability risks in our supply chain. Key initiatives included mapping environmental, social, and governance impacts for key high-risk commodities and enhancing buyer competence through targeted training sessions. We developed a risk

assessment tool for the top 10 highest-risk raw materials, evaluating sustainability impacts and integrating this knowledge into the procurement process. Additionally, new sustainability requirements on disclosures for health, safety, and the environment were introduced into our supplier approval processes.

As part of our long-term strategy, we advanced our Sustainable Sourcing roadmap for 2030. This year's focus was on refining existing processes and building

organisational competence, particularly among buyers managing high-risk commodities. Looking ahead, we plan to enhance transparency and traceability across our supply chain while maintaining our commitment to continuous improvement.

**Late payments practices**

Cloetta is committed to timely payments to all suppliers, including SMEs, as part of its responsible sourcing principles. While no specific policy exists to prevent

late payments, payment terms are set, and processes are monitored to ensure timely payments. These terms are communicated during contract negotiations and are designed to be fair and supportive. Payment terms comply with regulations and guidelines aimed at preventing unfair trading practices in the food supply chain. These rules set maximum payment terms for specific business categories and sizes, ensuring fairness and legal adherence.

**Prevention and detection of corruption or bribery**

All business transactions carry a risk of corruption and bribery with the ultimate potential of impacting human rights and society overall. Cloetta collaborates with partners across various sectors and geographies, some of which pose higher corruption risks. Consequently, there is a risk of corruption affecting Cloetta's value chain, which we actively work to mitigate. All employees, including the Group Management Team, undergo basic training in corruption and bribery as part of Cloetta's Code of Conduct. This training is mandatory for new employees and is repeated throughout their employment. Cloetta is currently evaluating opportunities for more in-depth training for employees in roles where the risk of corruption may be higher, such as leadership positions as well as sales and procurement roles. Additionally, the company is exploring ways to measure and monitor the effectiveness of the training to ensure continuous development and compliance. To further reinforce anti-corruption measures, employees are expected to report suspected breaches of our governance policies. Reports can be made directly to a line manager, the next-in-line manager, or anonymously through the whistleblowing service. Serious violations may lead to legal proceedings, disciplinary action, or, in severe cases, dismissal and reporting to the police. Insights from reported incidents are used to continuously strengthen Cloetta's anti-corruption practices.

Whether a suspected case of corruption or bribery is reported, it is required that all reports are investigated and brought to the attention of the Board of Directors' Audit Committee. Below, we go into further details on the steps for reports submitted through the whistleblowing channel.

Internal control includes all such policies, processes and structures that ensures that Cloetta is achieving its objective, to act ethically and in compliance with applicable laws. To this end, Cloetta has an internal control framework based on the COSO<sup>1</sup> framework. The five elements can be summarised as follow. The control environment comprises the structure and the culture creating the conditions for internal control in line with Cloetta's objectives. The risk assessments made include inter alia risk for fraud identified by the Fraud Policy. As part of the control activities, each risk identified is addressed with one or more control activities. Control activities occur at all levels of the organisation and balances preventative and detective controls. These include activities such as approvals, authorisations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties. There are established information flows, both to internal and external stakeholders. The effectiveness of its internal control environment is continuously monitored, and actions are taken to ensure continuous improvement of the internal control environment. For informa-

tion about Internal control over financial reporting, see pages 56–57.

Investigations submitted through the whistleblowing system are investigated by independent, internal investigators. Investigations notified based on the Fraud Policy through the next-in-line manager or other senior employees shall be notified to the Director Finance & Accounting. All suspected frauds, including corruption and bribery matters, shall be informed to the CFO. The Director for Finance & Accounting is responsible for further investigation in cooperation with the CFO. In case of possible involvement of anyone within the management chain, there are procedures to bypass such individuals to ensure an impartial investigation.

**Corruption and bribery incidents**

Cloetta maintains a zero-tolerance policy toward corruption and bribery. For 2024, no confirmed incidents of corruption or bribery were identified across Cloetta's operations, nor were any legal cases related to such matters initiated or concluded. We received 4 reports in our whistleblowing channels during 2024 whereof 0 reports fulfilled the requirements, or were sufficiently substantiated, to initiate a formal investigation under our whistleblowing policy and 4 reports which were deemed not to be formal whistleblowing matters.

1) Committee of Sponsoring Organizations.

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# Auditor's Report on Limited assurance of Specific Quantitative Metrics in Cloetta AB's (publ) Sustainability Report and Statement Regarding the Statutory Sustainability Report

To the General Meeting of Shareholders in Cloetta AB (publ), Reg. No. 556308-8144

## Introduction

We have been engaged by the Board of Directors and the managing director of Cloetta AB (publ) ("Cloetta") to conduct a limited assurance engagement in respect of specific quantitative metrics and the reporting of the EU's green taxonomy regulation Article 8 in Cloetta AB's sustainability report for the year 2024. Cloetta has defined the scope of the sustainability report as pages 62–106 in this document. The engagement also includes a statement regarding the statutory sustainability report.

## Responsibility of the Board of Directors and the managing director

The Board of Directors and the managing director are responsible for preparing the sustainability report, including the statutory sustainability report and the specific quantitative metrics specified in the section "ESRS Specific Quantitative Metrics," in accordance with applicable criteria and the Annual Accounts Act according to the older version that was in effect before July 1, 2024. The criteria are outlined on page 63 and consist of accounting and calculation principles based on ESRS specific metrics and the EU's green taxonomy regulation Article 8.

This responsibility also includes the internal controls deemed necessary to prepare a sustainability report that is free from material misstatements, whether due to fraud or error.

## ESRS Specific Quantitative Metrics

### E1-5 Energy consumption and mix

(reported in section performance on page 77 and metrics on pages 78 and 79 in Cloetta AB's Annual and Sustainability Report 2024)

- 37 Total energy consumption related to own operations
- 37 (a) Total energy consumption from fossil sources
- 37 (c) total energy consumption from renewable sources disaggregated by:
  - ii. consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources
- 38 (b) Fuel consumption from crude oil and petroleum products
- 38 (c) Fuel consumption from natural gas
- 38 (e) Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources
- 39 Non-renewable energy production and renewable energy production

### E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

(reported in section performance on page 77 and metrics on pages 78–79 in Cloetta AB's Annual and Sustainability Report 2024)

- 44 Total GHG emissions location based
- 44 Total GHG emissions market based
- 48 (a) Gross Scope 1 greenhouse gas emissions in metric tonnes of CO<sub>2</sub>eq
- 49 (a) Gross location-based Scope 2 greenhouse gas emissions in metric tonnes of CO<sub>2</sub>eq
- 49 (b) Gross market-based Scope 2 greenhouse gas emission in metric tonnes of CO<sub>2</sub>eq
- 51 Gross Scope 3 greenhouse gas emissions
- 53 GHG emissions intensity (total GHG emissions per net revenue)

### E5-5 Resource outflow

(reported in section our approach and strategy page 88, waste management and recycling page 89, performance and metrics on page 90 in Cloetta AB's Annual and Sustainability Report 2024)

- 35 Description of the key products and materials that come out of the undertaking's production process
- 36 (c) The rates of recyclability content in products and their packaging
- 37 (a) Total Waste generated
- 37 (b) Waste diverted from disposal, breakdown by hazardous and non-hazardous waste and treatment type
- 37 (c) Waste directed to disposal, breakdown by hazardous and non-hazardous waste and treatment type
- 37 (d) Non-recycled waste
- 37 (d) Percentage of non-recycled waste
- 39 Total amount of hazardous waste

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### S1-6 Characteristics of the entity's employees

(reported in section performance on page 95 and metrics on pages 96–97 in Cloetta AB's Annual and Sustainability Report 2024)

- 50 (a) Number of employees by geographical areas (head count)
- 50 (a) Number of employees in countries with 50 or more employees representing at least 10% of total number of employees
- 50 (a) Average number of employees in countries with 50 or more employees representing at least 10% of total number of employees
- 50 (b) The total number by head count or full time equivalent (FTE) of
  - Permanent employees, and breakdown by gender
  - Temporary employees, and breakdown by gender
  - Non-guaranteed hours employees, and breakdown by gender
- 50 (c) the total number of employees who have left the undertaking during the reporting period and the rate of employee turnover in the reporting period
- 51. For the information specified in point (b) of paragraph 50, the undertaking disclose the breakdown by region.
- 52. The undertaking disclose by head count or full time equivalent (FTE) the following information:
  - full-time employees, and breakdowns by gender and by region; and
  - part-time employees, and breakdowns by gender and by region

### S1-9 Diversity metrics

(reported in section performance on page 95 and metrics on pages 96–97 in Cloetta AB's Annual and Sustainability Report 2024)

- 66 (a) Gender distribution in number of employees (head count) at top management level
- 66 (a) Gender distribution in percentage of employees at top management level
- 66 (b) Distribution of employees (head count) under 30 years old
- 66 (b) Distribution of employees (head count) between 30 and 50 years old
- 66 (b) Distribution of employees (head count) over 50 years old

### S1-14 Health and safety metrics

(reported in section performance on page 95 and metrics on pages 96–97 in Cloetta AB's Annual and Sustainability Report 2024)

- 88 (a) Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines
- 88 (b) Number of fatalities in own workforce as result of work-related injuries and work-related ill health
- 88 (b) Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites
- 88 (c) Number of recordable work-related accidents for own workforce
- 88 (c) Rate of recordable work-related accidents for own workforce
- 88 (d) Number of cases of recordable work-related ill health of employees

- 88 (e) with regard to the undertaking's employees, the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health
- 90 The percentage of its own workers covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party

### G1-3 Prevention and detection of corruption and bribery

(reported on page 106 in Cloetta AB's Annual and Sustainability Report 2024)

- 18 (a) A description of the procedures in place to prevent, detect, and address allegations or incidents of corruption and bribery
- 18 (b) whether the investigators or investigating committee are separate from the chain of management involved in the matter
- 18 (c) the process, if any, to report outcomes to the administrative, management and supervisory bodies
- 21 (a) the nature, scope and depth of anti-corruption and anti-bribery training programmes offered or required by the undertaking
- 21 (b) the percentage of functions-at-risk covered by training programmes
- 21 (c) the extent to which training is given to members of the administrative, management and supervisory bodies.

### G1-4 Incidents of corruption or bribery

(reported on page 106 in Cloetta AB's Annual and Sustainability Report 2024)

- 24 (a) Number of convictions for violation of anti-corruption and anti-bribery laws
- 24 (a) Amount of fines for violation of anti-corruption and anti-bribery laws.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion with limited assurance on Cloetta AB's ESRS specific quantitative metrics and reporting of the EU's green taxonomy regulation Article 8, as well as a statement on the statutory sustainability report.

We have conducted our limited assurance engagement in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

We have also conducted our examination of the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Report on the Statutory Sustainability Report.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Cloetta AB (publ) according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and examination in accordance with RevR 12 do not allow us

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to obtain assurance that we would become aware of all significant matters that might have been identified in an audit. The conclusion expressed based on a limited assurance engagement and examination according to RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria and accounting principles chosen by the Board of Directors and the managing director, as defined above. We consider these criteria to be suitable for the preparation of the sustainability report, including the specific quantitative metrics specified in the section "ESRS Specific Quantitative Metrics," and reporting of the EU's green taxonomy regulation Article 8.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

### **Conclusions**

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that Cloetta AB's ESRS specific quantitative metrics and reporting of the EU's green taxonomy regulation Article 8 are not, in all material respects, prepared in accordance with the criteria and accounting principles specified above by the Board of Directors and managing director.

Our statement does not cover forward-looking information on pages 62–106.

A statutory sustainability report has been prepared.

### **Other Information**

Our engagement does not cover information regarding previous periods.

Stockholm, March 6, 2025

Öhrlings PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt  
*Authorised Public Accountant*  
Partner in charge

Erik Bergh  
*Authorised Public Accountant*

# Financial reports

## Contents

<b>Consolidated financial statements</b>		<b>Page</b>	<b>Parent Company financial statements</b>		<b>Page</b>
Consolidated profit and loss account		111	Parent Company profit and loss account		150
Consolidated statement of comprehensive income		112	Parent Company balance sheet		151
Consolidated balance sheet		113	Parent Company statement of changes in equity		152
Consolidated statement of changes in equity		114	Parent Company cash flow statement		153
Consolidated cash flow statement		115			
<b>Notes to the consolidated financial statements</b>		<b>Page</b>	<b>Notes to the Parent Company financial statements</b>		<b>Page</b>
<b>Note 1</b>	General information and accounting and valuation policies of the Group	116	<b>Note P1</b>	Accounting and valuation policies of the Parent Company	154
<b>Note 2</b>	Business segments	123	<b>Note P2</b>	Breakdown of income	154
<b>Note 3</b>	Breakdown of income	123	<b>Note P3</b>	Personnel expenses and number of employees	155
<b>Note 4</b>	Amortisation of intangible assets, depreciation of property, plant and equipment and impairment of non-current assets	124	<b>Note P4</b>	Audit fees	155
<b>Note 5</b>	Expenses by type	124	<b>Note P5</b>	Net financial items	155
<b>Note 6</b>	Personnel expenses and number of employees	124	<b>Note P6</b>	Income taxes	155
<b>Note 7</b>	Remuneration of the Board	125	<b>Note P7</b>	Deferred and current income tax	155
<b>Note 8</b>	Items affecting comparability	125	<b>Note P8</b>	Shareholdings in group companies	156
<b>Note 9</b>	Net financial items	126	<b>Note P9</b>	Cash and cash equivalents	157
<b>Note 10</b>	Income taxes	126	<b>Note P10</b>	Equity	157
<b>Note 11</b>	Audit fees	126	<b>Note P11</b>	Borrowings	157
<b>Note 12</b>	Intangible assets	127	<b>Note P12</b>	Derivative financial instruments	158
<b>Note 13</b>	Property, plant and equipment	129	<b>Note P13</b>	Accrued expenses and deferred income	158
<b>Note 14</b>	Tax assets and liabilities	130	<b>Note P14</b>	Pledged assets and contingent liabilities	158
<b>Note 15</b>	Non-current financial assets	131	<b>Note P15</b>	Related-party transactions	158
<b>Note 16</b>	Inventories	131		Proposed appropriation of earnings	159
<b>Note 17</b>	Trade and other receivables	132		Auditor's report	160
<b>Note 18</b>	Cash and cash equivalents	133		Ten-year overview	164
<b>Note 19</b>	Equity	134		Key ratios	166
<b>Note 20</b>	Earnings per share	135		Reconciliation alternative performance measures	168
<b>Note 21</b>	Borrowings	135		Glossary	170
<b>Note 22</b>	Derivative financial instruments	138		Definitions	171
<b>Note 23</b>	Pensions and other long-term employee benefits	139			
<b>Note 24</b>	Provisions	142			
<b>Note 25</b>	Trade and other payables	143			
<b>Note 26</b>	Financial risks and financial risk management	143			
<b>Note 27</b>	Financial instruments – measurement categories and fair values	146			
<b>Note 28</b>	Related-party transactions	147			
<b>Note 29</b>	Leases	148			
<b>Note 30</b>	Critical accounting estimates and judgements	148			
<b>Note 31</b>	Changes in accounting policies	149			
<b>Note 32</b>	Events after the balance sheet date	149			

# Consolidated financial statements

## Consolidated profit and loss account

SEKm	Note	2024	2023
Net sales	2,3	8,613	8,301
Cost of goods sold	4, 5, 6, 8	-5,747	-5,751
<b>Gross profit</b>		<b>2,866</b>	<b>2,550</b>
Selling expenses	4, 5, 6, 8	-1,160	-1,073
General and administrative expenses	4, 5, 6, 8, 11	-899	-742
<b>Operating profit</b>		<b>807</b>	<b>735</b>
Exchange differences on cash and cash equivalents	9	-35	-43
Other financial income	9	111	128
Other financial expenses	9	-224	-250
<b>Net financial items</b>		<b>-148</b>	<b>-165</b>
<b>Profit before tax</b>		<b>659</b>	<b>570</b>
Income tax	10	-182	-133
<b>Profit for the year</b>		<b>477</b>	<b>437</b>
<i>Profit for the year attributable to:</i>			
Owners of the Parent Company		477	437
Earnings per share, SEK			
Basic <sup>1</sup>	20	1.67	1.53
Diluted <sup>1</sup>	20	1.67	1.53
Number of shares outstanding at end of period <sup>1</sup>	20	286,065,407	285,342,034
Average number of shares (basic) <sup>1</sup>	20	285,690,150	285,394,917
Average number of shares (diluted) <sup>1</sup>	20	285,786,127	285,650,818

1) On 30 October 2023, Cloetta purchased 63,704 treasury shares to fulfill its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met. On 29 April 2024, a total of 723,373 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 on vesting. On 28 November 2024, Cloetta entered into a forward contract to repurchase 1,531,492 own shares to fulfill its future obligations to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met.

## Consolidated statement of comprehensive income

SEKm	2024	2023
<b>Profit for the year</b>	<b>477</b>	<b>437</b>
<i>Other comprehensive income</i>		
Remeasurement of defined benefit pension plans	-2	-42
Income tax on remeasurement of defined benefit pension plans	0	8
<b>Items that will never be reclassified to profit or loss for the period</b>	<b>-2</b>	<b>-34</b>
Currency translation differences	206	-40
Hedge of a net investment in a foreign operation	-47	7
Income tax on hedge of a net investment in a foreign operation	9	-1
<b>Items that may be reclassified to profit or loss for the period</b>	<b>168</b>	<b>-34</b>
<b>Total other comprehensive income</b>	<b>166</b>	<b>-68</b>
<b>Total comprehensive income, net of tax</b>	<b>643</b>	<b>369</b>
<i>Total comprehensive income for the period attributable to:</i>		
Owners of the Parent Company	643	369

## Consolidated balance sheet

SEKm	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	12	5,833	5,862
Property, plant and equipment	13	1,695	1,686
Deferred tax assets	14	59	23
Derivative financial instruments	22	1	5
Other financial assets	15	4	3
<b>Total non-current assets</b>		<b>7,592</b>	<b>7,579</b>
<b>Current assets</b>			
Inventories	16	1,336	1,292
Trade and other receivables	17	1,256	1,089
Current income tax assets	14	4	47
Derivative financial instruments	22	4	18
Cash and cash equivalents	18	953	658
<b>Total current assets</b>		<b>3,553</b>	<b>3,104</b>
<b>Total assets</b>		<b>11,145</b>	<b>10,683</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	19	1,443	1,443
Other paid-in capital	19	4,124	4,124
Treasury shares	19	-59	-79
Foreign currency translation reserve	19	1,323	1,117
Retained earnings including profit for the year	19	-1,397	-1,507
<b>Equity attributable to owners of the Parent Company</b>		<b>5,434</b>	<b>5,098</b>
<b>Non-current liabilities</b>			
Long-term borrowings	21	2,306	2,264
Deferred tax liabilities	14	910	900
Derivative financial instruments	22	4	8
Provisions for pensions and other long-term employee benefits	23	378	382
Provisions	24	163	160
<b>Total non-current liabilities</b>		<b>3,761</b>	<b>3,714</b>
<b>Current liabilities</b>			
Short-term borrowings	21	203	220
Derivative financial instruments	22	45	1
Trade and other payables	25	1,573	1,585
Provisions	24	11	14
Current income tax liabilities	14	118	51
<b>Total current liabilities</b>		<b>1,950</b>	<b>1,871</b>
<b>Total equity and liabilities</b>		<b>11,145</b>	<b>10,683</b>

## Consolidated statement of changes in equity

SEKm	Share capital	Other paid-in capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Total equity
<b>Balance at 1 January 2023</b>	<b>1,443</b>	<b>4,124</b>	<b>-78</b>	<b>1,157</b>	<b>-1,652</b>	<b>4,994</b>
<i>Comprehensive income</i>						
Profit for the year	-	-	-	-	437	437
Other comprehensive income	-	-	-	-40	-28	-68
<b>Total comprehensive income for 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-40</b>	<b>409</b>	<b>369</b>
<b>Transactions with owners</b>						
Purchase of treasury shares	-	-	-1	-	-	-1
Share-based payments	-	-	-	-	21	21
Dividend <sup>1</sup>	-	-	-	-	-285	-285
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>-</b>	<b>-264</b>	<b>-265</b>
<b>Balance at 31 December 2023</b>	<b>1,443</b>	<b>4,124</b>	<b>-79</b>	<b>1,117</b>	<b>-1,507</b>	<b>5,098</b>
<i>Comprehensive income</i>						
Profit for the year	-	-	-	-	477	477
Other comprehensive income	-	-	-	206	-40	166
<b>Total comprehensive income for 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206</b>	<b>437</b>	<b>643</b>
<b>Transactions with owners</b>						
Issue of treasury shares to employees	-	-	20	-	-20	-
Forward contracts to repurchase own shares	-	-	-	-	-40	-40
Share-based payments	-	-	-	-	18	18
Dividend <sup>1</sup>	-	-	-	-	-285	-285
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-327</b>	<b>-307</b>
<b>Balance at 31 December 2024</b>	<b>1,443</b>	<b>4,124</b>	<b>-59</b>	<b>1,323</b>	<b>-1,397</b>	<b>5,434</b>

1) The dividend paid in 2024 and 2023 comprised an ordinary dividend of SEK 1.00 per share.

Total equity is attributable to the owners of the Parent Company.

## Consolidated cash flow statement

SEKm	Note	2024	2023
<b>Operating profit</b>		<b>807</b>	<b>735</b>
<i>Adjustments for non-cash items</i>			
Amortisation and depreciation of assets	4	284	295
Impairment of assets	4	60	-17
Provisions for pensions		-14	-13
Other provisions	24	-8	62
Interest received		91	100
Interest paid		-187	-187
Proceeds on derivative financial instruments		27	37
Income tax paid		-99	-134
<b>Cash flow from operating activities before changes in working capital</b>		<b>961</b>	<b>878</b>
<b>Changes in working capital</b>			
Change in inventories		-1	-212
Change in trade and other receivables		-131	-63
Change in trade and other payables		-64	175
<b>Cash flow from changes in working capital</b>		<b>-196</b>	<b>-100</b>
<b>Cash flow from operating activities</b>		<b>765</b>	<b>778</b>
<b>Investing activities</b>			
Investments in property, plant and equipment	13	-162	-280
Investments in intangible assets	12	-1	-2
Disposals of non-current assets (net of earn-out consideration)	13	72	2
<b>Cash flow from investing activities</b>		<b>-91</b>	<b>-280</b>
<b>Cash flow from operating and investing activities</b>		<b>674</b>	<b>498</b>
<b>Financing activities</b>			
Proceeds from commercial papers	21	594	593
Repayment of commercial papers	21	-593	-594
Transaction costs paid	21	-4	-4
Payment of lease liabilities	21	-79	-88
Dividends paid	19	-285	-285
Purchase of treasury shares	19	-	-1
<b>Cash flow from financing activities</b>		<b>-367</b>	<b>-379</b>
<b>Cash flow for the year</b>		<b>307</b>	<b>119</b>
<b>Cash and cash equivalents at beginning of year</b>	18	<b>658</b>	<b>583</b>
Cash flow for the year		307	119
Exchange difference		-12	-44
<b>Cash and cash equivalents at end of year</b>	18	<b>953</b>	<b>658</b>

# Notes to the consolidated financial statements

## Note 1 General information and accounting and valuation policies of the Group

### General information

Cloetta AB (publ), corporate identification number 556308-8144, is a Swedish-registered limited liability company domiciled in Linköping, Sweden. The company's head office is in Stockholm with the address Landsvägen 50A, Box 2052, 174 02 Sundbyberg, Sweden.

### Financial year

The consolidated financial statements for the financial year from 1 January to 31 December 2024 include the accounts of the Parent Company and its subsidiaries (collectively the "Group" and individually the "group companies").

The annual report and consolidated financial statements were approved for publication by the Board of Directors on 6 March 2025. The profit and loss accounts and balance sheets of the Group and the Parent Company will be put for adoption before the Annual General Meeting on 10 April 2025.

### Disclosures regarding changes in group structure

#### Liquidations and dissolutions

- On 13 February 2023, Cloetta Ireland Holding Ltd. was struck off.
- On 31 March 2023, the registration of Cloetta Holland B.V. - Singapore branch was ceased.

Note P8 provides an overview of the Cloetta Group and specifies all group companies and changes in the Group structure.

### Compliance with legislation and accounting standards

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB), and the interpretations issued by the IFRS Interpretations Committee (IFRIC), which have been endorsed by the European Commission for application in the EU, with supplementary requirements from the Annual Accounts Act. The applied standards and interpretations are those that were in force and have been endorsed by the EU as at 1 January 2024. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has been applied.

