



Interim report for January–March 2024

Profit protected despite historically high cocoa price

First quarter

- **Net sales** for the quarter increased by 6.1 per cent to SEK 2,094m (1,973) including a positive impact from foreign exchange rates of 0.4 per cent
- **Sales of Branded packaged products** increased organically by 3.6 per cent during the quarter
- **Sales of Pick & mix** increased organically by 11.7 per cent during the quarter
- **Operating profit adjusted** for items affecting comparability, amounted to SEK 192m (200). Operating profit amounted to SEK 193m (178), impacted by items affecting comparability of SEK 1m (-22)
- **Operating profit, adjusted, of Branded packaged products** amounted to SEK 152m (184)
- **Operating profit, adjusted, of Pick & mix** amounted to SEK 40m (16)
- **Profit for the period** amounted to SEK 107m (65), which equates to basic and diluted earnings per share of SEK 0.37 (0.23)
- **Cash flow** from operating activities was SEK 149m (24)
- **Net debt/EBITDA** ratio was 1.6x (2.0)

Events after the end of the reporting period

- The Board of Directors appointed Katarina Tell as incoming President and Chief Executive Officer on 4 April 2024
- Cloetta's Annual General Meeting (AGM) was held on 9 April 2024, in Stockholm, Sweden and approved a stable dividend of SEK 1.00 (1.00) per share

Key ratios

SEKm	First quarter			Rolling 12	Full year
	2024	2023	Change, %	Apr 2023–Mar 2024	2023
Net sales	2,094	1,973	6.1 ¹	8,422	8,301
Operating profit, adjusted	192	200	-4.0	791	799
Operating profit margin, adjusted %	9.2	10.1	-0.9-pts	9.4	9.6
Operating profit (EBIT)	193	178	8.4	750	735
Operating profit margin (EBIT margin), %	9.2	9.0	0.2-pts	8.9	8.9
Profit before tax	148	91	62.6	627	570
Profit for the period	107	65	64.6	479	437
Earnings per share, basic, SEK	0.37	0.23	60.9	1.68	1.53
Earnings per share, diluted, SEK	0.37	0.23	60.9	1.68	1.53
Net debt/EBITDA, x (Rolling 12 months)	1.6	2.0	-20.0	1.6	1.7
Free cash flow	99	-23	n/a	618	496
Cash flow from operating activities	149	24	520.8	903	778

¹ Organic growth at constant exchange rates was 5.7 per cent for the quarter. See further under Net sales on page 4.

SEK **2.1** bn

Net sales

5.7 %

Organic sales growth

9.2 %

Operating profit margin, adjusted

Conference call and web presentation

A conference call with web presentation for media and the financial community is arranged on the day of report publication at 10:00 a.m. CEST. We kindly ask those who wish to dial-in to make sure you are connected to the phone conference by calling in and register a few minutes before the conference begins. An on-demand version of the call will be available on www.cloetta.com later the same day.

Broadcast link

Link: creo-live.creomediamanager.com/6822e4d0-5096-44ca-916c-f60fc53ebd12

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Comments from the CEO

Profit protected despite historically high cocoa price

In an operating environment still affected by food price inflation and continued macroeconomic uncertainty, I'm very happy to deliver another strong quarter. Inflationary pressure varies across industries, but the confectionary industry in particular continues to be affected by rising raw material costs with record high cocoa prices.

In this uncertain operating environment, we again proved the resilience of our business and strategy, with strong demand for our products resulting in stable volumes. While there is a trend of consumers moving to discount retailers and private label brands when prices are increasing, we have continued to see the positive results of the strategic investments made in our core brands over the last couple of years.

During the quarter, cocoa prices reached new record highs as a result of a combination of high demand, lower crop and market speculation. Cocoa is one of our most important ingredients and represents approximately 8 per cent of our total raw material and packaging costs, while of course much higher in chocolate products. We will continue to execute on our previously communicated pricing strategy, which is to seek fair pricing in line with increased input costs.

In Finland, our second largest market, a month-long national strike did not cause any service disruptions to us and we remain prepared to address possible disruption until the disagreement is resolved. Furthermore, in April the Finnish government announced an intent to increase the value added tax, which would also increase the retail prices in our product categories. While we have been able to maintain our volumes when consumers have faced higher prices, we are working on options to manage the long-term effects of a change in the taxation.

First quarter development

Sales for the quarter increased by 6.1 per cent, of which organic growth accounted for 5.7 per cent and exchange rate differences for 0.4 per cent. Sales of Branded packaged products increased organically by 3.6 per cent and sales of Pick & mix increased organically by 11.7 per cent.

The adjusted operating profit amounted to SEK 192m (200) and was positively impacted by a higher gross profit, mainly offset by increased investments in our core brands.

Operational and strategic update

Within our **Branded packaged products segment**, we have successfully been able to hold total volumes stable, supported by the previously announced higher strategic investments in our core brands. In the quarter, we saw good consumer response to new product launches. These included Läkerol Strawberry which built on the earlier success of Läkerol Lemon, and Red Band Bites in the Netherlands based on a product format sold in the UK under the Chewits brand.

We nonetheless saw a lower bottom line, also excluding the higher marketing investments, given the timing difference between input costs going up and our new pricing taking effect. Furthermore, the result was negatively affected by the recognition of a provision for an isolated case of a raw material quality deviation. I am pleased that we were able to offset part of this negative impact through our continued work on Net Revenue Management and portfolio optimisation. As also stated in our last interim report, we discontinue products when needed and

continue to streamline our brands and product portfolio to free up capacity and reduce complexity to support our long-term goal of an adjusted EBIT margin of at least 14 per cent.

For our **Pick & mix segment**, our target is to deliver an EBIT margin in the range of 5–7 per cent in the medium-term and we are very pleased to deliver in line with this target in the quarter. The result was significantly boosted by higher profit from seasonal Easter sales, including the additional scale benefit as we managed to keep regular merchandising and fixture cost stable, despite the higher volumes.

Excluding the Easter sales boost, the profit improved by both continued volume growth and as pricing had significantly caught up with input cost inflation. I'm happy to deliver a result that reflects our focus on premiumising our CandyKing brand and continued cost focus to make this segment more profitable.



“ I remain convinced that investing in our brands while executing on fair pricing is the right way forward.

Our **strategic objective to lower our costs** and drive greater efficiency is most noticeable in the quarter in the Pick & mix segment. From our Net Revenue Management program we are getting increasing benefits from promotions and in the work on packaging sizes. We progressed on our global system solution to provide tools to reach the full benefits of the program and will go live in two more markets this year.

