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Annual and
Sustainability
Report 2025



Clorox

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The auditors have audited the annual accounts and consolidated accounts of Cloetta AB (publ) for the year 2025, which are included on pages 35–140 and 143–193 in this document, except for the corporate governance statement on pages 48–54 and the statutory Sustainability Report on pages 64–140 which has been subject to limited review procedures. The administration report is included on pages 35–140. 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.



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Cloetta is Northern Europe's leading confectionery company. Over decades, our brands have been invited by consumers to enhance precious joyful occasions. Feelings of joy improve our mood, our health and our overall wellbeing. And joy, unlike happiness, is achievable for everyone, everyday!

Curious and eager to decode the true nature of joy, Cloetta decided to conduct research in some of the happiest countries in the world; Denmark, Norway, Sweden and Finland. Read more about our Joy Report on page 17!

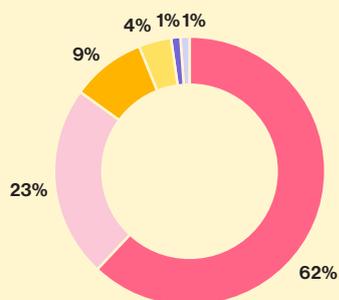
Cloetta at a glance

Our vision

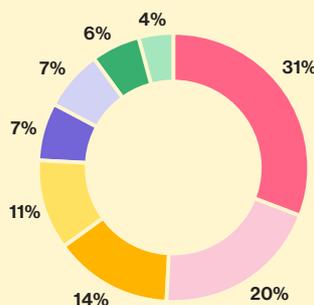
To be the winning confectionery company, inspiring a more joyful world



Net sales by category and country



- 62% Candy
- 23% Chocolate
- 9% Pastilles
- 4% Chewing gum
- 1% Nuts
- 1% Other



- 31% Sweden
- 20% Finland
- 14% The Netherlands
- 11% Denmark
- 7% Germany
- 7% Other markets'
- 6% Norway
- 4% The UK

1) North America is included in Other markets.

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.

Within the business segment, Cloetta is active in four categories: candy, chocolate, pastilles and gum.

70% (2024: 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 vary by customer.

30% (2024: 28%)
Per cent of net sales



Key highlights 2025



December

- CandyKing opened its first permanent store in the U.S., with the full Pick & mix concept (read more on page 20)

Sep

Oct

Nov

Dec

2026

Jan



September

- Two major multimarket launches initiated within the Superbrand Malaco, Fruity Drops and Chewit Soft Bites (read more on page 20)
- Cloetta entered into a new term and multicurrency revolving facilities agreement



May

- Läkerol Hot Pepper successfully launched as a limited edition in the Nordics, reaching both new consumers for the brand and pastilles category
- Ahlgrens bilar presented a limited edition shoe, in time for Stockholm Fashion Week, further increasing brand awareness



Aug

Jul

Jun

May

July

- New global supplier agreement with IKEA announced

March

- A research on joy in the Nordics, the Joy Report, is released in collaboration with Ipsos (read more on page 17)
- Updated strategic priorities and long-term financial targets geared for profitable growth announced



2025

Jan

Feb

Mar

Apr



February

- Mynthon Zip Mint is launched in the entire Scandic region (read more on page 20)
- Ahlgrens Bilar Syrlig frukt is launched in Sweden
- Cloetta decides not to proceed with the greenfield investment in the Netherlands

April

- Tupla ice-cream cones are launched in Finland, becoming one of the most sold ice-cream cones in 2025
- Two CandyKing concept pilot installations in the U.S.
- Change to operating structure and Group Management announced to better support the updated strategic priorities

CEO comment

Successful year with significant profitability step-up

Last year brought significant transformation while also being one of Cloetta’s best years ever. Our new strategy, that includes a new vision and updated strategic priorities and financial targets, was launched at our Investor Day in March. The changes reflect our ambition to accelerate growth, enhance efficiency and leverage our strong brands across core markets and beyond. We remain committed to driving long-term profitable growth and further strengthening our market position and a more focused execution.

Our broad confectionery portfolio continues to provide both strategic strength and competitive advantage also during times of fast changes in consumer behavior. During especially the first half of the year, volumes for other treats grew due to increased retail prices of chocolate products. Through the broad portfolio, we were able to effectively mitigate this change and could move our trade activations to other confectionery categories. This strength is, however, best exemplified through the continued consumer preference and related excellent results of our Pick & mix (P&M) business segment. With a now sharpened focus also on innovation, marketing effectiveness and operational excellence, we are well-positioned to create long-term value for our consumers, customers and shareholders.

Organic sales growth totalled 1.9 per cent and reported sales decreased -0.5 per cent due to the structural change with the divestment of the Nutisal brand in 2024 and -2.4 per cent due to exchange differences. As Cloetta largely sells its products in the same currency as they are produced, the real effect of the strengthened SEK is limited, and the lower reported sales primarily a translation effect. We saw a year of lower inflation which continued to affect the market dynamics, especially in the second half of the year and retailers and food industry manufacturers in Europe faced societal and political pressure related to food pricing, but with the strategic strength of our broad portfolio and aided by our new strategy, we continue on a clear path towards our long-term target of organic sales growth of 3-4 per cent.



During the year we also progressed with the long-term plan for geographical expansion for the Pick & mix business segment. The opening of the first permanent CandyKing store in New York City in December

2025 marked an important step in successfully and profitably establishing one of our Superbrands, our leading CandyKing concept and the Nordic consumer tradition of P&M in retailers in North America. Although

“Our profitability uplift has been driven by focus on margin enhancing activities, product portfolio optimisation and cost control, while executing our fair pricing strategy supported by continued strong and strategic investments in our ten Superbrands.”

sales to North America continue to grow with double-digit numbers, the share of Group sales remain limited.

Operating in a non-cyclical market with stable consumer demand enables us to focus on strategy execution and we continue to remain largely unaffected by the increased global market uncertainty that characterised last year, especially related to US tariffs and potential retaliatory measures.

Our commitment to deliver profitable growth continues and our mid-term profitability target of at least 12 per cent by 2027 is within sight already for 2026. Our profitability uplift has been driven by focus on margin enhancing activities, product portfolio optimisation and cost control, while executing our fair pricing strategy supported by continued strong and strategic investments in our ten Superbrands.

Our strategic focus to leverage and scale our Superbrands is based on their characteristics. The ten chosen Superbrands have all been loved by consumers for generations, they have a unique market proposition, have a minimum of EUR 15m in Net Sales, have a multimarket presence as well as have multi-occasion opportunities. They are also scalable, have a higher gross profit than our average portfolio and also have high expectations of growth. You can read more about these brands on page 19 and about selected milestones for them on page 20.

In April, we announced our plan to more closely align our operating structure to the new strategic priorities and improve agility. The new organisation has been effective as of October, and we ended last year ahead of the expected run-rate to deliver 20 per cent of the total annualised savings of SEK 60-70 million by year-end. As previously communicated, we expect the full effect of the savings in the first quarter of 2026.

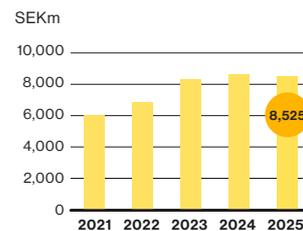
Our attractive cash flow generation continues and consistently improving Net debt/ EBITDA ratio has reached an all-time low level and remains well below our long-term target. Based on the strong balance sheet, the Board has proposed an increased dividend of SEK 1.40 per share.

I'm very proud of our people at Cloetta, who made an eventful and transformational year so successful. We have entered 2026 as a more focused and more efficient Cloetta and I look forward to sharing further updates on our progress as we continue the work to realise our new vision to be the winning confectionery company, inspiring a more joyful world!

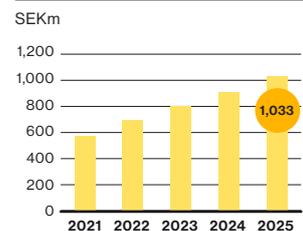
Stockholm, March 2026

Katarina Tell
President and CEO

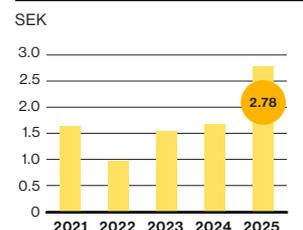
Net sales



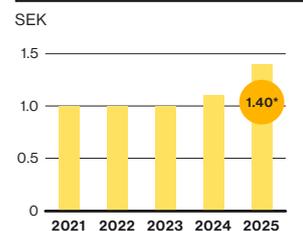
Operating profit, adjusted



Earnings per share



Dividend per share



* Proposal to the AGM

Long-term financial targets

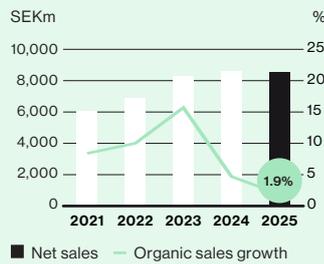
In March 2025, Cloetta announced its updated long-term financial targets along with the strategic priorities to drive profitable growth.

Organic sales growth

Cloetta's long-term target is to grow organically by 3–4 per cent per year (previously 1–2 per cent).

Comment on the year's outcome: Organic growth was 1.9 per cent, resulting in Net sales for the third time exceeding SEK 8 billion. With the strategic strength of Cloetta's broad portfolio and aided by the new strategy, the company is on a clear path towards the long-term organic sales growth target of 3–4 per cent.

Net sales and organic sales growth



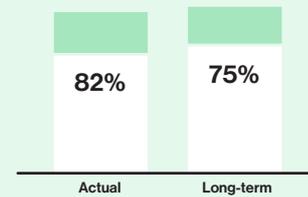
Target



Comment on target: Net sales growth target increased to 3–4 per cent, driven by acceleration of both Core markets¹ and Beyond core markets², with increased geographical diversification. In the long-term, Cloetta assumes that its Core markets will grow in line with the target of 3–4 per cent, while the Beyond core markets are expected to grow two to three times faster.

1) Core markets are Sweden, Finland, the Netherlands, Denmark and Norway.
2) Beyond core markets include Germany, United Kingdom, North America.
In total, Cloetta has sales to more than 60 markets.

Share of net sales



Growth index to total growth target



EBIT margin

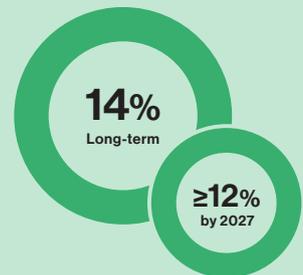
Cloetta's long-term target is an adjusted EBIT margin of at least 14 per cent (with the addition to reach at least 12 per cent by 2027).

Comment on the year's outcome: The adjusted EBIT margin amounted to 12.1 per cent. The profitability uplift has been driven by focus on margin enhancing activities, product portfolio optimisation and cost control, while executing on the fair pricing strategy supported by continued strong and strategic investments in Cloetta's ten Superbrands.

EBIT and margin, adjusted

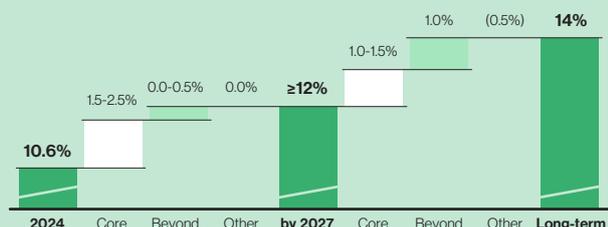


Target



Comment on target: Further EBIT margin uplift through scale and net revenue management, with supply chain fit for purpose and the new, more effective operating structure.

Key drivers of EBIT margin



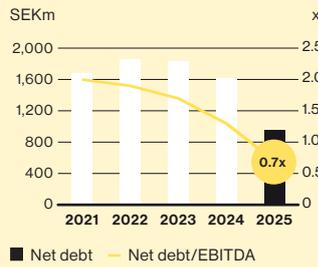
Net debt

Cloetta's long-term target is a net debt/EBITDA ratio to be below 1.5x¹⁾ (previously to be around 2.5x).

Comment on the year's outcome: Following a continued very strong cash flow delivery, the lowest net debt/EBITDA in the company's history of 0.7x was achieved, well below the long-term target.

1) The target may be temporarily exceeded in the event of acquisitions, provided there is a clear path to de-leveraging.

Net debt/EBITDA



Target



Comment on target: Strong cash flow and low leverage provide flexibility to invest in profitable growth.

Free cash flow

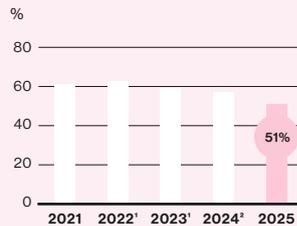


Dividend policy

Cloetta's policy is a dividend payout of more than 50 per cent of profit for the year (previously 40–60 per cent).

Comment on the year's outcome: The Board of Directors in February 2026 proposed to the AGM 2026 to distribute an increased dividend of SEK 1.40 (1.10) per share.

Dividend policy (share of profit)



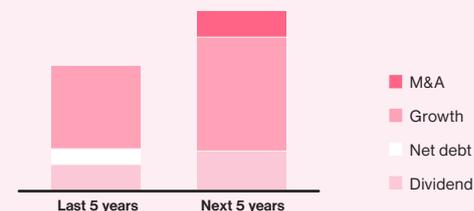
Target



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

Comment on target: The dividend proposal from the Board in February 2026 corresponds to 51 per cent (66) of profit for the year and is hence aligned with Cloetta's updated dividend policy.

Illustrative capital allocation



Strategic framework

Cloetta is a proud provider of joyful moments – our brands and products bring joy to memorable occasions. During the year, we updated our strategic framework to capture new opportunities in a changing market environment and to ensure sustainable, profitable growth over time.

Vision

To be the winning confectionery company, inspiring a more joyful world

Strategic priorities

1 **Win**
with our Superbrands

2 **Grow**
beyond core markets¹

3 **Excel**
in marketing and innovation

Accelerator

Selective M&A

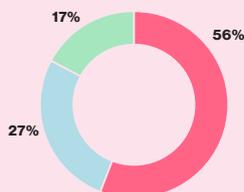
Enablers

Enhancing the operating model

Further leverage people & culture

Business models within Pick & mix (P&M)

Per cent of Pick & mix net sales



- 56% Full concept**
Includes branding, assortment, fixtures and in-store merchandising
- 27% Bulk**
Bulk sales to other P&M concepts or sales of individual products
- 17% Trade own**
Similar to the full concept but products are sold under the retailer's own private brands

Full CandyKing concept store in the U.S.

CandyKing's first permanent store in the U.S., opened in December 2025, is an example of Cloetta's full P&M concept in action. The store presents CandyKing's complete P&M offering, including branding, assortment, in-store merchandising and exclusive products.



It also illustrates how the full concept can be successfully deployed beyond Cloetta's core markets to meet the growing demand for P&M candy. Read more on page 20.

¹ Cloetta's core markets are Sweden, Finland, the Netherlands, Denmark and Norway. Beyond core markets includes Germany, United Kingdom and North America. In total, Cloetta has sales to more than 60 markets.

Strategic achievements

1

Win with our Superbrands

Increased focus across the core markets on ten selected brands to drive profitable growth through increased distribution and by continuing to stretch the brands into new categories.

Achievements 2025

The decision to focus on Superbrands was made as part of the new strategy. Ten brands meet the requirements for Superbrands, including for example a turnover of at least EUR 15m, an ability to scale and a higher profitability than the average product portfolio. In 2025, Cloetta developed the market presence for several of its Superbrands, including launching Mynthon Zip Mint in Scandic and re-launching Kexchoklad in Denmark.

2

Grow beyond core markets

Increased focus on Germany and the UK, as the European markets with the largest confectionery retail sales and the highest per capita consumption, and on North America to leverage demand for Swedish Candy.

Achievements 2025

The organisational structure and leadership accountability in Germany and the UK were updated to support growth in these markets, as part of the broader change in its operating structure. In December, the first CandyKing concept and brand store was opened in North America in New York City. The 3-year plan with the ambition to expand both of Cloetta's business segments in North America is proceeding according to plan.

3

Excel in marketing and innovation

Accelerated new product and commercial development to enable maximum incremental growth, while continuing Cloetta's marketing effectiveness program across Cloetta to boost our working media.

Achievements 2025

The work with strongly protecting and growing the core business along evolving consumer trends continued. To strengthen consumer acquisition and broaden reach, marketing effectiveness was improved, increasing the share of working media within Advertising & Promotion to 70%. To further accelerate and deliver innovations, Cloetta Next was launched in 2025 (see page 21).

Change to operating structure

In April 2025, Cloetta announced plans to align its organisational structure with its new strategic priorities geared for profitable growth. The change was implemented during 2025 and included both changes to the Group Management Team as well as a reduction of positions in Europe. The new organisation has been effective as of October 2025.

Investment case

1

Northern Europe's leading confectionery company, creating joy through iconic brands for over 160 years

2

A non-cyclical market with stable consumer demand outgrowing FMCG Food

3

Broad confectionery portfolio favoured by evolving consumer preferences

4

Iconic brand portfolio of international Superbrands and strong local hero brands with high consumer loyalty

5

Attractive growth opportunities in scaling of Superbrands, focused expansion beyond core markets, and excelling in marketing and innovation

6

Selective M&A to accelerate strategy of geographic presence and category expansion

7

Committed to sustainability and responsible sourcing across the value chain

8

Attractive cash flow generation with clear upside on margin and shareholder value

The 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 in Europe amount to approximately SEK 397bn (387).