### Guidelines on Alternative Performance Measures

In accordance with the ESMA (European Securities and Markets Authority) guidelines on Alternative Performance Measures (APMs), additional information on the use of APMs, including explanations of use and reconciliation of the APMs to the most directly reconcilable measures in the financial statements, has been included in these financial statements. APMs presented in these financial statements should not be considered a substitute for measures of performance in accordance with IFRS and may not be comparable to similarly titled measures by other companies.

### Activities

The activities of the Group mainly comprise:

- Production, marketing and sales of branded candy, chocolate, pastilles and chewing gum; and

- Trading in candy, chocolate, pastilles, chewing gum and nuts

The countries of the European Union, the UK and Norway form the most important markets.

### Basis of presentation

Assets and liabilities are recognised at historical cost, with the exception of certain financial assets and liabilities that are stated at fair value according to the accounting policies described below.

Unless otherwise stated, all amounts are rounded to the nearest million Swedish krona.

The preparation of financial statements in conformity with IFRS requires management to use certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on past experience and a number of other factors that are considered reasonable under the given circumstances. The results of these estimates and assumptions are used to make judgements about the carrying value of assets and liabilities that cannot be readily determined from other sources. Actual results may differ from these estimates and assumptions. The estimates and assumptions are reviewed on an ongoing basis. Changes in estimates are reported in the period of the change, if the change affects that period only. Changes in estimates are reported in the period of the change and in future periods, if the change affects both.

Note 30 provides a description of judgements made by management in the application of IFRS that have a significant impact on the financial statements, and estimates that can lead to material adjustments in the financial statements within the next year.

Unless otherwise stated below, the accounting standards for the Group have been consistently applied in periods presented in the consolidated financial statements.

### Segment reporting

Cloetta's operating segments are Branded packaged products and Pick & mix. The Branded packaged products segment is primarily characterised by Cloetta manufacturing, marketing and selling packaged products under the company's many strong consumer brands, such as Red Band, Kexchocklad, Gott & Blandat and Jenkki. To build long-term brand health, and consequently consumer preference and retail sales, Cloetta invests significantly in new product and packaging development, advertisement and promotion of the brands.

The Pick & mix segment is primarily characterised by contracts where Cloetta manages the customers' sales of candy when sold through in-store fixtures that allow shoppers to pick individual pieces of candy to create their own customised bag. The assortment of products, which is central to the offering, is managed by Cloetta and products are manufactured by Cloetta or by third parties, including competitors. Other aspects of the contract, such as fixtures, merchandising, and the use of the Candy-King brand vary by customer.

Operating segments have been identified in accordance with the guidance provided in IFRS 8 paragraph 5–10.

The overall focus on revenues, operating profitability, and strategy specifically for the Branded packaged products business versus the Pick & mix business is reflected as such in Cloetta's external financial reporting and this split is aligned with the interest of Cloetta's investors.

The chief operating decision-maker (CODM), which is the CEO and President of the Group, primarily uses external net sales and operating profit, adjusted for items affecting comparability, to assess the performance of its operating segments. Items affecting comparability, net financial items and income tax are not allocated to segments, as these are managed centrally. No segment information is provided to or assessed by the CODM on assets and liabilities and therefore these are not separately disclosed. Information related to each reportable segment (business segment) is set out in Note 2.

### Classification

Non-current assets comprise amounts expected to be recovered after more than twelve months from the balance sheet date, while current assets comprise amounts expected to be recovered within twelve months of the balance sheet date. Non-current liabilities comprise amounts which the Group, at the end of the reporting period, has an unconditional right to choose to pay later than 12 months after the end of the reporting period. If the Group has no such right at the end of the reporting period, or if the liability is expected to be settled within the normal operating cycle, the liability is reported as current liability.

### Basis of consolidation

#### Group structure

The company was founded in 1862. On 16 February 2012, Cloetta AB (publ) acquired Leaf Holland B.V. (currently known as Cloetta Holland B.V.) from Yllop Holding S.A. The acquisition has been accounted for as a reverse acquisition for consolidation purposes, where Cloetta Holland B.V. is the accounting acquirer and Cloetta AB (publ) is the legal acquirer.

All incorporated and acquired companies are wholly owned directly or indirectly by Cloetta AB (publ) and are consolidated from the date on which control is transferred.

#### Subsidiaries

The consolidated accounts include financial information for Cloetta AB (publ) and its subsidiaries. Subsidiaries are entities controlled directly or indirectly by Cloetta AB (publ). The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All subsidiaries are consolidated from the date on which control is transferred to Cloetta AB (publ).

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred. If the business combination is realised in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the profit and loss account.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Any subsequent change to the fair value of the contingent consideration that is deemed to be a liability is recognised in accordance with IAS 32 in the case of the forward purchase of shares, or IFRS 9 either in the profit and loss account or as a change to other comprehensive income only if it is an asset which is classified as available for sale. A contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interests in the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary

acquired, the difference is recognised in the profit and loss account.

Group companies are deconsolidated from the date that control ceases. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the profit and loss account. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit and loss account.

Note P8 provides an overview of all subsidiaries consolidated in the consolidated financial statements of Cloetta AB (publ).

### Transactions eliminated on consolidation

Intercompany transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

### Foreign currency

#### Functional and presentation currency

Items included in the financial information of each entity are measured using the functional currency of that entity, which is the currency of the primary economic environment in which the entity operates. The functional currency of foreign entities is generally its local currency. The functional currency of the Parent Company is Swedish kronor (SEK), which is also the presentation currency of the Parent Company.

The consolidated financial statements are presented in SEK. The functional currency of the majority of the subsidiaries is the euro (EUR). The assets and liabilities are translated at the closing rate at the date of the financial statements. Income and expenses are translated at the average exchange rate for the year.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or the date of valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account within operating profit.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the profit and loss account within exchange differences on cash and cash equivalents.

The Group applies hedge accounting for foreign exchange gains and losses that relate to borrowings. These foreign exchange gains and losses are presented in the statement of comprehensive income, see Note 1 (XIII) for a description of the accounting policies on hedge accounting.

A monetary item held by a subsidiary, that is a receivable from or a payable to a foreign operation, for which settlement is neither planned nor likely to occur in the foreseeable future, is in substance a part of the entity's net investment in that foreign operation. Foreign currency differences related to a foreign operation are initially recognised in other comprehensive income and reclassified from equity to the profit and loss account on disposal of the net investment. On disposal of the foreign operation, the cumulative amount of the exchange differences relating to the foreign operation, recognised in other comprehensive income, is reclassified from equity to the profit and loss account on the same line where the gain or loss of the disposal is accounted for.

Upon consolidation, exchange differences arising from the translation of the borrowings and other currency instruments designated as hedges of such investments and the net investment in foreign operations are recognised in other comprehensive income.

All other foreign exchange gains and losses are presented in the profit and loss account within operating profit.

### Financial statements of foreign operations

The profit and loss accounts and balance sheets of all group companies that have a functional currency other than the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet are translated at the closing exchange rates at the date of that balance sheet;
- Income and expenses for each profit and loss account are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is disposed of, unrealised exchange differences accumulated in currency translation adjustments after 1 January 2006 (first-time adoption of IFRS) are recognised in profit or loss as part of the gain or loss on the sale. Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition of a foreign entity are treated as assets and liabilities in the functional currency of the attributable foreign entity and translated at the closing rate.

### Basis of accounting

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements. Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow:

<b>I</b>	Net sales
<b>II</b>	Cost of goods sold
<b>III</b>	Selling expenses
<b>IV</b>	General and administrative expenses
<b>V</b>	Employee remuneration
<b>VI</b>	Net financial items
<b>VII</b>	Income tax
<b>VIII</b>	Dividend distribution
<b>IX</b>	Items affecting comparability
<b>X</b>	Intangible assets
<b>XI</b>	Property, plant and equipment
<b>XII</b>	Deferred tax
<b>XIII</b>	Financial assets and liabilities
<b>XIV</b>	Impairment of non-current non-financial assets
<b>XV</b>	Inventories
<b>XVI</b>	Current income tax
<b>XVII</b>	Equity
<b>XVIII</b>	Provisions
<b>XIX</b>	Employee benefits
<b>XX</b>	Leases

The balance sheet, profit and loss account and cash flow statement include references to the notes.

### Principles for recognition of revenue and expenses

#### I Net sales

Net sales are designated as income from the supply of goods and services, less discounts and similar, excluding sales taxes and after elimination of intra-group sales. Net sales are recognised as follows:

- Sales of goods are recognised when a group company has delivered products to the customer, the risks and rewards of the ownership of the products have been substantially transferred to the customer and the collectability of the related receivables is reasonably certain.

For Branded packaged business sales of goods has been identified as performance obligation. For Pick & mix sales the following performance obligations have been identified in the contracts with customers:

- Sales of goods;
- Utilisation of fixtures; and
- Merchandising services.

For the performance obligations utilisation of fixtures and merchandising services – which are satisfied over time – Cloetta selected an appropriate method for measuring its progress towards complete satisfaction of those performance obligations. For utilisation of fixtures and merchandising services, a practical expedient is applicable, whereas Cloetta recognises revenue in the amount to which it has a right to invoice. Since delivery of goods and merchandising services normally takes place weekly, this output method best reflects that the measure of progress of the merchandising service as a performance obligation is satisfied at the same time as the goods are delivered.

Consumer incentive and trade promotion activities are recorded as a reduction on the gross sales value based on amounts estimated as being due to customers at the end of a period, based principally on historical utilisation and redemption rates.

These consumer incentive and trade promotion activities consist of:

- Fixed and variable discounts, amongst others in the form of fixed listing discounts,
- Promotional discounts,
- Temporary price discounts (e.g. for seasonal sales) and close out fees, and;
- Bonus programmes for example in the form of year-end volume bonuses.

For the estimation of the variable considerations related to the various agreements Cloetta is using the expected-value-method and the most-likely-amount-method. The method used for the calculation of a specific variable consideration is the method that is expected to best predict the amount of consideration to which Cloetta will be entitled based on the terms of the contract. The chosen method is applied consistently throughout the contract.

#### II Cost of goods sold

Cost of goods sold represents the direct and indirect expenses attributable to sales revenue, including raw materials and consumables, cost of work contracted out and other external expenses, personnel expenses in respect of production employees, depreciation costs, impairment losses and losses on disposal relating to buildings and machinery and other operating expenses that are attributable to the production of products. Cost of goods sold is recognised in the profit and loss account, simultaneously with the income derived from the related sales transaction.

#### III Selling expenses

Selling expenses comprise the cost of brand support through direct and indirect advertising, promotional activities, the cost of supporting sales and marketing efforts and amortisation and impairment losses of related intangible assets. The company promotes its products through advertising and trade promotions. Selling expenses are recognised in the profit and loss account when incurred.

#### IV General and administrative expenses

General and administrative expenses include the costs of general management, human resources, finance and administration, information technology, and other back office services as well as amortisation of software. General and administrative expenses are recognised in the profit and loss account when incurred.

#### V Employee remuneration

##### Regular payments

Salaries, wages and social security costs are charged to the personnel expenses, which are included either in cost of goods sold, selling expenses or general and administrative expenses in the profit and loss account over the period when the related services are rendered, and in accordance with employment contracts and obligations.

##### Termination benefits

A provision is recognised as a result of either an entity's decision to terminate employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. When the criteria for recognition of a provision for termination benefits are met, the expenses are recognised either in cost of goods

sold, selling expenses or general and administrative expenses in the profit and loss account.

**Share-based long-term incentive plans**

The cost of the share-based long-term incentive plans, which represents the grant date fair value of the shares expected to be vested, multiplied by the shares vested and any social security expenses, is recognised in personnel expenses, which are included either in cost of goods sold, selling expenses or general and administrative expenses in the profit and loss account. The cost of the share-based long-term incentive plans is recognised pro rata over the vesting period of each plan, adjusted for any changes in assumptions.

**VI Net financial items**

Cash and cash equivalents denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Any resulting exchange differences are recognised in net financial items. Gains and losses related to the effective portion of the net investment hedge are recognised in other comprehensive income.

Interest income and interest expenses on third-party borrowings are recognised in the profit and loss account when incurred using the effective interest method.

Interest income and expenses on cash and cash equivalents and banking costs are recognised in the profit and loss account when incurred, in other financial income and expenses at amortised cost.

Realised and unrealised gains and losses on single currency interest rate swaps are recognised in other financial income and other financial expenses at fair value.

**VII Income tax**

The income tax expense for the period comprises current and deferred tax and is recognised in the profit and loss account. Corporate income tax is calculated on profit before tax, taking into account non-deductible expenses, non-taxable profits and losses, temporary differences arising from applicable local tax laws and other factors that affect the tax rate.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable profits.

**VIII Dividend distribution**

Dividends paid to the company's shareholders are recognised in the consolidated financial statements in the period in which the dividends are resolved on by the company's shareholders. Dividend payments are recognised in equity as part of retained earnings.

**IX Items affecting comparability**

Items affecting comparability are those items which are separately disclosed in the notes to the financial statements by virtue of their size or incidence, in order to enable a full understanding of the Group's financial performance. Items affecting comparability are recognised in the profit and loss account. Their classification in the profit and loss account depends on the nature of the items affecting comparability.

**Principles of valuation of assets and liabilities**

**General**

If not specifically otherwise stated, assets and liabilities are initially recognised at the amounts at which they were acquired or incurred.

**X Intangible assets**

The estimated useful lives of intangible assets are specified as follows:

Trademarks	Indefinite
Goodwill	Indefinite
Other intangibles	3 years – indefinite

**Trademarks**

Acquired trademarks are measured at historical cost. In view of the history of Cloetta's trademark portfolio, combined with Cloetta's commitment to continue supporting these trademarks with advertising and promotion resources and continuous product development, the useful lives of Cloetta's trademarks are considered to be indefinite in nature. Trademarks with indefinite useful lives are not amortised, but are subject to impairment testing at least annually or whenever events or circumstances indicate a risk of impairment.

**Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the net fair value of the net identifiable assets and liabilities assumed by the acquiree, and the fair value of any non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each CGU or group of CGUs to which the goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes. A CGU is the lowest level to which an asset that generates cash flows independently from other assets can be allocated. In addition to the presentation of information following the primary segmentation of Branded packaged business versus Pick & mix, information is also presented per geography. The internal reporting format by geography provides the most relevant information for the groups of CGUs that benefit the most from acquisitions. As a result, the groups of CGUs used for impairment testing of goodwill do not constitute operating segments as described on pages 116-117. A group of CGUs is not larger than an operating segment.

Goodwill impairment tests are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less cost of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

**Other intangible assets**

An indefinite right of free electricity is capitalised at acquisition cost. In view of the indefinite nature of the right, the right is not amortised, but is subject to impairment testing at least annually or whenever events or circumstances indicate a risk of impairment.

Other intangible assets, except the right of free electricity, contain acquired customer lists, software and registration fees, and are capitalised at historical cost and amortised based on their useful lives, with the useful lives reviewed annually. Other intangible assets accounted for as indefinite are subject to impairment testing at least annually, or whenever events or circumstances indicate a risk of impairment.

For determining whether an impairment charge in respect of any intangible asset applies, see Note 12.

**XI Property, plant and equipment**

Items of property, plant and equipment are valued at historical cost less accumulated depreciation and any accumulated impairment. Historical cost includes direct costs (materials, direct labour and work contracted out) and directly attributable overhead costs including interest expenses. Depreciation is accounted for using the straight-line method on the basis of the estimated useful life.

The estimated useful lives of property, plant and equipment are specified as follows:

Land	Indefinite
Buildings	20–50 years
Machinery and equipment	3–55 years
PP&E under construction	n/a
Right-of-use assets - land and buildings	1–35 years
Right-of-use assets - transport	1–6 years
Right-of-use assets - other equipment	1–12 years

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds from the disposal with the carrying amount and are recognised in the profit and loss account. The classification in the profit and loss account depends on the nature of the gains or losses on the disposal.

Subsequent expenditure is included in the carrying amount of an asset or recognised as a separate asset, only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be reliably measured. All other repairs and maintenance costs are charged to the profit and loss account when incurred. The classification in the profit and loss account depends on the nature of the property, plant and equipment.

Subsidies and grants related to investments in property, plant and equipment are deducted from the historical cost or the construction cost of the related asset and are reflected in the profit and loss account as part of the depreciation charge.

PP&E under construction is not depreciated until the asset is substantially complete and ready for its intended use. PP&E under construction is subject to impairment testing whenever events or circumstances indicate a risk of impairment.

Depreciation of property, plant and equipment is recognised in cost of goods sold, selling expenses and general and administrative expenses in the profit and loss account depending on the nature of the asset.

## XII Deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In those cases, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised for unused tax losses carried forward and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be used.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future, and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax liabilities arise on taxable temporary differences from investments in subsidiaries, with the exception of deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

For unrecognised deductible temporary differences and tax losses carried forward, it is not yet probable that these may be utilised against future taxable profits or set off against other tax liabilities within the same tax group or tax jurisdiction.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same

taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The positions taken in tax returns with respect to situations where the applicable tax rules are subject to interpretation are periodically evaluated. Provisions are established where appropriate on the basis of amounts expected to be paid to the respective tax authorities.

Deferred taxes are not discounted.

## XIII Financial assets and liabilities

### Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, for items not measured at fair value through profit and loss (FVTPL). A trade receivable without a significant financing component is initially measured at the transaction price.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset are realised, expire, or the company has relinquished the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

On initial recognition, a financial asset is classified as measured at:

- Amortised cost,
- Fair value through other comprehensive income (FVOCI) – debt investment,
- FVOCI – equity investment, or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The Group's recognised financial assets, that are not derivatives, consist mainly of trade receivables and cash and cash equivalents, and to a minor extent of other receivables and accrued income. All these non-derivative financial assets meet the above criteria and are recognised at amortised cost.

### Subsequent measurement and gains and losses

**– Financial assets at FVTPL** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 22 for derivatives designated as hedging instruments.

**– Financial assets at amortised costs** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

### Impairment of financial assets

Trade and other receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method less provisions for impairment. Loss allowances for trade receiva-

bles are always measured at an amount equal to lifetime expected credit losses (ECLs). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument and are recognised in net sales in the profit and loss account. Apart from trade and other receivables, the only financial assets to which the impairment principles apply are cash and cash equivalents. These amounts are invested in banks with high credit ratings and ECLs are deemed to be negligible.

#### Cash and cash equivalents

Cash and cash equivalents represent cash in hand and cash at banks.

Current account overdrafts at banks are included under borrowings under the heading current liabilities.

#### Offsetting financial instruments

The Group makes use of cash pooling. Insofar as the following criteria are met, the cash and cash equivalents of participating group companies and the current account overdraft are offset and presented in the balance sheet as a net amount:

- There is a legally enforceable right to offset the recognised amounts; and
- There is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### Borrowings

Borrowings are initially recognised at fair value, being the amount received taking into account any premium or discount, and less transaction costs. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date, in which case these are classified as non-current liabilities.

A financial liability is derecognised when its contractual obligations are discharged, cancelled or expired.

Transaction costs paid on the establishment of credit facilities are recognised to the extent that it is probable that some or all of the facilities will be utilised. In such case, the transaction costs are recognised when the utilisation occurs. If it is probable that some or all of the facility will be utilised, the transaction costs are reported as deferred expense and netted against current borrowings and amortised over the contract period the facility relates to, using the effective interest rate method.

#### Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are classified as current liabilities if payment is due within one year or less. If payment is expected to be settled later than 12 months after the balance sheet date, the payable is presented as non-current liabilities.

Trade payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

#### Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and are subsequently remeasured at their fair value. The method of recognising gains or losses depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The forward contracts to repurchase own shares, single currency interest rate swaps and forward foreign currency contracts are not designated as hedging instruments.

The fair values of various derivative financial instruments are disclosed in Note 22. Changes in the hedge of a net investment in a foreign operation are shown in the statement of other comprehensive income. The fair value of a derivative is classified as a non-current asset or liability for the part which exceeds 12 months, and as a current asset or liability for the part that will expire within 12 months.

The fair value adjustment on single currency interest rate swaps is

recognised in unrealised gains or losses on single currency interest rate swaps in net financial items in the profit and loss account. The fair value adjustment on the forward foreign currency contracts is recognised in the profit and loss account. The classification in the profit and loss account depends on the nature of the hedged item.

The contractual payments on single currency interest rate swaps are recognised in the realised gains or losses on single currency interest rate swaps in the net financial items in the profit and loss account.

The forward contracts to repurchase own shares are settled via shares for cash. Interest on the forward contracts to repurchase own shares is accrued over the contract period and settled in cash on the settlement date.

#### Net investment hedge

The Group applies hedge accounting. At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. A gain or loss relating to the ineffective portion is recognised in the profit and loss account within exchange differences on cash and cash equivalents. When the hedged net investment is disposed, the relevant amount in the foreign currency translation reserve is transferred to the profit and loss account as part of the gain or loss on disposals and recognised in the profit and loss account on the same line where the gain or loss of the disposal is accounted for. The Group has met the requirement for applying net investment hedge accounting.

#### XIV Impairment of non-current non-financial assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. On the balance sheet date, the Group also assesses whether there are indications of impairment of assets that are subject to amortisation or depreciation. If such indications exist, an impairment test is performed. For the purpose of testing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An asset is subject to impairment if its carrying value is higher than its recoverable value, where the recoverable value is the higher of an asset's fair value less cost of disposal and its value in use. Impairment costs are recognised immediately in the profit and loss account. The classification in the profit and loss account depends on the nature of the impaired asset.

Non-financial assets other than goodwill that are subject to an impairment loss are reviewed for possible reversal of the impairment at each reporting date. If it is established that a previously recognised impairment no longer applies or has decreased, the increased carrying amount of the asset in question is not set higher than what the carrying amount would have been if the impairment had not been recognised. See Note 1 (X) for impairment testing on goodwill.

#### XV Inventories

Raw materials are valued at the lower of cost or net realisable value. Cost is determined using the FIFO method.

Inventories of semi-finished and finished products are stated at the lower of cost or net realisable value. Costs represent the cash equivalent of the expenditure necessarily incurred to bring the goods acquired to the condition and location for their intended use. Costs related to work in progress and finished goods include the applicable materials and labour costs, other direct costs, a representative share of the fixed manufacturing overhead costs based on normal operating capacity, and variable manufacturing overhead costs based on actual production during the period.

Spare parts that do not meet the definition of property, plant and equipment are recognised as inventories and valued at cost, adjusted for any obsolescence provision.

Net realisable value represents the estimated selling price in the ordinary course of business less directly attributable, applicable variable selling expenses and less costs of completion of inventory.

The write-downs, additions and releases related to the provision for obsolete inventory are recognised in cost of goods sold in the profit and loss account.

#### **XVI Current income tax**

The current income tax charge is calculated on the basis of the tax rates (and laws) enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

#### **XVII Equity**

Ordinary shares are classified as share capital. The consideration paid or received related to the purchase, sale and/or issue of new shares are shown in equity, net of tax. The consideration paid for the purchase of own shares includes the transaction costs paid. The incremental transaction costs directly attributable to the equity transaction are recognised as a deduction from equity. The remaining transaction costs (e.g. general administrative costs) are recognised in the profit and loss account when incurred in the general and administrative expenses. The purchased own shares are classified as treasury shares.

#### **XVIII Provisions**

Provisions are recognised for legally enforceable or constructive obligations existing on the balance sheet date, when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required for settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow, with respect to any item included in the same class of obligations, is small.

The initial recognition and subsequent additions or releases are recognised in the profit and loss account. The classification in the profit and loss account depends on the nature of the provision.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as other financial expenses, third parties in the profit and loss account.

If the expenditure to settle an obligation is expected to be recovered from a third party, the recovery is carried as an asset in the balance sheet if it is virtually certain to be received upon settlement of the obligation.

#### **XIX Employee benefits**

##### ***Pension obligations***

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds for all countries in the Eurozone. For the Swedish plans, the discount rate is based on mortgage bonds and for the Norwegian pension plans, the market yield of covered bonds is used. The rates of these bonds are used as equivalent to high-quality corporate bond rates in countries where there is no deep market in such bonds.

Remeasurements arising from defined benefit plans also include the return on plan assets excluding interest and the effect of the asset ceiling, if any, excluding interest. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income when incurred. All other expenses related to defined benefit plans are recognised in the profit and loss account when incurred, either in cost of goods sold, selling expenses or general and administrative expenses. A curtailment will be recognised when there is a significant reduction of the number of employees covered by a plan. This

might result from an isolated event, such as the closing of a plant, discontinuance of an operation or termination or suspension of a plan.

The interest on defined benefit obligations and plan assets is recognised in net financial items in the profit and loss account when incurred.

The defined benefit schemes in industry sector pension funds, which are held by pension funds that are not able to provide company-specific or reliable information, are accounted for as though they are defined contribution schemes. In the event of a deficit in these pension funds, the company has no obligation to provide supplementary contributions, other than higher future contributions.

The contributions are recognised as personnel costs, which are included either in cost of goods sold, selling expenses or general and administrative expenses in the profit and loss account. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available to the Group.