There is a compression of our overall profitability on account of our fair pricing only offsetting our increased input costs, but I remain convinced that the strategic and operational actions we have taken will contribute to reaching our long-term profitability target.

Update on greenfield project

Within our sustainability agenda, we continue to execute on our plan to reduce greenhouse gas emissions with 46 per cent by 2030. One important step on this journey is our greenfield investment in the Netherlands. When operational, the production facility creates capacity for growth and will significantly reduce cost, while also reducing greenhouse gas emissions. The greenfield will be a key contributor to secure and improve on the delivery on our long-term profitability target. The new factory will be the first major candy factory running on renewable electricity in Europe. During the quarter, the regulatory approval process progressed and our internal project workstreams continued as planned.

Cash flow and Net debt/EBITDA

Our free cash flow remains strong, and in the quarter, we generated the highest free cash flow for a first quarter in the last five years. Our net debt/EBITDA ratio of 1.6x is also the lowest ever and well below our long-term target of around 2.5x. We continue to focus on cash generation as we are preparing for overall higher investment levels due to the greenfield project.

New incoming President and CEO

In April, we announced that Katarina Tell, currently President Cloetta Sweden, will be the new President and CEO of Cloetta, taking over from me no later than 1 September 2024. Katarina joined me in our Group Management Team in 2018 and brought with her extensive FMCG industry experience with a focus on strategy and business development. At Cloetta, Katarina has delivered an impressive result in Sweden, our main market, and I'm certain that she will continue to do the same in her new role. I'm obviously delighted that she will take over from me and I know that she will have the full support of our organisation.

In conclusion, with continued consumer demand despite higher prices and a protected profit despite higher input costs, I remain convinced that investing in our brands while executing on fair pricing is the right way forward through these still in many ways uncertain times, while we continue to drive further results for our strategic priorities!

Henri de Sauvage-Nolting

President and CEO

Financial overview

Q1 development

Changes in operating environment and short-term uncertainties

Russia's escalation of the war in Ukraine that started in 2022 entails risks of further impact on the global economy, further cost inflation, and disruptions in supply chains, including as the war risks spreading into other geographies.

On 11 March 2024, a political strike in Finland started, targeting exports, imports and cargo transportation. The strike lasted for four weeks but did not cause any service disruptions in Cloetta's operations in Finland. Should there be further, shorter strikes during spring and summer 2024, the negative implications of the strikes are expected to be limited to marginally higher import transportation costs.

Greenfield facility

In 2022, Cloetta announced the greenfield investment in the Netherlands with the ambition to create capacity for growth, significantly reduce cost, while reducing greenhouse gas emissions. When the new factory is fully operational it will be the first major candy factory running on renewable electricity in Europe.

As previously communicated, the regulatory approval process for the greenfield facility is expected to take longer than anticipated and the new timeline indicates that the major planned investments will be initiated during 2025. This indicates that the plant will start operations during the second half of 2026.

During the fourth quarter 2023, the engineering team in close cooperation with suppliers, were able to conclude the technical ability to build and operate the new factory fully electric. Since the factory had already been designed with around 80 per cent electric functionality, the change is not affecting the timeline and remains within the original investment level.

During the first quarter, the regulatory approval process further progressed and our internal project workstreams continued as planned.

Net sales

Net sales for the quarter increased by SEK 121m to SEK 2,094m (1,973) compared to the same period last year. Organic growth was 5.7 per cent and the impact of changes in exchange rates was 0.4 per cent.

Changes in net sales, %	Jan–Mar 2024
Organic growth	5.7
Changes in exchange rates	0.4
Total	6.1

Gross profit

Gross profit, adjusted for items affecting comparability, amounted to SEK 642m (638) which equates to a gross margin, adjusted, of 30.7 per cent (32.3). The increase in gross profit, adjusted, was primarily driven by pricing and mix partially offset by higher input costs and from the recognition of a provision for an isolated case of a raw material quality deviation. The margin compression is primarily due to pricing offsetting input costs without generating incremental profit. Gross profit amounted to SEK 646m (618) which equates to a gross margin of 30.9 per cent (31.3).

Operating profit

Operating profit, adjusted for items affecting comparability, amounted to SEK 192m (200), and was positively impacted by higher gross profit, offset by increased marketing investments in our core brands. Operating profit amounted to SEK 193m (178).

Items affecting comparability

Operating profit for the quarter includes items affecting comparability of SEK 1m (-22), mainly related to the greenfield facility.

Net financial items

Net financial items for the quarter amounted to SEK -45m (-87). Net interest expenses related to external borrowings, cash pool and realised results on single currency interest rate swaps were in total SEK -15m (-7), exchange differences on cash and cash equivalents were SEK -29m (-71) which mainly related to the development of the Norwegian krona against the euro during the quarter. Other financial items amounted to SEK -1m (-9) of which SEK 3m (-7) was related to the unrealised results on single currency interest rate swaps. Of the total net financial items SEK -28m (-15) is non-cash in nature.

Profit for the period

Profit for the quarter was SEK 107m (65), which equates to basic and diluted earnings per share of SEK 0.37 (0.23). Income tax for the period was SEK -41m (-26).

The effective tax rate for the quarter was 27.7 per cent (28.6) and was negatively impacted by not recognising a deferred tax asset in the UK, non-deductible expenses and differences between expected and actual tax filings related to the previous years.

Free cash flow

The free cash flow was SEK 99m (-23). Cash flow from operating activities before changes in working capital was SEK 252m (202). The cash flow from changes in working capital was SEK -103m (-178).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -50m (-47).

Cash flow from changes in working capital

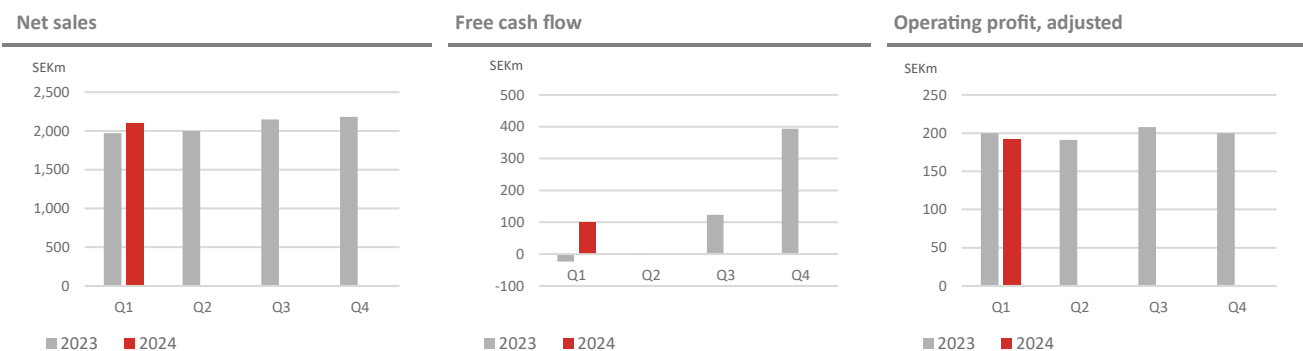
Cash flow from changes in working capital was SEK -103m (-178). The cash flow from changes in working capital was negatively impacted by an increase in receivables of SEK -146m (-236), partly offset by an increase in payables amounting to SEK 36m (241) and a decrease in inventories for an amount of SEK 7m (-183).