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 2025.

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 confectionery.

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 is winning in all European markets, but Cloetta is the only company with a strong position in confectionery across all the Nordics.

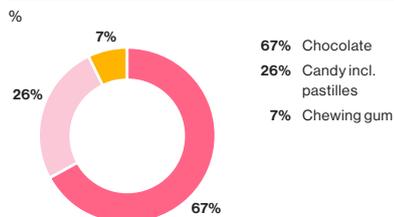
Pick & mix

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 share of 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 around 25 per cent of the total confectionery market, while in the other Nordic countries it accounts for 10 to 20 per cent. After volume decline during the Covid-19 pandemic, Pick & mix has recovered well with strong growth in the years 2022 to 2025.

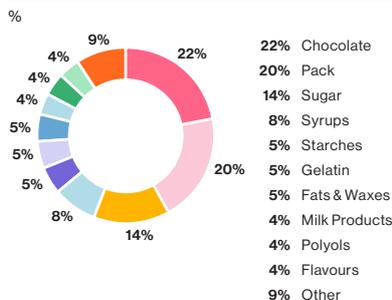
The nut market

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.

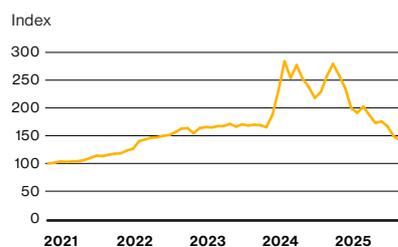
The confectionery market



Breakdown of raw materials and packaging costs



Index of key commodities used by Cloetta



Source: Mintec, EUWID.

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 fuelled 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 plant.

The prices of Cloetta's most important raw materials, such as cocoa, are set on the European commodities exchange, as prices for many of our key raw materials are set either directly or indirectly. 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 short term for 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 behaviours

Cloetta continuously monitors market trends at macro and micro levels through market research, category and trend reports, 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 choosing products, and also having access to products and services that are tailored to their needs 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 2025, 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. Throughout 2025, Cloetta advanced its climate work through improved data collection and supplier engagement, including actions such as reducing virgin plastic in packaging and advancing plant-based packaging alternatives across the portfolio.

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

Cloetta's policy is always to opt for non-artificial colours and flavours and all our candy products adhere to this principle, except in the rare cases where there is no qualitative solution available. 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. As an example, during 2025 Cloetta reformulated and re-launched Gott & Blandat Äkta Frukt as Malaco Fruity Drops, made with 40 per cent real fruit juice, to reach more consumers with a more natural proposition. 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. Delivering authenticity and transparency are key for brands to earn consumer trust.

Cloetta's response

In all our core markets, we have some of the strongest local brands that consistently deliver joy and fun moments in consumers' daily lives. Despite prioritising investments in our Superbrands, we also continue to invest in local hero brands and develop products and communication in accordance with consumer trends that 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, 2025 brought exciting taste experiences to consumers. One example is the launch of Ahlgrens Bilar Syrlig Frukt in Sweden, a sour-sweet version of the beloved foam cars, sure to excite the taste-buds of all those who try it. Cloetta also introduced the Finnish brand Mynthon Zip Mint to the Scandinavian markets during 2025. Mynthon Zip Mint provides instant freshness to a novel hexagon pastille shape and convenient on-the-go packaging format.

E-commerce and digital channels increasingly important

E-commerce is in general growing across all sectors, including the grocery retail trade, and growth was fuelled 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.



Consumer focus and insights

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, to 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 and up-to-date marketing theories founded on academic research 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 across 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 con-

stantly 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 Superbrands account for more than half of the Group's sales. For each Superbrand 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.

As far as is possible, Cloetta focus marketing investment on activities that reach consumers directly, so called working marketing spend, thus ensuring the greatest possible efficiency of our marketing budgets.

Joy Report – a research on joy in the Nordics



What is the Joy Report?

The Joy Report is a report aimed for the public, academia, and internal use. The 2025 report is executed in collaboration with Ipsos, a global leader in market research, professor Micael Dahlén from Stockholm School of Economics and Frank Martela, a Finnish philosopher and researcher of psychology.

Why a research on joy?

In connection to Cloetta’s vision and purpose, we thoroughly investigated the nature of joy and how it is manifested in our core, the Nordic countries. The year 2025 was marked by both global and local crises. In uncertain times like these, people often struggle to imagine the future and may feel a growing sense of hopelessness. Therefore, creating joyful moments and finding sources of joy are much needed.

Why focus on the Nordics?

With high levels of life satisfaction and quality of life, the Nordics countries are globally renowned for their happiness. The aim with the research was to explore how these elements, while shaping the conditions for happiness, also shape the Nordic perception of joy.

Key findings

50%

of Nordic citizens associate joy with relaxing at home.

13%

Only for 13%, the most joyful moments are filled with high energy.

53%

find joy in a nice chat with a family member/ close friend.

2 in 5

joyful moments are totally spontaneous.

Mindfulness Connection Balance

are 3 things to prioritise to experience more joy.

78%

found new sources of joy during the pandemic.

The Nordic region is consistently perceived as one of the most joyful in the world – both by its own residents and by those abroad.

Powered by Joy[®]



Cloetta's ten Superbrands

Cloetta is Northern Europe's leading confectionery company and has created joy for over 160 years. Our iconic brands create billions of smiles in over 60 countries.



Red Band is the second largest candy brand in the Netherlands and has been on the market since 1928. It offers a wide portfolio with variations in flavour and texture and is associated with high quality and joyful occasions.



Malaco is Sweden's first liquorice manufacturer and has been on the market since 1934. It is known for its wide range of candies, including both classics and modern favorites. Today, the brand is sold across all Nordic countries and offers a diverse portfolio of sour, sweet and salty mixes.



Gott & Blandat is a mixed candy bag, offering sweet, salty and sour flavours. The original mix, first launched in 1979, has been a Swedish favourite for generations and remains one of the country's most popular mixed candy bags.



With origins in Sweden, Juleskum is a cherished Christmas classic. The pink, fluffy foam Santas were first produced in Sweden in 1934 and have since become a beloved holiday tradition. Since 2011, a new flavour has been released each year.



Ahlgrens bilar is Sweden's most sold car. The design has remained unchanged since 1953, when the Swedish plant attempted to manufacture marshmallows. The result was not as expected; small, car-shaped foam candies that became an instant hit. Today, Ahlgrens bilar comes in several varieties, including sweet, sour and salty.



Originating in Finland, Tupla has been fueling adventures since 1960. The name Tupla, meaning double in Finnish, reflects the original product with two chocolate bars in one package. Today, Tupla is available in several of Cloetta's core markets and comes in many flavours and formats, including chocolate bags and ice-cream tubes and cones.



Kexchoklad is one of Sweden's most loved chocolate products and the most sold countline brand in Swedish retail. This active classic has enhanced everyday life since 1938 and is known for the iconic chequered wafer pattern. Kexchoklad has a long-standing collaboration with the Swedish Alpine Ski National Team, and as from 2025, also the Swedish Skicross National Team.



Läkerol is a natural, sugar-free pastille brand with roots from the early 1900's. It is known for its soothing and refreshing qualities and was the first brand to be granted the status as the Purveyor to the Court of Sweden in 1916. Läkerol offers a wide selection of flavours and is connected with moments that uplift everyday life, living up to its claim: "Makes people talk."



Mynthon is a pastille brand with roots in Finland, designed to freshen breath. Mynthon pastilles have been on the market since the 1970s and are familiar to many consumers for its refreshing flavours and distinctive blue-toned packaging.



CandyKing is the industry-leading Pick & mix brand in Europe with bold global growth ambitions. Founded in 1984 in Sweden, CandyKing has created a unique space where consumers can choose their mix of favourites and novelty specials from a colourful assortment of different shapes and flavours.

Superbrand milestones 2025

Successful launch of Mynthon Zip Mint in Scandic

In 2025, Cloetta reached an important milestone in extending its Superbrands into new core markets with the launch of Mynthon Zip Mint across all Scandic markets, after a successful introduction in Norway in 2024.

Originating in Finland, Mynthon is a leading pastille brand known for its refreshing taste. The launch has delivered promising results, with nearly 20% of consumers entering the pastilles category and many switching from gums to pastilles.

This expansion illustrates Cloetta’s ability to build on local success and adapt proven concepts to new regional conditions.

Mynthon is available in Finland, the Baltics and the Scandic markets.



Strong consistent cross-market brand for Malaco



During 2025, Cloetta launched a new design framework for the Malaco brand, securing a consistent look and feel. Malaco has a strong connection to its brand logo, the butterfly. The design is a visualisation of the butterfly effect and enables each product to showcase its unique character and flavour while seamlessly fitting into the overall range. The new framework builds a strong consistent cross-market brand based on the positioning and visual identity. Malaco is available in Finland, in the Scandic markets and in Travel Retail.

CandyKing opens permanent store in NYC

Cloetta reached an important milestone in December 2025 in growing beyond our core markets with the opening of CandyKing’s first permanent store in the U.S., one of the world’s largest confectionery markets.

The store offers the widest assortment of Swedish candy in the U.S. and CandyKing’s complete, industry-leading Pick & mix concept, including exclusive products.

The new store marks another step in Cloetta’s on-going work to leverage the growing demand for Pick & mix candy in North America.



Located in the West Village at 306 Bleecker Street.

Photo: Rachel Cabitt

Cloetta next[®]

THE FUTURE OF JOY

Led by consumer needs, Cloetta Next, launched in 2025, acts as a catalyst for incremental and transformational growth, identifying and accelerating opportunities that go beyond our core business. It focuses on four innovation tracks to drive growth. The long-term goal is to innovate faster and broader to drive incremental growth and future relevance, in line with the strategic priorities announced in 2025.

Product prototype & concept innovation

Create product concepts and prototypes that drive incremental growth, refined through quick prototyping and consumer feedback.



Product concept – ready for execution

Commercial innovation

Innovate how we bring products to market—through new channels, business models, or retail partnerships.



Business concept – ready to be scaled

Innovation catalysation

Use partnerships and Next resources to facilitate innovation/problem solving across Cloetta using agile methods.



Innovative solutions to key challenges

Trend foresighting

Proactive and targeted trend foresighting to surface high-potential opportunities and channel them into the idea funnel.



Frequent insights to fuel idea funnel

Our sustainability agenda

The overall goal of Cloetta’s sustainability work is to create the conditions for long-term value creation. Cloetta is a fast-moving consumer goods company with a global value chain. The sustainability agenda therefore includes initiatives covering all parts of the value chain, where Cloetta has both the ability and the responsibility to create a positive impact.

Cloetta’s sustainability agenda, A Sweeter Future, focuses on creating joy and long-lasting value for consumers, for people, and for the planet.

This means growing as a company, managing risks, and identifying opportunities while respecting and managing the

impact on people and the environment, as well as meeting stakeholder expectations across Cloetta’s value chain.

As a signatory participant of the UN Global Compact since 2009, Cloetta supports the Sustainable Development Goals (SDGs), both directly and indirectly

through its work within three strategic pillars.

In 2020, Cloetta joined the Science Based Targets initiative (SBTi) and had its science-based targets validated, with 2019 as the baseline year.



For You

Consumers are at the center of Cloetta’s business, which is why we strive to meet diverse needs while ensuring safe, high-quality, transparently labelled, and trusted products. Through continuous innovation, Cloetta aims to offer products that align with evolving consumer preferences, including healthier alternatives and environmentally responsible choices.

“Consumers are at the center of Cloetta’s business, which is why we strive to meet diverse needs while ensuring safe, high-quality, transparently labelled, and trusted products.”



Under this pillar, Cloetta’s ambitions are to expand sugar-free and reduced-sugar products, develop options with functional ingredients, offer more vegan choices, support dental health through xylitol products and ensure transparent on-pack communication.

Cloetta’s SDG commitment

Responsible Consumption and Production is central to Cloetta’s efforts within the For You pillar. Cloetta takes responsibility for product quality and food safety, sources sustainable ingredients, and provides options that consider consumers’ health.



For People

Taking care of the people involved in Cloetta’s products extends beyond the company’s own operations and offices. By engaging in partnerships and collaborating with organisations, Cloetta supports farmers and helps improve living conditions throughout its supply chain.

“Taking care of the people involved in Cloetta’s products extends beyond the company’s own operations and offices.”



Under this pillar, Cloetta’s ambitions are to continue to work towards zero work-related accidents, strengthen our partnerships to improve living conditions in our supply chain and to achieve gender-balanced teams within Cloetta.

Cloetta’s SDG commitment

In the For People pillar, Cloetta contributes directly to SDGs 5, 8, 12 and 17. Gender equality and decent work and economic growth are important within Cloetta’s own operations as well as throughout its supply chain. Through partnerships, Cloetta is able to strengthen these impacts. Responsible consumption and production is at the core of Cloetta’s responsible marketing practices and societal impact.



For the Planet

A healthy planet is the source of all Cloetta’s ingredients. Climate action, sustainable sourcing, and the initiative Less and Better Packaging are our three main priorities in improving the environmental footprint. Within these areas, we work to enhance the environmental performance of suppliers, assessing topics such as biodiversity, energy usage, waste, and emissions across both our own operations and the supply chain.

“Cloetta focuses on resource efficiency, climate impact reduction, and advancement towards science-based targets.”



Under this pillar, Cloetta’s ambitions are to reduce absolute greenhouse gas emissions with 46 per cent by 2030, use 100 per cent packaging from renewable sources or recycled materials by 2030, and maintain our certifications: 100 per cent of the palm oil content in our purchased ingredients is RSPO-certified segregated palm oil and 100 per cent purchased Rainforest Alliance certified cocoa.

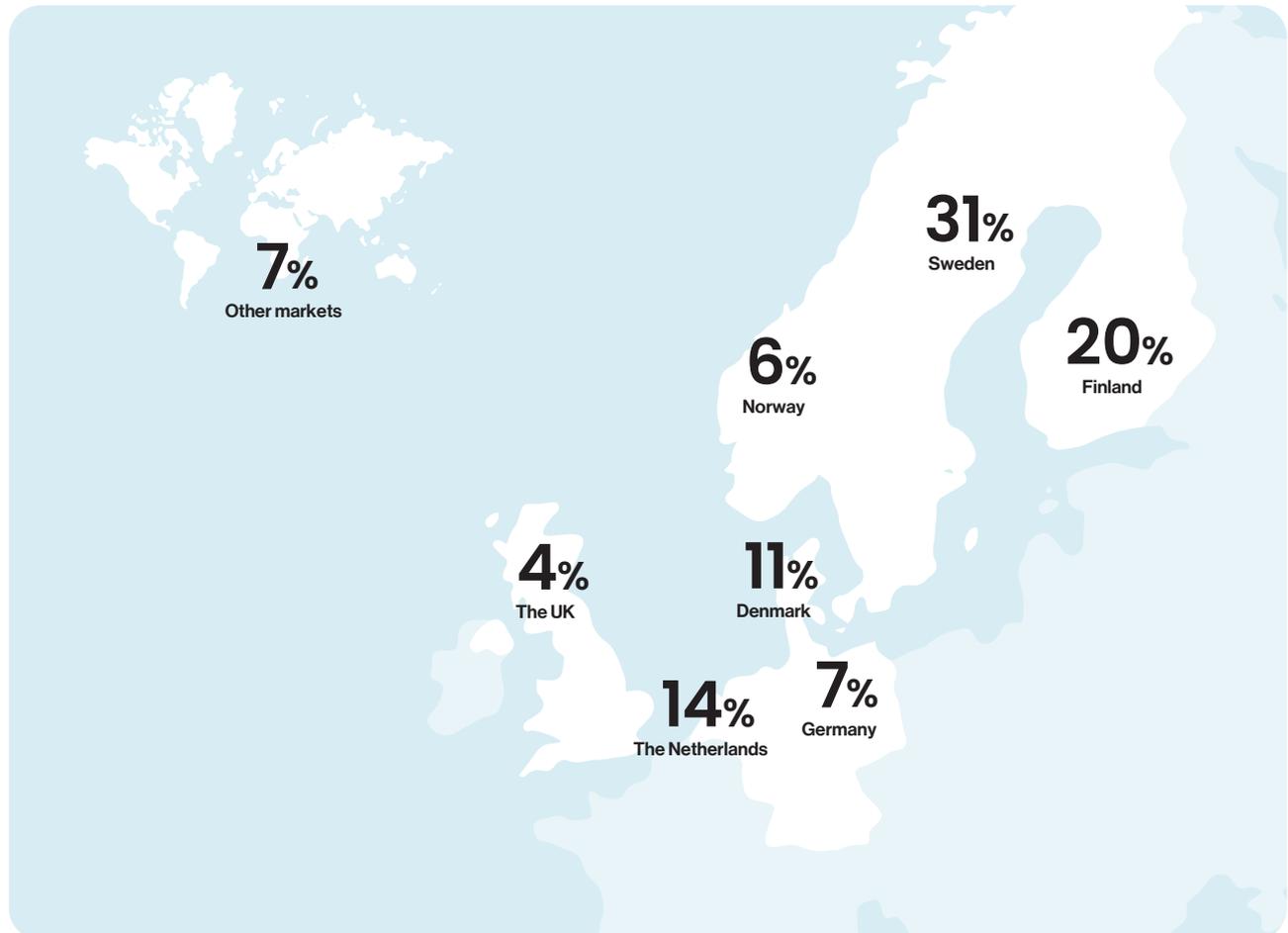
Cloetta’s SDG commitment

In the For the Planet pillar, the SDGs focused on Responsible Consumption and Production, Climate Action, and Life on Land are of greatest importance to Cloetta. Our products depend on raw materials sourced from around the world, and their consumption and production bring an increased responsibility for the company’s climate footprint.



