



Press release

16 March 2020

Update on the impact of COVID-19

With the impact of COVID-19 on society being highly uncertain, Cloetta is making a general update. The impact on Cloetta's business and operations continues to be monitored daily and to date we have noted limited effect.

Cloetta is committed to the health and safety of our employees and consumers, and we focus on actions to help limit further spread of this virus in society. We are following the situation closely and adapt our actions according to local government advice and regulations, whilst at the same time striving to mitigate any disruptions to our business. With the development of the situation being very unpredictable, and despite precautionary actions taken, we acknowledge the risk for disruptions going forward. Cloetta intends to update the market on a regular basis.

Employees and production

To ensure our employees' health and safety, and to secure reliability of deliveries, we already a few weeks ago took several precautionary measures with regards to COVID-19. These include travel bans and meeting restrictions, restricted admission to our factories as well as asked employees in some offices to work from home. We have also enhanced our already rigorous cleaning- and safety routines throughout the entire value chain. To date, we have not seen any major interruptions in our own supply chain and all our eight factories are operating at near to normal capacity.

Suppliers

Currently, we have not experienced any material disruptions to the supply side. We are continuously assessing our direct as well as indirect suppliers and have contingency plans in place to reduce the risk of interruption in supply of necessary raw materials or products from third parties. Where relevant, Cloetta is temporarily increasing buffer stocks of raw materials and finished products at risk.

Customers

We are in close dialogue with our customers to ensure supply without any disruptions as well as to adopt to changes in consumer behavior. For our branded packaged business, we have so far noted limited impact on customer orders apart from negative effects in Asia, which accounts for a minor part of the business. Cloetta assesses that the customer demand for pick & mix temporarily might be negatively affected, as a result of some sales channels such as cinemas closing and a limited number of grocery retailers taking temporary measures to reduce groups of people in front of the pick & mix shelves.

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Consumers

As a food company, consumer health has always been a priority for Cloetta. We have an ongoing dialogue with customers and the local food authorities, and we are continuously assessing the situation in the countries where we operate. According to the European Food Safety Authority, there is no evidence that food is a transmission route for COVID-19. To minimize the risk of any contamination, we have increased the disinfection routines on the surfaces of our fixtures in stores. Consumer demand is currently very volatile and varies between markets, with an overall change in purchasing behavior such as hoarding of certain products. It is currently not possible to assess the potential impact this may have on the upcoming Easter sales.

Information to the market

Cloetta intends to update the market on a regular basis with relevant information in relation to the impact from COVID-19. We will not provide any sales update until we present the Q1 2020 results on 24 April.

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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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