##### ***Termination benefits***

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for special compensation. A provision is recognised on the termination of employment as a result of either an entity's decision to terminate employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The expenses related to this provision are recognised in personnel expenses, which are included either in cost of goods sold, selling expenses or general and administrative expenses in the profit and loss account.

##### ***Share-based long-term incentive plans***

The incentive plans qualify as equity-settled share-based payments. The expenses for the plans will amount to the grant date fair value per share right times the number of share rights vested, including any accelerated vesting. The expenses are recognised as personnel expenses, which are included either in cost of goods sold, selling expenses and general and administrative expenses in the profit and loss account.

The total expense depends on the number of share rights vested. Changes in the price of the Cloetta share after the grant date do not impact the total expense. In some jurisdictions, social security expenses have to be paid. The total expense for social security contributions will be based on the vesting date fair value of the Cloetta share and is accrued on the balance sheet until vesting of the shares. Social security expenses recognised in the profit and loss account will therefore vary with changes in the share price.

##### ***Forward contracts to repurchase own shares***

At inception of the forward contract to repurchase own shares, the agreed consideration to be paid at the termination date, net of any tax effects, is recognised as a deduction from equity and as a financial liability.

The interest costs directly attributable to the forward contract are recognised in the net financial expenses in the profit and loss account when incurred. At the termination date, the agreed consideration will be paid and the financial liability will be derecognised as its contractual obligation is discharged and cancelled.

#### **XX Leases**

The Group recognises a right-of-use asset and a lease liability at the commencement date of a lease contract. The right-of-use asset is initially measured at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before commencement date less any lease incentives received, any initial direct costs and restoration costs. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. Contracts may contain both lease and non-lease components. The Group does not to separate lease and non-lease components and instead accounts for these as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date and is discounted using the interest rate implicit in the lease or, if that rate cannot be readily deter-

mined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines the incremental borrowing rate using a build-up approach that starts with a risk-free interest rate, adjusted for inflation, country risk premium, security and lease specific adjustments for different asset categories and lease terms. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Remeasurement takes place when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The only exceptions on the recognition of right-of-use assets and lease liabilities at the commencement date of a lease contract are short-term and low-value leases. Lease payments for short-term and low-value leases are recognised in the cost of goods sold, selling expenses or in the general and administrative expenses, depending on the nature of the lease, on a straight-line basis over the lease term.

## Note 2 Business segments

See Note 1, section "Segment reporting" on pages 116-117 for further explanation regarding identification of segments.

Cloetta's operating segments are Branded packaged products and Pick & mix.

2024 SEKm	Branded packaged products	Pick & mix	Total
Net sales	6,219	2,394	8,613
Operating profit, adjusted	740	170	910
Items affecting comparability			-103
<b>Operating profit</b>			<b>807</b>
Net financial items			-148
<b>Profit before tax</b>			<b>659</b>
Income tax			-182
<b>Profit for the period</b>			<b>477</b>

2023 SEKm	Branded packaged products	Pick & mix	Total
Net sales	6,153	2,148	8,301
Operating profit, adjusted	786	13	799
Items affecting comparability			-64
<b>Operating profit</b>			<b>735</b>
Net financial items			-165
<b>Profit before tax</b>			<b>570</b>
Income tax			-133
<b>Profit for the period</b>			<b>437</b>

## Note 3 Breakdown of income

See Note 1 (I) for the accounting policy.

### Disaggregation of revenue from contracts with customers

Cloetta recognises revenues from the sales of goods and rendering of services at a point in time in the following major sales categories.

#### Net sales

SEKm	2024	2023
Branded packaged products	6,219	6,153
Pick & mix	2,394	2,148
<b>Total</b>	<b>8,613</b>	<b>8,301</b>

#### The breakdown of net sales by category is as follows:

2024 SEKm	Branded packaged products	Pick & mix	Total
Candy	3,659	1,724	5,383
Chocolate	1,184	634	1,818
Pastilles	779	-	779
Chewing gum	406	-	406
Nuts	57	36	93
Other	134	-	134
<b>Total</b>	<b>6,219</b>	<b>2,394</b>	<b>8,613</b>

2023 SEKm	Branded packaged products	Pick & mix	Total
Candy	3,532	1,627	5,159
Chocolate	1,112	481	1,593
Pastilles	807	-	807
Chewing gum	411	-	411
Nuts	120	40	160
Other	171	-	171
<b>Total</b>	<b>6,153</b>	<b>2,148</b>	<b>8,301</b>

#### The breakdown of net sales by country, allocated on the basis of the customer's location is as follows:

%	2024	2023
Sweden	30	30
Finland	20	21
The Netherlands	14	15
Denmark	11	10
The UK	5	5
Norway	6	6
Germany	7	6
International Markets	7	7
<b>Total</b>	<b>100</b>	<b>100</b>

No individual customer accounts for more than 10 per cent of Cloetta's total net sales. See Note 13 for the breakdown of property, plant and equipment and intangible assets by country.

## Note 4 Amortisation of intangible assets, depreciation of property, plant and equipment and impairments of non-current assets

See Notes 1 (II), (III), (IV), (X), (XI) and (XIV) for the accounting policy.

SEKm	2024	2023
Other intangibles	12	13
Land and buildings	28	26
Machinery and equipment	158	160
Right-of-use assets	86	96
<b>Total amortisation and depreciation</b>	<b>284</b>	<b>295</b>
<i>Amortisation and depreciation have been allocated by function as follows:</i>		
Cost of goods sold	186	204
Selling expenses	11	11
General and administrative expenses	87	80
<b>Total amortisation and depreciation</b>	<b>284</b>	<b>295</b>
<i>(Reversal of) Impairment</i>		
Intangible assets	91	-
Property, plant and equipment	-31	-17
<b>Total (reversal of) impairment</b>	<b>60</b>	<b>-17</b>
<i>Depreciation charge right-of-use assets by asset category:</i>		
Land and buildings	34	37
Transport	41	35
Other equipment	11	24
<b>Total depreciation charge right-of-use asset</b>	<b>86</b>	<b>96</b>

The impairment losses on intangible assets of SEK 91m mainly relate to the divestment of the Nutisal brand and have been recognised in general and administrative expenses. The reversal of impairments on property, plant and equipment of SEK -31m mainly relates to the investment in the greenfield facility and postponed closure of the Spoorstraat factory in Roosendaal, the Netherlands and Turnhout, Belgium. The reversal of impairments has been charged to cost of goods sold.

## Note 5 Expenses by type

See Notes 1 (II), (III), (IV) and (V) for the accounting policy.

SEKm	2024	2023
Raw materials and consumables used including change in inventory of finished goods and work in progress	3,782	3,561
Personnel expenses (See Note 6)	1,791	1,710
Depreciation, amortisation and impairment charges (See Note 4)	344	278
Transportation expenses	243	244
Lease expenses	35	34
Advertising, promotion, selling and marketing expenses	499	423
Energy expenses	232	480
Maintenance expenses	162	156
Other operating expenses	718	680
<b>Total operating expenses</b>	<b>7,806</b>	<b>7,566</b>

The costs recognised relating to research and development amount to SEK 57m (37).

## Note 6 Personnel expenses and number of employees

See Note 1 (V) for the accounting policy.

Personnel expenses are specified as follows:

SEKm	2024	2023
<b>Salaries and remuneration Group Management Team</b>		
Sweden	41	42
Other	37	30
<i>Of which, short-term variable compensation</i>		
Sweden	15	15
Other	11	9
<b>Pension costs Group Management Team</b>		
Defined contribution plans	8	8
<b>Total salaries, remuneration and pension costs Group Management Team</b>	<b>86</b>	<b>80</b>
<b>Salaries and remuneration, other employees</b>		
Sweden	288	200
Other	936	896
<b>Pension costs, other employees</b>		
Defined contribution plans	96	87
Defined benefit plans	6	6
<b>Total salaries, remuneration and pension costs, other employees</b>	<b>1,326</b>	<b>1,189</b>
<b>Personnel expenses, all employees</b>		
Total salaries, remuneration and pension costs	1,412	1,269
Social security expenses	308	281
Other personnel costs	71	160
<b>Total personnel expenses</b>	<b>1,791</b>	<b>1,710</b>

**The average number of employees is as follows:**

#	2024	2023
Group Management Team	10	10
Other employees	2,567	2,572
<i>Of whom, women</i>		
Group Management Team	1	2
Other employees	1,347	1,378

**The average number of employees by country is as follows:**

#	2024	2023
Sweden	686	647
Slovakia	712	739
The Netherlands	512	512
Finland	214	223
The UK	114	122
Belgium	113	116
Denmark	117	112
Ireland	63	65
Norway	30	29
Germany	9	9
Italy	3	3
Other	4	5
<b>Total</b>	<b>2,577</b>	<b>2,582</b>
<i>Of whom, women:</i>		
Sweden	338	330
Slovakia	430	452
The Netherlands	175	180
Finland	179	186
The UK	85	93
Belgium	25	24
Denmark	70	68
Ireland	24	24
Norway	15	15
Germany	6	6
Italy	1	1
Other	-	1
<b>Total</b>	<b>1,348</b>	<b>1,380</b>

**The specification of the gender distribution is as follows:**

%	2024	2023
<b>Percentage of women</b>		
Board of Directors	43	43
Group Management Team	14	20
Other employees	52	54

See pages xx-xx for further details on remuneration of the Group Management Team.

**Note 7 Remuneration of the Board**

Costs incurred 2024 SEK 000s	Board fees	Committee fees	Total
<b>Board Chairman</b>			
Morten Falkenberg <sup>1</sup>	533	67	600
Mikael Norman <sup>2</sup>	250	33	283
<b>Board members</b>			
Patrick Bergander	335	167	502
Malin Jennerholm	335	107	442
Pauline Lindwall	335	100	435
Alan McLean Raleigh	335	100	435
Camilla Svenfelt	335	107	442
Mikael Svenfelt	335	117	452
<b>Total</b>	<b>2,793</b>	<b>798</b>	<b>3,591</b>

Costs incurred 2023 SEK 000s	Board fees	Committee fees	Total
<b>Board Chairman</b>			
Mikael Norman	743	100	843
<b>Board members</b>			
Mikael Aru <sup>4</sup>	108	33	141
Patrick Bergander	325	150	475
Malin Jennerholm	325	67	392
Lottie Knutson <sup>4</sup>	108	-	108
Pauline Lindwall <sup>3</sup>	217	-	217
Alan McLean Raleigh	325	100	425
Camilla Svenfelt	325	100	425
Mikael Svenfelt	325	150	475
<b>Total</b>	<b>2,801</b>	<b>700</b>	<b>3,501</b>

1) Elected as per 9 April 2024

2) Resigned on 9 April 2024

3) Elected as per 4 April 2023

4) Resigned on 4 April 2023

**Note 8 Items affecting comparability**

See Note 1 (IX) for the accounting policy.

SEKm	2024	2023
Acquisitions, integration and restructurings	-103	-64
<i>of which: impairment non-current assets</i>	-60	23
<b>Total</b>	<b>-103</b>	<b>-64</b>
<i>Corresponding line in the consolidated profit and loss account:</i>		
Cost of goods sold	25	-48
Selling expenses	-3	1
General and administrative expenses	-125	-17
<b>Total</b>	<b>-103</b>	<b>-64</b>

The items affecting comparability are mainly related to the divestment of the Nutisal brand, consisting of impairment losses in intangible assets of SEK -91m. See pages 168-169 for alternative performance measures.

## Note 9 Net financial items

See Notes 1 (VI) and (XIII) for the accounting policy.

SEKm	2024	2023
<b>Exchange differences in cash and cash equivalents in foreign currencies</b>	<b>-35</b>	<b>-43</b>
Other financial income, third parties	83	91
<b>Other financial income at amortised cost</b>	<b>83</b>	<b>91</b>
Realised gains on single currency interest rate swaps	28	37
<b>Other financial income at fair value</b>	<b>28</b>	<b>37</b>
<b>Total other financial income</b>	<b>111</b>	<b>128</b>
Interest expenses, third-party borrowings	-177	-178
Interest expenses, third-party pensions	-9	-9
Amortisation of capitalised transaction costs	-5	-5
Other financial expenses, third parties	-14	-13
<b>Other financial expenses at amortised cost</b>	<b>-205</b>	<b>-205</b>
Unrealised losses on single currency interest rate swaps	-19	-45
<b>Other financial expenses at fair value</b>	<b>-19</b>	<b>-45</b>
<b>Total other financial expenses</b>	<b>-224</b>	<b>-250</b>
<b>Net financial items</b>	<b>-148</b>	<b>-165</b>

## Note 10 Income taxes

See Notes 1 (VII) and (XII) for the accounting policy.

SEKm	2024	2023
Current income tax	-226	-84
Deferred income tax	44	-49
<b>Total</b>	<b>-182</b>	<b>-133</b>
The year's income tax expense corresponds to an effective tax rate of, %	27.6	23.3
<b>The difference between the effective tax rate and the applicable tax rate in Sweden is attributable to the following items:</b>		
SEKm	2024	2023
Profit before tax	659	570
Tax calculated at applicable tax rate for the Parent Company	-136	-117
International rate differences	-1	0
Expenses not deductible for tax purposes	-3	-2
Adjustments recognised in the period for tax of prior periods	-7	8
Effect of (substantially) enacted tax rate changes	-6	-
Tax losses for which no deferred income tax asset was recognised in previous years	-20	-18
Other	-9	-4
<b>Income tax</b>	<b>-182</b>	<b>-133</b>
Reported effective tax rate, %	27.6	23.3
Tax rate of Parent Company, %	20.6	20.6

The applicable tax rate for the Parent Company is the enacted Swedish corporate income tax rate.

The reported effective tax rate is based on the relative portion of the group companies' contributions to profit before tax and the applicable tax rates and regulations in the countries concerned.

The OECD Pillar Two legislation was enacted in Sweden and has come into effect on 1 January 2024. Pillar Two introduces a minimum effective tax rate system where multinational groups with consolidated revenue over EUR 750m in at least two out of the last four years are subject to a minimum effective tax rate of 15 per cent. Cloetta's net sales for 2024 exceeded this threshold for the second consecutive year. As a result, the Pillar Two legislation will be applicable for Cloetta as of 1 January 2025. Cloetta applies the IAS12 exception to recognising and disclosing information about deferred assets and liabilities related to Pillar Two income taxes. The impact on Cloetta is expected to be immaterial. Cloetta is in preparation to comply with the Pillar Two reporting requirements.

## Note 11 Audit fees

SEKm	2024	2023
<b>Fee for auditing services</b>	<b>6</b>	<b>6</b>
<i>Fee for other services</i>		
Tax advice	-	-
Audit-related advice	-	-
Other	0	0
<b>Total other services</b>	<b>0</b>	<b>0</b>
<b>Total audit fees</b>	<b>6</b>	<b>6</b>

For both the financial years 2023 and 2024 PwC was elected as auditor of the Group.

Auditing services relate to:

- The audit of the consolidated financial statements,
- The audit of the statutory financial statements of the Parent Company and of its subsidiaries,
- The audit of the Parent Company's administration by the Board of Directors and the President and CEO,
- The procedures for the auditor's statement regarding the guidelines for remuneration to senior executives, pursuant to Chapter 8, Section 54 of the Swedish Companies Act (2005:551),
- The procedures for the auditor's limited assurance report on Cloetta's sustainability report and opinion on the statutory sustainability report, and
- The procedures for the auditor's statement regarding the compliance with European Single Electronic Format (ESEF) regulation.

## Note 12 Intangible assets

See Notes 1 (X) and (XIV) for the accounting policy.

SEKm	Trademarks	Goodwill	Other intangibles	Total
<b>1 January 2023</b>				
Acquisition or production costs	3,301	2,823	275	6,399
Accumulated amortisation and impairments	-58	-253	-205	-516
<b>Book value at 1 January 2023</b>	<b>3,243</b>	<b>2,570</b>	<b>70</b>	<b>5,883</b>
<b>Movements in 2023</b>				
Additions	-	-	2	2
Amortisation	-	-	-13	-13
Exchange differences	-5	-5	0	-10
<b>Total</b>	<b>-5</b>	<b>-5</b>	<b>-11</b>	<b>-21</b>
<b>31 December 2023</b>				
Acquisition or production costs	3,296	2,817	246	6,359
Accumulated amortisation and impairments	-58	-252	-187	-497
<b>Book value at 31 December 2023</b>	<b>3,238</b>	<b>2,565</b>	<b>59</b>	<b>5,862</b>
<b>Movements in 2024</b>				
Additions	-	-	1	1
Impairments	-90	-1	-	-91
Disposals	-57	-	-	-57
Amortisation	-	-	-12	-12
Exchange differences	56	73	1	130
<b>Total</b>	<b>-91</b>	<b>72</b>	<b>-10</b>	<b>-29</b>
<b>31 December 2024</b>				
Acquisition or production costs	3,205	2,893	250	6,348
Accumulated amortisation and impairments	-58	-256	-201	-515
<b>Book value at 31 December 2024</b>	<b>3,147</b>	<b>2,637</b>	<b>49</b>	<b>5,833</b>
<i>Estimated useful life</i>	<i>Indefinite</i>	<i>Indefinite</i>	<i>3 years – indefinite</i>	

The other intangibles consist mainly of capitalised customer lists and benefits related to the right to free electricity.

### Impairment testing of goodwill and trademarks

Goodwill and trademarks do not generate cash inflows that are largely independent of those from other assets. These are therefore allocated to the cash-generating unit (CGU) or group of CGUs expected to benefit most from these assets. A CGU is the lowest level to which an asset that generates cash flows independently from other assets can be allocated. A group of CGUs is not larger than an operating segment.

The estimated recoverable amount of all CGUs and groups of CGUs has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the company's management covering a five-year period, taking into account asset specific risks. Cash flows beyond the five-year period are extrapolated using a terminal growth rate.

The most important assumptions in the calculations are the terminal growth rate and the pre-tax discount rate. EBITDA is a key assumption when establishing the financial budgets. These assumptions reflect, and

do not differ from, prior experience and external information sources.

EBITDA is determined in the annual budget process. The terminal growth rate is determined by assuming that the business will grow in line with consumer prices/inflation based on central bank forecasts or similar unless otherwise stated. The terminal growth rate is in line with the Group's long-term goal for organic growth and the management's judgement.

These assumptions have been used for the analysis of each CGU and group of CGUs in the impairment analysis. The budgeted figures are based on past performance and the company management's expectations for market development. The weighted average growth rates used are consistent with the forecasts used in the Group. Discount rates have been determined by applying the capital asset pricing model. The discount rates used are pre-tax and reflect specific risks relating to the relevant industry and the risk particularly associated with the asset for which the estimates of the future cash flows have not been adjusted.

**For impairment testing of intangible assets with an indefinite useful life, the following assumptions have been used for each (group of) CGUs:**

%	Terminal growth rate		Pre-tax discount rate including inflation	
	2024	2023	2024	2023
Sweden	2.0	2.1	9.8	10.8
Denmark & Norway	2.0	2.1	9.6	10.7
Finland	2.0	2.1	9.4	10.9
The Netherlands	2.0	2.1	10.7	11.0
The Netherlands & Germany	2.0	2.1	10.7	11.4
International Markets & the UK	2.0	2.1	11.2	12.7
Group	2.0	2.1	10.3	11.0

### Goodwill

Goodwill is allocated to a CGU or group of CGUs not larger than an operating segment. The allocation has been made to the groups of CGUs that correspond to the operating segments that are expected to benefit most, which are the commercial organisations of Sweden, Denmark & Norway, Finland, the Netherlands & Germany, and International Markets & the UK.

**The following summary specifies the allocation of goodwill to the different groups of cash-generating units**

SEKm	Sweden	Norway & Denmark	Finland	International Markets & the UK	The Netherlands & Germany	Total
<b>1 January 2023</b>	<b>540</b>	<b>516</b>	<b>1,143</b>	<b>53</b>	<b>318</b>	<b>2,570</b>
Exchange rate differences	-1	-1	-2	0	-1	-5
<b>31 December 2023</b>	<b>539</b>	<b>515</b>	<b>1,141</b>	<b>53</b>	<b>317</b>	<b>2,565</b>
Impairments	-1	-	-	-	-	-1
Exchange rate differences	13	11	38	2	9	73
<b>31 December 2024</b>	<b>551</b>	<b>526</b>	<b>1,179</b>	<b>55</b>	<b>326</b>	<b>2,637</b>

### Trademarks

For trademarks, the related CGUs are the commercial organisations of the countries that own the respective trademarks. The products are mainly sold in the countries owning the trademarks. If products are sold by Group companies in other countries, the trademark owner charges royalty fees to the selling party. During 2024, Cloetta divested the Nutisal brand, for which an impairment loss of SEK -90m has been recognised.

**The following summary specifies the allocation of trademarks to the different cash-generating units**

SEKm	Sweden	Finland	The Netherlands	Other (corporate assets)	Total
<b>1 January 2023</b>	<b>1,545</b>	<b>576</b>	<b>1,061</b>	<b>61</b>	<b>3,243</b>
Exchange rate differences	-	-1	2	-6	-5
<b>31 December 2023</b>	<b>1,545</b>	<b>575</b>	<b>1,063</b>	<b>55</b>	<b>3,238</b>
Impairments	-90	-	-	-	-90
Disposal	-57	-	-	-	-57
Exchange rate differences	-	19	30	7	56
<b>31 December 2024</b>	<b>1,398</b>	<b>594</b>	<b>1,093</b>	<b>62</b>	<b>3,147</b>

### Key assumptions underlying the cash flow projections

EBITDA is the key assumption underlying the cash flow projections for the period covered by recent forecasts and is determined on external market studies on growth of market, historical growth rates, current market developments and outlook for a five year period.

### Impairment of goodwill and trademarks

An impairment analysis has been performed in which the carrying amount of a CGU or group of CGUs is compared with the total recoverable amount. During 2024, Cloetta divested the Nutisal brand, for which an impairment loss of SEK -90m has been recognised. A reasonable change in key assumptions is not expected to trigger any impairment on the goodwill, nor on the remaining trademarks.

### Corporate assets

Group-wide assets and liabilities, including the right of free electricity and software under construction, that cannot be directly allocated on a reasonable and consistent basis to the CGUs or groups of CGUs are classified as corporate assets. A group impairment analysis has been performed in which the carrying amount of the total group of CGUs, including the portion of the carrying amount representing the Group's corporate assets, is compared with the total recoverable amount.

### Impairment testing of other intangibles

The right to free electricity with a book value of SEK 14m has an indefinite useful life and is tested annually for impairment by comparing the discounted value of the expected future energy consumption and the book value of the asset. No impairment was recorded in the financial years 2023 and 2024.

## Note 13 Property, plant and equipment

See Notes 1 (XI) and (XIV) for the accounting policy.

SEKm	Land and buildings	Machinery and equipment	Assets under construction	Right-of-use assets	Total
<b>1 January 2023</b>					
Acquisition or production costs	978	4,281	174	354	5,787
Accumulated depreciation and impairments	-495	-3,504	-8	-199	-4,206
<b>Book value at 1 January 2023</b>	<b>483</b>	<b>777</b>	<b>166</b>	<b>155</b>	<b>1,581</b>
<b>Movements in 2023</b>					
Additions	-	-	280	97	377
Disposals	-	-	-	-2	-2
Transfers	29	172	-201	-	-
Depreciation	-26	-160	-	-96	-282
Reversals of impairments	9	2	6	-	17
Exchange differences	-1	1	-6	1	-5
<b>Total</b>	<b>11</b>	<b>15</b>	<b>79</b>	<b>0</b>	<b>105</b>
<b>31 December 2023</b>					
Acquisition or production costs	1,004	4,324	248	340	5,916
Accumulated depreciation and impairments	-510	-3,532	-3	-185	-4,230
<b>Book value at 31 December 2023</b>	<b>494</b>	<b>792</b>	<b>245</b>	<b>155</b>	<b>1,686</b>
<b>Movements in 2024</b>					
Additions	3	-	159	61	223
Disposals	-	-16	-	-2	-18
Transfers	9	253	-262	-	-
Depreciation	-28	-158	-	-86	-272
Reversals of impairments	17	13	1	-	31
Exchange differences	14	19	9	3	45
<b>Total</b>	<b>15</b>	<b>111</b>	<b>-93</b>	<b>-24</b>	<b>9</b>
<b>31 December 2024</b>					
Acquisition or production costs	1,045	4,323	154	313	5,835
Accumulated depreciation and impairments	-536	-3,420	-2	-182	-4,140
<b>Book value at 31 December 2024</b>	<b>509</b>	<b>903</b>	<b>152</b>	<b>131</b>	<b>1,695</b>
<i>Estimated useful life</i>	<i>Buildings: 20–50 years Land: Indefinite</i>	<i>3–55 years</i>	<i>N/A</i>	<i>1–35 years</i>	

The reversal of impairments on property, plant and equipment of SEK 31m (17) mainly relates to the investment in the greenfield facility and postponed closure of the Spoorstraat factory in Roosendaal, the Netherlands and Turnhout, Belgium. The reversal of impairments has been charged to cost of goods sold.