Cloetta's markets

As of 2025, Cloetta divides its market presence in two groups, in line with its strategic priorities. *Core markets* are Sweden, Finland, the Netherlands, Denmark and Norway. *Beyond core markets* include Germany, United Kingdom and North America. In total, Cloetta has sales to more than 60 markets.



Market position per category

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

1) Presence on the market without confirmed market position.
 2) Estimated market position based on data from specific customers.
 3) North America is included in Other markets.
 Source: Kesko, SOK, Circana and Nielsen.

Core markets

Sweden

Sweden is the largest single market in the Nordic region, with a population of around 10.6 million people and almost one third of the total confectionery consumption. In 2025, the Swedish market recorded consumer sales of around SEK 19bn, an increase compared to the prior year.

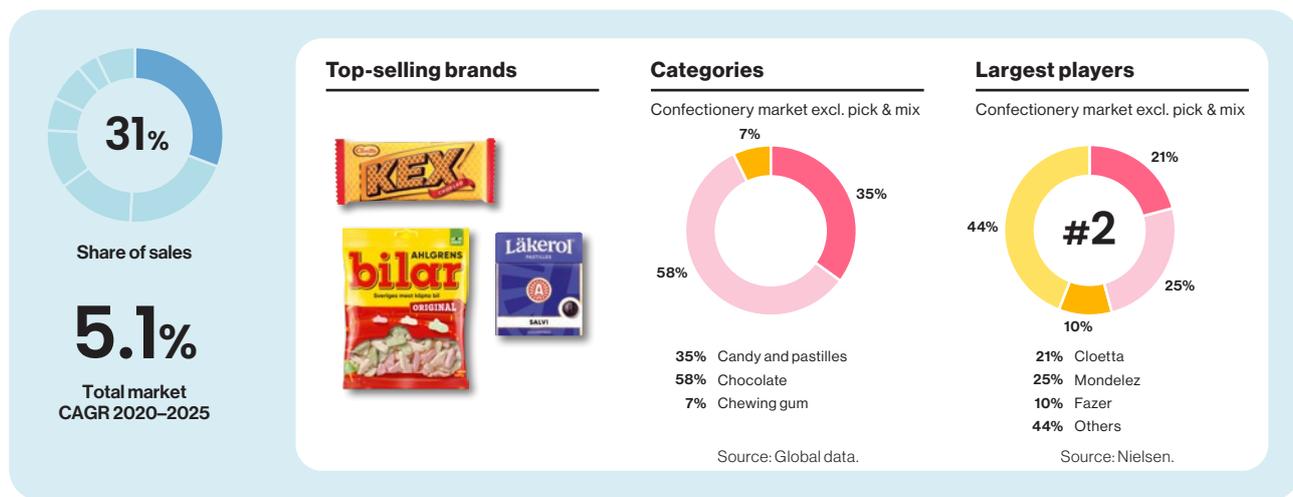
Sales channels

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.



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 2025, the Finnish market recorded consumer sales of around SEK 14bn.

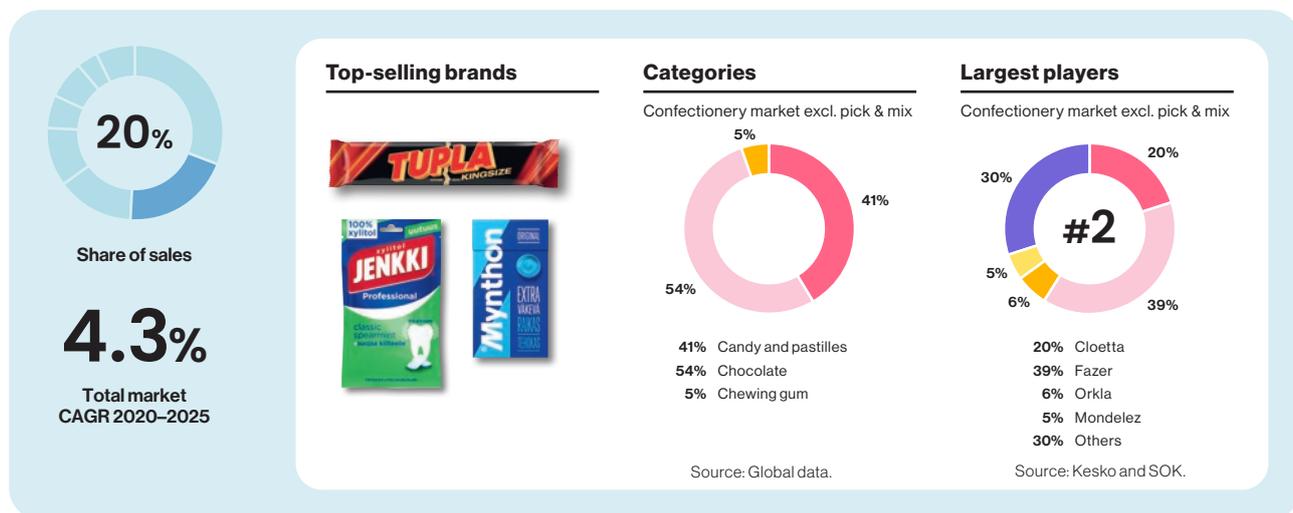
Sales channels

The Finnish grocery retail trade is dominated by two players, Kesko and SOK with a combined share over 80 per cent. 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 SOK, Kesko and Tokmanni. Cloetta is the market leader in Pick & mix which represents about 10.6 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, including Finnish employees in Cloetta's central functions. Around 125 Cloetta's field sales representatives and merchandisers visit the stores every day.



The Netherlands

The Netherlands is the sixth largest confectionery market in Western Europe, with a population of around 18.1 million people. In 2025, the Dutch market recorded consumer sales of around SEK 26bn.

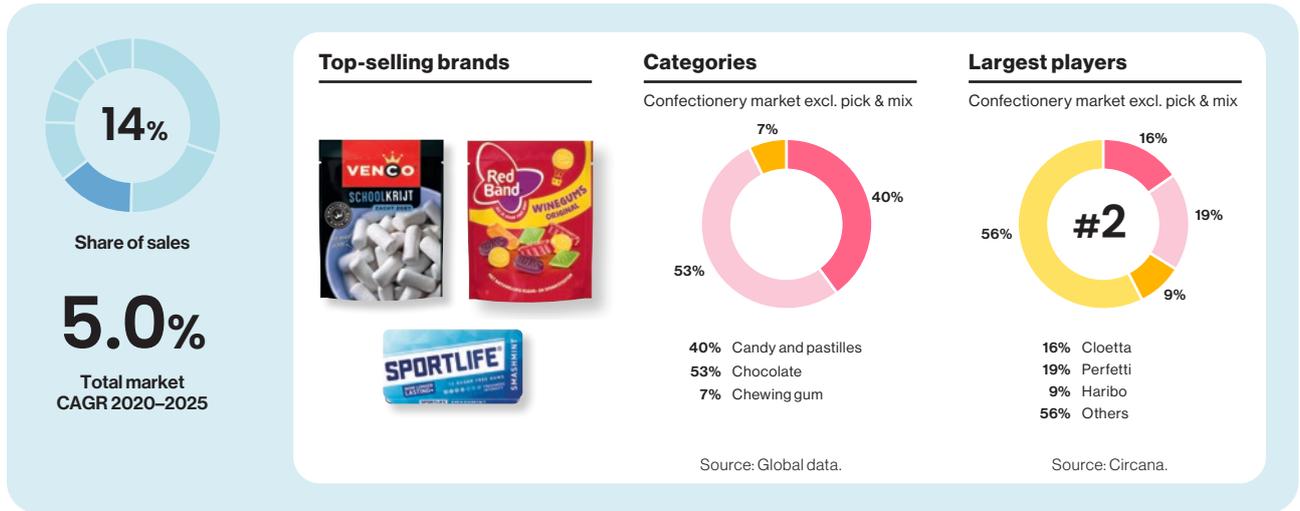
Sales channels

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 position 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 70 employees in the commercial organisation at the office in Breda mainly focusing on the Dutch market. The Breda office also supports the beyond core markets 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 6.0 million people and almost one third of the total confectionery consumption. In 2025, the Danish market recorded consumer sales of around SEK 20bn.

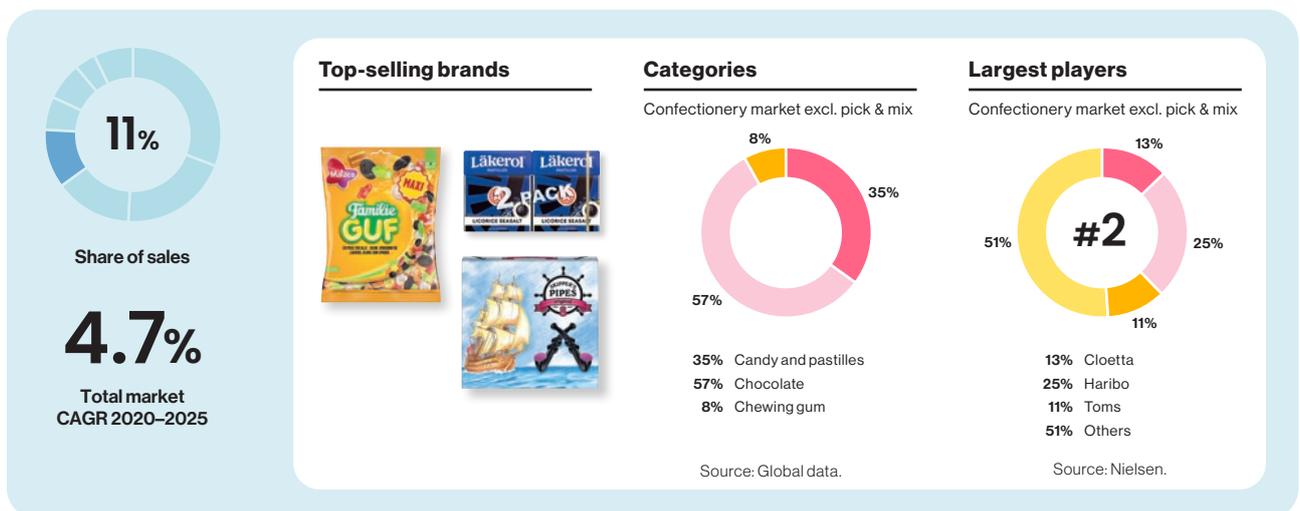
Sales channels

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.



Norway

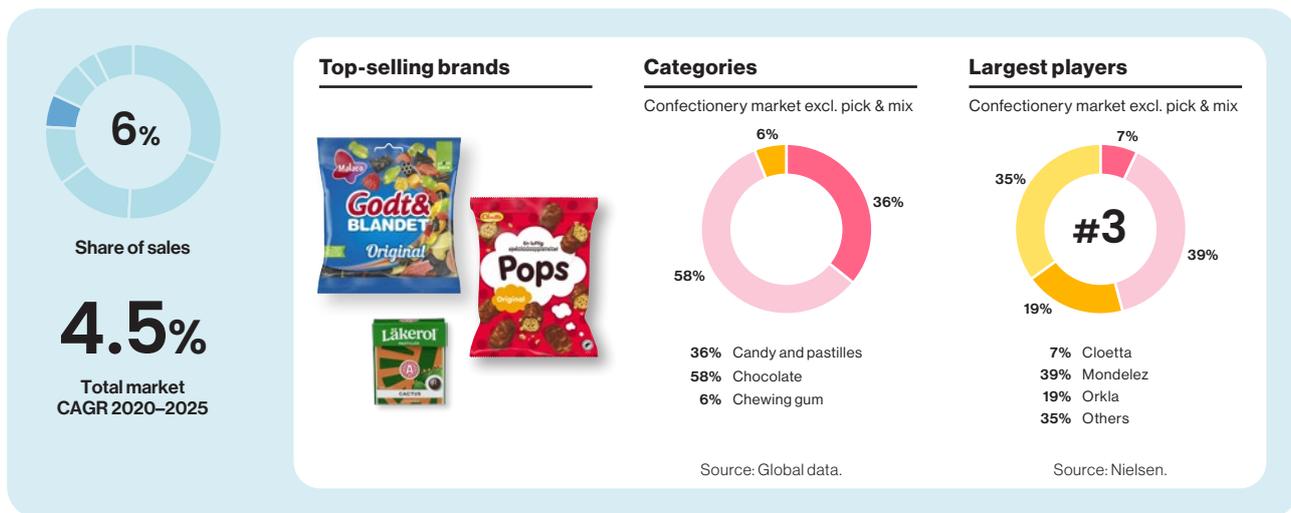
Norway is the smallest market in the Nordic region, with a population of around 5.5 million people and almost one fourth of the total confectionery consumption. In 2025, the Norwegian market recorded consumer sales of around SEK 15bn.

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.



Beyond core markets

Germany

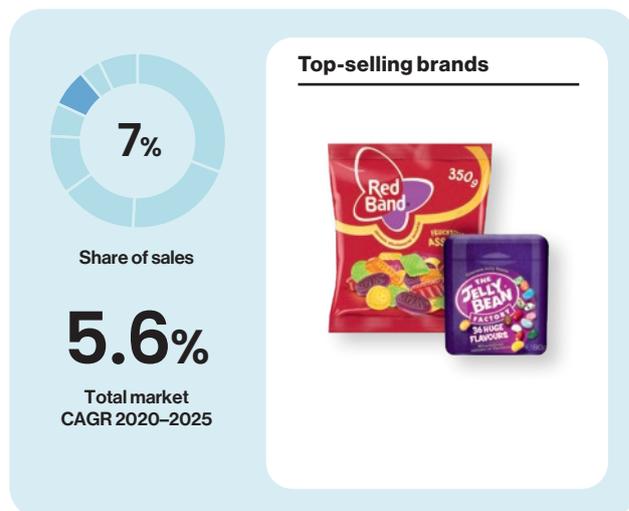
Germany is the largest market in Western Europe, with a population of around 84.5 million people. In 2025, the German market recorded consumer sales of around SEK 153bn, an increase compared to prior year.

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. 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, Germany works with sales agents in seven regions.



United Kingdom

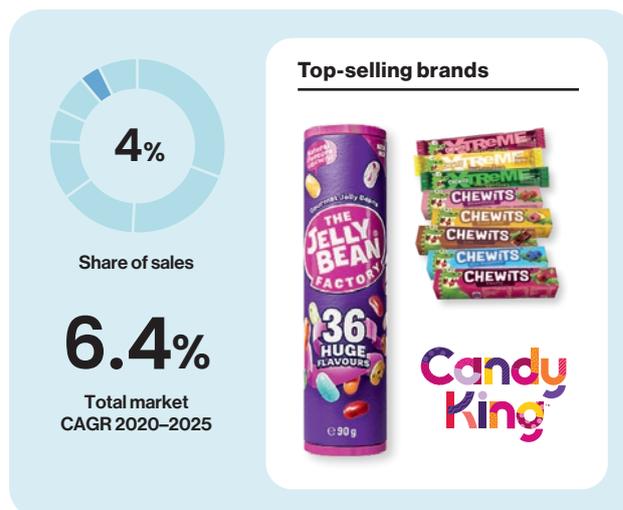
The UK is the second largest market in Western Europe, with a population of around 69.4 million people. In 2025, the UK market recorded consumer sales of around SEK 149bn, an increase compared to prior year,

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, where Cloetta has a sales and merchandising team.



North America

In 2025, Cloetta shared its plan to gradually step up the company's market presence in the U.S. and Canada. The U.S. has a high per-capita consumption of confectionery and is one of the world's largest confectionery markets with an estimated market size of around SEK 392bn (USD 40bn).

Cloetta has previously only been present in the North American market through The Jelly Bean Planet¹ but is currently focusing on

creating a wider winning brand portfolio by adding two of its Superbrands, CandyKing and Malaco, to the local offering.

In December 2025, the first permanent CandyKing store was opened in New York City. Within the CandyKing brand, Cloetta now focuses on establishing its leading concept and the Nordic consumer tradition of Pick & mix in retailers in North America.

Cloetta regularly provides updates on its gradual step up in North America in connection with its financial interim reports.

1) In North America, The Jelly Bean Factory[®] is branded The Jelly Bean Planet[®].

Other Markets

Cloetta's sales to Other markets consists primarily of sales to countries where Cloetta does not have its own sales and marketing organisations, in total of more than 60 markets. In these markets, Cloetta is active in three categories: candy, chocolate and pastilles, with commercial focus on three Superbrands; Red Band, The Kexchoklad and Läkerol and two other strategic brands, Jelly Bean Factory and Chewits.