Cash flow from other investing activities

Cash flow from other investing activities was SEK 0m (0).

Cash flow from financing activities

The cash flow from financing activities was SEK -22m (-20). The cash flow from financing activities was related to payments of lease liabilities of SEK -22m (-20).



Financial position

Consolidated equity at 31 March 2024 amounted to SEK 5,413m (5,125), which equates to SEK 19.0 (18.0) per share outstanding. Net debt at 31 March 2024 was SEK 1,794m (1,983).

Long-term borrowings amounted to SEK 2,319m (2,294) and consisted of SEK 2,241m (2,210) in gross non-current loans from credit institutions, SEK 85m (91) in non-current lease liabilities and SEK -7m (-7) in capitalised transaction costs.

Total short-term borrowings amounted to SEK 216m (209) and consisted of SEK 149m (149) in commercial papers, SEK 70m (62) in current lease liabilities, SEK 2m (2) in accrued interest on borrowings from credit institutions and SEK -5m (-4) in capitalised transaction costs.

SEKm	31 Mar 2024	31 Mar 2023	31 Dec 2023
Gross non-current loans from credit institutions	2,241	2,210	2,187
Commercial papers	149	149	149
Lease liabilities	155	153	159
Derivative financial instruments	-18	-53	-14
Interest payable	2	2	2
Gross debt	2,529	2,461	2,483
Cash and cash equivalents	-735	-478	-658
Net debt	1,794	1,983	1,825

Cash and cash equivalents at 31 March 2024 amounted to SEK 735m (478). At 31 March 2024 Cloetta had an unutilised credit facility of SEK 2,537m (2,482) and the possibility to issue additional commercial papers for an amount of SEK 850m (850).

Performance by business segment

Cloetta has identified the “Branded packaged products” business and the “Pick & mix” business as its operating segments.

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 below.

Business segments

The Cloetta Group comprises two segments: “Branded packaged products” and “Pick & mix”. The Pick & mix net sales and adjusted operating profit relate to Cloetta’s complete offering in pick & mix including products, displays and accompanying store and logistic services. All other activities within the Cloetta Group are reflected in the “Branded packaged products” segment.

Segment Branded packaged products

Q1 development

Net Sales

Net sales for the quarter increased by SEK 65m to SEK 1,513m (1,448) compared to the same period of last year for Branded packaged products. Organic growth was 3.6 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 152m (184). The decrease in adjusted operating profit is driven by lower gross profit and higher cost combined with increased marketing investments in our core brands and a provision for an isolated case of a raw material quality deviation.

Segment Pick & mix

Q1 development

Net Sales

Net sales for the quarter increased by SEK 56m to SEK 581m (525) compared to the same period of last year. Organic growth was 11.7 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 40m (16). The increase in adjusted operating profit is driven by increased volumes including from seasonal sales combined with continued margin-enhancing initiatives.

Other disclosures

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.

Employees

The average number of employees during the quarter was 2,591 (2,578).

Jan–Mar 2024 SEKm	Branded packaged products	Pick & mix	Total	Jan–Mar 2023 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,513	581	2,094	Net sales	1,448	525	1,973
Operating profit, adjusted	152	40	192	Operating profit, adjusted	184	16	200
Items affecting comparability			1	Items affecting comparability			-22
Operating profit			193	Operating profit			178
Net financial items			-45	Net financial items			-87
Profit before tax			148	Profit before tax			91
Income tax			-41	Income tax			-26
Profit for the period			107	Profit for the period			65

Events after the end of the reporting period

On 4 April 2024, the Board of Directors appointed Katarina Tell as incoming President and Chief Executive Officer, effective no later than 1 September 2024. As previously communicated, Henri de Sauvage Nolting has informed the Board that he wishes to resign from his position as President and CEO of the company.

On 9 April 2024, Cloetta's Annual General Meeting (AGM) was held in Stockholm, Sweden. The resolutions of the AGM have been published through a separate regulatory press release.

Strategic priorities

1 Growth leadership in Branded packaged products

We have a clear growth strategy for growth for Branded packaged products which focuses on both the core operations and the Group's strong brands, well positioned to respond to the growing consumer trends demanding local brands and innovative offerings with a conscious and 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. We will also continue to recover the mix within the segment to secure strong profitability.

2 Sustainable value within the Pick & mix business

Pick & mix is an important consumer market as it goes hand in hand with underlying consumer trends such as individualism and sustainable packaging.

The segment is also of importance for our customers as it increases in-store traffic and impacts our ability to sell other categories. From its strong market position Cloetta has good opportunities to develop the category and thereby drive profitability and growth, with the ambition to reach an EBIT margin in the range of 5–7 per cent in the medium-term.

3 Focus on lower costs and greater efficiency

Cloetta needs to invest to continue to grow. This includes increasing marketing investments for Branded packaged products, adapting to changing consumer and customer demand, and creating capacity to produce more products.

Cloetta's efficiency programmes, together with strengthened corporate culture and processes in One Cloetta, are important drivers to improve the overall profitability which allows for the investments.

4 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 initiatives within the sustainability agenda cover topics all across the

value chain where Cloetta has the ability to make an impact. Further information on Cloetta's sustainability journey is available in the latest Annual Report as well as on www.cloetta.com/en/sustainability/.

Assurance of the Board of Directors and CEO

The Board of Directors hereby gives its assurance that the interim report provides 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. Stockholm, 26 April 2024

Cloetta AB (publ)

Morten Falkenberg, Board Chairman

Patrick Bergander, Member of the Board

Lena Grönedal, Employee Board member

Malin Jennerholm, Member of the Board

Alan McLean Raleigh, Member of the Board

Pauline Lindwall, Member of the Board

Camilla Svenfelt, Member of the Board

Mikael Svenfelt, Member of the Board

Henri de Sauvage-Nolting, President and CEO

The information in this interim report has not been reviewed by the company's auditors.

Financial calendar

Interim report Q2 2024 12 July 2024

Interim report Q3 2024 25 October 2024

This information is information that Cloetta AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person detailed above, at 07:30 a.m. CEST on 26 April 2024.