At 31 December 2024, the Group had contractual commitments for purchases of property, plant and equipment for an amount of SEK 58m (158).

**The breakdown of property, plant and equipment and intangible assets by country is as follows:**

**Right-of-use assets are broken down as follows:**

SEKm	31 Dec 2024	31 Dec 2023
Land and buildings	59	85
Transport	65	50
Other equipment	7	20
<b>Total</b>	<b>131</b>	<b>155</b>

SEKm	31 Dec 2024	31 Dec 2023
Sweden	2,319	2,485
Finland	1,804	1,757
The Netherlands	1,696	1,615
Slovakia	733	720
Other countries	976	971
<b>Total</b>	<b>7,528</b>	<b>7,548</b>

See Note 4 for the breakdown of the depreciation of right-of-use assets per category.

**The estimated useful lives of machinery and equipment can be further specified as follows:**

	Estimated useful life
Production lines	5–35 years
Packaging lines	5–25 years
Production equipment	5–55 years
IT hardware	3–5 years
Fixtures	5 years
Furniture	5–10 years
Production vehicles	7–15 years
Vehicles	5 years
Other	5–10 years

## Note 14 Tax assets and liabilities

See Notes 1 (VII) and (XII) for the accounting policy.

Deferred tax assets and liabilities relate, among other things, to the tax effect of the difference between the tax base of the defined asset or liability and its carrying amount and the recognised tax losses carried forward and non-deductible interest due to interest deduction limitations.

**Movements of deferred tax assets and liabilities per category are specified as follows:**

SEKm	Tax losses carried forward	Property plant and equipment	Intangible assets	Provisions (incl. pensions)	Other assets and liabilities	Total
<b>1 January 2023</b>	<b>92</b>	<b>-137</b>	<b>-719</b>	<b>46</b>	<b>-123</b>	<b>-841</b>
Profit and loss account (charge)/ credit for the year	-18	16	-26	-15	12	-31
Adjustments recognised in the period for tax of prior periods	20	7	-5	-26	-14	-18
Other (including exchange differences)	2	-1	2	9	1	13
<b>31 December 2023</b>	<b>96</b>	<b>-115</b>	<b>-748</b>	<b>14</b>	<b>-124</b>	<b>-877</b>
Profit and loss account (charge)/ credit for the year	-10	5	72	0	-11	56
Adjustments recognised in the period for tax of prior periods	14	-4	-9	-1	-5	-5
Effect of rate changes	-	-6	-1	-	-	-7
Other (including exchange differences)	2	-3	-13	0	-4	-18
<b>31 December 2024</b>	<b>102</b>	<b>-123</b>	<b>-699</b>	<b>13</b>	<b>-144</b>	<b>-851</b>

**Deferred tax assets and liabilities are broken down as follows:**

SEKm	31 Dec 2024	31 Dec 2023
Deferred tax assets	59	23
Deferred tax liabilities	-910	-900
<b>Total</b>	<b>-851</b>	<b>-877</b>

**Deferred tax assets are expected to be realised as follows:**

SEKm	31 Dec 2024	31 Dec 2023
Deferred tax asset to be realised after more than 12 months	58	22
Deferred tax asset to be realised within 12 months	1	1
<b>Total</b>	<b>59</b>	<b>23</b>

**The composition of deferred tax assets for deductible temporary differences and tax losses carried forward is as follows:**

SEKm	31 Dec 2024		31 Dec 2023	
	Recognised	Not recognised	Recognised	Not recognised
Deductible temporary differences	75	-	76	-
Tax losses carried forward	102	104 <sup>1</sup>	96	72
<b>Total</b>	<b>177</b>	<b>104</b>	<b>172</b>	<b>72</b>

1) The not recognised amount for tax losses carry forward of SEK 104m is related to the UK.

In the countries where Cloetta has tax losses carried forward, these do not expire.

**Deferred tax liabilities**

The deferred tax liability is recognised to account for the taxable temporary differences between the tax bases of intangible assets, property, plant and equipment, work in progress, inventories, receivables and provisions and their carrying amounts.

SEKm	31 Dec 2024	31 Dec 2023
Deferred tax liability to be recovered after more than 12 months	874	829
Deferred tax liability to be recovered within 12 months	36	71
<b>Total</b>	<b>910</b>	<b>900</b>

The recognised deferred tax liability includes a provision for an uncertain tax position in Slovakia.

**Current income tax**

SEKm	31 Dec 2024	31 Dec 2023
Current income tax assets	4	47
Current income tax liabilities	-118	-51
<b>Total</b>	<b>-114</b>	<b>-4</b>

See also Note 30 for further details regarding accounting estimates and judgements in respect of the ongoing tax audits.

**Note 15 Non-current financial assets**

See Note 1 (XIII) for the accounting policy.

SEKm	31 Dec 2024	31 Dec 2023
Deposits	4	3
<b>Total</b>	<b>4</b>	<b>3</b>

The fair values of non-current financial assets approximate their carrying amounts.

None of the different classes of non-current financial assets contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

**Note 16 Inventories**

See Note 1 (XV) for the accounting policy.

**Inventories for own use and resale comprise:**

SEKm	31 Dec 2024	31 Dec 2023
Raw materials and consumables	453	378
Work in progress	78	90
Finished goods and goods for resale	805	824
<b>Total</b>	<b>1,336</b>	<b>1,292</b>

**Movements in the provision for obsolete inventory are as follows:**

SEKm	2024	2023
<b>At 1 January</b>	<b>14</b>	<b>12</b>
Additions for impairment of inventories	60	20
Inventories written off during the year as obsolete	-11	-4
Unused amounts reversed	-3	-14
Exchange differences	1	0
<b>At 31 December</b>	<b>61</b>	<b>14</b>

Recognition of provisions for impairment of inventories and unused amounts reversed are included in "Raw materials and consumables used including change in inventory of finished goods and work in progress" in the expenses by type in Note 5.

## Note 17 Trade and other receivables

See Note 1 (XIII) for the accounting policy.

SEKm	31 Dec 2024	31 Dec 2023
Trade receivables before loss allowances	1,047	1,003
Loss allowances for trade receivables	-1	-24
<b>Trade receivables</b>	<b>1,046</b>	<b>979</b>
Other receivables	146	58
Prepaid expenses and accrued income	64	52
<b>Total</b>	<b>1,256</b>	<b>1,089</b>

The individual trade receivables for which provisions were made relate to uncollectible receivables that are not covered by credit insurance.

Other receivables contain the deferred selling price related to the divestment of the Nutisal brand of SEK 2m, measured at fair value. See Note 27 for more details on fair value measurements.

Movements in the loss allowance for trade receivables are as follows:

SEKm	2024	2023
<b>At 1 January</b>	<b>24</b>	<b>5</b>
Provision for impairment of trade receivables	2	24
Trade receivables written off during the year as uncollectible	-22	-3
Unused amounts reversed	-4	0
Exchange differences	1	-2
<b>At 31 December</b>	<b>1</b>	<b>24</b>

During 2023, a provision for impairment of trade receivables of SEK 24m was recognised and relates to one of the largest retail customers in the UK that went into administration. These receivables were written off in 2024 as uncollectible.

The age analysis of the trade receivables including loss allowances is as follows:

SEKm	31 Dec 2024			31 Dec 2023		
	Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
Current (not past due)	1,002	-	1,002	948	-	948
Up to 30 days past due	44	-	44	25	-	25
30 to 60 days past due	1	-	1	3	-1	2
60 to 90 days past due	-1	-	-1	0	-	0
Over 90 days past due	1	-1	-	27	-23	4
<b>Total</b>	<b>1,047</b>	<b>-1</b>	<b>1,046</b>	<b>1,003</b>	<b>-24</b>	<b>979</b>

The other receivables and prepaid expenses and accrued income do not contain any provided amounts.

As per 31 December 2024, trade receivables of SEK 44m (31) were past due but not provided for. These relate to a number of customers for whom there is no recent history of default.

Credit losses on other receivables and accrued income are expected to be immaterial.

Trade receivables in an amount of SEK 126m (105) are covered by credit insurance.

The carrying amounts are assumed to approximate the fair values of trade receivables and other receivables. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above, adjusted for the part covered by credit insurance. The Group does not hold any collateral as security.

The carrying amounts of trade receivables are denominated in the following currencies:

SEKm	31 Dec 2024	31 Dec 2023
Euro	394	362
Swedish krona	289	272
Danish krone	251	245
Great Britain pound	56	58
Norwegian krone	41	29
US dollar	8	5
Other currencies	7	8
<b>Total</b>	<b>1,046</b>	<b>979</b>

The breakdown of prepaid expenses and accrued income is as follows:

SEKm	31 Dec 2024	31 Dec 2023
Prepaid IT expenses	16	12
Prepaid rent, insurance and lease charges	10	8
Prepaid personnel-related expenses	2	4
Prepaid marketing expenses	2	1
Prepaid deposits	1	0
Other prepaid expenses	22	27
Other accrued income	11	0
<b>Total</b>	<b>64</b>	<b>52</b>

## Note 18 Cash and cash equivalents

See Note 1 (XIII) for the accounting policy.

The item cash and cash equivalents in the consolidated cash flow statement and consolidated balance sheet consists of the following:

SEKm	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	953	658
<b>Total</b>	<b>953</b>	<b>658</b>

All cash and cash equivalents are available on demand.

Cloetta AB (publ) has a Multicurrency Zero Balancing Cash Pool (MZBCP) enabling the company and its subsidiaries to use the funds available as deposited in the bank in one or more currencies for the purpose of efficient liquidity management and daily payments in the ordinary course of business. The MZBCP provides the possibility to make withdrawals from accounts held by the bank in different currencies and in different countries without the necessary funds being available in the respective currency, provided that the corresponding funds are available considering the balances on all accounts in the MZBCP, and any amounts available for this purpose pursuant to any credit facility and/or intraday revolving facility agreed upon separately. The MZBCP is based on, and connects, accounts in local account structures in different countries in which group companies participate as sub-account holders.

The following table shows the carrying amounts of recognised offsetting of financial assets and liabilities relating to the MZBCP:

2024 SEKm	Gross amounts of financial instruments	Offsetting negative cash balances by positive cash balances in cash pools	Net amount presented in the balance sheet	Related financial instruments that are not offset		Net amount
				Cash balances outside cash pools	Other loans from credit institutions	
Cash and cash equivalents	3,858	-2,952	906	47	-	953
<b>Total assets</b>	<b>3,858</b>	<b>-2,952</b>	<b>906</b>	<b>47</b>	<b>-</b>	<b>953</b>
Loans from credit institutions	2,952	-2,952	-	-	2,232	2,232
<b>Total liabilities</b>	<b>2,952</b>	<b>-2,952</b>	<b>-</b>	<b>-</b>	<b>2,232</b>	<b>2,232</b>

2023 SEKm	Gross amounts of financial instruments	Offsetting negative cash balances by positive cash balances in cash pools	Net amount presented in the balance sheet	Related financial instruments that are not offset		Net amount
				Cash balances outside cash pools	Other loans from credit institutions	
Cash and cash equivalents	4,805	-4,196	609	49	-	658
<b>Total assets</b>	<b>4,805</b>	<b>-4,196</b>	<b>609</b>	<b>49</b>	<b>-</b>	<b>658</b>
Loans from credit institutions	4,196	-4,196	-	-	2,187	2,187
<b>Total liabilities</b>	<b>4,196</b>	<b>-4,196</b>	<b>-</b>	<b>-</b>	<b>2,187</b>	<b>2,187</b>

## Note 19 Equity

See Notes 1 (XVII) and (XIX) for the accounting policy.

### Capital management

The Board's financial objective is to maintain a strong financial position that contributes to maintaining investor, creditor and market confidence and to providing a platform for ongoing development of the business. Capital consists of total equity. The Board of Directors proposes the dividend to the shareholders.

The company's long-term goal is a dividend pay-out of between 40 and 60 per cent of profit after tax. Both in 2024 and 2023, the ambition was to continue using cash flows to pay dividends and to maximise financial flexibility for complementary acquisitions.

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors capital on the basis of the net debt/EBITDA ratio (leverage). This ratio is calculated as net debt divided by EBITDA, adjusted for items affecting comparability. The Group has defined a long-term leverage target of 2.5x. The net debt/EBITDA ratio at 31 December 2024 was 1.3x (1.7).

### Dividend per share

The Annual General Meeting (AGM) approved the following dividend on 9 April 2024 and 4 April 2023.

	2024	2023
Dividend per share, SEK	1.00	1.00
Total dividend, SEKm	285	285
Dividend as a percentage of profit for the previous year	65	104 <sup>1)</sup>
Payment date	April 2024	April 2023

1) The dividend as percentage of profit for 2022, adjusted for the impact of recognised impairments and provisions and other items affecting comparability including the tax impact related to the investment in the greenfield facility amounted to 63 per cent.

After the reporting date, the following dividend was proposed by the Board of Directors. The dividend has not been recognised in the balance sheet at reporting date.

	2024	2023
Dividend per share, SEK	1.10	1.00
<b>Total dividend, SEKm</b>	<b>315</b>	<b>285</b>

On 14 November 2024, a dividend from group companies of SEK 1,909m was received by the Parent Company. The Board of Directors proposes that the total earnings in the Parent Company at the disposal of the AGM amounting to SEK 2,672m (848) are to be distributed to the shareholders in the amount of SEK 315m (285) and to be carried forward to new account in the amount of SEK 2,357m (563).

### Group equity

#### Share capital

The number of shares authorised, issued and fully paid up at 31 December 2024 was 288,619,299 (288,619,299). The number of shares consists of 5,735,249 (5,735,249) class A shares and 282,884,050 (282,884,050) class B shares. All shares grant equal entitlement to participate in the

company's assets and profits. The quota value (par value) of the share is SEK 5.00. Should the company issue new shares of class A and class B through a cash or set-off issue, holders of class A and class B shares have the right to subscribe for new shares of the same class in proportion to the number of shares already held on the record date. If the issue includes only class B shares, all holders of class A and class B shares have the right to subscribe for new class B shares in proportion to the number of shares already held on the record date. The corresponding rules of apportionment are applied in the event of a bonus issue or issue of convertibles and subscription warrants. The transference of a class A share to a person who is not previously a holder of class A shares in the company is subject to a pre-emption procedure, except when the transfer is made through division of joint property, inheritance, testament or gift to the person who is the closest heir to the bequeather. See page 30 for further details.

Cloetta has purchased 63,704 shares at an average share price, including incremental transaction costs, of SEK 17.8289 on 30 October 2023. These shares are held as treasury shares. On 29 April 2024, a total of 723,373 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 on vesting. The remaining 2,553,892 treasury shares are held with the purpose of issuing shares to the participants of LTI'22 and LTI'23 at vesting date.

### Foreign currency translation reserve

The foreign currency translation reserve consists of all exchange gains and losses arising on translation of the financial statements of foreign operations that present their financial statements in a currency other than that used by the Group. This includes foreign currency differences on monetary items that are a receivable from or payable to a foreign operation, for which settlement is neither planned nor likely to occur in the foreseeable future.

### Retained earnings

Retained earnings comprise the sum of profit for the year and retained earnings from previous years.

### Changes in equity

For disclosures about changes in equity in the Group, see the consolidated statements of changes in equity on page 114.

### Hedge of a net investment in a foreign operation (Net investment hedge)

The Group applies hedge accounting for the investment in trademarks in Cloetta Ireland Ltd., Cloetta Suomi Oy, Cloetta Holland B.V. and Cloetta Slovakia s.r.o. See Note 1 (XIII) for further details on the applied hedge accounting.

### Share-based payments

See Note 23 for further details about share-based payments.

## Note 20 Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to owners of the Parent Company by the weighted average number of shares outstanding. Diluted earnings per share are calculated

by dividing the profit for the year attributable to owners of the Parent Company by the weighted average number of shares outstanding adjusted for the dilutive effect of share-based payments.

**The calculation of basic and diluted earnings per share is based on the following profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding:**

	2024	2023
<b>Profit for the year, attributable to ordinary shareholders (in SEKm) (basic and diluted)</b>	<b>477</b>	<b>437</b>
<b>Number of issued ordinary shares at 1 January</b>	<b>288,619,299</b>	<b>288,619,299</b>
Effect of forward contract to repurchase own shares	-138,086	-
Effect of purchase of treasury shares	-2,791,063	-3,224,382
<b>Weighted average number of ordinary shares during the year before dilution</b>	<b>285,690,150</b>	<b>285,394,917</b>
Effect of share-based payments	95,977	255,901
<b>Weighted average number of ordinary shares during the year after dilution</b>	<b>285,786,127</b>	<b>285,650,818</b>
<b>Basic earnings per share, SEK</b>	<b>1.67</b>	<b>1.53</b>
<b>Diluted earnings per share, SEK</b>	<b>1.67</b>	<b>1.53</b>

In 2023, Cloetta purchased 63,704 treasury shares to fulfill its future obligation to deliver shares to the participants of the long-term share-based incentive plans.

In 2024, a total of 723,373 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 on vesting.

On 28 November 2024, Cloetta entered into a forward contract to repurchase 1,531,492 own shares to fulfill its future obligations to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met.

## Note 21 Borrowings

See Note 1 (XIII) for accounting policies.

31 Dec 2024 SEKm	Remaining term < 1 year	Remaining term 1–2 years	Remaining term 2–5 years	Remaining term > 5 years	Total
Loans from credit institutions	-	2,232	-	-	2,232
Capitalised transaction costs	-4	-4	-2	-	-10
Commercial papers	149	-	-	-	149
Accrued interest	2	-	-	-	2
Lease liabilities	56	34	34	12	136
<b>Total</b>	<b>203</b>	<b>2,262</b>	<b>32</b>	<b>12</b>	<b>2,509</b>

31 Dec 2023 SEKm	Remaining term < 1 year	Remaining term 1–2 years	Remaining term 2–5 years	Remaining term > 5 years	Total
Loans from credit institutions	-	800	1,387	-	2,187
Capitalised transaction costs	-5	-5	-3	-	-13
Commercial papers	149	-	-	-	149
Accrued interest	2	-	-	-	2
Lease liabilities	74	36	39	10	159
<b>Total</b>	<b>220</b>	<b>831</b>	<b>1,423</b>	<b>10</b>	<b>2,484</b>

On 24 May 2024, Cloetta extended the maturities of two of its loan facilities with the existing bank group by one year each. The extended loans will mature in 2026 and 2027 with an option to extend one of the facilities to 2028.

The terms as agreed in the multicurrency term and revolving facilities agreement came into effect on 30 June 2024 and comprise of:

- a SEK 800m term loan repayable on 30 June 2026;
- a EUR 125m term loan repayable on 30 June 2026;

- a EUR 60m revolving credit facility, available up to 30 June 2027,
- a EUR 60m revolving credit facility, available up to 27 October 2027,
- a EUR 100m term loan repayable on 27 October 2027, with the possibility of extending the facility for an additional year.

See Note 26 for the Group's contractually agreed undiscounted cash flows payable under financial liabilities, including interest payments.

SEKm	Long-term borrowings	Short-term borrowings	Total
<b>Balance at 1 January 2023</b>	<b>2,277</b>	<b>207</b>	<b>2,484</b>
<i>Changes from financing cash flows</i>			
Repayment of lease liabilities	-27	-61	-88
Transaction costs paid	-4	-	-4
Proceeds from commercial papers	-	593	593
Repayment of commercial papers	-	-594	-594
<b>Total changes from financing cash flows</b>	<b>-31</b>	<b>-62</b>	<b>-93</b>
<i>Other changes</i>			
Capitalisation transaction cost	4	-	4
Additions to lease liabilities	17	74	91
Early termination of lease liabilities	-2	-	-2
Amortisation of capitalised transaction costs	-	5	5
Interest expenses, third-party borrowings	99	6	105
Interest paid	-99	-6	-105
Exchange differences on borrowings	-1	-4	-5
<b>Total other changes</b>	<b>18</b>	<b>75</b>	<b>93</b>
<b>Balance at 31 December 2023</b>	<b>2,264</b>	<b>220</b>	<b>2,484</b>
<i>Changes from financing cash flows</i>			
Repayment of lease liabilities	-5	-74	-79
Transaction costs paid	-4	-	-4
Proceeds from commercial papers	-	594	594
Repayment of commercial papers	-	-593	-593
<b>Total changes from financing cash flows</b>	<b>-9</b>	<b>-73</b>	<b>-82</b>
<i>Other changes</i>			
Additions to lease liabilities	5	56	61
Early termination of lease liabilities	-2	-	-2
Amortisation of capitalised transaction costs	-	5	5
Interest expenses, third-party borrowings	108	6	114
Interest paid	-108	-7	-115
Exchange differences on borrowings	48	-4	44
<b>Total other changes</b>	<b>51</b>	<b>56</b>	<b>107</b>
<b>Balance at 31 December 2024</b>	<b>2,306</b>	<b>203</b>	<b>2,509</b>

**The carrying amounts and fair value of short-term and long-term borrowings are as follows:**

SEKm	Fair value		Carrying amount	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Loans from credit institutions	2,232	2,187	2,232	2,187
Commercial papers	149	149	149	149
<b>Total</b>	<b>2,381</b>	<b>2,336</b>	<b>2,381</b>	<b>2,336</b>

**Loans from credit institutions**

The total available facilities at reporting date comprise of SEK 800m and EUR 345m. The term and revolving facilities agreement is unsecured in nature.

The commercial paper programme, with a maximum outstanding amount of SEK 1,000m, is established to obtain flexibility in the short-term financing needs. See Note 26 for an overview of the maturity of the components of Cloetta's loans from credit institutions.

The fair value of loans from credit institutions is equal to the carrying amount, as the impact of discounting is not significant, and the credit risk has not materially changed since the loan agreement was signed.

The Group's loans from credit institutions are exposed to interest rate changes and changes in the applicable margin on a quarterly basis. The commercial papers are issued at fixed interest rates, based on the applicable market prices at issue date.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

**The Group credit facility at reporting date relates to:**

SEKm	Outstanding amount		Interest percentage		Applicable margin <sup>1</sup>	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Single currency term loan of nominal EUR 125m (125)	1,432	1,387	Variable EURIBOR + fixed applicable margin, with zero-floor	Variable EURIBOR + fixed applicable margin, with zero-floor	1.05%	1.05%
Single currency term loan of nominal SEK 800m (800)	800	800	Variable STIBOR + fixed applicable margin, with zero-floor	Variable STIBOR + fixed applicable margin, with zero-floor	0.95%	0.95%
Commercial papers of nominal SEK 1,000m (1,000)	149	149	Fixed margin per issued paper	Fixed margin per issued paper	3.08%	4.85%
Multicurrency credit revolving loan of EUR 50m (50)	-	-	Variable IBOR + fixed applicable margin, with zero-floor	Variable IBOR + fixed applicable margin, with zero-floor	1.15%	1.15%
Credit revolving loan of EUR 10m (10)	-	-	Variable EURIBOR + fixed applicable margin, with a floor of 0,20%	Variable EURIBOR + fixed applicable margin, with a floor of 0,20%	0.70%	0.70%
Single currency term loan of EUR 100m (100)	-	-	Variable EURIBOR + fixed applicable margin, with zero-floor	Variable EURIBOR + fixed applicable margin, with zero-floor	1.55%	1.55%
Multicurrency credit revolving loan of EUR 60m (60)	-	-	Variable IBOR + fixed applicable margin, with zero-floor	Variable IBOR + fixed applicable margin, with zero-floor	1.35%	1.35%
<b>Total Group credit facility</b>	<b>2,381</b>	<b>2,336</b>				
Capitalised transaction costs	-10	-13				
Lease liabilities	136	159				
Accrued interest	2	2				
<b>Total borrowings</b>	<b>2,509</b>	<b>2,484</b>				

1) Applicable margin on credit facilities based on the net/debt ebitda covenant at reporting date. Margin on commercial papers based on the weighted average rate on the outstanding commercial papers at reporting date.

At 31 December 2024, the Group had unutilised credit facilities of SEK 2,521m (2,441) and the possibility to issue additional commercial papers for an amount of SEK 850m (850). 35 per cent (35) of the fixed applicable margin on the unutilised amounts of the credit revolving loans is paid as a commitment fee.

All borrowings are denominated in euros, with the exception of the single currency term loan of SEK 800m (800), the commercial papers of

SEK 149m (149) and part of the lease liabilities for an amount corresponding to SEK 60m (77).

The effective interest rate for the loans from credit institutions and the commercial papers was 4.81 per cent (4.42). The effective interest rate including the effect of single currency interest rate swaps was 3.56 per cent (2.85).

## Note 22 Derivative financial instruments

See Note 1 (XIII) for the accounting policy.