Markets and sales channels

Within Other markets, Switzerland, Austria, Saudi Arabia and the Baltics (Latvia, Estonia, and Lithuania) are prioritised. Through external distribution partners, Cloetta's brands reach consumers across modern retail, traditional trade and convenience channels.

Organisation

All Other Markets are serviced by external distributors managed by local staff from the Breda office in the Netherlands and from the Turku office in Finland. Also, Cloetta has a few regional hubs in Latvia, Switzerland and United Arab Emirates.



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 value of the company at all times.

Investor relations

Cloetta meets with investors and analysts and attends roadshows and seminars mainly intended for institutional investors. The IR team regularly participates in events especially targeted for private investors. Since 2024, Cloetta has further developed its dialogue with the capital market through plant visits and quarterly pre-silent period calls. The IR team includes the CEO, CFO and the Director Communications & IR.

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 for example the Nordic and Swedish industry sector index for Food Producers and Food & Beverage. Since 1 December 2025, Cloetta is included in the OMX Stockholm Benchmark™ Index (OMXSB) that measures the performance of a selection of the largest and most traded securities listed on Nasdaq Stockholm AB. The index is reviewed semi-annually in June and December.

Shareholders¹

On 31 December 2025, Cloetta AB (publ) had 45,875 (40,831) shareholders, an increase of 12.4 per cent (decrease of 5.4 per cent) since the previous year-end.

Of the shareholders, 1,493 were financial and institutional investors and 44,382 were private investors. Financial and institutional investors held 82.41 per cent of the votes and 79.28 per cent of the share capital. There were 1,652 foreign shareholders who held 34.57 per cent of the votes and 40.63 per cent of the share capital. The 15 largest shareholders accounted for 66.26 per cent of the votes and 60.24 per cent of the share capital. On 31 December 2025, AB Malfors Promotor was Cloetta’s largest shareholder with a holding representing 42.97 per cent of the votes and 32.79 per cent of the share capital in the company. The second largest shareholder was Van Lanschot Kempen Investment Management with 5.00 per cent of the votes and 5.89 per cent of the share capital, and the third largest shareholder was Nordea Funds with 3.06 per cent of the votes and 3.61 per cent of the share capital.

Share price and trading²

Between 1 January and 31 December 2025, 93,931,729 Cloetta shares were traded on Nasdaq Stockholm for a total value of SEK 3,050m, equal to around 33 per cent of the total number of class B shares at the end of the period. Trading on Nasdaq Stockholm accounted for 37 per cent, and other markets where the Cloetta share was traded include Cboe Global Markets at 50 per cent, LSE Group at 7 per cent and Aquis at 3 per cent.

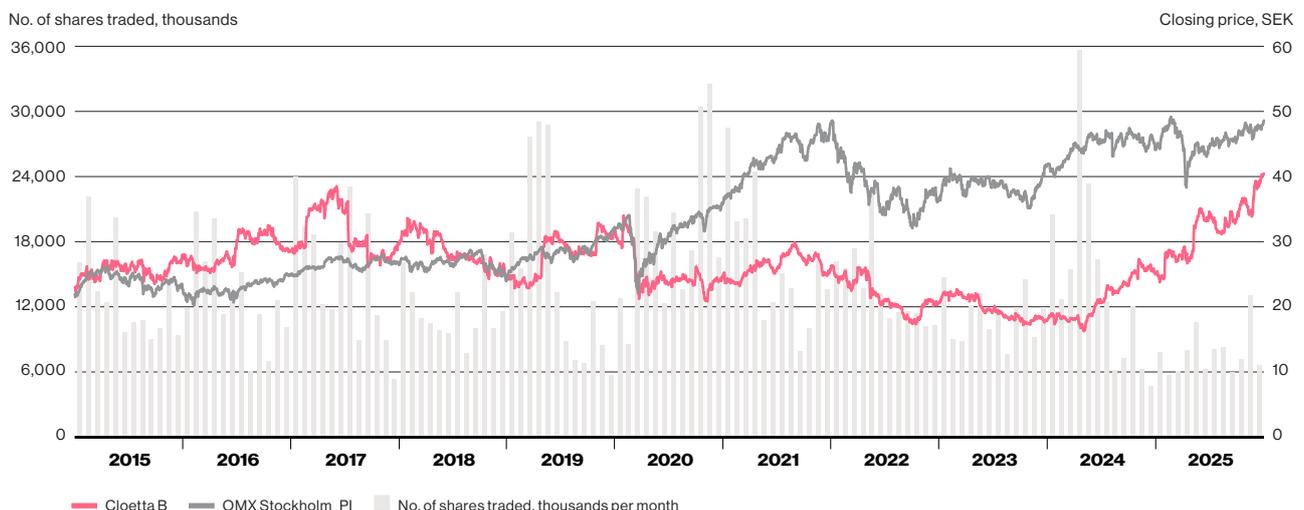
The highest quoted bid price during the period from 1 January to 31 December 2025 was SEK 40.58 on 23 December 2025, and the lowest bid price was SEK 23.74 on 14 January 2025. The share price on 31 December 2025 was SEK 40.46 (last price paid). During the period from 1 January to 31 December 2025, Cloetta’s share price increased by 60.6 per cent, while Nasdaq OMX Stockholm PI increased by 9.5 per cent.

Share capital and capital structure

Cloetta’s share capital per 31 December 2025 amounted to SEK 1,443,096,495.

Share price performance

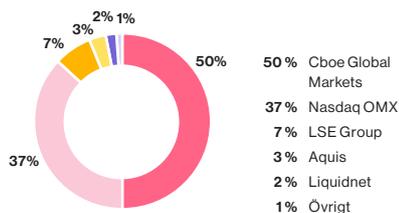
2015–2025



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

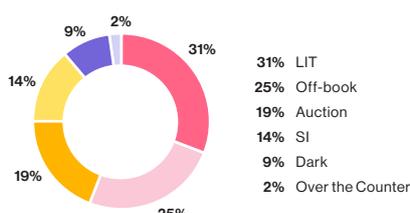
Marketplaces, %

1 January–31 December 2025



Trading categories, %

1 January–31 December 2025



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

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.

Auction, auction trading process on an exchange.

SI, Systematic Internalisers, outside regulated markets or trading platforms.

Dark buyers and sellers trade shares anonymously, without public transparency. Not registered on any public exchange.

Over the Counter, trading of securities executed outside of formal exchanges and without the supervision of an exchange regulator.

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 2025 Cloetta had 1,936,783 class B shares in treasury.

Dividend and dividend policy

Cloetta's long-term goal is a dividend payout of more than 50 per cent of profit for the year. 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 315m was transferred to the shareholders in 2025. For the financial year 2025, the Board of Directors of Cloetta AB proposes to distribute a dividend to the shareholders of SEK 1.40 (1.10) per share for the 2025 financial year corresponding to 51 per cent (66) of profit for the year. 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.

Transaction notifications from persons discharging a managerial responsibility

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. 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 2025

	% of votes	% of share capital	Total no. of shares	No. of A shares	No. of B shares
Aktiebolaget Malfors Promotor	42.97	32.79	94,646,826	5,729,569	88,917,257
Van Lanschot Kempen Investment Management	5.00	5.89	17,003,169	-	17,003,169
Nordea Funds	3.06	3.61	10,405,077	-	10,405,077
Dimensional Fund Advisors	2.27	2.68	7,722,371	-	7,722,371
Vanguard	2.16	2.54	7,336,909	-	7,336,909
Thompson, Siegel & Walmsley LLC	1.59	1.88	5,415,700	-	5,415,700
Armor Advisors LLC	1.54	1.81	5,233,503	-	5,233,503
Ulla Håkanson	1.47	1.73	5,000,000	-	5,000,000
Avanza Pension	1.33	1.56	4,515,284	-	4,515,284
Olof Svenfelt	1.24	1.46	4,220,030	30	4,220,000
BlackRock	1.12	1.32	3,797,009	-	3,797,009
Handelsbanken Fonder	0.76	0.90	2,590,306	-	2,590,306
Ensign Peak Advisors Inc.	0.65	0.77	2,210,047	-	2,210,047
SEB Funds	0.57	0.67	1,926,237	-	1,926,237
Nordea Funds Luxembourg	0.53	0.63	1,819,514	-	1,819,514
Total, 15 largest shareholders	66.26	60.24	173,841,982	5,729,599	168,112,383
Treasury shares	0.57	0.67	1,936,783	-	1,936,783
Other shareholders	33.17	39.09	112,840,534	5,650	112,834,884
Total	100.0	100.0	288,619,299	5,735,249	282,884,050

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 2025

	Total no. of shares	No. of known owners	Share of known owners, %	Capital, %	Votes, %
1–500	4,071,503	34,757	75.77	1.41	1.21
501–1,000	3,707,651	4,657	10.15	1.28	1.09
1,001–5,000	11,545,214	5,100	11.12	4.00	3.40
5,001–10,000	5,013,978	674	1.47	1.74	1.47
10,001–20,000	4,253,443	295	0.64	1.47	1.25
20,001–	237,667,188	392	0.85	82.35	85.01
Unknown holding size	22,360,322	0	0.00	7.75	6.57
Total	288,619,299	45,875	100.00	100.00	100.00

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 2025

Country	No. of shareholders	% of votes	% of share capital	No. of A shares	No. of B shares
Sweden	44,223	65.50	59.33	5,735,249	165,625,205
United States	95	14.11	16.63	-	47,995,482
Netherlands	26	5.34	6.30	-	18,177,331
Finland	443	3.71	4.37	-	12,611,111
Norway	141	1.13	1.33	-	3,837,667
Other	942	3.61	4.25	-	12,275,599
Unknown country	5	6.60	7.79	-	22,361,655
Total	45,875	100.00	100.00	5,735,249	282,884,050

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 2025

	No. of shareholders	% of shareholders	% of votes	% of share capital
Private investors	44,382	96.75	17.59	20.72
<i>Of which, Swedish residents</i>	43,806	95.49	16.93	19.94
Legal entities	1,493	3.25	82.41	79.28
<i>Of which, Swedish residents</i>	470	0.90	48.57	39.39
Total	45,875	100.00	100.00	100.00
<i>Of which, Swedish residents</i>	44,276	96.39	65.50	59.33

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 55–57, and Note 23 on pages 175–176.

	LTI 2025	LTI 2024	LTI 2023	LTI 2022	LTI 2021
AGM approval date	April 2025	April 2024	April 2023	April 2022	April 2021
Maximum number of B shares to be allocated	1,817,227	2,391,629	1,923,844	1,622,932	1,590,629
as a percentage of total shares	0.6	0.8	0.7	0.6	0.6
as a percentage of voting rights	0.5	0.7	0.6	0.5	0.5
Number of employees offered the opportunity to participate	78	44	46	47	48
Number of participants at inception date	57	32	36	35	38
Estimated number of B shares to be allocated, subject to possible recalculation	1,193,056	1,249,940	806,504		
as a percentage of total shares	0.4	0.4	0.3		
as a percentage of voting rights	0.4	0.4	0.2		
Number of participants at reporting date	53	24	23		
Vesting date				8 May 2025	27 April 2024
Realised performance target, %				78	69
Actual number of performance shares A granted on vesting date				154,216	191,363
Actual number of performance shares B granted on vesting date				462,893	532,000
Total number of B shares granted on vesting date				617,109	723,363
as a percentage of total shares				0.2	0.3
as a percentage of voting rights				0.2	0.2
Number of participants at vesting date				26	31

Analysts

The following analysts regularly monitor Cloetta's development:

Handelsbanken

Stefan Stjernholm
stefan.stjernholm@handelsbanken.se

Nordea

Adrian Elmlund
adrian.elmlund@nordea.com

Share data

Marketplace	Nasdaq Stockholm
Date of listing	16 February 2009
Segment	Mid Cap
Sector	Food Producers, Food & Beverage and Consumer Goods
Ticker symbol	CLA B
ISIN code	SE0002626861
Currency	SEK
Standard trading unit	1 share
No. of shares in issue	288,619,299 A and B shares
Highest price paid in 2025	SEK 40.58 (23 December)
Lowest price paid in 2025	SEK 23.74 (14 January)
Last price paid 2025	SEK 40.46
Share price growth in 2025	60.6 per cent

Communications and IR contact

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ir@cloetta.com

Financial performance

Net sales and profit

Condensed consolidated profit and loss account

SEKm	2025	2024
Net sales	8,525	8,613
Cost of goods sold	-5,436	-5,747
Gross profit	3,089	2,866
Selling expenses	-1,184	-1,160
General and administrative expenses	-797	-899
Operating profit	1,108	807
Net financial items	-90	-148
Profit before tax	1,018	659
Income tax	-227	-182
Profit for the year	791	477
<i>Operating profit, adjusted</i>	<i>1,033</i>	<i>910</i>

Norway for 6 per cent (6). Cloetta has three beyond core markets, where Germany stands for 7 per cent (7) and the UK for 4 per cent (5) of Cloetta's sales. The sales for the third beyond core market, North America, are currently included in Other markets.

Net sales of Branded packaged products grew organically in our core markets while the Net sales in beyond core markets declined. Net sales of Pick & mix grew in all core and beyond core markets except the UK.

Other Markets

In addition to the core and beyond core markets, Cloetta's products are sold through distributors in more than 60 countries. Sales in these other markets increased in 2025 and accounted for 7 per cent (7) of Cloetta's sales.

Pricing strategies

In Cloetta's core 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.

Net sales

Net sales for the year decreased by SEK 88m to SEK 8,525m (8,613) compared to last year, due to a negative impact from foreign exchange rates of -2.4 per cent. Organic growth was 1.9 per cent and structural changes were -0.5 per cent. Sales of Branded packaged products decreased organically by -0.9 per cent. Pick & mix sales increased organically by 9.1 per cent.

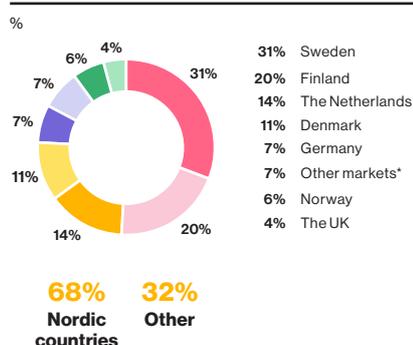
Sales of Branded packaged products account for 70 per cent (72) of total sales, and Pick & mix accounts for 30 per cent (28) of total sales. Divided by category,

candy accounts for 62 per cent (62) of sales and chocolate accounts for 23 per cent (21). Pastilles account for 9 per cent (9), chewing gum for 4 per cent (5), nuts for 1 per cent (1) and other products for 1 per cent (2).

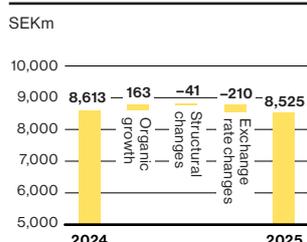
Sales in five core markets and three beyond core markets

Cloetta has five core markets, of which Sweden is the largest with around 31 per cent (30) of Cloetta's sales. The second largest market is Finland with 20 per cent (20). The Netherlands accounts for 14 per cent (14), Denmark for 11 per cent (11) and

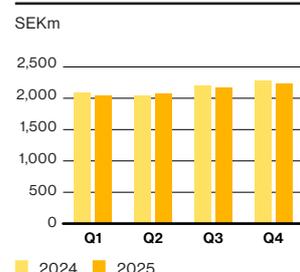
Cloetta's net sales by country



Net sales – change



Net sales



*) North America is included in the Other markets.

Quarterly data

	2025	Q4	Q3	Q2	Q1	2024	Q4	Q3	Q2	Q1
Net sales, SEKm	8,525	2,231	2,177	2,078	2,039	8,613	2,285	2,196	2,038	2,094
Operating profit, SEKm	1,108	315	255	188	350	807	252	238	124	193
Operating profit, adjusted, SEKm	1,033	309	259	240	225	910	258	238	222	192
Operating profit margin, %	13.0	14.1	11.7	9.0	17.2	9.4	11.0	10.8	6.1	9.2
Operating profit margin, adjusted, %	12.1	13.9	11.9	11.5	11.0	10.6	11.3	10.8	10.9	9.2

Net financial items

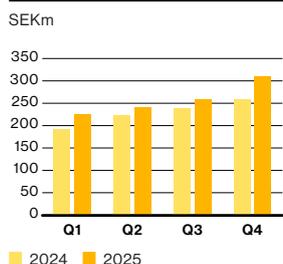
SEKm	2025	2024
Exchange differences on cash and cash equivalents in foreign currencies	13	-35
Other financial income	34	83
Unrealised gains or losses on single currency interest rate swaps	3	-19
Interest expenses on third-party borrowings and realised gains or losses on single currency interest rate swaps	-90	-149
Interest expenses, third-party pensions	-13	-9
Other financial expenses	-37	-19
Net financial items	-90	-148

Key ratios

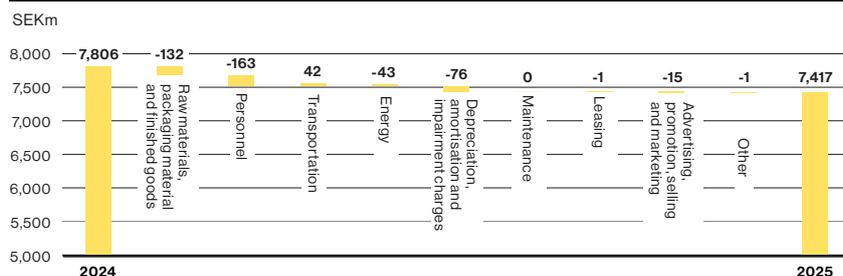
%	2025	2024
Gross margin	36.2	33.3
Operating profit margin	13.0	9.4
Operating profit margin, adjusted	12.1	10.6
Return on capital employed	14.3	11.2
Return on equity	13.9	8.8

For definitions, see pages 205-206.