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Financial statements in summary

Consolidated profit and loss account

SEKm	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Net sales	2,094	1,973	8,422	8,301
Cost of goods sold	-1,448	-1,355	-5,844	-5,751
Gross profit	646	618	2,578	2,550
Selling expenses	-267	-258	-1,082	-1,073
General and administrative expenses	-186	-182	-746	-742
Operating profit	193	178	750	735
Exchange differences on cash and cash equivalents in foreign currencies	-29	-71	-1	-43
Other financial income	35	23	140	128
Other financial expenses	-51	-39	-262	-250
Net financial items	-45	-87	-123	-165
Profit before tax	148	91	627	570
Income tax	-41	-26	-148	-133
Profit for the period	107	65	479	437
<i>Profit for the period attributable to:</i>				
Owners of the Parent Company	107	65	479	437
Earnings per share, SEK				
Basic ¹	0.37	0.23	1.68	1.53
Diluted ¹	0.37	0.23	1.68	1.53
Number of shares outstanding at end of period ¹	285,342,034	285,405,738	285,342,034	285,342,034
Average number of shares (basic) ¹	285,342,034	285,405,738	285,379,108	285,394,917
Average number of shares (diluted) ¹	285,396,406	285,597,623	285,296,681	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.

Consolidated statement of comprehensive income

SEKm	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Profit for the period	107	65	479	437
<i>Other comprehensive income</i>				
Remeasurement of defined benefit pension plans	14	4	-32	-42
Income tax on remeasurement of defined benefit pension plans	-3	-1	6	8
Items that will never be reclassified to profit or loss for the period	11	3	-26	-34
Currency translation differences	247	75	132	-40
Hedge of a net investment in a foreign operation	-61	-21	-33	7
Income tax on hedge of a net investment in a foreign operation	12	4	7	-1
Items that may be reclassified to profit or loss for the period	198	58	106	-34
Total other comprehensive income	209	61	80	-68
Total comprehensive income, net of tax	316	126	559	369
<i>Total comprehensive income for the period attributable to:</i>				
Owners of the Parent Company	316	126	559	369

Net financial items

SEKm	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Exchange differences on cash and cash equivalents in foreign currencies	-29	-71	-1	-43
Other financial income, third parties	22	15	98	91
Unrealised gains on single currency interest rate swaps	4	-	4	-
Realised gains on single currency interest rate swaps	9	8	38	37
Total other financial income	35	23	140	128
Interest expenses third-party borrowings and realised losses on single currency interest rate swaps	-46	-30	-194	-178
Amortisation of capitalised transaction costs	-1	-1	-5	-5
Unrealised losses on single currency interest rate swaps	-1	-7	-39	-45
Other financial expenses, third parties	-3	-1	-24	-22
Total other financial expenses	-51	-39	-262	-250
Net financial items	-45	-87	-123	-165

Condensed consolidated balance sheet

SEKm	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	6,013	5,937	5,862
Property, plant and equipment	1,738	1,616	1,686
Deferred tax asset	25	42	23
Derivative financial instruments	4	21	5
Other financial assets	4	3	3
Total non-current assets	7,784	7,619	7,579
Current assets			
Inventories	1,335	1,284	1,292
Other current assets	1,289	1,319	1,136
Derivative financial instruments	19	32	18
Cash and cash equivalents	735	478	658
Total current assets	3,378	3,113	3,104
TOTAL ASSETS	11,162	10,732	10,683
EQUITY AND LIABILITIES			
Equity	5,413	5,125	5,098
Non-current liabilities			
Long-term borrowings	2,319	2,294	2,264
Deferred tax liability	908	893	900
Derivative financial instruments	5	-	8
Provisions for pensions and other long-term employee benefits	363	335	382
Provisions	166	148	160
Total non-current liabilities	3,761	3,670	3,714
Current liabilities			
Short-term borrowings	216	209	220
Derivative financial instruments	0	-	1
Other current liabilities	1,756	1,726	1,636
Provisions	16	2	14
Total current liabilities	1,988	1,937	1,871
TOTAL EQUITY AND LIABILITIES	11,162	10,732	10,683

Condensed consolidated statement of changes in equity

SEKm	First quarter		Full year
	2024	2023	2023
Equity at beginning of period	5,098	4,994	4,994
Profit for the period	107	65	437
Other comprehensive income	209	61	-68
Total comprehensive income	316	126	369
Transactions with owners			
Purchase of treasury shares	-	-	-1
Share-based payments	-1	5	21
Dividend ¹	-	-	-285
Total transactions with owners	-1	5	-265
Equity at end of period	5,413	5,125	5,098

¹ The dividend paid in 2023 comprised a dividend of SEK 1.00 per share.

Condensed consolidated cash flow statement

SEKm	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Cash flow from operating activities before changes in working capital	252	202	928	878
Cash flow from changes in working capital	-103	-178	-25	-100
Cash flow from operating activities	149	24	903	778
Cash flows from investments in property, plant and equipment and intangible assets	-50	-47	-285	-282
Cash flow from other investing activities	0	0	2	2
Cash flow from investing activities	-50	-47	-283	-280
Cash flow from operating and investing activities	99	-23	620	498
Cash flow from financing activities	-22	-20	-381	-379
Cash flow for the period	77	-43	239	119
Cash and cash equivalents at beginning of period	658	583	478	583
Cash flow for the period	77	-43	239	119
Exchange difference	0	-62	18	-44
Total cash and cash equivalents at end of period	735	478	735	658