SEKm	31 Dec 2024		31 Dec 2023	
	Assets	Liabilities	Assets	Liabilities
<i>Non-current</i>				
Single currency interest rate swaps	1	4	5	8
<b>Total non-current</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>8</b>
<i>Current</i>				
Forward contract to repurchase own shares	-	40	-	-
Single currency interest rate swaps	4	5	18	1
<b>Total current</b>	<b>4</b>	<b>45</b>	<b>18</b>	<b>1</b>
<b>Total</b>	<b>5</b>	<b>49</b>	<b>23</b>	<b>9</b>

### Single currency interest rate swaps

The Group has entered into several single currency interest rate swap contracts to partially cover the interest rate risk on the loans denominated in both SEK and EUR.

### Forward contracts to repurchase own shares

Following the introduction of share-based long-term incentive plans, Cloetta entered into forward contracts in order to repurchase own shares to fulfil its future obligation to deliver the shares to the participants in its share-based long-term incentive plans. The forward contract to repurchase own shares is measured at cost.

The following table shows the combined notional principal amounts of the outstanding single currency interest rate swaps

		Notional principal amounts		Fixed interest currency rates		Future periods covered	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
		STIBOR Interest rate swaps	SEKm	-	800	-	3.0380%
STIBOR Interest rate swaps	SEKm	100	100	3.8750%	3.8750%	Q1 2025 - Q2 2025	Q3 2024 - Q2 2025
STIBOR Interest rate swaps	SEKm	50	-	1.7975%	-	Q1 2025 - Q2 2026	-
STIBOR Interest rate swaps	SEKm	400	-	1.7975%	-	Q3 2025 - Q2 2026	-
EURIBOR Interest rate swaps	EURm	-	35	-	0.0830%	-	Q1 2024 - Q2 2024
EURIBOR Interest rate swaps	EURm	60	60	1.9160%	1.9160%	Q1 2025 - Q2 2025	Q1 2024 - Q2 2025
EURIBOR Interest rate swaps	EURm	35	35	1.9160%	1.9160%	Q1 2025 - Q2 2025	Q3 2024 - Q2 2025
EURIBOR Interest rate swaps	EURm	70	70	3.0810%	3.0810%	Q3 2025 - Q2 2026	Q3 2025 - Q2 2026

All single currency interest rate swaps include zero-floors on the floating leg.

The following table shows the movements in forward contracts to repurchase own shares since 1 January 2024:

	Date	Number of shares
		Contract 1
<b>Balance at</b>	<b>1 Jan 2024</b>	-
New forward contract to repurchase own shares	28 Nov 2024	1,531,492
<b>Balance at</b>	<b>31 Dec 2024</b>	<b>1,531,492</b>
	Price, SEK	26.2632

See Note 23 for more details about the share-based long-term incentive plan.

## Note 23 Pensions and other long-term employee benefits

See Notes 1 (V) and (XIX) for the accounting policy.

Group companies use various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity. The Group has no legal or constructive obligations to pay further contributions, even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Defined benefit plans define an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. The defined benefit schemes in industry sector pension funds, which are held by pension funds that are not able to provide company-specific or reliable information, are accounted for as though they were defined contribution schemes. In the event of a deficit in these pension funds, the company has no obligation to provide supplementary contributions, other than higher future contributions.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

The Group has a number of defined benefit pension plans in Sweden, the Netherlands, Belgium, Finland, Germany and Norway that relate to pension and other long-term benefit schemes.

For the defined benefit pension plan in the Netherlands, the Group accounts as though this were a defined contribution scheme since sufficient information is not available to enable the Group to account for the plan as a defined benefit plan. Cloetta complies with UFR 10 for reporting plans with multiple employers. Sufficient information is not available, since asset administration of the fund is not designed to allocate the total assets of the fund to the participating companies. In the event of a deficit in this pension fund, the Group has no obligation to provide further contributions other than higher future contributions. Monthly premiums are average premiums expressed as a percentage of the pension calculations basis and should, as a minimum, cover the cost of the fund. The minimum pension premium is determined in accordance with the actuarial and business note of the fund. In the event of liquidation of the fund, an amount that is sufficient to cover defined benefits will be secured. In the event of a deficit in the fund at the moment of liquidation, the defined benefits will be proportionally reduced taking into consideration Article 134 of the Dutch Pension Act. Contributions to the plan for the next annual year are expected to amount to SEK 52m (49). These are split into employer contributions of SEK 35m (33) and employee contributions of SEK 17m (16). At year-end 2024, the coverage of the pension fund was 121.7 per cent (119.5).

**At 31 December 2024, the main defined benefit plans in the Group were:**

### Sweden – ITP2 plan:

The ITP2 plan covers employees born before 1979. Benefits provided in the old defined benefit plan include a final pay-based retirement pension. This plan is an unfunded defined benefit plan. The ITP plan benefit formula provides pension benefits as a percentage of salary. Benefits are reduced proportionally if the expected years of service within the plan, are less than 30 years, irrespective of employer. ITP plan benefits vested with former employers are indexed according to the consumer price index.

### Finland – Pohjola Life Insurance:

This plan is an insured voluntary final salary pension plan. It was established on 31 December 2005 when the liabilities and assets of Merijal Pension Foundation and Leaf Pension Foundation were transferred to Pohjola Life Insurance Company.

### Norway:

The Norwegian subsidiary has one plan, which is insured in a life insurance company. This funded plan, together with the national pension scheme, provides an old-age pension of a maximum of 66 per cent of final salary. The plan includes a widow(er)'s pension equal to 60 per cent of the old-age pension and children's pension equal to 50 per cent of the old-age pension. Members who become disabled will receive a disability pension linked to the old-age pension they would have received with their present salary.

**The total pensions and other long-term employee benefits are determined as follows:**

SEKm	31 Dec 2024	31 Dec 2023
Obligation for pension benefits	-378	-382
<b>Total</b>	<b>-378</b>	<b>-382</b>

**The net liability recognised in the balance sheet is determined as follows:**

SEKm	31 Dec 2024	31 Dec 2023
Present value of funded obligations	64	62
Fair value of plan assets	-74	-67
<b>Deficit/(Surplus) of funded plans</b>	<b>-10</b>	<b>-5</b>
Present value of unfunded obligations	374	377
Impact of minimum funding requirements/asset ceiling	14	10
<b>Net liability in the balance sheet</b>	<b>378</b>	<b>382</b>

**Movements in the combined net defined benefit obligations and other long-term employee benefits over the year are as follows:**

SEKm	Present value of obligation	Fair value of plan assets	Asset ceiling impact	Total
<b>1 January 2023</b>	<b>398</b>	<b>-65</b>	<b>12</b>	<b>345</b>
Current Service cost	4	-	-	4
Interest expense/(income)	11	-2	0	9
<b>Total amount recognised in profit or loss</b>	<b>15</b>	<b>-2</b>	<b>0</b>	<b>13</b>
<i>Remeasurements:</i>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	0	-	0
Losses from change in demographic assumptions	24	-	-	24
Experience (gains)/losses	19	-	-2	17
<b>Total remeasurements recognised in other comprehensive income</b>	<b>43</b>	<b>0</b>	<b>-2</b>	<b>41</b>
Exchange differences	-	1	0	1
<i>Contributions:</i>				
Employers	-	-18	-	-18
<i>Payments from plans:</i>				
Benefit payments	-17	17	-	-
<b>31 December 2023</b>	<b>439</b>	<b>-67</b>	<b>10</b>	<b>382</b>
Current Service cost	6	-	-	6
Interest expense/(income)	11	-2	0	9
<b>Total amount recognised in profit or loss</b>	<b>17</b>	<b>-2</b>	<b>0</b>	<b>15</b>
<i>Remeasurements:</i>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	-3	-	-3
Losses from change in demographic assumptions	1	-	-	1
Losses from change in financial assumptions	-9	-	-	-9
Experience (gains)/losses	7	-	-	7
Change in asset ceiling, excluding amounts included in interest expense	-	-	5	5
<b>Total remeasurements recognised in other comprehensive income</b>	<b>-1</b>	<b>-3</b>	<b>5</b>	<b>1</b>
Exchange differences	2	-1	-1	0
<i>Contributions:</i>				
Employers	-	-20	-	-20
Plan participants	0	0	-	-
<i>Payments from plans:</i>				
Benefit payments	-19	19	-	-
Curtailements	0	-	-	0
<b>31 December 2024</b>	<b>438</b>	<b>-74</b>	<b>14</b>	<b>378</b>

The Group expects to pay SEK 18m (19) in contributions to its defined benefit plans in 2025.

**The defined benefit obligation and plan assets are composed by country as follows:**

SEKm	Present value of obligation		Fair value of plan assets		Impact of asset ceiling		Defined benefit obligation	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Sweden	373	375	-19	-15	8	6	362	366
Norway	9	10	-15	-14	6	4	-	-
Finland	24	25	-21	-21	-	-	3	4
Other countries	32	29	-19	-17	-	-	13	12
<b>Total</b>	<b>438</b>	<b>439</b>	<b>-74</b>	<b>-67</b>	<b>14</b>	<b>10</b>	<b>378</b>	<b>382</b>

**These assumptions translate into an average life expectancy in years for a pensioner retiring at the age of 65:**

**The significant actuarial assumptions are as follows:**

Weighted average percentage	31 Dec 2024	31 Dec 2023
Discount rate	3.47	3.28
Expected rate of future salary increases	2.26	2.14
Expected rate of future increase for benefits in payment	1.73	1.64
Expected long-term inflation rate	1.78	1.68

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in each territory.

Years	2024		2023	
	Sweden	Others	Sweden	Others
Retiring at the end of the reporting period:				
– Male	22	21	22	21
– Female	24	25	24	24
Retiring 20 years after the end of the reporting period:				
– Male	43	40	43	35
– Female	45	45	45	40

At 31 December 2024 the weighted average duration of the defined benefit obligation was 14.82 years (15.16 years).

**The sensitivity of the combined net defined benefit obligations and other long-term employee benefits to changes in the weighted principal assumptions is as follows:**

SEKm	Change in assumptions	Impact on defined benefit obligation			
		2024		2023	
		Increase	Decrease	Increase	Decrease
Discount rate	1%-point	-17	23	-18	23
Salary growth rate	1%-point	3	-2	4	-3
Pension growth rate	1%-point	16	-14	16	-17
		Increase by 1 year	Decrease by 1 year	Increase by 1 year	Decrease by 1 year
%					
Life expectancy		3.55	-3.54	3.01	-3.02

The sensitivity analyses above are based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the pension liability recognised in the statement of financial position.

Plan assets for both 2023 and 2024 are 100 per cent comprised of insurance contracts.

**The expected maturity analysis for undiscounted combined net defined benefit obligations and other long-term employee benefits is as follows:**

SEKm	31 Dec 2024	31 Dec 2023
Less than 3 years	-	-
Between 3–7 years	32	-
Between 7–15 years	182	216
Over 15 years	224	223
<b>Total</b>	<b>438</b>	<b>439</b>

Total pension costs for defined benefit plans amounting to SEK 15m (13) are included in costs of goods sold, selling expenses, general and administrative expenses and financial income and expenses, in the profit and loss account.

**Share-based payments**

**Share-based long-term incentive plan**

The AGM approved the Board's proposals for a share-based long-term incentive plan to align the interests of the shareholders with the interest of the Group Management Team and other key employees in order to ensure maximum long-term value creation.

To participate in the plan, a personal shareholding in Cloetta is required. Following a three-year vesting period, the participants will be allocated class B shares in Cloetta free of charge, provided that certain conditions are fulfilled.

To be eligible for so-called series A share rights entitling the participant to class B shares in Cloetta, continued employment with Cloetta is required and the personal shareholding in Cloetta must be continuously maintained. For each invested share one series A share will be granted conditional on Cloetta's average EBIT over the vesting period and if the abovementioned requirements are fulfilled. In addition, allocation of class B shares on the basis of so-called series B share rights requires the attainment of two performance targets, one of which is related to Cloetta's EBIT margin and the other to Cloetta's net sales value in the respective vesting periods. The share-based long-term incentive plans of 2020 and 2021 were vested in 2023 and 2024, respectively.

With respect to the share-based long-term incentive plan of 2021, the target levels set by the Board for the performance targets were met for a weighted average percentage of approximately 69 per cent. The performance targets were related to Cloetta's compounded sales growth during the period 2021 to 2023, Cloetta's adjusted EBIT margin for 2023 and Cloetta's average annual EBIT level during the period 2021 to 2023. As a result, Cloetta transferred 723,363 shares to participants holding series A and series B performance share rights in 2024.

With respect to the share-based long-term incentive plan of 2022, the target levels set by the Board for the performance targets were met for a weighted average percentage of approximately 77 per cent. The performance targets were related to Cloetta's compounded sales growth during the period 2022 to 2024, Cloetta's adjusted EBIT margin for 2024 and Cloetta's average annual EBIT level during the period 2022 to 2024. As a

result, Cloetta expects to transfer 740,208 shares to participants holding series A and series B performance share rights.

Total costs related to the non-vested share-based long-term incentive plans are expected to amount to SEK 74m (63) during the total vesting period. The total costs for the share-based long-term incentive plans recognised in 2024 are SEK 21m (23).

See page 32 for further details on the main characteristics of the share-based long-term incentive plans.

#### Movements in the number of shares for the share-based long-term incentive plans are as follows:

Number of shares in thousands	2024	2023
<b>At 1 January</b>	<b>3,171</b>	<b>2,075</b>
Granted for new plans	1,582	1,298
Vested plans	-723	-
Released	-740	-202
<b>At 31 December</b>	<b>3,290</b>	<b>3,171</b>

Under the share-based long-term incentive plans, the entity receives services from employees as consideration for equity instruments (shares) of the Group. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense.

The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions (for example, an entity's share price); and
- including the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as an employee of the entity over a specified time period).

## Note 24 Provisions

See Note 1 (XVIII) for the accounting policy.

#### Movements in provisions, excluding pension benefits and other long-term employee benefits, are specified as follows:

SEKm	Reorganisation	Other	Total	SEKm	Reorganisation	Other	Total
<b>1 January 2023</b>	<b>113</b>	<b>0</b>	<b>113</b>	<b>1 January 2024</b>	<b>168</b>	<b>6</b>	<b>174</b>
Additions	63	6	69	Additions	8	5	13
Utilisations	-6	-	-6	Utilisations	-6	-5	-11
Unused amounts reversed	-1	-	-1	Unused amounts reversed	-9	0	-9
Undiscounting	1	-	1	Undiscounting	2	-	2
Exchange differences	-2	0	-2	Exchange differences	5	-	5
<b>31 December 2023</b>	<b>168</b>	<b>6</b>	<b>174</b>	<b>31 December 2024</b>	<b>168</b>	<b>6</b>	<b>174</b>
<i>Analysis of total provisions</i>				<i>Analysis of total provisions</i>			
Non-current			160	Non-current			163
Current			14	Current			11
<b>Total</b>			<b>174</b>	<b>Total</b>			<b>174</b>

Additions to and reversals of unused amounts of reorganisation provisions are included in "Personnel expenses" in the expenses by type in Note 5.

See Note 23 for details about pensions and other long-term employee benefits.

## Note 25 Trade and other payables

See Note 1 (XIII) for the accounting policy.

Trade and other payables are specified as follows:

SEKm	31 Dec 2024	31 Dec 2023
Trade payables	648	717
Other taxes and social security expenses	149	152
Pension liabilities	13	27
Other liabilities	7	-
Accruals and deferred income	756	689
<b>Total</b>	<b>1,573</b>	<b>1,585</b>

Accruals and deferred income are specified as follows:

SEKm	31 Dec 2024	31 Dec 2023
Accrued personnel-related expenses	315	274
Accrued customer bonuses and discounts	266	255
Other accrued expenses and deferred income	175	160
<b>Total</b>	<b>756</b>	<b>689</b>

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

## Note 26 Financial risks and financial risk management

Through its activities, the Group is exposed to a variety of financial risks, such as financial market risks (including currency risk, interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risks are managed by the Group treasury department under policies approved by the Board of Directors. The Group treasury department identifies, evaluates and, if applicable, hedges financial risks in close cooperation with the Group's operating entities. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The primary market and financial risks are described in detail below.

### Financial market risk

#### Currency risk

The Group is primarily active in the European Union, Norway and the UK.

The Group's currency risk mainly relates to positions and future transactions in euros (EUR), Danish kroner (DKK), Norwegian kroner (NOK), US dollars (USD) and British pounds (GBP).

The Group has major investments in foreign operations whose net assets are exposed to foreign currency translation risk.

Based on a risk analysis, the Group's Boards of Directors has decided to hedge the euro-related currency risk by drawing part of the credit facility in euros. This hedge covers part of the currency risk in euros. Hedge accounting (hedges of net investments in foreign operations) is applied. This has resulted in a reduction in the volatility of net financial items caused by revaluation of monetary assets and liabilities as of the date of initial application of hedge accounting.

The Group's investment in trademarks in Cloetta Ireland Ltd, Cloetta Suomi Oy, Cloetta Holland B.V. and Cloetta Slovakia s.r.o. is hedged by net euro-denominated loans (carrying amount: EUR 161m (162)) which mitigates the foreign currency translation risk on these trademarks. The fair value of the loans was EUR 161m (162). The loans are designated as a net investment hedge. The effectiveness of the hedge is tested and documented on a quarterly basis. No ineffectiveness has been recognised from the net investment hedge. The effect of the net investment hedge in a

foreign operation is recognised in other comprehensive income. At 31 December 2024, the cumulative effect of the net investment hedge in a foreign operation amounted to SEK -370m (-257), net of tax, and was reported as part of the retained earnings within equity.

The exposure on the currency risk on purchases and sales in USD and GBP can be covered for a period of 6 to 12 months by means of forward foreign currency contracts, covering between 50 and 80 per cent of the expected net exposure. No hedging activities are initiated if the exposure does not exceed the equivalent of EUR 10m on an annual basis. To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group uses forward contracts. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. At reporting date, the Group had no forward foreign currency contracts to hedge the currency risk of the USD and GBP. To lower the revaluation exposure in the operating result for legal entities, the Group can enter into currency swaps to cover up to a maximum of 100% of the exposure of that legal entity for a period of maximum 12 months. To lower the revaluation exposure on financing positions the Group continuously monitors the financing positions in foreign currencies within the Group and enters into foreign exchange transactions to keep the annualised revaluation exposure within the agreed upon maximum level of SEK 50m. The Group is in compliance with the defined objectives for currency risks.

During 2023 and 2024, exchange rates have been volatile and as a result impacted Cloetta's financial performance significantly.

In the 2024 financial year, if the Swedish krona had weakened/strengthened by 10 per cent against the euro with all other variables held constant, then profit for the year would have been approximately SEK 41m (27) higher/lower. This is the result of the foreign exchange gains/losses on translation of all euro-denominated trading in Europe. Including the revaluation effect of cash and cash equivalents, borrowings and other monetary positions in subsidiaries, the net profit would have been in total approximately SEK 25m (35) higher/lower. The total effect on equity would have been SEK 125m (94) lower/higher. This is mainly due to the Group applying hedge accounting. The exposure of translating the financial statements of subsidiaries into the presentation currency of the Group is not included in the sensitivity analysis. The currency risk attached to the transactions in the other currencies is not significant as the amounts involved are not significant to the total Group.

**Interest rate risk**

The Group is exposed to interest rate risk on the interest-bearing non-current and current liabilities.

The Group is exposed to the consequences of variable interest rates on the single-currency term loan of EUR 125m and the single-currency term loan of SEK 800m and as soon as the EUR 100m single-currency term loan and the EUR 120m revolving facility are drawn down. The interest yields on commercial papers develop in line with the STIBOR interest rate development. In relation to fixed interest liabilities, it is exposed to market values, which is not a significant risk for the Group. The Group's objective when managing the interest rate risk is to have a fixed percentage between 50 and 80 per cent with an average maturity between 2 and 3.5 years on borrowings that are long-term in nature. At reporting date, the Group covered 1.5 years of its exposure to interest rate fluctuations and has covered for on average 52 per cent of the interest rate exposure on the drawn facilities. The maturity is below the minimum as defined in the policy pending the reassessment of the Greenfield facility and the impact of this reassessment on the refinancing of Facility A and B which matures on 30 June 2026. The Group is therefore intentionally deviating from the defined objective for interest rate risks.

The sensitivity of the profit for the year and equity to changes in interest rates is as follows:

**Sensitivity analysis interest rate****Impact of changes in interest rates  
on profit before tax**

SEKm	2024		2023	
	Profit before tax	Equity	Profit before tax	Equity
-2%-point	14	11	12	10
-1%-point	7	6	6	5
1%-point	-7	-6	-6	-5
2%-point	-14	-11	-12	-10

The analysis considers the effects of single currency interest rate swaps and the impact of negative interest rates.

**Credit risk**

The Group does not have any significant concentrations of credit risk.

The Group's customers are subject to a credit policy. Sales are subject to payment conditions which vary per customer.

A loss allowance for expected credit losses on trade receivables is established taking into account all possible default events that could lead to the Group not being able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable should be impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted by the original effective interest rate. Due to the short-term nature of the trade receivables, their carrying amount is considered to equal their fair value. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit and loss account within net sales.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Credit terms for customers are determined individually in the different markets. Concentrations of credit risk with respect to trade receivables are limited, due to the size and diversity of the Group's customer base. Diversity exists amongst other things in the size of customers, country of origin, size of outstanding receivables and types of customers. Part of the trade debtors for International Markets, Ireland, the UK, Germany and the Netherlands and smaller trade debtors in Finland is insured via credit risk insurances. Trade receivables in an amount of SEK 126m (105) are covered by credit insurance.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group's historical experience of collecting receivables is that credit risk is considered to be low across all markets. However, in 2023, trade receivables of SEK 24m were provided for in relation to the bankruptcy of one of Cloetta's largest retail customers in the UK and subsequently written off in 2024.

**The Group uses several banks (range of most used banks varies between AA- and A+ (long-term) and A-1 and A-2 (short-term)) and has a revolving facility available**

SEKm	Rating (S&P)	Cash balances		Other loans	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Danske Bank A/S	Long-term A+	906	609	-558	-547
DNB Sweden AB	Long-term AA-	-	-	-558	-547
KBC	Short-term A-1	11	6	-	-
Skandinaviska Enskilda Banken AB (publ)	Long-term A+	0	0	-558	-547
Svenska Handelsbanken AB (publ)	Long-term AA-	-	-	-558	-547
Tatra Banka	Short-term A-2	24	39	-	-
Other banks		12	4	-	-
<b>Total</b>		<b>953</b>	<b>658</b>	<b>-2,232</b>	<b>-2,187</b>

**Liquidity risk**

Cash flow forecasting is performed in the operating entities of the Group, reviewed by the Cloetta cash committee and is aggregated by the Group treasury department. The Group treasury department monitors the sources and the amounts of the company's cash flows, dividend, obligation, loans, actual cash position and rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 21) at all times. This is to ensure that the Group does not breach borrowing limits or covenants on any of its borrowing facilities, and the impact such restrictions had or are expected to have on its ability to meet its cash obligations. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with

internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements.

The Multi-currency Zero Balancing Cash Pool (MZBCP) includes both the Parent Company and several operating entities. Surplus cash held by operating entities included in the MZBCP is available to the Group's treasury department and is used for the Group's internal and external financing activities. Surplus cash held by operating entities not included in the MZBCP is transferred to the Group's treasury department and is also used for the Group's internal and external financing activities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

SEKm 31 Dec 2024	Term < 1 year	Term 1–2 years	Term 2–3 years	Term 3–4 years	Term 4–5 years	Term >5 years	Total
Loans from credit institutions <sup>1</sup>	84	2,274	-	-	-	-	2,358
Commercial papers	150	-	-	-	-	-	150
Lease liabilities	61	35	21	10	6	13	146
Derivative financial liabilities	2	1	-	-	-	-	3
Trade and other payables, excluding other taxes and social security payables	1,424	-	-	-	-	-	1,424
<b>Total</b>	<b>1,721</b>	<b>2,310</b>	<b>21</b>	<b>10</b>	<b>6</b>	<b>13</b>	<b>4,081</b>

SEKm 31 Dec 2023	Term < 1 year	Term 1–2 years	Term 2–3 years	Term 3–4 years	Term 4–5 years	Term >5 years	Total
Loans from credit institutions <sup>1</sup>	111	890	1,422	-	-	-	2,423
Commercial papers	150	-	-	-	-	-	150
Lease liabilities	78	38	23	13	5	11	168
Derivative financial liabilities	1	4	3	-	-	-	8
Trade and other payables, excluding other taxes and social security payables	1,433	-	-	-	-	-	1,433
<b>Total</b>	<b>1,773</b>	<b>932</b>	<b>1,448</b>	<b>13</b>	<b>5</b>	<b>11</b>	<b>4,182</b>

1) Contractual interest based on 3m EURIBOR and 3m STIBOR rates and applicable margins based on the net debt/EBITDA covenant per year end.