Operating profit, adjusted



Operating expenses – change



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 customers as well as cost savings and reducing overall energy consumption.

Gross profit

Gross profit amounted to SEK 3,089m (2,866), which equates to a gross margin of 36.2 per cent (33.3). Gross profit, adjusted for items affecting comparability, amounted to SEK 2,966m (2,841), which equates to a margin of 34.8 per cent (33.0). The increase in gross profit, adjusted, was mainly driven by previous pricing and margin-enhancing initiatives, including portfolio optimisation, partly offset by changes in foreign exchange rates.

Operating profit

Operating profit amounted to SEK 1,108m (807). Operating profit, adjusted for items affecting comparability, amounted to SEK 1,033m (910). The adjusted operating profit was positively impacted by the higher gross profit and cost control, including the gradual positive impact of the savings related to the change in operating structure, partially offset by increased investments in Superbrands coupled with general cost inflation.

Items affecting comparability

Operating profit for the year includes items affecting comparability of SEK 75m (-103), mainly related to releases of restructuring provisions as a result of not proceeding with the investment in a plant in the Netherlands, partly offset by the recognition of a restructuring provision for the change of the operating structure.

Employees

The average number of employees was 2,521 (2,577).

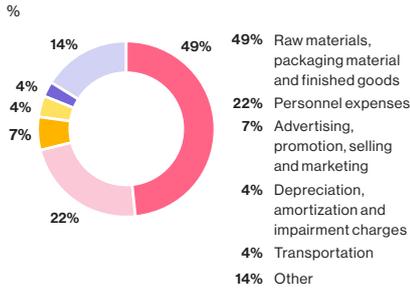
Research and development

Costs for research and development (R&D) were charged to operating profit for an amount of SEK 60m (57) 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.

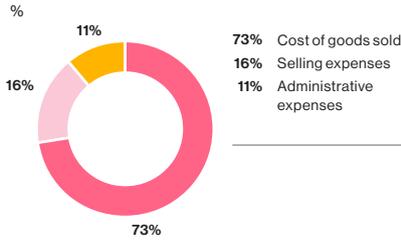
Seasonal variations

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

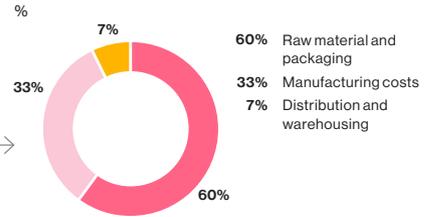
Operating expenses – by type



Operating expenses – by category



Cost of goods sold



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 -90m (-148). Net interest expenses related to external borrowings, cash pool and realised results on single currency interest rate swaps were in total SEK -56m (-66), net exchange differences on cash and cash equivalents were SEK 13m (-35) which mainly related to the development of the Swedish krona against the euro. Other financial items amounted to SEK -47m (-47) of which SEK -9m (0) was related to not proceeding with the investment in a plant in the Netherlands, mainly related to the release of prepaid commitment fees on unutilised credit facilities. Of the total net financial items SEK -71m (-56) is non-cash in nature.

Profit for the year

Profit for the year was SEK 791m (477). Income tax for the year was SEK -227m (-182). The effective tax rate for the year was 22.3 per cent (27.6) and was positively impacted by differences between expected and actual tax filings related to the previous

year and negatively impacted by the revaluation of tax provisions, international tax rate differences and non-deductible expenses. Profit for the year equates to basic and diluted earnings per share of SEK 2.78 (1.67).

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 42–46.

Sensitivity analysis

	Change	Profit before tax
Currency risk If the Swedish krona weakens/strengthens against the euro	-/+ 10%	+/- SEK 54m
Interest rate risk Interest rate	+/- 1%	+/- SEK 12m
Commodity price risk Average raw material prices	+/- 10%	+/- SEK 170m

Financial position

Consolidated balance sheet

SEKm	31 Dec 2025	31 Dec 2024
ASSETS		
Non-current assets		
Intangible assets	5,596	5,833
Property, plant and equipment	1,544	1,695
Deferred tax asset	25	59
Derivative financial instruments	2	1
Other financial assets	3	4
Total non-current assets	7,170	7,592
Current assets		
Inventories	1,377	1,336
Trade and other receivables	1,102	1,256
Current income tax assets	27	4
Derivative financial instruments	1	4
Cash and cash equivalents	737	953
Total current assets	3,244	3,553
TOTAL ASSETS	10,414	11,145
EQUITY AND LIABILITIES		
Equity	5,706	5,434
Non-current liabilities		
Long-term borrowings	1,408	2,306
Deferred tax liability	889	910
Derivative financial instruments	-	4
Provisions for pensions and other long-term employee benefits	364	378
Provisions	1	163
Total non-current liabilities	2,662	3,761
Current liabilities		
Short-term borrowings	197	203
Derivative financial instruments	79	45
Trade and other payables	1,591	1,573
Provisions	31	11
Current income tax liabilities	148	118
Total current liabilities	2,046	1,950
TOTAL EQUITY AND LIABILITIES	10,414	11,145

Assets

Total assets at 31 December 2025 amounted to SEK 10,414m (11,145), which is a decrease of SEK -731m compared to the previous year.

Non-current assets

Intangible assets totalled SEK 5,596m (5,833). The change consists mainly of amortisation of SEK -11m (-12) and exchange differences related to intangible assets recognised in foreign subsidiaries of

SEK -228m (130). Investments for the year amounted to SEK 2m (1). Of total intangible assets, 99 per cent (99) or SEK 5,557m (5,784) pertained to goodwill and trademarks at 31 December 2025. Goodwill and trademarks are tested at least yearly for impairment.

Property, plant and equipment amounted to SEK 1,544m (1,695). The year's investments amounted to SEK 187m (223). Investments were primarily in continuous efficiency-enhancing and replacement investments in the existing production lines, as well as investments in Pick & mix fixtures. Impairment losses amounted to SEK -9m (31). Depreciation amounted to SEK -248m (-272). Exchange differences related to property, plant and equipment recognised in foreign subsidiaries amounted to SEK -75m (45) during the year. Other movements add up to SEK -6m (-18).

Current assets

Current assets amounted to SEK 3,244m (3,553). This change is mainly due to lower cash and cash equivalents of SEK -216m and lower trade and other receivables of SEK -154m.

Equity and liabilities

Equity

Consolidated equity at 31 December 2025 amounted to SEK 5,706m (5,434), which equates to SEK 19.9 (19.0) 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 54.8 per cent (48.8).

Liabilities

Non-current liabilities amounted to SEK 2,662m (3,761), which is a decrease of SEK -1,099m compared to previous year, mainly as a result of a repayment of a SEK 800m loan from credit institutions. Long-term borrowings totalled SEK 1,408m (2,306) and consisted of SEK 1,353m

Net debt

SEKm	31 Dec 2025	31 Dec 2024
Gross non-current loans from credit institutions	1,353	2,232
Commercial papers	149	149
Lease liabilities	115	136
Derivative financial instruments (non-current and current)	76	44
Interest payable	0	2
Gross debt	1,693	2,563
Cash and cash equivalents	-737	-953
Net debt	956	1,610

(2,232) in gross non-current loans from credit institutions, SEK 64m (80) in non-current lease liabilities and SEK -9m (-6) in capitalised transaction costs. The deferred tax liability decreased by SEK -21m to SEK 889m.

Pension provisions decreased by SEK -14m to SEK 364m.

Total short-term borrowings amounted to SEK 197m (203) and consisted of commercial papers of SEK 149m (149), current lease liabilities of SEK 51m (56), accrued interest on borrowings from credit institutions of SEK 0m (2) and capitalised transaction costs of SEK -3m (-4).

Borrowings

In the third quarter of 2025, Cloetta entered into a new term and multicurrency revolving facilities agreement. The facilities agreement bears variable interest at a rate based on 3 months EURIBOR plus a fixed applicable margin for loans in euros. The applicable margin at 31 December 2025 was 1.05 per cent (1.05) for the outstanding loans in euros. Interest on the issued commercial papers at 31 December 2025 amounted to 2.40 per cent (3.08). 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 3.31 per cent (4.81) during the year. The effective interest rate including the effect of single currency interest rate swaps was 3.38 per cent (3.56).

Change in capital employed

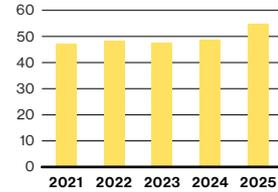
Capital employed during the year decreased by SEK -616m to SEK 7,754m (8,370) compared to last year.

Net debt

Interest-bearing liabilities exceeded cash and cash equivalents and other interest-bearing assets by SEK 956m (1,610). The net debt/equity ratio on the balance sheet date was 16.8 per cent (29.6).

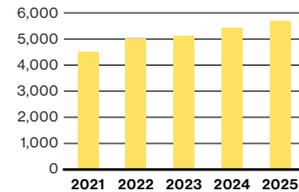
Equity/assets ratio

At 31 December, %



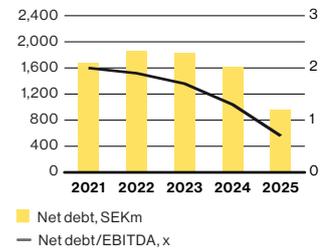
Equity

At 31 December, SEKm



Net debt/EBITDA

SEKm x



Cash flow statement

Condensed consolidated cash flow statement

SEKm	2025	2024
Cash flow from operating activities before changes in working capital	982	961
Cash flow from changes in working capital	75	-196
Cash flow from operating activities	1,057	765
Investments in property, plant and equipment	-131	-162
Investments in intangible assets	-2	-1
Free cash flow	924	602
Other investing activities		
Disposals of property, plant and equipment	2	72
Cash flow from other investing activities	2	72
Cash flow from operating and investing activities	926	674
Cash flow from financing activities	-1,192	-367
Cash flow for the year	-266	307
Cash and cash equivalents at beginning of year	953	658
Cash flow for the year	-266	307
Exchange difference	50	-12
Cash and cash equivalents at end of year	737	953

Cash flow from other investing activities

Cash flow from other investing activities was SEK 2m (72). The positive cash flow in 2024 mainly related to the proceeds from the divestment of the Nutisal brand.

Cash flow from financing activities

Cash flow from financing activities was SEK -1,192m (-367) and was related to net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK -813m (-3), the dividend distribution of SEK -313m (-285) and payments of lease liabilities of SEK -66m (-79).

Cash and cash equivalents

The net cash flow was SEK -266m (307), which together with exchange differences of SEK 50m (-12) decreased cash and cash equivalents by SEK -216m to SEK 737m, compared to SEK 953m in the previous year. Cloetta had an unutilised credit facility of SEK 1,244m (2,521) 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.

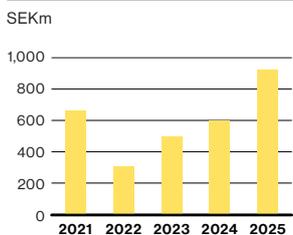
Free cash flow

The free cash flow was SEK 924m (602). Cash flow from operating activities before changes in working capital was SEK 982m (961). The cash flow from changes in working capital was SEK 75m (-196). The cash flow from investments in property, plant and equipment and intangible assets was SEK -133m (-163).

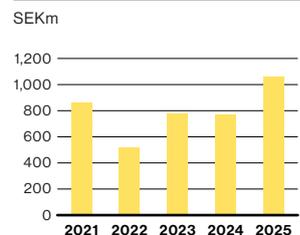
Cash flow from changes in working capital

Cash flow from changes in working capital was SEK 75m (-196). The cash flow from changes in working capital was positively impacted by an increase in payables of SEK 108m (-64) and a decrease in receivables of SEK 85m (-131), partly offset by an increase in inventories for an amount of SEK -118m (-1).

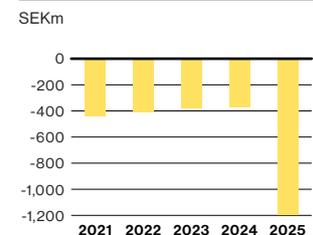
Free cash flow



Cash flow from operating activities



Cash flow from financing activities



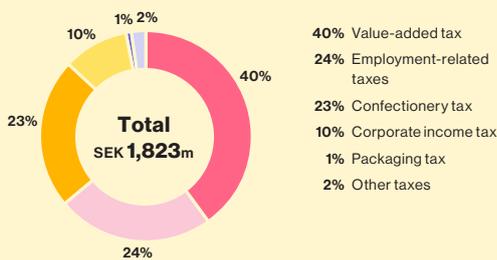
Other information

Distributed value SEK 7,779m¹

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

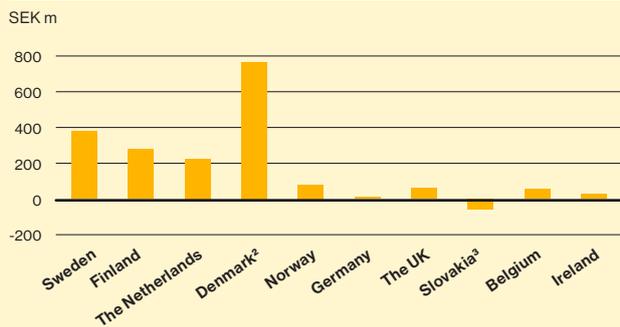


Taxes paid



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 8,525m excluding profit for the year, amortisation, depreciation and impairments and including paid dividends. Total retained economic value of SEK 746m.
 2) Tax paid in Denmark is proportionally higher due to sugar taxes.
 3) Net tax receivable position due to the value-added tax receipts.

Future outlook

Financial outlook

As in earlier years, Cloetta is not issuing any financial forecast for 2026.

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 2025, Cloetta conducted operations at six plants in five countries. The plant in Ljungsbro, Sweden was subject to reporting requirements according to the

Swedish Environmental 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)'s statutory sustainability report is included in the administration report as a separate section on pages 64–140. The statutory sustainability report consists of pages 65–83 (general information), 84–109 (environmental information), 110–131 (social information), 132–135 (governance information) and 136–140 (appendix).

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 177–179.

Pages 58–59 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 110–120.

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
Market climate	 <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>
Competition	 <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 & 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 core 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 & mix concepts in terms of the customer and consumer experience. Furthermore, an integrated production chain enables Cloetta to be cost-effective in Pick & mix.</p>
Retail trade development	 <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. Further consolidations and European buying cooperation's are expected to take place in the near future.</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 core 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 Targets 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>
Consumer trends Health and Sustainability	 <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. Sanctions imposed can have an impact on markets where Cloetta is directly, or indirectly, active and can require remedial actions on short notice.

Failure to comply with applicable legislation could expose the Group to investigations, litigation, administrative and/or criminal proceedings potentially leading to significant costs, fines and/or criminal sanctions against the Group and/or its directors, officers and employees with possible reputational damage.

Cloetta continuously assesses legislative developments in order to predict and prepare its operations for possible changes. Screenings of counterparts are regularly conducted to identify potential sanction issues.

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 short term period 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

Global macro-economic tensions 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 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 and cost inflation, Interest rate risks and disruption of supply chain.

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 of the palm oil content in our ingredients as 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 plants according to this standard has been upheld since 2019.

Since 2017 Cloetta has purchased sustainable and traceable shea butter from women cooperatives in Africa.

After concluding our income-gap project with the Rainforest Alliance in 2024, Cloetta selected and approved a new partnership in 2025 focused on addressing child labour risks in the cocoa sector. The partnership will run during 2026–2027.

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.

Cloetta 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 plants, 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 of the palm oil content in our ingredients as 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 plants 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 plants 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 of supply chain

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 plant 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 plants 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. In addition, Cloetta has strategic agreements with third party manufacturers to produce certain key products to limit disruption.

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.

Digital 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 digital landscape by minimising the number of supported IT and OT applications and continuously invest in digital infrastructure. Examples of risk mitigation in infrastructure is redundant network access, using SaaS (Software as a Service), for the business-critical solutions, NIS2 compliancy and continuous internal awareness programs. The digital 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, credit and valuation 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 177–179.

	RISKS Probability	MANAGEMENT Impact	
<p>Foreign exchange risks</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>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 43m (41) higher/lower.</p>	
<p>Refinancing risks</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>Through the term and revolving facilities agreement with the group 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 2025, Cloetta entered into a new term and multicurrency revolving facilities agreement with Danske Bank, Handelsbanken, SEB and Svensk Exportkredit for in total EUR 240m with a maturity of 4-5 years with extension options.</p>	
<p>Interest rate risks</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>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 80 per cent of the interest rate risk exposure on the drawn facilities.</p> <p>In 2025, 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 12m (7) 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 12m (7) higher.</p>	
<p>Credit risks</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>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.</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>Valuation risks</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>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 161–162 and Note 30, Critical accounting estimates and judgements on pages 182–183.</p>	

Chairman’s comment

Clear focus resulted in banner year

Last year was characterised by the continued ability to navigate both inflation and an operational environment with increased geopolitical uncertainty. During a successful year, a new strategy was launched, and many important decisions were made to enable its successful execution.

