



Press release

22 March 2020

Cloetta withdraws dividend proposal and provides update on effects from COVID-19

As a consequence of the current uncertainty due to the global outbreak of COVID-19, the Board of Directors has decided to withdraw the previously communicated proposal to the Annual General Meeting 2020 regarding a dividend of SEK 1.00 per share. Furthermore, Cloetta assesses that the risk of negative financial impact from the end of March has increased significantly.

Cloetta is working diligently to limit further spread of the coronavirus in society, the highest priority being the health and safety of our employees, customers and consumers. We are following the situation closely and when needed adapt our actions according to local government advice and regulations, whilst at the same time striving to mitigate any disruptions to our business.

In a recent [update](#), Cloetta commented that the customer demand for pick & mix temporarily might be negatively affected. Following the latest development, with a discontinued pick & mix contract in Sweden and additional grocery retailers taking measures to reduce groups of people in front of the pick & mix shelves, Cloetta now expects the customer demand for pick & mix to temporarily be significantly reduced. In addition, Cloetta expects a negative impact from sales channels such as entertainment and travel retail closing down temporarily. This is assessed to be partly mitigated by continued customer demand for branded packaged products in grocery stores and e-commerce. To date, our supply chain is still working well, and production is now steered towards branded packaged products following an expected lower customer demand for pick & mix.

Given the current uncertainty due to the global outbreak of COVID-19 and potential governmental response, it is not at this point possible to predict the full potential impact on our business. However, with the rapid spread of the coronavirus now heavily impacting markets where Cloetta has a presence and the currencies the group is exposed to, we believe that the risk of adverse effects has increased significantly.

The Board of Directors prioritizes to maintain the company's strong financial position considering the high market uncertainty. Consequently, the Board of Directors has decided to withdraw the previous dividend proposal of SEK 1.00 per share. The Board expresses its ambition, to summon the shareholders to an extraordinary general meeting later this year to resolve on a dividend, if, at such time, the market is stabilized, and the company's visibility of earnings is normalized.

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About Cloetta

Cloetta, founded in 1862, is a leading confectionary company in Northern Europe. Cloetta's products are sold in more than 50 countries worldwide with Sweden, Finland, Denmark, Norway, the Netherlands, Germany and the UK as the main markets. Cloetta owns some of the strongest brands on the market, such as Läkerol, Cloetta, Candyking, Jenkki, Kexchoklad, Malaco, Sportlife and Red Band. Cloetta has 8 production units in 5 countries. Cloetta's class B-shares are traded on Nasdaq Stockholm. More information about Cloetta is available on www.cloetta.com

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