Condensed consolidated key figures

SEKm	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Profit				
Net sales	2,094	1,973	8,422	8,301
Net sales, change, %	6.1	28.1	15.3	20.8
Organic net sales, change, %	5.7	23.5	11.3	15.7
Gross margin, %	30.9	31.3	30.6	30.7
Depreciation	-75	-67	-292	-284
Amortisation	-3	-3	-11	-11
Impairment loss other non-current assets	5	20	2	17
Operating profit, adjusted	192	200	791	799
Operating profit margin, adjusted %	9.2	10.1	9.4	9.6
Operating profit (EBIT)	193	178	750	735
Operating profit margin (EBIT margin), %	9.2	9.0	8.9	8.9
EBITDA, adjusted	271	271	1,100	1,100
EBITDA	266	228	1,051	1,013
Profit margin, %	7.1	4.6	7.4	6.9
Segments				
Branded packaged products				
Net sales	1,513	1,448	6,218	6,153
Operating profit, adjusted	152	184	754	786
Operating profit margin, adjusted %	10.0	12.7	12.1	12.8
Pick & mix				
Net sales	581	525	2,204	2,148
Operating profit, adjusted	40	16	37	13
Operating profit margin, adjusted %	6.9	3.0	1.7	0.6
Financial position				
Working capital	930	891	930	796
Capital expenditure	71	69	381	379
Net debt	1,794	1,983	1,794	1,825
Capital employed	8,316	7,963	8,316	7,973
Return on capital employed, % (Rolling 12 months)	10.9	7.5	10.9	10.9
Equity/assets ratio, %	48.5	47.8	48.5	47.7
Net debt/equity ratio, %	33.1	38.7	33.1	35.8
Return on equity, % (Rolling 12 months)	8.8	4.1	8.8	8.6
Equity per share, SEK	19.0	18.0	19.0	17.9
Net debt/EBITDA, x (Rolling 12 months)	1.6	2.0	1.6	1.7
Cash flow				
Cash flow from operating activities	149	24	903	778
Cash flow from investing activities	-50	-47	-283	-280
Cash flow after investments	99	-23	620	498
Free cash flow	99	-23	618	496
Free cash flow yield (Rolling 12 months), %	11.9	4.9	11.9	9.5
Cash flow from operating activities per share, SEK	0.5	0.1	3.2	2.7
Employees				
Average number of employees	2,591	2,578	2,587	2,582

Reconciliation of alternative performance measures key figures

SEKm	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Items affecting comparability				
Acquisitions, integration and restructurings	1	-22	-41	-64
<i>of which: impairment loss other non-current assets</i>	6	21	8	23
Items affecting comparability	1	-22	-41	-64
<i>Corresponding line in the condensed consolidated profit and loss account:</i>				
Cost of goods sold	4	-20	-24	-48
Selling expenses	-	-	1	1
General and administrative expenses	-3	-2	-18	-17
Total	1	-22	-41	-64
Operating profit, adjusted				
Operating profit	193	178	750	735
Minus: Items affecting comparability	1	-22	-41	-64
Operating profit, adjusted	192	200	791	799
Net sales	2,094	1,973	8,422	8,301
Operating profit margin, adjusted, %	9.2	10.1	9.4	9.6
EBITDA, adjusted				
Operating profit	193	178	750	735
Minus: Depreciation	-75	-67	-292	-284
Minus: Amortisation	-3	-3	-11	-11
Minus: Impairment loss other non-current assets	5	20	2	17
EBITDA	266	228	1,051	1,013
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	-5	-43	-49	-87
EBITDA, adjusted	271	271	1,100	1,100
Capital employed				
Total assets	11,162	10,732	11,162	10,683
Minus: Deferred tax liability	908	893	908	900
Minus: Non-current provisions	166	148	166	160
Minus: Current provisions	16	2	16	14
Minus: Other current liabilities	1,756	1,726	1,756	1,636
Capital employed	8,316	7,963	8,316	7,973
Capital employed comparative period previous year	7,963	7,555	7,963	7,823
Average capital employed	8,140	7,759	8,140	7,898

Reconciliation alternative performance measures, continued

SEKm	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Return on capital employed				
Operating profit (Rolling 12 months)	750	490	750	735
Financial income (Rolling 12 months)	140	89	140	128
Operating profit plus financial income (Rolling 12 months)	890	579	890	863
Average capital employed	8,140	7,759	8,140	7,898
Return on capital employed, %	10.9	7.5	10.9	10.9
Free cash flow yield				
Cash flow from operating activities (Rolling 12 months)	903	516	903	778
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-285	-211	-285	-282
Free cash flow (Rolling 12 months)	618	305	618	496
Number of shares outstanding	285,342,034	285,405,738	285,342,034	285,342,034
Free cash flow per share (Rolling 12 months), SEK	2.17	1.07	2.17	1.74
Market price per share, SEK	18.19	21.88	18.19	18.32
Free cash flow yield (Rolling 12 months), %	11.9	4.9	11.9	9.5
Changes in net sales				
Net sales	2,094	1,973	8,422	8,301
Net sales comparative period previous year	1,973	1,540	7,302	6,869
Net sales, change	121	433	1,120	1,432
Minus: Changes in exchange rates	9	71	294	356
Organic growth	112	362	826	1,076
Organic growth, %	5.7	23.5	11.3	15.7

Quarterly data

SEKm	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Profit and loss account									
Net sales	2,094	2,182	2,148	1,998	1,973	1,905	1,798	1,626	1,540
Cost of goods sold	-1,448	-1,514	-1,524	-1,358	-1,355	-1,257	-1,235	-1,267	-979
Gross profit	646	668	624	640	618	648	563	359	561
Selling expenses	-267	-300	-248	-267	-258	-283	-234	-246	-246
General and administrative expenses	-186	-194	-175	-191	-182	-178	-143	-174	-161
Operating profit/loss	193	174	201	182	178	187	186	-61	154
Exchange differences on cash and cash equivalents in foreign currencies	-29	27	67	-66	-71	-27	-52	-70	6
Other financial income	36	39	33	33	23	18	35	13	17
Other financial expenses	-52	-94	-64	-53	-39	-28	-15	-10	-10
Net financial items	-45	-28	36	-86	-87	-37	-32	-67	13
Profit/loss before tax	148	146	237	96	91	150	154	-128	167
Income tax	-41	-8	-76	-23	-26	-42	-24	34	-36
Profit/loss for the period	107	138	161	73	65	108	130	-94	131
<i>Profit/loss for the period attributable to:</i>									
Owners of the Parent Company	107	138	161	73	65	108	130	-94	131
Key figures									
Profit									
Depreciation, amortisation and impairment	-73	-75	-76	-77	-50	-70	-71	-194	-63
Operating profit, adjusted	192	200	208	191	200	183	188	162	158
EBITDA, adjusted	271	270	288	271	271	249	255	230	221
EBITDA	266	249	277	259	228	257	257	133	217
Operating profit margin, adjusted %	9.2	9.2	9.7	9.6	10.1	9.6	10.5	10.0	10.3
Operating profit margin (EBIT margin), %	9.2	8.0	9.4	9.1	9.0	9.8	10.3	-3.8	10.0
Earnings per share, SEK									
Basic and diluted ¹	0.37	0.48	0.56	0.26	0.23	0.38	0.45	-0.33	0.46
Segments									
Branded packaged products									
Net sales	1,513	1,621	1,620	1,464	1,448	1,424	1,372	1,213	1,160
Operating profit, adjusted	152	200	216	186	184	180	186	154	149
Operating profit margin, adjusted %	10.0	12.3	13.3	12.7	12.7	12.6	13.6	12.7	12.8
Pick & mix									
Net sales	581	561	528	534	525	481	426	413	380
Operating profit/loss, adjusted	40	0	-8	5	16	3	2	8	9
Operating profit margin, adjusted %	6.9	0.0	-1.5	0.9	3.0	0.6	0.5	1.9	2.4
Financial position									
Share price, last paid, SEK	18.19	18.32	18.26	19.61	21.88	20.86	17.61	20.96	25.74
Return on equity, % (Rolling 12 months)	8.8	8.6	7.8	7.3	4.1	5.5	6.5	7.0	10.5
Equity per share, SEK	19.0	17.9	18.2	18.0	18.0	17.5	16.7	16.0	16.5
Net Debt/EBITDA, x (Rolling 12 months)	1.6	1.7	2.0	2.3	2.0	1.9	2.2	2.4	1.9
Cash flow									
Free cash flow	99	394	123	2	-23	241	223	-136	-23
Cash flow from operating activities per share, SEK	0.5	1.7	0.7	0.3	0.1	1.0	1.0	-0.3	0.1