As Northern Europe’s leading confectionery company, Cloetta continues to develop both the confectionery category itself as well as our own business. One of the most visible results of this is the growth and profitability journey that the Pick & mix business segment has showed during the past years.

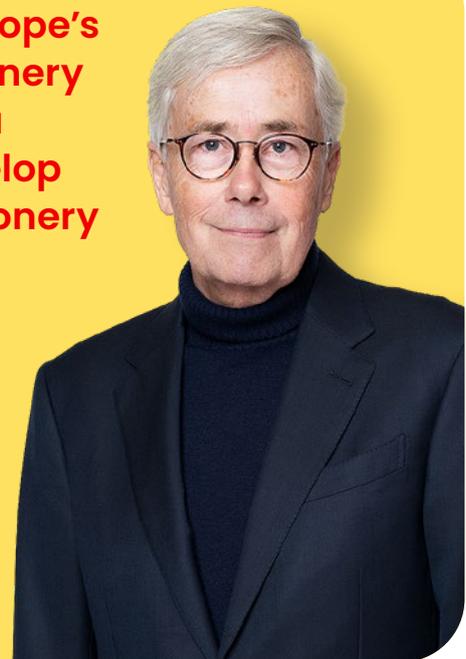
Cloetta has now also successfully executed on changes needed to continue winning by starting to execute on the new strategy that was launched in March last year. In particular the decision to not proceed with the greenfield investment project in the Netherlands and aligning the operating structure to the new strategic priorities were important milestones.

I look forward to following the on-going successful roll-out of our Superbrands into new markets and the exciting journey beyond our core markets. Especially the market in North America has a large long-term potential.

I’m very pleased that Cloetta continues to deliver healthy cash flows with both the cash flow from operating activities as well as the free cash flow were at all time-highs. The strong balance sheet supports an increased dividend, well in line with the updated targeted range.

Cloetta is starting off another year from a position of strength and increased focus. The Board and the organisation continue

“ As Northern Europe’s leading confectionery company, Cloetta continues to develop both the confectionery category itself as well as our own business. ”



the focused work aimed at enabling profitable growth. As I end my second year as the Chairman, I continue to be impressed by the strong leadership, execution and market position that Cloetta has built over time. My warmest thank you to all our dedicated employees and to the Group Management Team for their efforts!

Stockholm, March 2026

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 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. 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 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 2025, 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 1,936,783 class B shares in treasury. The number of shareholders on 31 December 2025 was 45,875 compared to 40,831 on 31 December 2024. On 31 December 2025, AB Malfors Promotor was Cloetta's largest shareholder, with a holding corresponding to 42.97 per cent of the votes and 32.79 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 31–34.

2 General meeting of shareholders

The decision-making rights of shareholders in Cloetta 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 meet-

ing 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.

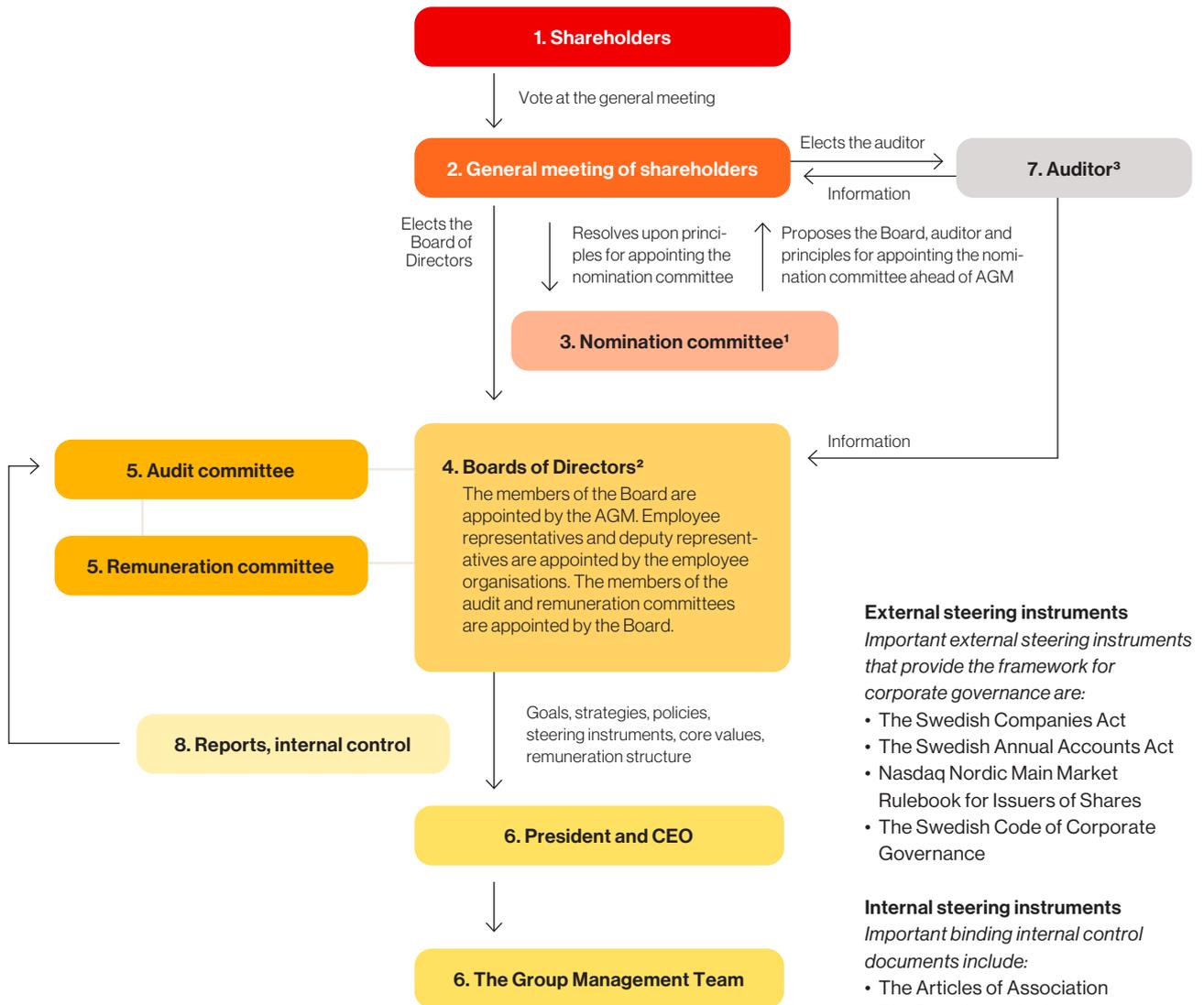
2025 Annual General Meeting

The most recent AGM was held on 10 April 2025 in Stockholm. The AGM was attended by 190 individuals representing 67,9 per cent of the votes in the company. The Board, save for two 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 1.10 per share, corresponding to SEK 314,671,948;
- 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 current Board members Morten Falkenberg, Mikael Svenfelt, Camilla Svenfelt, Alan McLean Raleigh, Patrick Bergander, Malin Jennerholm and Pauline Lindwall. The AGM re-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 860,000 for the Board Chairman and SEK 350,000 for each of the other Board members elected by the AGM. The AGM resolved that fees can be paid to Board members for certain services in addition to Board work (consultancy services etc.) in their respective fields of expertise, provided that such services have been approved in advance by the chairman of the Board or by two Board members. Any remuneration for such services may not exceed SEK 350,000. Fees for work on the Board committees shall be paid in the amount of SEK 125,000 for each member of the audit committee,

SEK 200,000 for the Chairman of the audit committee, SEK 107,000 for each member of the remuneration committee and SEK 160,000 for the Chairman of the remuneration committee. The AGM also resolved that the Board member Alan McLean Raleigh shall receive an additional fee of SEK 175,000 for significant work for the company during the past mandate period, which was not included in his Board assignment, in connection with the evaluation of Cloetta's investment in a plant in the Netherlands;

- Fees for the auditor are to be paid according to approved account;

- Re-appointing the registered public accounting firm Öhrlings PricewaterhouseCoopers AB as the auditor for the period until the next AGM. Sofia Götmar-Blomstedt will continue as the Lead Audit Partner;
- Approval of guidelines for remuneration to the executive management;
- 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 found at www.cloetta.com.

2026 Annual General Meeting

The 2026 AGM will be held on Tuesday, 21 April 2026, at 15:00 at Bonnier Fastigheter Konferens, Torsgatan 21, Stockholm. The Notice of the Annual General Meeting will be published in March 2026 and contained the Board’s proposals. For more information, please refer to 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 notice of the AGM and on 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

Nomination committee ahead of the 2026 AGM

Members	Appointed by	Independent ¹	Share of votes at 31 Dec 2025, %
Lars Schedin, Chairman	AB Malfors Promotor	Yes/No	42.97
Magdalena Kettis	Nordea Funds	Yes/Yes	3.06
Lena Lundin	Ulla Håkanson	Yes/Yes	1.47
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.

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 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.

Meetings of the nomination committee

The nomination committee held three meetings ahead of the 2026 AGM. No fees have been paid for work on the nomination committee.

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, 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

Composition of the Board

Elected by the AGM	Nationality	Year elected	Year of birth	Fees ¹		Independence ³	Attendance ²		
				Board fees	Committee fees		Board meetings	Audit committee	Remuneration committee
Morten Falkenberg ⁴	Danish	2024	1958	860,000	125,000	Yes/Yes	12/12	3/4	1/3
Camilla Svenfelt	Swedish	2016	1981	350,000	125,000	Yes/No	11/12	4/4	
Patrick Bergander	Swedish	2019	1971	350,000	200,000	Yes/Yes	10/12	4/4	
Alan McLean Raleigh ⁵	British	2018	1959	350,000	107,000	Yes/Yes	12/12		3/3
Mikael Svenfelt	Swedish	2008	1966	350,000	107,000	Yes/No	12/12		3/3
Malin Jennerholm	Swedish	2022	1970	350,000	125,000	Yes/Yes	12/12	4/4	
Pauline Lindwall	Swedish	2023	1961	350,000	160,000	Yes/Yes	11/12		3/3

1) The fees refer to set amounts during the period from the AGM on 10 April 2025 until the AGM on 21 April 2026. Board fees shall be paid in the amount of SEK 860,000 (800,000) to the Board Chairman and SEK 350,000 (340,000) to each other board member elected by the AGM. Fees for work on the Board committees will be paid in the amount of SEK 125,000 (110,000) for each member of the audit committee, SEK 200,000 (175,000) for the Chairman of the audit committee, SEK 107,000 (100,000) for each member of the remuneration committee and SEK 160,000 (150,000) for the Chairman of the remuneration committee. For further details, see Note 7 on page 159.

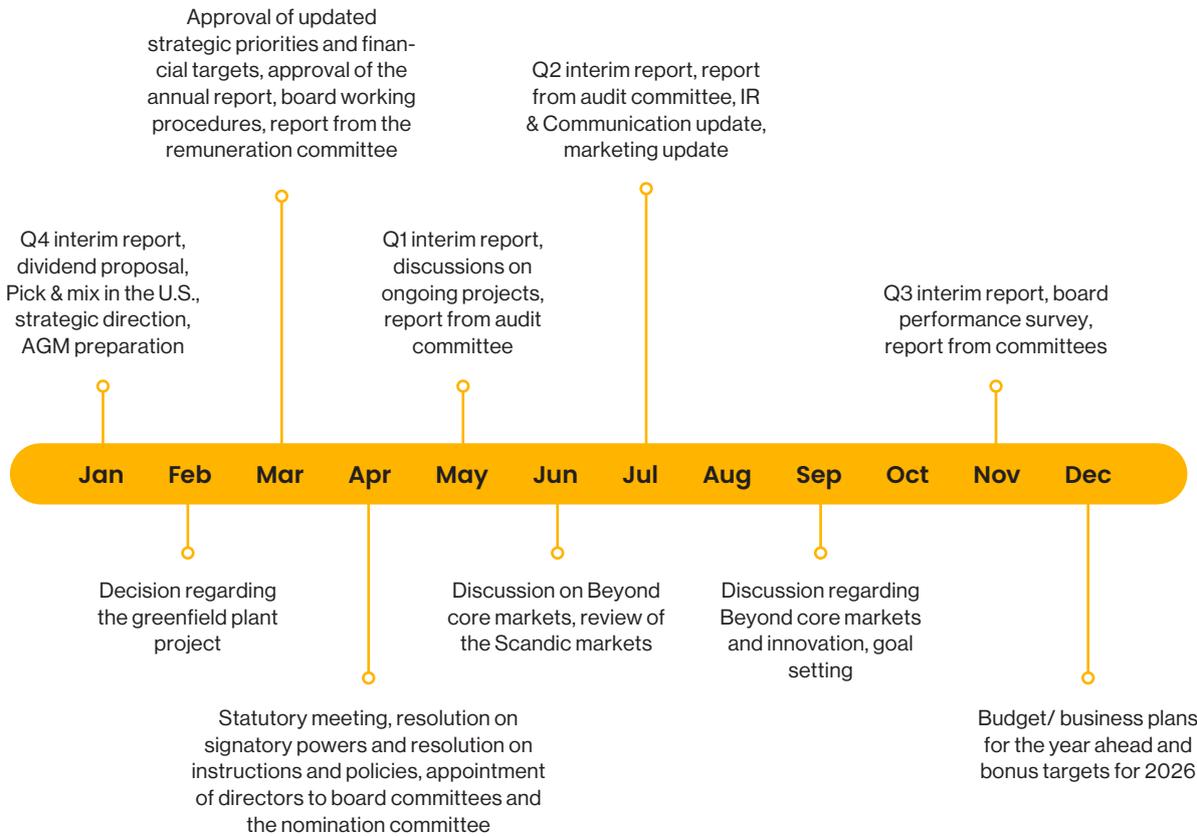
2) Attendance refers to meetings during the 2025 calendar year.

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

4) Morten Falkenberg was a member of the remuneration committee until the 2025 AGM held on 10 April 2025 and he has thereafter been part of the audit committee.

5) In addition to the board and committee fees paid, the 2025 AGM resolved that Alan McLean Raleigh should receive an additional fee of SEK 175,000 for significant work for the company during the 2024 mandate period, which was not included in his Board assignment, in connection with the evaluation of Cloetta’s investment in a greenfield plant in the Netherlands, the additional fee has been paid during the year.

Board meetings in 2025



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.

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 10 April 2025, 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, 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 58 years at year-end and three of the seven are women. For infor-

mation about the Board members' assignments outside the Group and holdings of shares in Cloetta, see pages 60–61 and www.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 composition 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 October 2025, Cloetta's Board of Directors conducted 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 2025, the Board held nine scheduled meetings and three extra 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 2025, the audit committee consisted of members Patrick Bergander (Chairman), Morten Falkenberg, 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 four members, all are independent in relation to the company and its Group Management Team and three 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 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 2025.

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 and Alan McLean Raleigh. 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 three 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. The committee held three meetings during 2025.

Chairman of the Board

The Chairman of the Board is elected by the Annual General Meeting and on 10 April 2025 the AGM re-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 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

Organisational chart



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. In April, Cloetta announced a plan to create a more efficient operating structure relating to commercial and group-level functions. The change also affected the structure of the Group Management Team. Marcel Mensink, Chief Operations Officer, left the company in April and Michiel Havermans, Senior Vice President Cloetta International, left the company in June. Effective as of 1 September 2025, Andrew Row joined Cloetta as the Chief Operations Officer. Per 31 December 2025 the Group Management Team consisted of the four regional presidents (one also being responsible for Pick & mix), the Chief Operating Officer (COO), the CFO, the CMO and the Chief Human Resources Officer (CHRO). For information about the President and CEO and other members of the Group Management Team, see pages 62–63. The Group Management Team

holds meetings several times per month addressing matters relating to strategic and operational development as well as 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 10 April 2025, the registered public accounting firm Öhrlings PricewaterhouseCoopers AB was re-appointed as the auditor for the company for the period until the next AGM. Sofia Götmar-Blomstedt will continue as the auditor in charge.

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.

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. In 2025, Cloetta’s sus-

tainability work was organised under two members in the Group Management Team.

The CMO works together with the Sustainability team, comprising a Director responsible for sustainability and the two Sustainability Managers. The Sustainability Managers are responsible for environmental and social issues and for identifying prioritised areas, where one manager is also responsible for reporting and governance issues. Both support the implementation of Cloetta’s sustainability agenda. The COO works together with their Health & Safety, Environment (HSE) team to lead the work on health, safety and environment. All plants have a dedicated HSE Manager.

During 2024, Cloetta established an

internal Sustainability Board, that gathers senior employees that have close ties to daily operations to enable a more practical and responsive forum for sustainability matters. Sustainability updates are provided to the Board of Directors and its audit committee is responsible to oversee processes, internal control and sustainability reporting.

For more information regarding sustainability governance, see pages 132–135.