**Capital risk management**

In addition to the capital management disclosure in Note 19, the Group's priority in monitoring capital is to maintain compliance with the covenants in the applicable credit facilities agreements. Cloetta actively monitors these covenants and other ratios on a quarterly basis. The term and revolving facilities agreement comprising of Facility A, C1, C2 and D of in total EUR 345m and Facility B of SEK 800m, and which is unsecured in nature, includes one covenant, relating to the net debt/EBITDA ratio. At the reporting date, the term and revolving facilities agreement was utilised for an amount of SEK 2,232m (2,187). Throughout 2023 and 2024, the Group was in compliance with the covenant requirements.

**Geopolitical developments**

Russia's escalation of the war in Ukraine that started in 2022 and the conflict in the Middle East continue to entail risks of further impact on the global economy, further cost inflation, and disruptions in supply chains, including the war risks spreading into other geographies.

Cloetta does not have operations in any of the countries directly affected by the increased geopolitical uncertainty.

## Note 27 Financial instruments – measurement categories and fair values

### Fair value measurement

In 2024, a financial instrument categorised at level 3 of the fair value hierarchy was recognised for an amount of SEK 8m for to the contingent earn-out consideration related to the divestment of the Nutisal brand. At year-end this contingent earn-out consideration has been revalued to zero.

The only items recognised at fair value after initial recognition are:

- the interest rate swaps categorised within level 2 of the fair value hierarchy in all periods presented;
- the deferred selling price related to the divestment of the Nutisal brand that is categorised within level 2 of the fair value hierarchy, as well as;

- the contingent earn-out consideration related to the divestment of the Nutisal brand that is categorised within level 3.

The fair values of the financial assets and liabilities measured at amortised cost are approximately equal to their carrying amounts, with the exception of the forward contract to repurchase own shares which has a fair value of SEK 2m (liability) while the carrying amount is SEK 40m (liability).

The following table presents the carrying amounts and fair values of the Group's financial assets and financial liabilities, including their levels in the fair value hierarchy:

SEKm 31 Dec 2024	Carrying amount				Fair value			
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	1,056	-	1,056				
Contingent earn-out consideration and deferred selling price	2	-	-	2	-	2	-	2
Single currency interest rate swaps	5	-	-	5	-	5	-	5
Cash and cash equivalents	-	953	-	953				
<b>Total assets</b>	<b>7</b>	<b>2,009</b>	<b>-</b>	<b>2,016</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>
<b>Financial liabilities</b>								
Loans from credit institutions	-	-	2,232	2,232				
Commercial papers	-	-	149	149				
Forward contract to repurchase own shares	-	-	40	40	-	2	-	2
Single currency interest rate swaps	9	-	-	9	-	9	-	9
Trade and other payables, excluding other taxes and social security payables	-	-	1,424	1,424				
<b>Total liabilities</b>	<b>9</b>	<b>-</b>	<b>3,845</b>	<b>3,854</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>11</b>

SEKm 31 Dec 2023	Carrying amount				Fair value			
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	989	-	989				
Single currency interest rate swaps	23	-	-	23	-	23	-	23
Cash and cash equivalents	-	658	-	658				
<b>Total assets</b>	<b>23</b>	<b>1,647</b>	<b>-</b>	<b>1,670</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>23</b>
<b>Financial liabilities</b>								
Loans from credit institutions	-	-	2,187	2,187				
Commercial papers	-	-	149	149				
Single currency interest rate swaps	9	-	-	9	-	9	-	9
Trade and other payables, excluding other taxes and social security payables	-	-	1,433	1,433				
<b>Total liabilities</b>	<b>9</b>	<b>-</b>	<b>3,769</b>	<b>3,778</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>9</b>

The assets and liabilities measured at fair value at the reporting date are reflected in derivative financial instruments and trade and other receivables.

No transfers between fair value hierarchy levels have occurred during the financial year or the prior financial year. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included within level 2.

The valuation of the instruments is based on quoted market prices, but the underlying swap amounts are based on the specific requirements of the Group. These instruments are therefore included within level 2. The fair value measurement of the contingent earn-out consideration requires the

use of significant unobservable inputs and is thereby initially categorised at level 3. The valuation techniques and inputs used to value financial instruments are:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign currency contracts is calculated using the difference between the share price on the spot date with the contractually agreed upon share price.
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value of the remaining financial instruments.

The contingent earn-out consideration is measured at fair value using a scenario model with an earn-out threshold, different results and related changes. These data are aligned with the earn-out contract.

**Movements in financial instruments**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Derivative financial instruments</b>			
Single currency interest rate swaps	The valuation of the single currency interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.	Not applicable	Not applicable
Forward contracts to repurchase own shares	The valuation of the forward contract to repurchase own shares is calculated as the agreed upon price for repurchasing own shares multiplied by the number of shares to be repurchased on maturity date of the contract.	Not applicable	Not applicable
Deferred selling price	The valuation of the deferred selling price related to the divestment of the Nutisal brand is calculated based on the change in the weighted average of the distribution points in Sweden and Denmark of the producer of the Nutisal products on 30 June 2025 compared to 30 June 2024, as included in the AC Nielsen Weighted Distribution report.	Not applicable	Not applicable
Contingent earn-out consideration	The valuation of the contingent asset related to the divestment of the Nutisal brand is calculated based on the development of the net sales of Nutisal products by Cloetta and the buyer of the Nutisal brand in the period 1 July 2024 until 30 June 2025, compared to the same metric in the comparative period 1 July 2023 until 30 June 2024.	Net sales of Nutisal products by Cloetta and the buyer of the Nutisal brand combined.	The estimated fair value would increase (decrease) if the total net sales by Cloetta and the buyer of the Nutisal brand combined for the period 1 July 2024 until 30 June 2025 are higher (lower).

**Note 28 Related-party transactions**

All group companies mentioned in Note P8 are considered to be related parties. Transactions between group companies are eliminated upon consolidation.

In the context of this financial report, and aside from the subsidiaries of Cloetta AB (publ), the Board of Directors, Group Management Team and key employees that have significant influence over the Group and AB Malfors Promotor and its subsidiaries are regarded as related parties. In 2023 and 2024, no transactions other than dividend payments occurred between Cloetta AB (publ) including its subsidiaries and AB Malfors Promotor including its subsidiaries.

**Transactions with Board of Directors, Group Management Team and key employees**

For information about salaries and remuneration of the Board of Directors and Group Management Team, see pages 46-55 and Notes 6, 7 and 23.

The Group has no receivables on the Board of Directors, Group Management Team or key employees. In 2023 and 2024, share-based long-term incentive plans were approved by the AGM. Total costs excluding social security charges related to the share-based long-term incentive plans that were recognised amount to SEK 18m (21), of which SEK 14m (14) is related to the Group Management Team.

Other liabilities to the Group Management Team and key employees consist of customary personnel-related liabilities. No other transactions other than dividend payment and employee and Board remuneration occurred between Cloetta AB (publ) including its subsidiaries and the Board of Directors, Group Management Team and key employees.

## Note 29 Leases

See Note 1 (XX) for the accounting policy.

SEKm	2024	2023	Recognised in:
<i>Recognised expenses for leases under IFRS 16 amount to:</i>			
Interest expense	-5	-4	net financial items, in the profit and loss account
Expense relating to short-term leases, where no right-of-use asset has been recognised	-4	-4	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Expense relating to leases of low-value assets that are not short-term leases	-1	-1	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Expense relating to variable lease payments not included in lease liabilities	-30	-29	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Total cash outflow for leases	-84	-91	cash flow from operating activities and financing activities, in the cash flow statement

The leases that have been recorded on Cloetta's balance sheet are categorised in land and buildings (offices and warehouses), transportation (cars, forklifts and trucks) and other equipment (e.g. IT, machinery, equipment, printers and coffee machines).

Cloetta makes use of the exemptions under IFRS 16 for short-term leases and leases of low-value assets.

For a number of lease arrangements Cloetta cannot reliably separate the lease and non-lease elements. For leases in the classes of assets "land and buildings" and "other equipment" the non-lease elements have been included in the calculation of the right-of-use asset.

Several lease arrangements contain extension or termination options. Insofar as Cloetta is reasonably certain of exercising the extension option or not exercising the termination option, these options have been reflected in the measurement of the lease liabilities.

See Note 13 for further details on right-of-use assets and Note 21 for further details on lease liabilities.

## Note 30 Critical accounting estimates and judgements

In preparing the financial statements, the Group Management Team makes estimates and judgments that affect the reported amounts of assets and liabilities, net sales and expenses, and disclosures of contingent liabilities at the date of the financial statements. The estimates and assumptions that are associated with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year, as well as critical judgments in applying the Group's accounting policies are discussed below. The accounting estimates and judgments are believed to be reasonable under the circumstances.

The Group Management Team and audit committee have discussed the development, selection and disclosures regarding the Group's critical accounting principles and estimates. The estimates and judgments made in the application of the Group's accounting policies are described below.

### Impairment testing of intangible assets

For the purpose of impairment testing, assets are allocated to CGUs or groups of CGUs when it is not possible to assess impairment on an individual asset level. The recoverable amount of an asset is compared to the carrying amount to determine if an asset is impaired. An asset's recoverable amount is the higher of its value in use and its fair value less cost of disposal. The value in use is the present value of the future cash flows to be generated by an asset from its continuing use in the business.

Using the company management's best estimates in determination of the terminal growth rates, pre-tax discount rates and future cash flows, the estimated recoverable amounts of the group of CGUs for goodwill impairment testing in Sweden, Denmark & Norway, Finland, the Netherlands & Germany and International Markets & the UK and the CGUs for trademarks impairment testing in Sweden, Finland and the Netherlands exceed the carrying amounts. For all groups of CGUs a

reasonable change in assumptions will not lead to an impairment.

The carrying amount of the intangible assets at the end of the reporting period was SEK 5,833m (5,862).

### Accounting for income taxes

As part of the process of preparing the financial statements, the Group is required to estimate income taxes in each of the jurisdictions in which the Group operates. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recorded, such differences impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Temporary differences between tax and financial reporting give rise to deferred tax assets and liabilities, which are included in the balance sheet. The Group must also assess the likelihood that deferred tax assets will be recovered from future taxable income. A deferred tax asset is not recognised if, and to the extent that it is probable that, all or some portion of the deferred tax asset will not be realised.

### Accounting for pensions and other post-employment benefits

Pension benefits represent obligations that will be settled in the future and require assumptions to project the benefit obligations and fair values of plan assets. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's expected service period, based on the terms of the plans and the investment and funding decisions made by the Group. For calculation of the present value of the pension obligation and the net cost, actuarial assumptions are made about demographic variables (such as mortality) and financial variables

(such as future increases in salaries). Changes in these key assumptions can have a significant impact on the projected benefit obligations, funding requirements and periodic costs incurred. It should be noted that when discount rates decline or rates of future salary increase, the pension benefit obligations will increase. For details about the key assumptions and policies, see Note 23. The carrying amount at the end of the reporting period was SEK 378m (382). See Note 23 for the sensitivity analysis of the combined net defined benefit obligations and other long-term employee benefits to changes in the weighted principal assumptions.

**Leases**

The Group applies judgment to determine the lease term for some lease contracts, in which it is a lessee, that include renewal options. The assessment of whether the Group is reasonably certain of exercising such options impacts the lease term, which significantly affects the amounts of lease liabilities and right-of-use assets recognised.

**Note 31 Changes in accounting policies**

**New and amended standards and interpretations adopted by the Group**

No new standards have been issued that are effective for annual periods beginning on or after 1 January 2024.

A number of amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2024. None of these have a material impact on the consolidated financial statements of the Group.

**New standards and amendments to standards not yet adopted**

A number of amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024, which have not been applied in preparing these consolidated financial statements. None of these are expected to have a material impact on the consolidated financial statements of the Group, with the exception of the following:

**IFRS 18 Presentation and disclosure of information in financial statements**

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to impact the financial statements in the following areas:

- The structure of the consolidated profit and loss account, including the classification and presentation of items of income and expenses and the inclusion of new subtotals in the profit and loss account
- The definition and disclosure of management-defined performance measures (MPMs)
- The aggregation and disaggregation of information in the financial statements
- The classification of dividend and interest cash flows in the cash flow statement
- The separate presentation of goodwill on the face of the balance sheet.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. The mandatory effective date of the new standard will be 1 January 2027, with retrospective application required.

There are no other IFRSs or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Group.

**Greenfield facility**

The Group applied judgement to determine the remaining useful life-times and the expected future use of the assets in the three factories that are to be closed in connection with the establishment of the new greenfield facility. Due to the decision in 2024 to put the investment in the greenfield facility on hold and due to the postponed closure of one of the factories in Roosendaal and the factory in Turnhout a net amount of SEK 31m (24) was reversed.

The restructuring provisions for severance payments and outplacement costs of SEK 163m are subject to judgement applied by the Group. The uncertainties about the timing and amount for the restructuring provisions are subject to the outcome of the reassessment of the project, the negotiations with employee representative organisations regarding the terms of the restructuring plan and the future turnover of employees affected by the plan.

**Note 32 Events after the balance sheet date**

**Dividend proposal**

The Board proposes a dividend for 2024's result of SEK 1.10 (1.00) per share.

**Greenfield investment**

On 10 February 2025, Cloetta decided that it will not proceed with the greenfield investment due to the previously communicated increased risk relating to energy supply and the still on-going permitting process, and as the reassessment has confirmed the ability to develop Cloetta's long-term financial and supply network flexibility without the greenfield plant.

The financial effects of this decision have not been recognised at 31 December 2024. The decision will result in a one-time net gain in the first quarter of 2025 on account of released long-term restructuring provisions for an amount of approx. SEK 150m and reversed impairments on property, plant and equipment of approx. SEK 40m, partially offset by the impairment of the capitalised project and borrowing cost.

Both the release of the restructuring provisions and the reversed impairments will be charged to the cost of goods sold.

The total capitalised project cost per 31 December 2024 recognised on the balance sheet as property, plant and equipment under construction amounts to approx. SEK 50m. These capitalised costs will be charged to the costs of goods sold in the first quarter of 2025.

Approx. SEK 10m of prepaid commitment fees and borrowing costs will be charged to the net financial items in the first quarter of 2025.

The net gain of SEK 140m on the operating result will be identified as an item affecting comparability and will, together with the charge to the net financial items, not lead to additional cash flows in 2025.

There were no other significant after the end of the reporting period.

# Parent Company financial statements

## Parent Company profit and loss account

SEKm	Note	2024	2023
Net sales	P2	137	113
<b>Gross profit</b>		<b>137</b>	<b>113</b>
General and administrative expenses	P3, P4	-177	-143
<b>Operating loss</b>		<b>-40</b>	<b>-30</b>
Exchange differences on borrowings and cash	P5	0	-3
Other financial income	P5	506	200
Other financial expenses	P5	-166	-168
<b>Net financial items</b>		<b>340</b>	<b>29</b>
Dividends received from group companies	P10	1,909	-
<b>Profit/loss before tax</b>		<b>2,209</b>	<b>-1</b>
Income tax	P6	-58	-2
<b>Profit/loss for the year</b>		<b>2,151</b>	<b>-3</b>

Profit/loss for the year corresponds to comprehensive income for the year.

### Primary activities

Cloetta AB's primary activities include head office functions such as group-wide management and administration.

## Parent Company balance sheet

SEKm	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current financial assets</b>			
Deferred tax asset	P7	29	29
Shareholdings in group companies	P8	4,884	4,884
Derivative financial instruments	P12	1	-
Receivables from group companies	P15	523	497
<b>Total non-current financial assets</b>		<b>5,437</b>	<b>5,410</b>
<b>Current assets</b>			
Derivative financial instruments	P12	1	4
Receivables from group companies	P15	471	159
Current income tax assets	P7	-	6
Other receivables		68	2
Cash and bank	P9	0	0
<b>Total current assets</b>		<b>540</b>	<b>171</b>
<b>Total assets</b>		<b>5,977</b>	<b>5,581</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1,443	1,443
Share premium		2,712	2,712
Treasury shares		-59	-79
Retained earnings including profit/loss for the year		-40	-1,864
<b>Equity attributable to owners of the Parent Company</b>	P10	<b>4,056</b>	<b>2,212</b>
<b>Non-current liabilities</b>			
Borrowings	P11	798	799
Payables to group companies	P15	156	150
Derivative financial instruments	P12	0	-
Deferred tax liability	P7	-	1
Provisions		2	1
<b>Total non-current liabilities</b>		<b>956</b>	<b>951</b>
<b>Current liabilities</b>			
Borrowings	P11	149	149
Payables to group companies	P15	669	2,233
Trade payables		1	1
Other current liabilities		18	11
Derivative financial instruments	P12	41	1
Accrued expenses and deferred income	P13	34	23
Current income tax liabilities	P7	53	-
<b>Total current liabilities</b>		<b>965</b>	<b>2,418</b>
<b>Total equity and liabilities</b>		<b>5,977</b>	<b>5,581</b>

## Parent Company statement of changes in equity

SEKm	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total equity
<b>Balance at 1 January 2023</b>	<b>1,443</b>	<b>2,712</b>	<b>-78</b>	<b>-1,597</b>	<b>2,480</b>
<i>Comprehensive income</i>					
Loss for the year	-	-	-	-3	-3
<b>Total comprehensive income for 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-3</b>	<b>-3</b>
<b>Transactions with owners</b>					
Purchase of treasury shares	-	-	-1	-	-1
Share-based payments	-	-	-	21	21
Dividend <sup>1</sup>	-	-	-	-285	-285
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>-264</b>	<b>-265</b>
<b>Balance at 31 December 2023</b>	<b>1,443</b>	<b>2,712</b>	<b>-79</b>	<b>-1,864</b>	<b>2,212</b>
<i>Comprehensive income</i>					
Profit for the year	-	-	-	2,151	2,151
<b>Total comprehensive income for 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,151</b>	<b>2,151</b>
<b>Transactions with owners</b>					
Forward contracts to repurchase own shares	-	-	-	-40	-40
Issue of treasury shares to employees	-	-	20	-20	-
Share-based payments	-	-	-	18	18
Dividend <sup>1</sup>	-	-	-	-285	-285
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>-327</b>	<b>-307</b>
<b>Balance at 31 December 2024</b>	<b>1,443</b>	<b>2,712</b>	<b>-59</b>	<b>-40</b>	<b>4,056</b>

1) The dividend paid in 2024 comprised a dividend of SEK 1.00 (1.00) per share.

Profit/loss for the year corresponds to comprehensive income for the year.  
Total equity is attributable to the owners of the Parent Company.

## Parent Company cash flow statement

SEKm	Note	2024	2023
<b>Operating loss</b>		<b>-40</b>	<b>-30</b>
<b>Adjustments for non-cash items</b>			
Other provisions		3	-
Interest paid		-125	-101
Income tax paid		-3	-2
<b>Cash flow from operating activities before changes in working capital</b>		<b>-165</b>	<b>-133</b>
<b>Cash flow from changes in working capital</b>			
Change in operating receivables		80	-10
Change in operating liabilities		-1,540	434
<b>Cash flow from operating activities</b>		<b>-1,625</b>	<b>291</b>
<b>Cash flow from operating and investing activities</b>		<b>-1,625</b>	<b>291</b>
<b>Financing activities</b>			
Repayment of interest-bearing borrowings		-593	-594
Proceeds from interest-bearing borrowings		594	593
Dividends to shareholders		-285	-285
Dividends received		1,909	-
Transaction costs paid		-2	-1
Purchase of treasury shares		-	-1
<b>Cash flow from financing activities</b>		<b>1,623</b>	<b>-288</b>
<b>Cash flow for the year</b>		<b>-2</b>	<b>3</b>
<b>Cash and cash equivalents at beginning of year</b>	P9	<b>0</b>	<b>0</b>
Cash flow for the year		-2	3
Exchange difference		2	-3
<b>Cash and cash equivalents at end of year</b>	P9	<b>0</b>	<b>0</b>

# Notes to the Parent Company financial statements

## P1 Accounting and valuation policies of the Parent Company

The annual financial statements of the Parent Company are presented in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The statements issued by the Board with respect to listed companies are also applied. RFR 2 states that in the report for the legal entity, the Parent Company shall apply all EU-endorsed IFRSs and statements as far as possible, within the framework of the Annual Accounts Act and with respect to the connection between accounting and taxation. This recommendation defines the exceptions and additional disclosures compared to IFRS. These financial statements include the financial statements of the Parent Company covering the period from 1 January to 31 December 2024. Unless otherwise stated below, the accounting standards for the Parent Company have been consistently applied in the period.

### Changed accounting standards

Neither revised IFRSs, nor revised RFR 2 effective from 1 January 2024 have entailed any practical change in the accounting standards for the Parent Company.

### Differences between the accounting policies of the Group and the Parent Company

The differences between the accounting principles applied by the Group and the Parent Company are described below.

### Classification and presentation

The profit and loss account and balance sheet of the Parent Company are presented in accordance with the Swedish Annual Accounts Act. The differences compared to IAS 1, Presentation of Financial Statements, relate mainly to financial income and expenses, equity and the presentation of provisions as a separate item in the balance sheet.

### Borrowing costs

Borrowing costs are expensed when incurred and recognised in the other financial expenses in the profit and loss account.

### Group contributions

Group contributions received are recognised in other financial income in the profit and loss account. Group contributions paid to group companies are reported by the Parent Company as other financial expenses in the profit and loss account.

### Shareholdings in group companies

Shareholdings in group companies are accounted for at acquisition costs. The transaction costs are included in the carrying amount of shareholdings in group companies.

### Dividends

Anticipated dividends from group companies are recognised in cases where the Parent Company has full control over the size of the dividend and has decided on the size of the dividend before the Parent Company publishes its financial reports.

Dividends received from group companies are recognised in the profit and loss account.

### Employee benefits

Remeasurements arising from defined benefit plans also include the return on plan assets excluding interest and the effect of the asset ceiling, if any, excluding interest. Remeasurements are recognised in the profit and loss account when incurred. Salary increases are not taken into account in the calculation of the defined benefit obligation, and the applied discount rate is established by the Swedish Financial Supervisory Authority. All other expenses related to defined benefit plans are recognised in the general and administrative expenses in the profit and loss account when incurred.

### Financial guarantees

For reporting of financial guarantee contracts on behalf of group companies, the Parent Company applies a voluntary exemption that is permitted by the Swedish Financial Reporting Board. The voluntary exemption relates to financial guarantees issued on behalf of group companies. The Parent Company recognises financial guarantee contracts as provisions in the balance sheet when it is probable that an outflow of resources will be required to settle the obligation. The costs are recognised in the general and administrative expenses in the profit and loss account.

## P2 Breakdown of income

The net sales of SEK 137m (113) relate to intra-group services and intra-group royalty income.

### The breakdown of net sales by market is as follows:

SEKm	2024	2023
Sweden	52	45
The Netherlands	31	21
Slovakia	17	13
Finland	12	11
Other	25	23
<b>Total</b>	<b>137</b>	<b>113</b>

## P3 Personnel expenses and number of employees

SEKm	2024	2023
<b>Salaries and remuneration</b>		
<b>Group Management Team</b>		
Sweden	37	34
<i>Of which, short-term variable compensation</i>		
Sweden	17	12
<b>Total salaries and remuneration</b>	<b>37</b>	<b>34</b>
<b>Pension costs</b>		
<b>Group Management Team</b>		
Defined contribution plans	5	4
<b>Total pension costs</b>	<b>5</b>	<b>4</b>
Social security expenses, all employees	6	6
<b>Total pension costs and social security expenses</b>	<b>11</b>	<b>10</b>
<b>Total personnel expenses</b>	<b>48</b>	<b>44</b>

See pages 53-55 for details on remuneration of the Group Management Team.

The company expenses the pension obligation related to the defined benefit pension plans, which are secured through credit insurance with, and administered by, Försäkringsbolaget PRI Pensionsgaranti, Mutual in the administrative expenses in the profit and loss account.

The average number of employees is 4 (4), of which 1 (0) are women. All employees are employed in Sweden.

**The specification of gender distribution in the Board of Directors and Group Management Team is as follows:**

%	2024	2023
<b>Percentage of women</b>		
Board of Directors	43	43
Group Management Team	14	20

## P4 Audit fees

SEKm	2024	2023
<b>Fee for auditing services</b>	<b>3</b>	<b>3</b>
<i>Fee for other services</i>		
Tax advice	-	-
Audit-related advice	-	-
Other	-	-
<b>Total other services</b>	<b>-</b>	<b>-</b>
<b>Total audit fees</b>	<b>3</b>	<b>3</b>

For both the financial years 2023 and 2024 PwC was elected as auditor of the Group. Auditing services relate to:

- the audit of the statutory financial statements of the Parent Company,
- the audit of the Parent Company's administration by the Board of Directors and the President and CEO,
- the procedures for the auditor's statement regarding the guidelines for remuneration to senior executives, pursuant to Chapter 8, Section 54 of the Swedish Companies Act (2005:551), and
- the procedures for the auditor's opinion on the statutory sustainability report.