¹ During 1 till 9 November 2021, during 31 October till 23 November 2022 and on 30 October 2023, Cloetta purchased 1,590,629, 1,622,932 and 63,704 treasury shares respectively to fulfil its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met.

Reconciliation of alternative performance measures per quarter

SEKm	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Items affecting comparability									
Acquisitions, integration and restructurings	1	-26	-7	-9	-22	-18	-2	-225	-4
<i>of which: impairment loss other non-current assets</i>	6	-5	4	3	21	-4	-4	-126	-
Other items affecting comparability	-	-	-	-	-	22	-	2	-
Items affecting comparability	1	-26	-7	-9	-22	4	-2	-223	-4
<i>Corresponding line in the condensed consolidated profit and loss account:</i>									
Cost of goods sold	4	-21	-3	-4	-20	12	-2	-220	-
Selling expenses	-	-	1	-	-	-	-	-	-4
General and administrative expenses	-3	-5	-5	-5	-2	-8	0	-3	-
Total	1	-26	-7	-9	-22	4	-2	-223	-4
Operating profit, adjusted									
Operating profit	193	174	201	182	178	187	186	-61	154
Minus: Items affecting comparability	1	-26	-7	-9	-22	4	-2	-223	-4
Operating profit, adjusted	192	200	208	191	200	183	188	162	158
Net sales	2,094	2,182	2,148	1,998	1,973	1,905	1,798	1,626	1,540
Operating profit margin, adjusted, %	9.2	9.2	9.7	9.6	10.1	9.6	10.5	10.0	10.3
EBITDA, adjusted									
Operating profit	193	174	201	182	178	187	186	-61	154
Minus: Depreciation	-75	-63	-76	-78	-67	-63	-62	-66	-60
Minus: Amortisation	-3	-3	-3	-2	-3	-3	-3	-2	-3
Minus: Impairment loss other non-current assets	5	-9	3	3	20	-4	-6	-126	-
EBITDA	266	249	277	259	228	257	257	133	217
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	-5	-21	-11	-12	-43	8	2	-97	-4
EBITDA, adjusted	271	270	288	271	271	249	255	230	221
Capital employed									
Total assets	11,162	10,683	10,873	10,916	10,732	10,316	10,151	9,774	9,878
Minus: Deferred tax liability	908	900	922	929	893	884	920	918	894
Minus: Non-current provisions	166	160	165	162	148	107	102	105	1
Minus: Current provisions	16	14	2	2	2	6	3	5	6
Minus: Other current liabilities	1,756	1,636	1,731	1,764	1,726	1,496	1,545	1,377	1,422
Capital employed	8,316	7,973	8,053	8,059	7,963	7,823	7,581	7,369	7,555
Capital employed comparative period previous year	7,963	7,823	7,581	7,369	7,555	7,388	7,328	7,157	7,382
Average capital employed	8,140	7,898	7,817	7,714	7,759	7,606	7,455	7,263	7,469

Reconciliation alternative performance measures, continued

SEKm	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Return on capital employed									
Operating profit (Rolling 12 months)	750	735	748	733	490	466	436	429	616
Financial income (Rolling 12 months)	140	128	107	109	89	83	69	36	25
Operating profit plus financial income (Rolling 12 months)	890	863	855	842	579	549	505	465	641
Average capital employed	8,140	7,898	7,817	7,714	7,759	7,606	7,455	7,263	7,469
Return on capital employed, %	10.9	10.9	10.9	10.9	7.5	7.2	6.8	6.4	8.6
Free cash flow yield									
Cash flow from operating activities (Rolling 12 months)	903	778	581	677	516	519	606	598	831
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-285	-282	-238	-234	-211	-214	-229	-206	-201
Free cash flow (Rolling 12 months)	618	496	343	443	305	305	377	392	630
Number of shares outstanding	285,342,034	285,342,034	285,405,738	285,405,738	285,405,738	285,405,738	287,028,670	287,028,670	287,028,670
Free cash flow per share (Rolling 12 months), SEK	2.17	1.74	1.20	1.55	1.07	1.07	1.31	1.37	2.19
Market price per share, SEK	18.19	18.32	18.26	19.61	21.88	20.86	17.61	20.96	25.74
Free cash flow yield (Rolling 12 months), %	11.9	9.5	6.6	7.9	4.9	5.1	7.4	6.5	8.5
Changes in net sales									
Net sales	2,094	2,182	2,148	1,998	1,973	1,905	1,798	1,626	1,540
Net sales comparative period previous year	1,973	1,905	1,798	1,626	1,540	1,662	1,566	1,420	1,398
Net sales, change	121	277	350	372	433	243	232	206	142
Minus: Changes in exchange rates	9	54	131	100	71	85	52	37	43
Organic growth	112	223	219	272	362	158	180	169	99
Organic growth, %	5.7	11.7	12.2	16.7	23.5	9.5	11.5	11.9	7.1

Parent company

Condensed parent company profit and loss account

SEKm	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Net sales	38	28	123	113
Gross profit	38	28	123	113
General and administrative expenses	-36	-30	-149	-143
Operating profit/loss	2	-2	-26	-30
Net financial items	-27	-21	23	29
Loss before tax	-25	-23	-3	-1
Income tax	5	5	-2	-2
Loss for the period	-20	-18	-5	-3

Loss for the period corresponds to comprehensive income for the period.