Additional information

The following information can be found at www.cloetta.com: Articles of Association, Cloetta’s Code of Conduct, information from previous AGMs and previous corporate governance reports.

Press releases 2025

December

- Cloetta’s CandyKing opens store in New York City with the widest Swedish Candy assortment

November

- Cloetta AB interim report July–September 2025: Strong uplift in profitability continues

October

- Invitation to presentation of Cloetta’s interim report for the third quarter of 2025

September

- Cloetta’s Nomination Committee for the AGM 2026
- Cloetta signs new credit facilities agreement

July

- Cloetta appoints Andrew Row as Chief Operations Officer
- Invitation to presentation of Cloetta’s interim report for the second quarter of 2025
- Cloetta AB interim report April–June 2025: Strong quarterly growth with continued strengthened profitability

May

- Cloetta AB interim report January–March 2025: Exceptionally strong profitability improvement driven by broad product portfolio

April

- Resolutions at the Annual General Meeting of Cloetta on 10 April 2025
- Michiel Havermans, SVP Cloetta International, to leave Cloetta
- Cloetta plans to change the organisational structure and Group Management to support new strategic priorities
- Invitation to presentation of Cloetta’s interim report for the first quarter of 2025

March

- Notice of the Annual General Meeting of Cloetta AB (publ)
- Cloetta publishes Annual and Sustainability Report for 2024
- Cloetta’s Joy Report studies joy in some of the world’s happiest countries
- Cloetta announces updated strategic priorities and financial targets geared for profitable growth

February

- Cloetta will not proceed with the greenfield plant project
- The Nomination Committee’s proposal regarding Board of Directors of Cloetta

January

- Invitation to presentation of Cloetta’s year-end report for 2024
- Marcel Mensink, President Operations and COO, to leave Cloetta
- Invitation to Cloetta’s Investor Day on 27 March
- Cloetta AB interim report October–December 2024: Another year of profitable growth with an exceptionally strong last quarter

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 10 April 2025. 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 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 organic growth rate, the adjusted operating profit margin, the absolute adjusted operating profit level and Total Shareholders Return (TSR).

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. If applicable based on local legislation, the individual can opt in for pension benefits on variable pay for the cost of the individual. 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 2025

In 2025, the total remuneration of the Group Management Team including the President and CEO amounted to SEK 75,252 thousand (88,273) including pension benefits and SEK 66,997 thousand (80,458) excluding pension benefits.

Share-based long-term incentive plan for senior executives

On 10 April 2025, 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 34 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 no more than 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

ation 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 struc-

tures 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 2025 has been determined by the Board. Remuneration of other senior executives has been approved by the President and CEO. During 2025, the remuneration committee has met on three occasions. The current guidelines for remuneration to the Group Management Team were adopted at the AGM on 10 April 2025.

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 devi-

ation is necessary to serve the company's long-term interests.

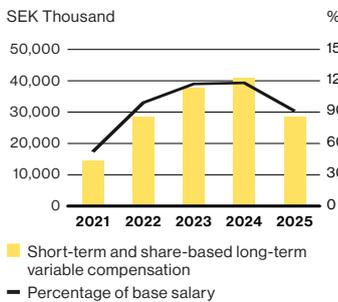
For more information about remuneration of the President and CEO, see the company's Remuneration Report published on the website.

Variable salary is linked to Cloetta's long-term financial targets. While year-over-year improvement is not a strict requirement, the assessment of variable salary is based primarily on the development of operating profit, adjusted, with the expectation that operating profit, adjusted, should show positive progress compared to the previous year unless there are justified long-term strategic reasons to decide otherwise.

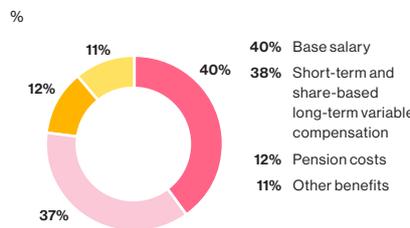
Short-term variable compensation as a percentage of base salary

	Target level	Maximum level
President and CEO	50 %	100 %
Other Group Management Team, average	34 %	68 %

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

2025 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
Costs incurred in 2025							
<i>President and CEO</i>							
- Katarina Tell	5,520	4,471	3,106	165	13,262	1,656	14,918
- Henri de Sauvage-Nolting	-	-	-	-	-	-	-
<i>Other Group Management Team¹</i>	25,763	11,555	9,329	7,088	53,735	6,599	60,334
Total	31,283	16,026	12,435	7,253	66,997	8,255	75,252
<i>of which, Parent Company</i>	15,969	10,353	10,914	2,973	40,209	4,791	45,000

Amount paid in 2025

<i>President and CEO</i>							
- Katarina Tell	5,520	4,319	1,771	165	11,775	1,656	13,431
- Henri de Sauvage-Nolting	-	-	-	1,917	1,917	-	1,917
<i>Other Group Management Team¹</i>	25,763	17,790	9,754	7,088	60,395	6,417	66,812
Total	31,283	22,109	11,525	9,170	74,087	8,073	82,160
<i>of which, Parent Company</i>	15,969	11,069	7,585	4,890	39,513	4,791	44,304

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
Costs incurred in 2024							
<i>President and CEO</i>							
- Katarina Tell ²	3,220	3,220	1,114	81	7,635	564	8,199
- Henri de Sauvage-Nolting ^{2 3}	4,446	4,194	-2,166	2,918	9,392	1,275	10,667
<i>Other Group Management Team¹</i>	26,989	19,177	15,396	1,869	63,431	5,976	69,407
Total	34,655	26,591	14,344	4,868	80,458	7,815	88,273
<i>of which, Parent Company</i>	16,571	14,012	4,717	3,344	38,644	4,510	43,154

Amount paid in 2024

<i>President and CEO</i>							
- Katarina Tell ²	3,220	-	-	81	3,301	564	3,865
- Henri de Sauvage-Nolting ²	4,446	6,000	1,666	1,001	13,113	1,275	14,388
<i>Other Group Management Team¹</i>	26,989	17,976	6,496	1,820	53,281	6,011	59,292
Total	34,655	23,976	8,162	2,902	69,695	7,850	77,545
<i>of which, Parent Company</i>	16,571	12,367	3,943	1,427	34,308	4,510	38,818

1) For the period 1 January 2024 until 6 June 2024, the Group Management Team comprised 9 persons, for the period 7 June 2024 until 18 August 2024 it comprised 8 persons, for the period 19 August 2024 until 15 April 2025 it comprised 9 persons, for the period 16 April 2025 until 31 May 2025 it comprised 8 persons, for the period 1 June 2025 until 31 August 2025 it comprised 7 persons, and as of 1 September 2025 the Group Management Team comprises 8 persons.

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

3) Comparative numbers have been adjusted for the cost incurred related to the resignation agreement of Henri de Sauvage-Nolting.

Internal control over financial reporting

The Board of Directors 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 environment 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 assessed on financial impact. The internal control environment is designed to mitigate risks identified to a level considered acceptable by management.

Risks and risk management are reported on separately in more detail in the Risks and risk management section on pages 42–46. 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>Existence: Reported assets and liabilities exist on the reporting date.</p>	<p>Completeness: All transactions during the reporting period are recorded and reported.</p>	<p>Rights and obligations: Assets are the rights of the organisation and the liabilities are its obligations as of a given date.</p>	<p>Valuation and allocation: All items in the financial reporting are reported in compliance with IFRS valuation principles and are correctly calculated and summarised and appropriately recorded.</p>	<p>Presentation and disclosure: Items in the financial reports are properly described, sorted and classified.</p>
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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 processes 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 levels are 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.

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.

Information and communication

Effective communication ensures the information flows in the organisation. Significant policies, guidelines, instructions 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 from Group Management Team to 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 Audit Committee*

Elected: 2024

Born: 1958

Nationality: Danish

Education: B.Sc., Copenhagen Business School.

Other assignments: Board member of 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, CFO Business area Private at If Skadeförsäkring and Consultant 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: 514,485
Related parties: 89,019,352



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. Executive MBA, Stockholm University.

Other assignments: Board Member of Hjalmar Svenfelt Foundation, 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: 88,917,257



Lena Grönedal

Position: Employee board member, LIVS

Elected: 2008

Year of birth: 1962

Nationality: Swedish

Position at Cloetta: Process Operator, Cloetta Sverige AB.

Shareholding: Direct: –
Related parties: –

Group Management Team



Katarina Tell

*Position: President and CEO since 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: –

Previous positions: Stepped into her current role in 2024 from a position as Area President Cloetta Sweden. An experienced international leader with a broad background from the food industry, including senior roles as Managing Director Kraft Heinz Northern and Eastern Europe, General Manager Findus, Sweden, Retail Sales Manager Kraft Heinz Sweden and Business development at Findus.

Shareholding: Direct: 216,155 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: Degree of Master of Laws, LL.M, and B.Sc. Business Administration, Stockholm University.

Other assignments: –

Previous positions: Joined Cloetta from a position as Vice President Finance at Arla Foods. A seasoned finance executive with extensive international experience from various finance positions in Mondelez such as chief financial officer for India and Indonesia, Finance Director ZBB Asia-Pacific, Regional Manager Financial Planning and Analysis and Area Manager Internal Controls.

Shareholding: Direct: 237,744 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: Joined Cloetta from a position as Marketing Director for L'Oréal Paris in the Nordics. An experienced international marketing leader with a background from L'Oréal, including roles within marketing and sales in Germany and Sweden. Prior to that he also held marketing positions at British American Tobacco and Paulaner Brewery in Germany.

Shareholding: Direct: 116,884 class B shares
Related parties: –



Ewald Frenay

*Position: Chief Human Resources Officer (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: Stepped into his current role in 2023 from a position as Area President Cloetta Middle, with a responsibility for the Dutch and German markets. Broad international experience from both Cloetta and LEAF, including interim responsibility for Cloetta Italy and Export Markets, senior roles such as President Middle and Chief Marketing Officer and member of the LEAF Executive Committee. Has also held leadership positions at CSM and various marketing and sales roles at Mars Inc.

Shareholding: Direct: 55,810 class B shares
Related parties: –



Ulrika Palm

*Position: Area President Scandinavia & Travel Retail since 2025
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 GS1 Sweden and DLF (Trade Association of Sweden).

Previous positions: Stepped into her current role in 2025 from a position as Area President Sweden. Joined Cloetta from a position as Division Director Nordics and CEO of Midsona Sweden and member of the Group Management Team at Midsona. Strong leadership and senior commercial background from various international consumer goods companies within sales, marketing, brand communication, and innovation at Unilever, Procter & Gamble, Lantmännen Cerealia and as CEO of Lager 157.

Shareholding: Direct: 7,971 class B shares
Related parties: –



Ville Perho

*Position: Area President Finland & East since 2025
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 Varastoaura Oy, Chairman of Finnish Chocolate, Sugar Confectionery and Biscuit Industries' Association.

Previous positions: Stepped into his current role in 2025 from a position as Area President Finland. Before that served as Sales Director Cloetta Finland. An experienced commercial leader with an extensive background at Cloetta and LEAF, including leadership and senior roles within retail category development and account management.

Shareholding: Direct: 111,264 class B shares
Related parties: –



Andrew Row

*Position: Chief Operating Officer (COO) since 2025
Employed by Cloetta since 2025*

Year of birth: 1974

Nationality: British

Education: Bachelor in Integrated Engineering, Nottingham Trent University, England.

Other assignments: –

Previous positions: Joined Cloetta from a position as Chief Operating Officer Müller Milk & Ingredients. A seasoned leader with more than 20 years of international experience from FMCG, particularly within food, beverage, pharmaceuticals, and household goods. Has held several leadership roles at Ineos Hygenics, Refresco, Smith & Nephew, Reckitt and GoldenFry Foods, within Operations, Supply Chain and Manufacturing.

Shareholding: Direct: 3,600 class B shares
Related parties: –



André Ruikes

Position: Area President Netherlands & West since 2025

Employed by Cloetta since 2010 (through acquired company LEAF)

Year of birth: 1985

Nationality: Dutch

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

Other assignments: –

Previous positions: Stepped into his current role in 2025 from a position as Area President Cloetta Middle, with a responsibility for the Dutch and German markets. A senior commercial leader with a long track record from Cloetta and LEAF, including roles within marketing, key account management and brand management, as Customer Director, Customer Marketing Director, Senior Account Manager and Brand Manager.

Shareholding: Direct: 18,466 class B shares
Related parties: –



Niklas Truedsson

Position: Area President Growth since 2025 and Chief Pick & Mix Officer since 2019

Employed by Cloetta since 2019

Year of birth: 1972

Nationality: Swedish

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

Other assignments: –

Previous positions: Stepped into his current role in 2025 from a position as Area President Cloetta Denmark & Norway and Chief Pick & Mix Officer. Joined Cloetta from a position as CEO of Risenta, part of the Paulig Group. An experienced FMCG leader with several commercial managerial roles and strong background at Unilever in the Nordics and Asia. His previous roles include Country Manager Sweden and Trade Investment & Pricing Director Asia, Africa & Central Europe.

Shareholding: Direct: 97,167 class B shares
Related parties: –

Changes in the Group Management Team

On 2 July 2025, Cloetta appointed Andrew Row as Chief Operating Officer (COO), effective in September 2025.

On 11 April 2025, Cloetta shared that Michiel Havermans, SVP Cloetta International, leaves the company at the beginning of June 2025.

Shareholding stated as at 31 December 2025

Sustainability statement

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

How to read the Sustainability statement

Cloetta’s Sustainability statement is structured according to the four overall chapters in the European Sustainability Reporting Standards (ESRS): ‘General’, ‘Environment’, ‘Social’, and ‘Governance’. Certain disclosures from the cross-cutting standard ESRS 2 relate to information in the administration report and the remuneration report. In cases where disclosures are found in the administration report or the remuneration report, references are included to provide additional context.

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General information

BP-1 General basis for preparation of sustainability statements

As of the financial year 2025, Cloetta AB (publ) Sustainability statement is prepared in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS) and Chapter 6, Section 10 of the Swedish Annual Accounts Act. Cloetta's sustainability statement is also prepared in accordance with the Taxonomy Regulation 2020/852, Norwegian Transparency Act 2021 and other relevant regulations. Disclosures required by the Norwegian Transparency Act are provided in chapters "General information", "Own workforce," and "Workers in the value chain".

About Cloetta's Sustainability statement

In 2024, Cloetta conducted a double materiality assessment to identify material sustainability-related impacts, risks, and opportunities. The process combined input from internal experts, external stakeholders, and risk analysis tools and is aligned with the ESRS framework. Each topic was assessed against both impact materiality and financial materiality thresholds. Insights from this process guided the identification of relevant ESRS topic areas and sub-topics for reporting. The assessment was reviewed and updated in 2025 with more granular sub-topic analysis to better align with the CSRD. Results were validated by the Group Management Team and approved by the Board of Directors.

The sustainability statement presents an overview of the company's material impacts, risks, and opportunities (IROs) related to environmental, social, and

governance topics, as required under CSRD. The statement is structured into four core sections:

- **General Disclosures:** Outlines the basis for preparation of the sustainability statement, including governance structures, processes for assessing material sustainability-related IROs, and the integration of sustainability into the company's overall strategy and business model.
- **Environmental disclosures:** Provides an overview of how Cloetta identifies and manages environmental IROs across its operations and value chain. The disclosures cover Climate change, Biodiversity and ecosystems, as well as Resource use and circular economy.
- **Social disclosures:** Describes Cloetta's approach to managing social sustainability topics, with a focus on respecting human rights and promoting fair and safe working conditions across the value chain. The disclosures cover Own workforce, Workers in the value chain and Consumers and end-users.
- **Governance disclosures:** Offers insight into Cloetta's Business conduct and approach to business ethics with a focus on preventing corruption and bribery, including grievance mechanisms. It outlines the company's policies, internal controls, and governance mechanisms designed to ensure responsible business conduct.

Reporting scope

The sustainability statement covers Cloetta's whole value chain, including the company's operations. All data points included have been assessed as material, based on Cloetta's double materiality assessment. The double materiality assessment covers both upstream and downstream parts of the value chain, with the most significant impacts and risks currently identified in upstream activities such as raw material sourcing and supplier practices. On the downstream side, Cloetta addresses impacts related to product use and end-of-life, including those associated with consumer health. Where available, relevant data is reflected in the section Metrics within each chapter. Historical data is not available for metrics reported for the first time in 2025 or for metrics whose calculation methods have been adjusted to align with the ESRS accounting policies.

Principles of consolidation

The data is consolidated according to the same principles as the financial statements, meaning that it covers the parent company, Cloetta AB (publ), and its controlled subsidiaries. The Sustainability statement covers the entire business operations of the company, unless otherwise noted. Data covering the value chain includes upstream, downstream and direct operations where applicable. No information has been omitted due to concerns about confidentiality, classification or sensitivity. The same consolidation principles are applied to all disclosures and material topics.

BP-2 Disclosures in relation to specific circumstances

Accounting principles and changes

The accounting policies are aligned with ESRS standards and have been consistently applied to all data presented. Significant accounting estimates and judgements are highlighted alongside the relevant data point.

Primary risk in sustainability reporting consists of data that may be reported inaccurately or not consolidated correctly.