## P5 Net financial items

SEKm	2024	2023
<b>Exchange differences on cash</b>	<b>0</b>	<b>-3</b>
Group contributions	466	150
Interest income, group companies	36	32
Realised gains on single currency interest rate swaps	4	18
<b>Other financial income</b>	<b>506</b>	<b>200</b>
Interest expenses, third-party borrowings	-45	-43
Interest expenses, group companies	-120	-108
Interest expenses on third-party pensions	0	0
Unrealised losses on single currency interest rate swaps	-1	-16
Other interest expenses	0	-1
<b>Other financial expenses</b>	<b>-166</b>	<b>-168</b>
<b>Net financial items</b>	<b>340</b>	<b>29</b>

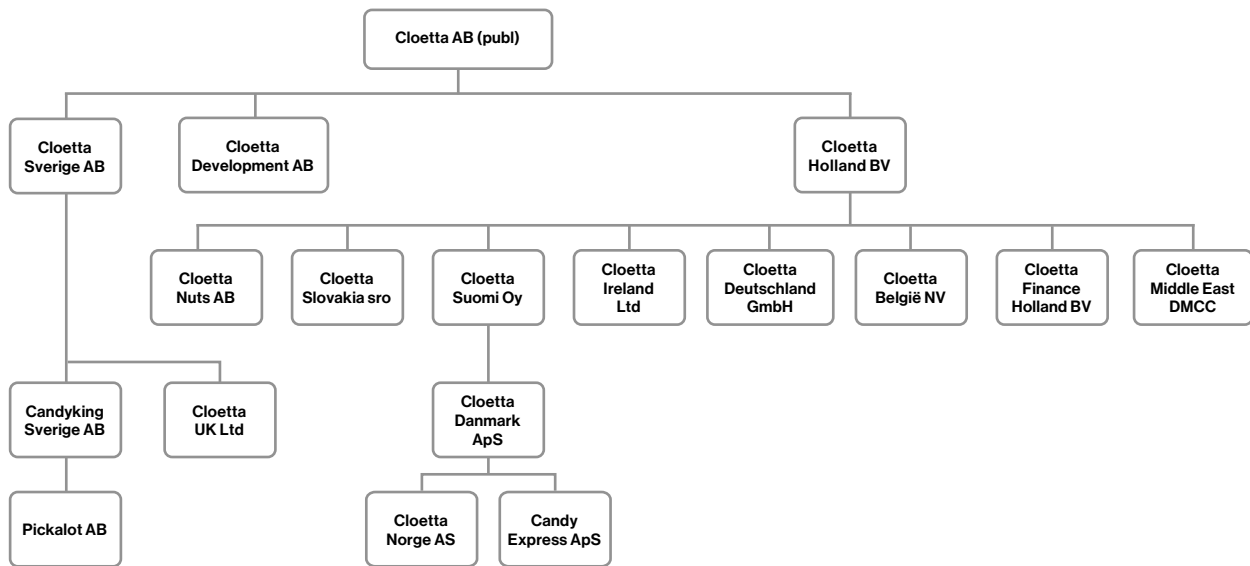
## P6 Income taxes

SEKm	2024	2023
Current income tax	-58	-8
Deferred income tax	0	6
<b>Total</b>	<b>-58</b>	<b>-2</b>
The year's income tax expense corresponds to an effective tax rate of, %	2.6	-147.8
<b>SEKm</b>	<b>2024</b>	<b>2023</b>
<i>The difference between the effective tax rate and the statutory tax rate in Sweden is attributable to the following items:</i>		
Taxable profit from ordinary activities	2,209	-1
Tax calculated at applicable tax rate for the Parent Company	-455	0
Expenses not deductible for tax purposes	-1	0
Adjustments recognised in the period for tax for prior periods	5	-1
Tax effect of dividends received	393	-
Other	0	-1
<b>Income tax</b>	<b>-58</b>	<b>-2</b>
Reported effective tax rate, %	2.6	-147.8
Tax rate in Sweden, %	20.6	20.6

## P7 Deferred and current income tax

Deferred tax assets and liabilities relate to the tax effect of the difference between the tax base of the defined asset or liability and its carrying amount as recognised in the financial statements. Deferred tax assets for the period were SEK 29m (29) and are considered to be realised after more than 12 months. The recognised deferred tax assets comprise deductible temporary differences of SEK 29m (29). There are no unrecognised deferred taxes.

## P8 shareholdings in group companies



	Corp. ID no.	Domicile	% of capital		Carrying amount in SEKm	
			2024	2023	2024	2023
Cloetta Holland B.V.	34221053	Amsterdam, the Netherlands	100	100	4,087	4,087
Cloetta België N.V.	0404183756	Turnhout, Belgium	100	100	-	-
Cloetta Suomi Oy	1933121-3	Turku, Finland	100	100	-	-
Cloetta Danmark ApS	28106866	Brøndby, Denmark	100	100	-	-
Candy Express ApS	42377732	Brøndby, Denmark	100	100	-	-
Cloetta Norge AS	987943033	Høvik, Norway	100	100	-	-
Cloetta Deutschland GmbH	HRB 9561	Bocholt, Germany	100	100	-	-
Cloetta Finance Holland B.V.	20078943	Amsterdam, the Netherlands	100	100	-	-
Cloetta Slovakia s.r.o.	35 962 488	Bratislava, Slovakia	100	100	-	-
Cloetta Nuts AB <sup>2</sup>	556706-9264	Helsingborg, Sweden	100	100	-	-
Cloetta Ireland Holding Ltd. <sup>1</sup>	544426	Dublin, Ireland	-	-	-	-
Cloetta Ireland Ltd.	285910	Dublin, Ireland	100	100	-	-
Cloetta Middle East DMCC	DMCC156985	Dubai, United Arab Emirates	100	100	-	-
Cloetta Sverige AB	556674-9155	Malmö, Sweden	100	100	795	795
Candyking Sverige AB	556319-6780	Malmö, Sweden	100	100	-	-
Pickalot AB	556730-1857	Malmö, Sweden	100	100	-	-
Cloetta UK Ltd.	01726257	Hampshire, United Kingdom	100	100	-	-
Cloetta Development AB	556377-3182	Linköping, Sweden	100	100	2	2
<b>Total</b>					<b>4,884</b>	<b>4,884</b>

1) On 13 February 2023, Cloetta Ireland Holding Ltd was struck off.

2) On 19 September 2024, Cloetta Nutisal AB was renamed into Cloetta Nuts AB.

See Note 1 for disclosures on changes in Group structure.

## P9 Cash and cash equivalents

A Multicurrency Zero Balancing Cash Pool (MZBCP) is in place, which is held by Cloetta Holland B.V. As a result, only the cash at bank accounts outside the MZBCP is presented for Cloetta AB (publ).

See Note 18 for further details.

## P10 Equity

### Share capital

See Note 19 for a description of the share capital of the Parent Company.

### Non-restricted equity

#### Retained earnings

Retained earnings comprise the sum of profit for the year and retained earnings from previous years. Retained earnings including the share premium reserve represent the amount of non-restricted equity available for distribution to the shareholders.

### Treasury shares

Cloetta has purchased 63,704 shares at an average share price, including incremental transaction costs, of SEK 17.8289 on 30 October 2023. These shares are held as treasury shares. On 29 April 2024, a total of 723,373 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 on vesting. The remaining 2,553,892 treasury shares are held with the purpose of issuing shares to the participants of LTI'22 and LTI'23 at vesting date.

### Dividend

The Annual General Meeting (AGM) approved the following dividend on 4 April 2023 and 9 April 2024:

	2024	2023
Dividend per share, SEK	1.00	1.00
Total dividend, SEKm	285	285
Dividend as a percentage of profit of the Cloetta Group for the previous year	65	104 <sup>1</sup>
Payment date	April 2024	April 2023

1) The dividend as percentage of profit for 2022, adjusted for the impact of recognised impairments and provisions and other items affecting comparability including the tax impact related to the investment in the greenfield facility amounted to 63 per cent.

**After the reporting date, the following dividend was proposed by the Board of Directors. The dividend has not been recognised as liability in the balance sheet**

	2024	2023
Dividend per share, SEK	1.10	1.00
Total dividend, SEKm	315	285

On 14 November 2024, a dividend from group companies of SEK 1,909m was received. The Board of Directors proposes that the total earnings in the Parent Company at the disposal of the AGM of SEK 2,672m (848) are to be distributed as follows: SEK 315m (285) to be distributed to the shareholders and SEK 2,357m (563) to be carried forward to new account.

## P11 Borrowings

The Parent Company's borrowings consist of loans from credit institutions for a net amount of SEK 798m (799) and commercial papers of SEK 149m (149).

**The following table shows the reconciliation of movements of liabilities to cash flows arising from financing activities**

SEKm	Long-term borrowings	Short-term borrowings	Total
<b>Balance at 1 January 2023</b>	<b>799</b>	<b>149</b>	<b>948</b>
<i>Changes from financing cash flows</i>			
Proceeds from commercial papers	-	593	593
Repayment of commercial papers	-	-594	-594
<b>Total changes from financing cash flows</b>	<b>-</b>	<b>-1</b>	<b>-1</b>
<i>Other changes</i>			
Amortisation of capitalised transaction costs	-	1	1
Interest expenses, third-party borrowings	36	6	42
Interest paid	-36	-6	-42
<b>Total other changes</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Balance at 31 December 2023</b>	<b>799</b>	<b>149</b>	<b>948</b>
<i>Changes from financing cash flows</i>			
Proceeds from commercial papers	-	594	594
Repayment of commercial papers	-	-593	-593
Transaction costs paid	-1	-1	-2
<b>Total changes from financing cash flows</b>	<b>-1</b>	<b>-</b>	<b>-1</b>
<i>Other changes</i>			
Amortisation of capitalised transaction costs	-	1	1
Interest expenses, third-party borrowings	38	6	44
Interest paid	-38	-7	-45
<b>Total other changes</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 31 December 2024</b>	<b>798</b>	<b>149</b>	<b>947</b>

See Note 21 for the disclosure of the borrowings.

## P12 Derivative financial instruments

The derivative financial instruments comprise single currency interest rate swap assets amounting to SEK 2m (4) of which SEK 1m (0) is non-current in nature, single currency interest rate swap liabilities amounting to SEK 1m (1) of which SEK 0m (0) is non-current in nature and forward contracts to repurchase own shares of SEK 40m (0) which is current in nature.

## P13 Accrued expenses and deferred income

Accrued expenses and deferred income amount to SEK 34m (23), of which SEK 18m (17) is related to accrued personnel-related expenses and SEK 16m (6) to other accrued expenses and deferred income.

## P14 Pledged assets and contingent liabilities

SEKm	31 Dec 2024	31 Dec 2023
<i>Contingent liabilities</i>		
Guarantees on behalf of group companies	253	235
Guarantee for loans from credit institutions for group companies	1,432	1,387
<b>Total</b>	<b>1,685</b>	<b>1,622</b>

The company issued a parent company guarantee pursuant to Article 403, Book 2 of the Dutch Civil Code in respect of Cloetta Holland B.V. and Cloetta Finance Holland B.V. This means that Cloetta AB declares and accepts, under reservation of legal repeal of the declaration, joint and several liability for the debts resulting from legal acts of Cloetta Holland B.V. and Cloetta Finance Holland B.V. As the probability of a settlement is remote, an estimate of the financial effect is not practical to calculate. The company issued a support letter to Cloetta Ireland Ltd. The term and revolving facilities agreement is unsecured in nature.

## P15 Related-party transactions

The Parent Company's holdings of shares and participations in subsidiaries are specified in Note P8.

**Receivables from and liabilities to subsidiaries are broken down as follows:**

SEKm	31 Dec 2024	31 Dec 2023
Non-current interest-bearing receivables	523	497
Current interest-free receivables	471	159
Non-current interest-bearing payables	-156	-150
Current interest-bearing payables	-669	-2,233
<b>Total</b>	<b>169</b>	<b>-1,727</b>

For the Parent Company, SEK 137m (113), equal to 100 per cent (100) of the year's net sales, and SEK 91m (69), equal to 51 per cent (49) of the year's purchases, relate to group companies in the Cloetta Group. The prices of goods and services sold to and purchased from related parties are set on market-based terms.

On 14 November 2024, a dividend from group companies of SEK 1,909m was received.

At 31 December 2024, the Parent Company's receivables from group companies amounted to SEK 994m (656) and liabilities to subsidiaries amounted to SEK 825m (2,383). Transactions with related parties are priced on market-based terms. Total costs excluding social security charges related to the share-based long-term incentive plan amounted to SEK 5m (7), of which SEK 5m (7) is related to the Group Management Team.

The Parent Company has no past experience of credit losses on receivables from group companies and future credit losses are expected to be immaterial.

# Proposed appropriation of earnings

The Board of Directors proposes that dividends be paid in a total amount of SEK 314,671,948 equal to SEK 1.10 per share. The Board of Directors proposes that the earnings be disposed of as follows:

## Earnings in the Parent Company at the disposal of the Annual General Meeting

		2024
Share premium reserve	SEK	2,711,620,366
Retained earnings	SEK	-2,189,887,199
Profit for the year	SEK	2,150,730,692
<b>Total</b>	<b>SEK</b>	<b>2,672,463,859</b>

The earnings are to be disposed as follows:		2024
To be distributed to the shareholders	SEK	314,671,948
To be carried forward to new account	SEK	2,357,791,911
<b>Total</b>	<b>SEK</b>	<b>2,672,463,859</b>

The number of shares at 31 December 2024 was 288,619,299, of which 2,553,892 were held in treasury.

The Board of Directors and the President and CEO give their assurance that the consolidated financial statements and annual report have been prepared in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, on the Application of International Accounting Standards and Generally Accepted Accounting Standards, and give a true and fair view of the financial position and results of operations of the Group and the Parent Company. The administration report for the Group

and the Parent Company gives a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed. The statutory Sustainability Report, comprising those areas in the Cloetta AB (publ) annual report with content specified on the inside of the front cover, has been approved for publication by the Board of Directors.

Stockholm, 6 March 2025

Morten Falkenberg  
*Chairman*

Pauline Lindwall  
*Member of the Board*

Patrick Bergander  
*Member of the Board*

Malin Jennerholm  
*Member of the Board*

Alan McLean Raleigh  
*Member of the Board*

Mikael Svenfelt  
*Member of the Board*

Camilla Svenfelt  
*Member of the Board*

Lena Grönedal  
*Employee Board member*

Katarina Tell  
*President and CEO*

Our audit report was issued 6 March 2025

Öhrlings PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt  
*Authorised Public Accountant*  
Partner in charge

Erik Bergh  
*Authorised Public Accountant*

The profit and loss accounts and balance sheets of the Group and the Parent Company are subject to approval by the AGM on 10 April 2025. The information in this report is subject to the disclo-

sure requirements of Cloetta AB (publ) under the provisions in the Swedish Securities Market Act. The information was submitted for publication on 11 March 2025, at 08:00 CET.

# Auditor's report

Unofficial translation

## To the general meeting of the shareholders of Cloetta AB (publ), corporate identity number 556308-8144

### Report on the annual accounts and consolidated accounts

#### Opinions

We have audited the annual accounts and consolidated accounts of Cloetta AB (publ) for the year 2024 except for the corporate governance statement on pages 46–61 and the sustainability report on pages 62–106. The annual accounts and consolidated accounts of the company are included on pages 33–159 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 46–61 and the sustainability report on pages 62–106. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

#### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Our audit approach

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

#### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

**Key audit matters****Impairment test for intangible assets**

Goodwill and other intangible assets with an indefinite useful life represent a significant part of the Balance Sheet of Cloetta and amount to SEK 5,784m (5,803) as of 31 December 2024. The group annually performs an impairment assessment of the assets based on a calculation of the discounted cash flow for the cash generating unit in which goodwill and other intangible assets are reported, as required by IFRS Accounting Standards. Impairment tests, by their nature, are based on a high level of judgments and assumptions regarding future cash flows.

Information is provided in Note 1 and 12 as to how the group's management has undertaken its assessments and provides information on important assumptions and sensitivity analyses. As described in Note 12, key variables in the test are growth rate and discount factor (cost of capital). It is also presented that no impairment requirement has been identified in 2024 based on the assumptions undertaken.

**How our audit addressed the Key audit matters**

In our audit, we have evaluated the calculation model applied by management and tested the mathematical accuracy. This implies that we have reconciled and critically tested essential variables against budget and long-term plan for the group and in some cases towards external data. Furthermore, we have performed a retrospective review of the prior period estimate by comparing it to actual current period results.

We have tested the sensitivity in the group's analysis for key assumptions in order to assess the risk for impairment. We have also assessed the disclosures included in the financial statements.

**Other Information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–32, 62–106 and 164–172. Other information also consists of the remuneration report 2024 which we obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters

related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

**Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

**Report on other legal and regulatory requirements****The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss****Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors' and the Managing Director of Cloetta AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that

the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Directors be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## The auditor's examination of the ESEF report

### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Cloetta AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Cloetta AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of ESEF report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

### **The auditor's examination of the corporate governance statement**

The Board of Directors is responsible for that the corporate governance statement on pages 46–61 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Cloetta AB (publ) by the general meeting of the shareholders on the 9 April 2024 and has been the company's auditor since the 4 April 2019.

Stockholm 6 March 2025

Öhrlings PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt  
*Authorised Public Accountant*  
Partner in charge

Erik Bergh  
*Authorised Public Accountant*

*This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.*

# Ten-year overview

SEKm	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Profit and loss account in summary</b>										
Net sales	8,613	8,301	6,869	6,046	5,695	6,493	6,218	5,784	5,107	5,674
Cost of goods sold	-5,747	-5,751	-4,738	-3,898	-3,718	-4,112	-3,934	-3,678	-3,084	-3,463
<b>Gross profit</b>	<b>2,866</b>	<b>2,550</b>	<b>2,131</b>	<b>2,148</b>	<b>1,977</b>	<b>2,381</b>	<b>2,284</b>	<b>2,106</b>	<b>2,023</b>	<b>2,211</b>
Other income	-	-	-	-	-	-	4	6	-	0
Selling expenses	-1,160	-1,073	-1,009	-938	-951	-1,011	-1,025	-972	-806	-949
General and administrative expenses	-899	-742	-656	-645	-584	-643	-603	-613	-582	-591
<b>Operating profit</b>	<b>807</b>	<b>735</b>	<b>466</b>	<b>565</b>	<b>442</b>	<b>727</b>	<b>660</b>	<b>527</b>	<b>635</b>	<b>671</b>
Exchange differences cash and cash equivalents	-35	-43	-143	33	-10	-19	-16	-17	-8	-1
Other financial income	111	128	83	9	3	2	5	7	17	6
Other financial expenses	-224	-250	-63	-49	-52	-62	-87	-74	-175	-183
<b>Net financial items</b>	<b>-148</b>	<b>-165</b>	<b>-123</b>	<b>-7</b>	<b>-59</b>	<b>-79</b>	<b>-98</b>	<b>-84</b>	<b>-166</b>	<b>-178</b>
<b>Profit before tax</b>	<b>659</b>	<b>570</b>	<b>343</b>	<b>558</b>	<b>383</b>	<b>648</b>	<b>562</b>	<b>443</b>	<b>469</b>	<b>493</b>
Income tax expense	-182	-133	-68	-86	-118	-150	-79	-206	-122	-107
<b>Profit for the period for continuing operations</b>	<b>477</b>	<b>437</b>	<b>275</b>	<b>472</b>	<b>265</b>	<b>498</b>	<b>483</b>	<b>237</b>	<b>347</b>	<b>386</b>
Result after tax from discontinued operations	-	-	-	-	-	-	-	-334	-538	-
<b>Net profit/loss for the period</b>	<b>477</b>	<b>437</b>	<b>275</b>	<b>472</b>	<b>265</b>	<b>498</b>	<b>483</b>	<b>-97</b>	<b>-191</b>	<b>386</b>
<i>Profit for the period attributable to:</i>										
Owners of the Parent Company										
Continuing operations	477	437	275	472	265	498	483	237	347	386
Discontinued operation	-	-	-	-	-	-	-	-334	-538	-
<b>Total</b>	<b>477</b>	<b>437</b>	<b>275</b>	<b>472</b>	<b>265</b>	<b>498</b>	<b>483</b>	<b>-97</b>	<b>-191</b>	<b>386</b>

SEKm	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
<b>Balance sheet in summary</b>										
Intangible assets	5,833	5,862	5,883	5,582	5,530	5,684	5,626	5,490	5,354	5,948
Property, plant and equipment	1,695	1,686	1,581	1,576	1,560	1,559	1,354	1,338	1,700	1,698
Deferred tax asset	59	23	43	42	21	9	16	20	54	64
Derivative financial instruments	1	5	25	2	-	-	-	-	-	-
Other financial assets	4	3	3	5	3	7	11	11	13	27
<b>Total non-current assets</b>	<b>7,592</b>	<b>7,579</b>	<b>7,535</b>	<b>7,207</b>	<b>7,114</b>	<b>7,259</b>	<b>7,007</b>	<b>6,859</b>	<b>7,121</b>	<b>7,737</b>
Inventories	1,336	1,292	1,090	843	952	888	765	745	780	786
Trade and other receivables	1,256	1,089	1,030	787	736	928	838	881	988	975
Current income tax assets	4	47	44	19	30	6	6	8	36	3
Derivative financial instruments	4	18	34	1	-	-	1	0	4	1
Cash and cash equivalents	953	658	583	692	396	579	551	759	298	246
<b>Total current assets</b>	<b>3,553</b>	<b>3,104</b>	<b>2,781</b>	<b>2,342</b>	<b>2,114</b>	<b>2,401</b>	<b>2,161</b>	<b>2,393</b>	<b>2,106</b>	<b>2,011</b>
Assets held for sale	-	-	-	-	-	-	-	-	9	11
<b>TOTAL ASSETS</b>	<b>11,145</b>	<b>10,683</b>	<b>10,316</b>	<b>9,549</b>	<b>9,228</b>	<b>9,660</b>	<b>9,168</b>	<b>9,252</b>	<b>9,236</b>	<b>9,759</b>
<b>Equity</b>	<b>5,434</b>	<b>5,098</b>	<b>4,994</b>	<b>4,515</b>	<b>4,153</b>	<b>4,197</b>	<b>3,968</b>	<b>3,818</b>	<b>4,199</b>	<b>4,344</b>
Long-term borrowings	2,306	2,264	2,277	2,162	111	939	2,076	1,715	2,666	2,612
Deferred tax liability	910	900	884	863	836	803	754	703	586	621
Derivative financial instruments	4	8	-	-	0	3	3	2	12	44
Other non-current liabilities	-	-	-	-	-	-	-	138	-	43
Provisions for pensions and other long-term employee benefits	378	382	345	505	512	499	419	374	396	378
Provisions	163	160	107	-	5	5	9	5	22	10
<b>Total non-current liabilities</b>	<b>3,761</b>	<b>3,714</b>	<b>3,613</b>	<b>3,530</b>	<b>1,464</b>	<b>2,249</b>	<b>3,261</b>	<b>2,937</b>	<b>3,682</b>	<b>3,708</b>
Short-term borrowings	203	220	207	206	2,368	1,870	500	999	2	344
Derivative financial instruments	45	1	-	0	54	68	61	71	54	35
Trade and other payables	1,573	1,585	1,419	1,267	1,144	1,227	1,342	1,394	1,196	1,216
Provisions	11	14	6	5	24	5	23	3	64	57
Current income tax liabilities	118	51	77	26	21	44	13	30	39	55
<b>Total current liabilities</b>	<b>1,950</b>	<b>1,871</b>	<b>1,709</b>	<b>1,504</b>	<b>3,611</b>	<b>3,214</b>	<b>1,939</b>	<b>2,497</b>	<b>1,355</b>	<b>1,707</b>
<b>Total equity and liabilities</b>	<b>11,145</b>	<b>10,683</b>	<b>10,316</b>	<b>9,549</b>	<b>9,228</b>	<b>9,660</b>	<b>9,168</b>	<b>9,252</b>	<b>9,236</b>	<b>9,759</b>

# Key ratios

SEKm	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Profit</b>										
Net sales	8,613	8,301	6,869	6,046	5,695	6,493	6,218	5,784	5,107	5,674
Net sales, change %	3.8	20.8	13.6	6.2	-12.3	4.4	7.5	13.3	n/a	6.8
Organic net sales, change, %	4.7	15.7	10.0	8.4	-11.2	2.3	-2.8	-1.2	n/a	1.5
Gross margin, %	33.3	30.7	31.0	35.5	34.7	36.7	36.7	36.4	39.6	39.0
Depreciation	-273	-284	-251	-250	-270	-290	-218	-218	-206	-227
Amortisation	-11	-11	-11	-10	-10	-11	-12	-11	-5	-4
Impairment other non-current assets	-60	17	-136	-1	-13	-2	-	-9	-2	-
Operating profit (EBIT), adjusted	910	799	691	571	495	743	677	604	695	690
Operating profit margin (EBIT margin), adjusted %	10.6	9.6	10.1	9.4	8.7	11.4	10.9	10.4	13.6	12.2
Operating profit (EBIT)	807	735	466	565	442	727	660	527	635	671
Operating profit margin (EBIT margin), %	9.4	8.9	6.8	9.3	7.8	11.2	10.6	9.1	12.4	11.8
EBITDA, adjusted	1,194	1,100	955	832	777	1,046	907	833	906	921
EBITDA	1,151	1,013	864	826	735	1,030	890	765	848	902
Profit margin, %	7.7	6.9	5.0	9.2	6.7	10.0	9.0	7.7	9.2	8.7
<b>Segments</b>										
<b>Branded packaged products</b>										
Net sales	6,219	6,153	5,169	4,686	4,527	n/a	n/a	n/a	n/a	n/a
Operating profit, adjusted	740	786	669	577	649	n/a	n/a	n/a	n/a	n/a
Operating profit margin, adjusted %	11.9	12.8	12.9	12.3	14.3	n/a	n/a	n/a	n/a	n/a
<b>Pick &amp; mix</b>										
Net sales	2,394	2,148	1,700	1,360	1,168	n/a	n/a	n/a	n/a	n/a
Operating profit, adjusted	170	13	22	-6	-154	n/a	n/a	n/a	n/a	n/a
Operating profit margin, adjusted %	7.1	0.6	1.3	-0.4	-13.2	n/a	n/a	n/a	n/a	n/a
<b>Financial position</b>										
Working capital	1,017	796	701	363	540	589	402	232	572	628
Capital expenditure	225	379	296	230	357	235	184	157	170	161
Net debt	1,610	1,825	1,855	1,679	2,139	2,302	2,091	2,035	2,443	2,818
Capital employed	8,370	7,973	7,823	7,388	7,198	7,576	7,027	6,979	7,329	7,756
Return on capital employed, % <sup>1</sup>	11.2	10.9	7.2	7.9	6.0	10.0	9.5	8.2	11.1	8.6
Equity/assets ratio, %	48.8	47.7	48.4	47.3	45.0	43.4	43.3	41.3	45.5	44.5
Net debt/equity ratio, %	29.6	35.8	37.1	37.2	51.5	54.8	52.7	53.3	58.2	64.9
Return on equity, %	8.8	8.6	5.5	10.5	6.4	11.9	12.2	6.2	-4.5	8.9
Equity per share, SEK	19.0	17.9	17.5	15.7	14.4	14.5	13.7	13.2	14.5	15.1
Net debt/EBITDA, x	1.3	1.7	1.9	2.0	2.8	2.2	2.3	2.4	2.4	3.0

1) Return on capital employed for 2016 was calculated pro-forma for continuing operations.