Condensed parent company balance sheet

SEKm	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Non-current assets	5,422	5,393	5,410
Current assets	170	33	171
TOTAL ASSETS	5,592	5,426	5,581
EQUITY AND LIABILITIES			
Equity	2,191	2,467	2,212
Non-current liabilities			
Borrowings	950	942	949
Provisions	2	4	2
Total non-current liabilities	952	946	951
Current liabilities			
Borrowings	149	149	149
Other current liabilities	2,300	1,864	2,269
Total current liabilities	2,449	2,013	2,418
TOTAL EQUITY AND LIABILITIES	5,592	5,426	5,581

Condensed parent company statement of changes in equity

SEKm	First quarter		Full year
	2024	2023	2023
Equity at beginning of period	2,212	2,480	2,480
Loss for the period	-20	-18	-3
Total comprehensive income	-20	-18	-3
Transactions with owners			
Share-based payments	-1	5	21
Purchase of treasury shares	-	-	-1
Dividend ¹	-	-	-285
Total transactions with owners	-1	5	-265
Equity at end of period	2,191	2,467	2,212

¹ The dividend paid in 2023 comprised a dividend of SEK 1.00 per share.

Accounting and valuation policies, disclosures and risk factors

Accounting and valuation policies

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. The applied standards and interpretations are those that were in force and had been endorsed by the EU at 1 January 2024. The consolidated interim report is presented compliant with IAS 34, Interim Financial Reporting, and in compliance with the relevant provisions in the Swedish Annual Accounts Act and the Swedish Securities Market Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which are consistent with the provisions in recommendation RFR 2, Accounting for Legal Entities. For lease accounting the company makes use of the exemption under RFR2 to treat all leases as operating lease.

Basis of accounting

The same accounting policies and methods of computation are applied in the interim financial statements as in the most recent annual financial statements. Reference is made to Note 1 'General information and accounting and valuation policies of the Group' and Note 31 'Changes in accounting policies' in the Annual and sustainability report 2023 at www.cloetta.com. No new standards are effective as from 1 January 2024 which have been endorsed by the EU.

Disclosures

Disaggregation of revenue from contracts with customers
Cloetta generates revenues from the transfer of goods and services at a point in time and over time in the following major sales categories and performance obligations.

Disaggregation of revenue

SEKm	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Branded packaged products	1,513	1,448	6,218	6,153
Pick & mix	581	525	2,204	2,148
Total	2,094	1,973	8,422	8,301

Breakdown of net sales by category

%	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Candy	62	61	63	62
Chocolate	20	19	19	19
Pastilles	9	11	9	10
Chewing gum	5	5	5	5
Nuts	2	2	2	2
Other	2	2	2	2
Total	100	100	100	100

Breakdown of net sales by country

%	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Sweden	30	30	30	30
Finland	20	21	21	21
The Netherlands	15	15	15	15
Denmark	10	10	10	10
The UK	5	5	5	5
Norway	6	6	6	6
Germany	7	6	6	6
International Markets	7	7	7	7
Total	100	100	100	100

Leases*Right-of-use assets*

SEKm	31 Mar 2024	31 Mar 2023	31 Dec 2023
Land and buildings	70	100	85
Transportation	63	38	50
Other equipment	19	13	20
Total right-of-use assets	152	151	155

Additions to the right-of-use assets were SEK 21m (22) during the quarter.

Lease liability

SEKm	31 Mar 2024	31 Mar 2023	31 Dec 2023
Current	70	62	74
Non-current (between 1-5 years)	75	79	75
Non-current (over 5 years)	10	12	10
Total Lease liability	155	153	159

The non-current lease liability of SEK 85m (91) is reflected in the 'long-term borrowings'. The current lease liability of SEK 70m (62) is reflected in the 'short-term borrowings'.

Depreciation charge right-of-use assets

SEKm	First quarter		Rolling 12	Full year
	2024	2023	Apr 2023– Mar 2024	2023
Land and buildings	-8	-9	-36	-37
Transportation	-14	-7	-42	-35
Other equipment	-6	-4	-26	-24
Total depreciation charge right-of-use assets	-28	-20	-104	-96

Other disclosures

SEKm	First quarter		Rolling 12	Full year	Recognised in:
	2024	2023	Apr 2023– Mar 2024	2023	
Interest expense	-1	-1	-4	-4	net financial items, in the profit and loss account
Expense relating to leases of low-value assets that are not short-term leases	-1	0	-2	-1	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Expense relating to short-term leases, where no right-of-use asset has been recognized	-1	-1	-4	-4	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	-5	-10	-24	-29	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Total cash outflow for leases	-24	-20	-95	-91	cash flow from operating activities and financing activities, in the cash flow statement

Taxes

The effective tax rate for the period was negatively impacted by not recognising a deferred tax asset in the UK, non-deductible expenses and differences between expected and actual tax filings related to the previous years.

Fair value measurement

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 fair values of financial assets (loans and receivables) and liabilities measured at amortised cost are approximately equal to carrying amounts.

For measurement purposes, the fair value of financial assets and liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value measurements by level according to the fair value measurement hierarchy are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the carrying amounts and fair values of the Group's financial assets and liabilities, including their levels in the fair value hierarchy:

31 Mar 2024	Carrying amount			Fair value				
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
SEKm								
Financial assets								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	1,187	-	1,187				
• Single currency interest rate swaps	23	-	-	23	-	23	-	23
• Cash and cash equivalents	-	735	-	735				
Total assets	23	1,922	-	1,945	-	23	-	23
Financial liabilities								
• Loans from credit institutions	-	-	2,241	2,241				
• Commercial papers	-	-	149	149				
• Single currency interest rate swaps	5	-	-	5	-	5	-	5
• Trade and other payables, excluding other taxes and social security payables	-	-	1,519	1,519				
Total liabilities	5	-	3,909	3,914	-	5	-	5

31 Dec 2023	Carrying amount			Fair value				
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
SEKm								
Financial assets								
• 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				
Total assets	23	1,647	-	1,670	-	23	-	23
Financial liabilities								
• 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				
Total liabilities	9	-	3,769	3,778	-	9	-	9

31 Mar 2023	Carrying amount				Fair value			
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
SEKm								
Financial assets								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	1,170	-	1,170				
• Single currency interest rate swaps	53	-	-	53	-	53	-	53
• Cash and cash equivalents	-	478	-	478				
Total assets	53	1,648	-	1,701	-	53	-	53
Financial liabilities								
• Loans from credit institutions	-	-	2,210	2,210				
• Commercial papers	-	-	149	149				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,485	1,485				
Total liabilities	-	-	3,844	3,844	-	-	-	-

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 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 exchange rate on the spot date with the contractually agreed upon exchange rates.
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value of the remaining financial instruments.

Parent Company

Cloetta AB's primary activities include head office functions such as group-wide management and administration. The comments below refer to the period from 1 January to 31 March 2024. Net sales in the Parent Company amounted to SEK 38m (28) and relate mainly to intra-group services. Operating profit/loss was SEK 2m (-2). Net financial items totalled SEK -27m (-21). Loss before tax was SEK -25m (-23) and loss for the period was SEK -20m (-18). Cash and cash equivalents and short-term investments amounted to SEK 0m (0).