SEKm	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Cash flow</b>										
Cash flow from operating activities	765	778	519	858	641	724	628	712	889	927
Cash flow from investing activities	-91	-280	-213	-191	-274	-330	-184	-22	-322	-367
Cash flow after investments	674	498	306	667	367	394	444	690	567	560
Free cash flow	602	496	305	664	366	538	444	555	719	766
Free cash flow yield, %	8.3	9.5	5.1	8.8	5.2	5.9	6.3	6.5	8.7	9.5
Cash flow from operating activities per share, SEK	2.7	2.7	1.8	3.0	2.2	2.5	2.2	2.5	3.1	3.2
<b>Employees</b>										
Average number of employees <sup>2</sup>	2,577	2,582	2,598	2,599	2,653	2,629	2,458	2,467	2,115	2,583
<b>Share data</b>										
Earnings per share, SEK										
Basic <sup>3</sup>	1.67	1.53	0.96	1.64	0.92	1.74	1.69	-0.34	-0.67	1.35
Diluted <sup>3</sup>	1.67	1.53	0.96	1.64	0.92	1.74	1.68	-0.34	-0.67	1.35
<i>Earnings per share from continuing operations, SEK</i>										
Basic <sup>3</sup>	1.67	1.53	0.96	1.64	0.92	1.74	1.69	0.83	1.21	1.35
Diluted <sup>3</sup>	1.67	1.53	0.96	1.64	0.92	1.74	1.68	0.83	1.21	1.35
<i>Earnings per share from discontinued operation, SEK</i>										
Basic <sup>3</sup>	-	-	-	-	-	-	-	-1.17	-1.88	-
Diluted <sup>3</sup>	-	-	-	-	-	-	-	-1.17	-1.88	-
<i>Ordinary dividend per share, proposed, SEK<sup>4</sup></i>	1.10	1.00	1.00	1.00	0.75	0.50	1.00	0.75	0.75	0.50
Special dividend per share, SEK	-	-	-	-	-	-	-	0.75	-	-
Number of shares outstanding at end of period <sup>3</sup>	286,065,407	285,342,034	285,405,738	287,028,670	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299
Average number of shares (basic) <sup>3</sup>	285,690,150	285,394,917	286,806,351	287,480,924	286,590,993	286,578,395	286,492,413	286,320,464	286,193,024	286,290,840
Average number of shares (diluted) <sup>3</sup>	285,786,127	285,650,818	286,890,237	287,518,726	286,805,203	286,724,049	286,650,070	286,492,178	286,447,465	286,561,607
Share-price at year-end, SEK	25.20	18.32	20.86	26.20	24.52	31.70	24.30	29.70	28.70	28.00
<b>Exchange Rates</b>										
EUR, average	11.4408	11.4821	10.6346	10.1527	10.4880	10.5815	10.2543	9.6362	9.4700	9.3445
EUR, end of period	11.4590	11.0960	11.1218	10.2503	10.0343	10.4468	10.2274	9.8210	9.5804	9.1679
NOK, average	0.9831	1.0046	1.0532	0.9991	0.9757	1.0748	1.0672	1.0324	1.0200	1.0432
NOK, end of period	0.9715	0.9871	1.0578	1.0262	0.9584	1.0591	1.0294	0.9997	1.0548	0.9563
GBP, average	13.5177	13.2099	12.4689	11.8203	11.7868	12.0732	11.5917	10.9909	11.5480	12.8736
GBP, end of period	13.8197	12.7680	12.5397	12.1987	11.1613	12.2788	11.3992	11.0684	11.1673	12.4835
DKK, average	1.5339	1.5410	1.4295	1.3652	1.4070	1.4173	1.3760	1.2956	1.2721	1.2529
DKK, end of period	1.5365	1.4888	1.4956	1.3784	1.3485	1.3982	1.3698	1.3192	1.2888	1.2287

2) Average number of employees is presented for continuing operations in 2017. Employee numbers in 2019 have been updated following the implementation of a new company-wide HR system. Comparative figures have not been restated.

3) From 2013 until 2020 and in 2024, Cloetta entered into forward contracts to repurchase own shares to fulfill its future obligation to deliver the shares to the participants of its long-term share-based incentive plan. From 2021 until 2023, Cloetta purchased treasury shares to fulfill its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met.

4) In March 2020, the Board of Directors decided to withdraw its proposal for a dividend for the 2019 financial year of SEK 1.00 per share, as a result of the increased uncertainty due to the Covid-19 pandemic. In September 2020, the Board of Directors proposed a dividend of SEK 0.50 per share for the 2019 financial year, considering Cloetta's strong financial position and cash generative business model. The EGM on 3 November 2020 approved this dividend proposal.

# Reconciliation of alternative performance measures

SEKm	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Items affecting comparability</b>										
Acquisitions, integration and restructurings	-103	-64	-249	-6	-53	-13	-38	-62	-43	-47
<i>of which: impairment non-current assets</i>	-60	23	-134	-	-11	-	-	-9	-2	-
Remeasurements of contingent considerations	-	-	-	-	-	-	21	5	-17	33
Remeasurements of assets held for sale	-	-	-	-	-	-	-	-	-	-5
Other items affecting comparability	-	-	24	-	-	-3	0	-20	-	-
<b>Items affecting comparability</b>	<b>-103</b>	<b>-64</b>	<b>-225</b>	<b>-6</b>	<b>-53</b>	<b>-16</b>	<b>-17</b>	<b>-77</b>	<b>-60</b>	<b>-19</b>
<i>Corresponding line in the condensed consolidated profit and loss account:</i>										
Net sales	-	-	-	-	-	-	0	-	-	-4
Cost of goods sold	25	-48	-210	1	-19	2	3	-39	-15	-22
Other income	-	-	-	-	-	-	4	4	-	-
Selling expenses	-3	1	-4	-	-12	-6	-1	-6	-	-12
General and administrative expenses	-125	-17	-11	-7	-22	-12	-23	-36	-45	19
<b>Total</b>	<b>-103</b>	<b>-64</b>	<b>-225</b>	<b>-6</b>	<b>-53</b>	<b>-16</b>	<b>-17</b>	<b>-77</b>	<b>-60</b>	<b>-19</b>
<b>Operating profit, adjusted<sup>1</sup></b>										
Operating profit	807	735	466	565	442	727	660	527	635	671
Minus: Items affecting comparability	-103	-64	-225	-6	-53	-16	-17	-77	-60	-19
<b>Operating profit, adjusted</b>	<b>910</b>	<b>799</b>	<b>691</b>	<b>571</b>	<b>495</b>	<b>743</b>	<b>677</b>	<b>604</b>	<b>695</b>	<b>690</b>
Net sales	8,613	8,301	6,869	6,046	5,695	6,493	6,218	5,784	5,107	5,674
<b>Operating profit margin, adjusted, %</b>	<b>10.6</b>	<b>9.6</b>	<b>10.1</b>	<b>9.4</b>	<b>8.7</b>	<b>11.4</b>	<b>10.9</b>	<b>10.4</b>	<b>13.6</b>	<b>12.2</b>
<b>EBITDA, adjusted<sup>1</sup></b>										
Operating profit	807	735	466	565	442	727	660	527	635	671
Minus: Depreciation	-273	-284	-251	-250	-270	-290	-218	-218	-206	-227
Minus: Amortisation	-11	-11	-11	-10	-10	-11	-12	-11	-5	-4
Minus: Impairment non-current assets	-60	17	-136	-1	-13	-2	-	-9	-2	-
<b>EBITDA</b>	<b>1,151</b>	<b>1,013</b>	<b>864</b>	<b>826</b>	<b>735</b>	<b>1,030</b>	<b>890</b>	<b>765</b>	<b>848</b>	<b>902</b>
Minus: Items affecting comparability (excl. impairment non-current assets)	-43	-87	-91	-6	-42	-16	-17	-68	-58	-19
<b>EBITDA, adjusted</b>	<b>1,194</b>	<b>1,100</b>	<b>955</b>	<b>832</b>	<b>777</b>	<b>1,046</b>	<b>907</b>	<b>833</b>	<b>906</b>	<b>921</b>

1) The key figure has been affected by IFRS 16 'Leases' as of 1 January 2019. Comparative figures are not restated.

SEKm	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Capital employed<sup>1,2</sup></b>										
Total assets	11,145	10,683	10,316	9,549	9,228	9,660	9,168	9,252	9,236	9,759
Minus: Deferred tax liability	910	900	884	863	836	803	754	703	586	621
Minus: Other non-current liabilities	-	-	-	-	-	-	-	138	-	43
Minus: Non-current provisions	163	160	107	-	5	5	9	5	22	10
Minus: Current provisions	11	14	6	5	24	5	23	3	64	57
Minus: Trade and other payables	1,573	1,585	1,419	1,267	1,144	1,227	1,342	1,394	1,196	1,216
Minus: Current income tax liabilities	118	51	77	26	21	44	13	30	39	55
Plus: Interest-bearing other current liabilities	-	-	-	-	-	-	-	-	-	-1
<b>Capital employed</b>	<b>8,370</b>	<b>7,973</b>	<b>7,823</b>	<b>7,388</b>	<b>7,198</b>	<b>7,576</b>	<b>7,027</b>	<b>6,979</b>	<b>7,329</b>	<b>7,756</b>
Capital employed comparative period previous year	7,973	7,823	7,388	7,198	7,576	7,027	6,979	5,966	7,756	8,041
<b>Average capital employed</b>	<b>8,172</b>	<b>7,898</b>	<b>7,606</b>	<b>7,293</b>	<b>7,387</b>	<b>7,302</b>	<b>7,003</b>	<b>6,473</b>	<b>7,543</b>	<b>7,899</b>
<b>Return on capital employed<sup>1,2</sup></b>										
Operating profit	807	735	466	565	442	727	660	527	635	671
Financial income	111	128	83	9	3	2	5	7	17	6
<b>Operating profit plus financial income</b>	<b>918</b>	<b>863</b>	<b>549</b>	<b>574</b>	<b>445</b>	<b>729</b>	<b>665</b>	<b>534</b>	<b>652</b>	<b>677</b>
Average capital employed	8,172	7,898	7,606	7,293	7,387	7,302	7,003	6,473	5,879	7,899
<b>Return on capital employed, %</b>	<b>11.2</b>	<b>10.9</b>	<b>7.2</b>	<b>7.9</b>	<b>6.0</b>	<b>10.0</b>	<b>9.5</b>	<b>8.2</b>	<b>11.1</b>	<b>8.6</b>
<b>Free cash flow yield<sup>1</sup></b>										
Cash flow from operating activities	765	778	519	858	641	724	628	712	889	927
Cash flows from investments in property, plant and equipment and intangible assets	-163	-282	-214	-194	-275	-186	-184	-157	-170	-161
<b>Free cash flow</b>	<b>602</b>	<b>496</b>	<b>305</b>	<b>664</b>	<b>366</b>	<b>538</b>	<b>444</b>	<b>555</b>	<b>719</b>	<b>766</b>
Number of shares outstanding	286,065,407	285,342,034	285,405,738	287,028,670	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299
Free cash flow per share, SEK	2.10	1.74	1.07	2.31	1.27	1.86	1.54	1.92	2.49	2.65
Market price per share, SEK	25.20	18.32	20.86	26.20	24.52	31.70	24.30	29.70	28.70	28.00
<b>Free cash flow yield, %</b>	<b>8.3</b>	<b>9.5</b>	<b>5.1</b>	<b>8.8</b>	<b>5.2</b>	<b>5.9</b>	<b>6.3</b>	<b>6.5</b>	<b>8.7</b>	<b>9.5</b>
<b>Changes in net sales</b>										
Net sales	8,613	8,301	6,869	6,046	5,695	6,493	6,218	5,784	5,107	5,674
Net sales comparative period previous year	8,301	6,869	6,046	5,695	6,493	6,218	5,784	5,107	n/a	5,313
<b>Net sales, change</b>	<b>312</b>	<b>1,432</b>	<b>823</b>	<b>351</b>	<b>-798</b>	<b>275</b>	<b>434</b>	<b>677</b>	<b>n/a</b>	<b>361</b>
Minus: Structural changes	-70	-	-	-	-	-	375	708	n/a	208
Minus: Changes in exchange rates	-12	356	217	-125	-70	129	217	30	n/a	77
<b>Organic growth</b>	<b>394</b>	<b>1,076</b>	<b>606</b>	<b>476</b>	<b>-728</b>	<b>146</b>	<b>-158</b>	<b>-61</b>	<b>n/a</b>	<b>76</b>
Structural changes, %	-0.9	-	-	-	-	-	6.5	13.9	n/a	3.9
Organic growth, %	4.7	15.7	10.0	8.4	-11.2	2.3	-2.8	-1.2	n/a	1.4

1) The key figure has been affected by IFRS 16 'Leases' as of 1 January 2019. Comparative figures are not restated.

2) Return on capital employed for 2017 has been calculated pro-forma for continuing operations.

# Glossary

## **Branded packaged products**

Products that are mainly sold under brands and are packaged.

## **Brand extension**

Totally new products developed under an established brand.

## **BRC Global Standards for Food Safety**

A leading safety and quality certification programme. Many European and global retailers will only consider business with suppliers that have been certified according to the BRC Global Standard.

## **Contract manufacturing**

Manufacturing of external brands, i.e. insourcing production of products from external parties.

## **FVTPL**

Fair Value Through Profit and Loss.

## **GMP**

Good Manufacturing Practices (GMPs) in the food industry are guidelines and principles implemented to ensure food safety and quality.

## **GRI Global Reporting Initiative**

A network-based organisation whose founders include the UN. GRI has pioneered the development of a standard for the structure and content of sustainability reporting.

## **IFS**

A GFSI-approved standard for safety and quality in production processes and food products.

## **ILO**

International Labour Organization, United Nations agency dealing with labour issues.

## **ISO 9001 and ISO 14001**

International Organization for Standardization. ISO 9001 addresses quality management and ISO 14001 addresses environmental management.

## **Line extension**

New packaging, sizes and flavours for an established brand.

## **Own brands (EMV)**

Brands that retail trade customers sell under their own brands.

## **Pick & mix**

Cloetta's range of candy and natural snacks that are picked by the consumers themselves.

## **Pick & mix concept**

Cloetta's complete concept in pick & mix including products, displays and accompanying store and logistic services.

## **Polyols**

Sugar alcohols that resemble sugar and are used as sweeteners.

## **Rainforest Alliance**

Certified standards for farming of cocoa with a number of social and environmental criteria, merged with UTZ.

## **RSPO**

Roundtable for sustainable palm oil, certification and standard for the palm oil we purchase, 100% segregated.

## **Science-based target**

A specific goal set by a company to reduce its greenhouse gas emissions in alignment with the latest climate science.

## **Science Based Targets initiative (SBTi)**

A collaborative effort that supports companies to set ambitious and scientifically aligned targets for reducing greenhouse gas emissions.

## **SMETA**

An audit procedure developed by Sedex to assess working conditions and environmental performance within both the business and the supply chain

# Definitions

**All amounts in the tables are presented in SEK millions unless otherwise stated. All amounts in brackets ( ) represent comparative figures for the same period of the prior year, unless otherwise stated.**

	Definition/calculation	Purpose
<b>Margins</b>		
<b>Gross margin</b>	Net sales less cost of goods sold as a percentage of net sales.	Gross margin measures production profitability.
<b>Operating profit margin (EBIT margin)</b>	Operating profit expressed as a percentage of net sales.	Operating profit margin is used for measuring the operational profitability.
<b>Operating profit margin, adjusted</b>	Operating profit, adjusted for items affecting comparability, as a percentage of net sales.	Operating profit margin, adjusted excludes the impact of items affecting comparability, enabling a comparison of operational profitability.
<b>Profit margin</b>	Profit/loss before tax expressed as a percentage of net sales.	This metric enables the profitability to be compared across locations where corporate taxes differ.
<b>Return</b>		
<b>Free cash flow</b>	Sum of the cash flow from operating activities and cash flow from investments in property, plant and equipment and intangible assets.	The free cash flow is the cash flow available to all investors consisting of shareholders and lenders.
<b>Free cash flow yield</b>	Free cash flow over the last 12 months divided by the number of shares at the end of the period and subsequently divided by the market price per share at the end of the period.	This metric is an indicator of the return on investment of investors in the company.
<b>Return on capital employed</b>	Operating profit plus financial income as a percentage of average capital employed. The average capital employed is calculated by taking the capital employed per period end and the capital employed by period end of the comparative period in the previous year divided by two.	Return on capital employed is used to analyse profitability, based on the amount of capital used. The leverage of the company is the reason that this metric is used next to return on equity, because it includes equity, but takes into account borrowings and other liabilities as well.
<b>Return on equity</b>	Profit from continuing operations for the period as a percentage of total equity.	Return on equity is used to measure profit generation, given the resources attributable to the owners of the Parent Company.
<b>Capital structure</b>		
<b>Capital employed</b>	Total assets less interest-free liabilities (including deferred tax).	Capital employed measures the amount of capital used and serves as input for the return on capital employed.
<b>Equity/assets ratio</b>	Equity at the end of the period as a percentage of total assets. The equity/assets ratio represents the amount of assets on which shareholders have a residual claim.	This ratio is an indicator of the company's leverage used to finance the company.
<b>Gross debt</b>	Gross current and non-current borrowings, credit overdraft facilities, lease liabilities, derivative financial instruments and interest payable.	Gross debt represents the total debt obligation of the company irrespective of its maturity.
<b>Net debt</b>	Gross debt less cash and cash equivalents.	The net debt is used as an indication of the ability to pay off all debts if these became due simultaneously on the day of calculation, using only available cash and cash equivalents.
<b>Net debt/EBITDA</b>	Net debt at the end of the period divided by the adjusted EBITDA for the last 12 months, taking into consideration the annualisation of EBITDA for acquired or divested companies.	The net debt/EBITDA ratio approximates the company's ability to decrease its debt. It represents the number of years it would take to pay back debt if net debt and EBITDA were held constant, ignoring the impact from cash flows from interest, tax and capital expenditure.
<b>Net debt/equity ratio</b>	Net debt at the end of the period divided by equity at the end of the period.	The net debt/equity ratio measures the extent to which the company is funded by debt. Because cash and overdraft facilities can be used to pay off debt at short notice, the leverage takes into account net debt instead of gross debt.
<b>Working capital</b>	Total inventories and trade and other receivables adjusted for trade and other payables.	Working capital is used to measure the company's ability, besides cash and cash equivalents, to meet current operational obligations.

**Definition/calculation**

**Purpose**

**Data per share**

<b>Cash flow from operating activities per share</b>	Cash flow from operating activities in the period divided by the average number of outstanding shares.	The cash flow from operating activities per share measures the amount of cash the company generates per share from the revenues it brings irrespective of the capital investments and cash flows related to the financing structure of the company.
<b>Earnings per share</b>	Profit for the period divided by the average number of outstanding shares adjusted for the effect of forward contracts to repurchase own shares.	The earnings per share measures the amount of net profit that is available for payment to shareholders per share.
<b>Equity per share</b>	Equity at the end of the period divided by number of outstanding shares at the end of the period.	Equity per share measures the net-asset value backing up each share of the company's equity and determines if a company is increasing shareholder value over time.

**Other definitions**

<b>Amortisation</b>	Amortisation of intangible assets except for amortisation on software which is included in "Depreciation".	Amortisation deviates from depreciation where amortisation has the purpose to spread capitalised expenses over the useful lifetime of these expenses.
<b>Depreciation</b>	Depreciation of property, plant and equipment and amortisation of software.	Depreciation deviates from amortisation where depreciation has the purpose to spread the cost of a non-current asset over the useful lifetime of these assets.
<b>EBITDA</b>	Operating profit before depreciation and amortisation.	EBITDA is used to measure the cash flow generated from operating activities, eliminating the impact of financing and accounting decisions.
<b>EBITDA, adjusted</b>	Operating profit, adjusted for items affecting comparability, before depreciation and amortisation.	Adjusted EBITDA increases the comparability of EBITDA.
<b>Effective tax rate</b>	Income tax as a percentage of profit before tax.	This metric enables the income tax to be compared across locations where corporate taxes differ.
<b>Items affecting comparability</b>	Items affecting comparability are those significant items which are separately disclosed by virtue of their size or incidence, in order to enable a full understanding of the Group's financial performance. These include items such as restructurings, impact from acquisitions or divestments.	Items affecting comparability increases the comparability of the Group's financial performance.
<b>Net financial items</b>	The total of exchange differences on cash and cash equivalents in foreign currencies, other financial income and other financial expenses.	The net financial items reflects the company's total costs of external financing.
<b>Net sales, change</b>	Net sales as a percentage of net sales in the comparative period of the previous year.	Net sales, change reflects the company's realised top-line growth over time.
<b>Operating profit (EBIT)</b>	Operating profit consists of comprehensive income before net financial items and income tax.	This metric enables the profitability to be compared across locations where corporate taxes differ, irrespective of the financing structure of the company.
<b>Operating profit (EBIT), adjusted</b>	Operating profit, adjusted for items affecting comparability.	Adjusted EBIT increases the comparability of EBIT.
<b>Organic growth</b>	Net sales, change excluding acquisition-driven growth and changes in exchanges rates.	Organic growth excludes the impact of changes in group structure and exchange rates, enabling a comparison of net sales growth over time.
<b>Structural changes</b>	Net sales, change resulting from changes in group structure.	Structural changes measure the contribution of changes in group structure to the net sales growth.



## Shareholder information

### Annual General Meeting 2025

The AGM will be held on Thursday, 10 April. All information related to the meeting is available on [www.cloetta.com/en/governance/general-meetings/](http://www.cloetta.com/en/governance/general-meetings/).

### Annual and Sustainability Report 2024

The report is available digitally in English and Swedish and can be downloaded from [www.cloetta.com](http://www.cloetta.com). Physical copies are available at Cloetta's HQ, Landsvägen 50A, 17263 Sundbyberg, Sweden.

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