The Cloetta share

Cloetta's class B share is listed on Nasdaq Stockholm, Mid Cap. During the period from 1 January to 31 March 2024, a total of 48,627,625 shares were traded for a combined value of SEK 885m, equivalent to around 17 per cent

of the total number of class B shares at the end of the period. The highest quoted bid price during the period from 1 January to 31 March 2024 was SEK 19.15 (5 February) and the lowest was SEK 17.22 (18 January). The share price on 31 March 2024 was SEK 18.19 (last price paid). During the period from 1 January to 31 March 2024, the Cloetta share decreased by 1.1 per cent while the Nasdaq OMX Stockholm PI index increased by 6.7 per cent. Cloetta's share capital at 31 March 2024 amounted to 1,443,096,495. The total number of shares is 288,619,299, consisting of 5,735,249 (5,735,249) class A shares and 282,884,050 (282,884,050) class B shares, equal to a quota value of SEK 5 per share. At 31 March 2024, Cloetta had 3,277,265 class B shares in treasury.

Shareholders

On 31 March 2024, Cloetta AB had 43,112 shareholders.

The largest shareholder was AB Malfors Promotor with a holding corresponding to 42.3 per cent of the votes and 32.0 per cent of the share capital in the company. La Financière de l'Echiquier was the second largest shareholder with 3.2 per cent of the votes and 3.8 per cent of the share capital. 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.

Cloetta regularly updates its list of shareholders on its investor website www.cloetta.com/en/investors/.

Risk factors

Cloetta is an internationally active company that is exposed to a number of market and financial risks. All identified risks are monitored continuously and, if needed, risk mitigating measures are taken to limit their impact. The most relevant risk factors are described in the Annual and sustainability report 2023 and consist of industry and market-related risks, operational risks and financial risks.

Compared to the Annual and sustainability report, which was issued on 11 March 2024, the risk-profile of Cloetta has not significantly changed although the rising input costs and global supply chain challenges are materialising and may further affect the business performance of Cloetta.

Definitions

General		
	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.	
Margins	Definition/calculation	Purpose
Gross margin	Net sales less cost of goods sold as a percentage of net sales.	Gross margin measures production profitability.
Operating profit margin, adjusted	Operating profit, adjusted for items affecting comparability, as a percentage of net sales.	Adjusted operating profit margin excludes the impact of items affecting comparability, enabling a comparison of operational profitability.
Operating profit margin (EBIT margin)	Operating profit expressed as a percentage of net sales.	Operating profit margin is used for measuring the operational profitability.
Profit margin	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.
Return	Definition/calculation	Purpose
Free cash flow	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.
Free cash flow yield	Free cash flow of the last 12 months divided by the number of outstanding shares at the end of the period and consequently divided by the market price per share at the end of the period.	This metric is an indicator for the return on investment of investors in the company.
Return on capital employed	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.
Return on equity	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.
Capital structure	Definition/calculation	Purpose
Capital employed	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.
Equity/assets ratio	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 firm.
Gross debt	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.
Net debt	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.
Net debt/EBITDA	Net debt at the end of the period divided by the EBITDA, adjusted, 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 of cash flows from interest, tax and capital expenditure.
Net debt/equity ratio	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.
Working capital	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.
Data per share	Definition/calculation	Purpose
Cash flow from operating activities per share	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 in, irrespective of the capital investments and cash flows related to the financing structure of the company.
Earnings per share	Profit for the period divided by the average number of outstanding shares adjusted for the effect of treasury shares.	The earnings per share measures the amount of net profit that is available for payment to shareholders per share.
Equity per share	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	Definition/calculation	Purpose
Amortisation	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.
Depreciation	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.
EBITDA	Operating profit before depreciation, amortisation and impairments of other non-current assets.	EBITDA is used to measure the cash flow generated from operating activities, eliminating the impact of financing and accounting decisions.
EBITDA, adjusted	Operating profit, adjusted for items affecting comparability, before depreciation, amortisation and impairments of other non-current assets.	Adjusted EBITDA increases the comparability of EBITDA.
Effective tax rate	Income tax as a percentage of profit before tax.	This metric enables the income tax to be compared across locations where corporate taxes differ.
Items affecting comparability	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.
Net financial items	The total of exchange differences on cash and cash equivalent in foreign currencies, other financial income and other financial expenses.	The net financial items reflects the company's total costs of external financing.
Net sales, change	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.
Operating profit (EBIT)	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 the financing structure of the company.
Operating profit (EBIT), adjusted	Operating profit adjusted for items affecting comparability.	Operating profit, adjusted increases the comparability of operating profit.
Organic growth	Net sales, change excluding acquisition-driven growth and changes in exchange rates.	Organic growth excludes the impact of changes in group structure and exchange rates, enabling a comparison on net sales growth over time.
Structural changes	Net sales, change resulting from changes in group structure.	Structural changes measure the contribution of changes in group structure to the net sales growth.

Glossary

Branded packaged products	Products that are mainly sold under brands and are packaged.
FVTPL	Fair Value Through Profit and Loss.
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.

Exchange rates

SEK	31 Mar 2024	31 Mar 2023	31 Dec 2023
EUR, average	11.2801	11.2155	11.4821
EUR, end of period	11.5250	11.2805	11.0960
NOK, average	0.9876	1.0188	1.0046
NOK, end of period	0.9851	0.9900	0.9871
GBP, average	13.1822	12.7121	13.2099
GBP, end of period	13.4780	12.8304	12.7680
DKK, average	1.5130	1.5069	1.5410
DKK, end of period	1.5453	1.5145	1.4888

Business model

Cloetta's business model is to offer strong local brands in confectionery and nuts and provide effective sales and distribution to the retail trade. Together, this will ensure continued positive development of the company's leading market positions.

Value drivers

- Strong brands and market positions in a non-cyclical market
- Excellent availability in the retail trade with the help of a strong and effective sales and distribution organisation
- Good consumer knowledge and loyalty
- Innovative product and packaging development
- Effective production with high and consistent quality

About Cloetta

Cloetta, founded in 1862, is a leading confectionery company in Northern Europe. In total, Cloetta products are sold in more than 50 countries worldwide. Cloetta owns some of the strongest brands on the market, such as Läkerol, CandyKing, Jenkki, Kexchoklad, Malaco, Sportlife and Red Band. Cloetta has seven production units in five countries. Cloetta's class B shares are traded on Nasdaq Stockholm.

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