Some reported data points rely on assessments and estimates. Certain figures in this report are subject to a level of uncertainty. This uncertainty arises from factors such as future events, measurement techniques, and the quality and availability of supply chain data. Uncertainties may stem from changes in market conditions, regulatory developments, or the availability and reliability of data from suppliers and customers.

Where applicable, detailed information on the sources of uncertainty and the assumptions is reported in the 'Accounting principles' section within the relevant chapter of this Sustainability statement, ensuring transparency in how these figures are derived.

Climate data is generally associated with some uncertainty due to different measurement methods and data quality.

Cloetta applies well established methods and frameworks, such as the Greenhouse Gas Protocol (GHG protocol), for calculating greenhouse gas emissions. Any changes to these estimates are recognised in the period they are updated. Informed judgments are applied when implementing accounting principles. 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 sections.

Where value chain data has been included in the reporting, such as scope 3 emissions, certain metrics are based on estimations using indirect sources. When available, direct data from suppliers is used to improve the reliability of the disclosures. While some reliance on secondary data may affect the overall level of accuracy, efforts are continuously made to enhance data quality.

Reporting changes and prior reporting errors

Key updates include a revised double materiality assessment, a restructured sustainability report, and disclosures in line with applicable ESRS topical standards. All reported data points are based on topics assessed as material under Cloetta's double materiality assessment. While no major errors were identified in previous reports, some updates and corrections have been made to better align with the revised double materiality assessment. These adjustments are detailed in the relevant disclosure sections.

If there are any changes in how sustainability information is prepared or presented

compared to previous reports, revised comparative figures are disclosed unless it is not possible to do so. If it's not possible to adjust the information for earlier periods, the reason is explained. For those sections where comparative figures are provided, any differences between the previously reported figures and the updated figures are highlighted.

Minor inconsistencies were identified in previously reported climate data due to data quality issues discovered during last year's validation process. These have been corrected in the current reporting, resulting in minor adjustments to certain historical figures. The errors have been assessed as not material and do not affect the overall trends or conclusions in the sustainability report. The underlying causes were related to data collection processes and system limitations, which have now been addressed through improved data validation routines and updated reporting templates.

To improve alignment with CSRD requirements, Cloetta has refined its energy and emissions reporting in 2025 compared to previous years. Energy consumption from nuclear sources and the renewable share of purchased district heating have been included in the E1-5 disclosure, providing a more accurate view of total energy use and related emissions. In E1-6, biogenic emissions in scope 2 are now reported separately, based on updated emission factor data in the sustainability data management system.

Cloetta has decided to remove the entity-specific metrics for energy consumption per produced tonne and CO₂ emissions per produced tonne that were reported in previous years. This decision is based on an updated materiality assessment, in which

management concluded that these indicators are not material under the ESRS framework. The metrics included in the ESRS standards are assessed to sufficiently cover Cloetta's material sustainability topics, and therefore the reporting will focus on these standardised disclosures going forward.

As reported in E5-3 target section, the packaging-related CO₂ reduction target previously disclosed, is no longer included under chapter E5. This adjustment aligns with ESRS requirements and the scope of the E5 chapter. The target, which aims for 100 per cent of packaging to come from renewable sources or recycled materials by 2030, is part of the Climate Action Program, where progress and related actions are monitored. For more information, see chapter E1.

As this is Cloetta's first year reporting in accordance with the ESRS requirements, comparative figures for S4 (entity-specific disclosure) and E5 (resource outflows) have not been presented. This is in line with the transitional provisions applicable to first-time ESRS reporting.

ESRS transitional provisions

During the reporting year, Cloetta has applied transitional provisions in accordance with ESRS. Accordingly, full disclosures have not been provided in relation to:

- SBM-1 §40 b)–c)
- SBM-3 §48 e)
- E1-9
- E4-6
- E5-6
- S1-14 §88 d)

Governance

GOV-1 The Board and Management's role and responsibilities

The Board of Directors

As the highest governing body for sustainability, the Board of Directors (the Board) oversees Cloetta's strategic direction, approves relevant policies and targets, and formally endorses the results of the double materiality assessment and related sustainability reporting. The Board and the President and CEO hold ultimate responsibility for the company's sustainability performance, including compliance with

all applicable laws, regulations and due diligence oversight. No significant instances of non-compliance were reported during the period. Regular updates are provided to the Board covering material impacts, risks, and opportunities (IROs), strategic priorities, and progress toward sustainability objectives.

In accordance with the Board's diversity policy, the composition of the Board of Directors must be appropriate in relation

to the company's operations and stage of development and reflect diversity in terms of competence, experience, background, age, nationality, and gender, with the aim of achieving a balanced gender representation. The Board's combined expertise supports Cloetta's development through strong market insight, leadership experience, and a solid understanding of the business, enabling the Board to make well-informed decisions regarding Cloetta's long-term

development and strategic direction. The Board brings together relevant expertise across the material sustainability areas identified through the double materiality assessment. This collective competence enables oversight of Cloetta's most significant impacts, risks, and opportunities, and ensures sustainability considerations are consistently integrated into the company's overall governance and strategic agenda. The Audit Committee is established by the Board and functions as a preparatory and advisory body, supporting the Board's oversight of sustainability reporting and internal control. Where required, the Board may also seek external expertise, including in relation to regulatory matters and specific sustainability issues.

Composition of the Board ¹	2025	2024
Male representatives	4	4
Share of male representatives, %	50	50
Female representatives	4	4
Share of female representatives, %	50	50
Total amount members of the Board	8	8
Of which independent, %	75	75
Of which executive, %	–	–
Of which non-executive, %	100	100

1) Including the employee representative.

For more information on responsibilities and composition of the Board, see the corporate governance report pages 48–63.

Cloetta's management and administrative body

The Group Management Team constitutes the company's executive management body. The President and CEO is appointed by the Board and is responsible for overseeing the company's operations in accordance with the guidelines and instructions adopted by the Board, as well as for the company's day-to-day management. In this role, the President and CEO is supported by the Group Management Team. By the end of 2025, The Group Management Team consisted of nine members, comprising two women and seven men.

The Group Management Team is responsible for setting and steering Cloetta's strategic direction on sustainability, overseeing performance against targets related to material sustainability IROs, and ensuring alignment with the overall corporate strategy. This includes reviewing the results of the double materiality assessment prior to its approval by the Board and monitoring progress toward established targets.

Sustainability is an integrated element of Cloetta's corporate strategy, and the Group Management Team has played a central role in shaping and advancing the company's sustainability agenda over time. Each key sustainability initiative is assigned an executive sponsor from the Group Management Team to ensure clear accountability and leadership. The material IROs identified through the double materiality assessment continue to guide decision-making across all parts of the value chain, from sourcing and production to product development. Throughout the reporting year, relevant IROs have been addressed and are presented in the respective ESRS topical disclosures.

The overall strategies for Cloetta's sustainability work have been adopted by the Group Management Team, while the ultimate responsibility for sustainability matters rests with Cloetta's Board of Directors and its President and CEO. The Group Management Team receives regular sustainability updates, including updates on material developments where relevant. Due diligence related topics are addressed as part of broader sustainability updates. This includes progress on the double materiality assessment, risk identification and mitigation, and compliance preparations such as the EU Deforestation Regulation (EUDR). The development of Cloetta's due diligence process is ongoing and will become a more formal and recurring topic in Group Management Team meetings during 2026 as part of the company's CSRD implementation roadmap.

Competence of the Board and Group Management team

The Board's collective experience is broad and includes consumer goods and the food industry, supply chains and procurement, as well as finance and capital markets, which is considered relevant for Cloetta as an international confectionery company with a global value chain. Experience from senior executive positions contributes expertise in strategic management, risk management and internal control.

Further, the Group Management Team has been composed with competencies considered appropriate to responsibly support the company's strategic and operational development. The Group Management Team has broad experience, including in fast-moving consumer goods (FMCG) and related sectors, with backgrounds in senior positions within sales, marketing,

finance, business management and production.

Overall, these experiences are considered to support corporate governance, responsible leadership and risk management, as well as the integration of responsible business conduct into the company's strategy.

While there are currently no dedicated sustainability experts within the Board and Group Management Team, several members bring relevant knowledge and experience in sustainability-related areas. In addition, the Board and The Group Management Team have access to internal resources and external expertise when needed, and efforts are ongoing to strengthen sustainability competence through continued learning and engagement with subject matter experts. To further strengthen governance and oversight of sustainability, the company intends to enhance the competence of both The Group Management Team and the Board in sustainability-related matters over the coming years. This includes targeted training and ongoing dialogue on key environmental, social, and governance topics, regulatory developments, and emerging risks and opportunities.

Sustainability Board and Sustainability affairs

The highest sustainability related bodies within the company are the Sustainability Board and Sustainability Affairs. The Sustainability Board provides strategic oversight of the company's sustainability work, while Sustainability Affairs is responsible for driving sustainability efforts within the organization.

The composition of the Sustainability Board represents different parts of the organisation, ensuring a broad perspective and understanding of the various areas of the business and their sustainability priorities. This forum supports the implementation of key initiatives, ensures alignment with long-term goals, and fosters collaboration across functions and stakeholders. This structure creates a practical and responsive forum for addressing sustainability issues, ensuring better alignment of priorities across the organization.

Sustainability Affairs consists of the Sustainability Manager, who is responsible for driving the sustainability agenda and related internal sustainability communication, and the Sustainability Reporting and Compliance Manager, who ensures compliance with sustainability legislation and handles external sustainability

communication. For specific sustainability issues, Sustainability Affairs escalates matters to the Sustainability Board. Additionally, Sustainability Affairs has a direct channel to the Group Management Team, allowing for effective communication and support in implementing the sustainability strategy.

Governance Sustainability Board:

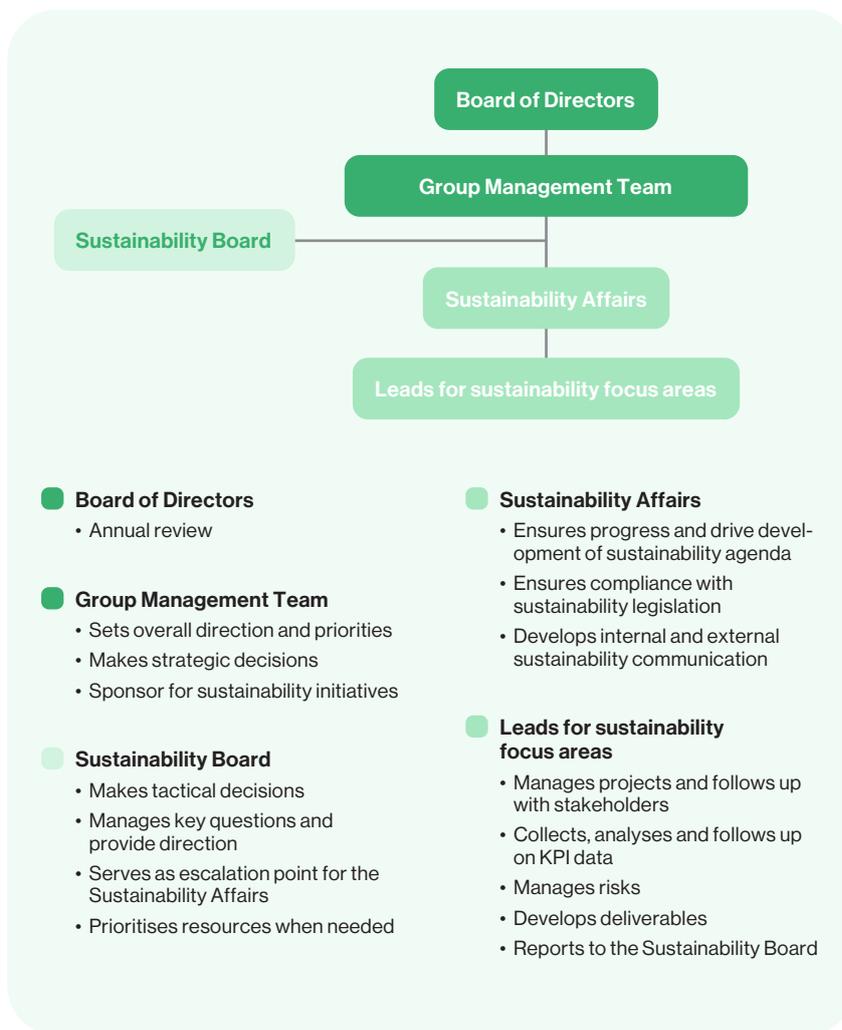
- Decide and approve deliveries
- Manage key questions and provide direction
- Escalation point for the Sustainability Affairs
- Prioritise resources when needed
- Monthly board meetings
- Progress of each focus area is reported by the Sustainability Board members
- Focus area leads participate upon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

Sustainability policies

Cloetta’s sustainability governance is supported by a set of formalised policies, including:

- Cloetta’s Code of Conduct
- Cloetta’s Supplier Code of Conduct
- HR policy
- Health and safety policy
- Environmental policy
- Anti-bribery and anti-corruption policy
- Fraud policy
- Whistleblower policy
- Palm oil policy

The policies commit Cloetta to conduct business responsibly in several ways, such as conducting due diligence, applying the



Board of Directors

- Annual review

Group Management Team

- Sets overall direction and priorities
- Makes strategic decisions
- Sponsor for sustainability initiatives

Sustainability Board

- Makes tactical decisions
- Manages key questions and provide direction
- Serves as escalation point for the Sustainability Affairs
- Prioritises resources when needed

Sustainability Affairs

- Ensures progress and drive development of sustainability agenda
- Ensures compliance with sustainability legislation
- Develops internal and external sustainability communication

Leads for sustainability focus areas

- Manages projects and follows up with stakeholders
- Collects, analyses and follows up on KPI data
- Manages risks
- Develops deliverables
- Reports to the Sustainability Board

precautionary principle, respecting human rights, and including at-risk or vulnerable groups within the organisation and/or supply chain. Cloetta communicate its 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, Cloetta also offers sustainability-related training, and news shared on the company’s intranet.

GOV-2 The Board’s and Management’s sustainability oversight

In accordance with Cloetta’s corporate governance framework, the President and CEO is responsible for ensuring that the Board of Directors is provided with the information necessary to make well-informed decisions. The President and CEO presents reports and proposals at Board meetings on matters addressed by the Group Management Team and regularly informs the Board and the Chairman of the development of the company. Similarly, the President and CEO is responsible for ensuring that the Board is informed of the

progress of Cloetta’s sustainability work, the effectiveness of adopted targets, and material sustainability matters, thereby enabling the Board to maintain an overall view and make well-founded decisions.

Sustainability information provided to the Group Management Team

A designated member of the Group Management Team, the Chief Marketing Officer (CMO), is responsible for sustainability operations. The CMO works in close collaboration with Sustainability Affairs.

Through ongoing dialogue, the CMO is kept informed of developments within Cloetta’s sustainability agenda.

This structure ensures that sustainability topics are integrated into the agenda of the Group Management Team and are addressed in strategic discussions. In addition, Sustainability Affairs has a standing agenda item at the Group Management Team’s meetings, which is utilized as needed for discussions on key topics such as progress on strategic sustainability initiatives, performance against KPIs and

targets, and developments related to sustainability-related impacts, risks and opportunities. This ensures that management maintains an up-to-date understanding of the company’s sustainability performance and compliance progress.

In addition, the development of the due diligence work has been followed up during 2025, particularly in connection with

the implementation of the EUDR. Further improvements are planned for 2026 as a prioritized focus area.

Information provided to the Sustainability affairs and Sustainability Board

Leaders of specific sustainability initiatives report their key performance indicators (KPIs) and overall progress to the Sustaina-

bility Affairs team. When required, the Sustainability Affairs team escalates matters to the Sustainability Board, which processes the issues before reporting them to the CMO and the Group Management Team in accordance with the established governance structure.

GOV-3 Integration of sustainability-related performance in incentive schemes

Sustainability-related performance is currently not included in any incentive schemes. Cloetta does not link the remuneration of the Board of Directors or the Group Management Team to climate-related considerations, such as performance against greenhouse gas emission reduction targets. Accordingly, no portion of the remuneration recognised in 2025 is

linked to climate-related considerations. As part of the ongoing strategic review and the development of a new business strategy, Cloetta is considering a variety of factors relevant to its future direction. At this stage, it has not been decided whether climate-related considerations will be included in future remuneration structures. Cloetta will continue to monitor develop-

ments in this area and will provide updates in future disclosures as appropriate. For more details on Cloetta’s current remuneration practices and the planned inclusion of sustainability targets, please refer to the remuneration report and to the remunerations of the group management team disclosure on page 55–57.

GOV-4 Statement on due diligence

Cloetta is committed to upholding internationally recognised standards on business and human rights, including the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, and the ILO Core Conventions. The due diligence approach is risk-based and aligned with the OECD Guidelines, ensuring that the company proactively manages human rights and environmental responsibilities across the operations and value chain.

The due diligence process is designed to identify, prevent, mitigate and address actual and potential adverse impacts. While this work is still ongoing, important steps have been taken to integrate due diligence into the governance and daily operations through updated supplier evaluation processes, and industry collaboration. Cloetta regularly engages with internal and external stakeholders to understand expectations and concerns, and these insights inform

risk assessments and help prioritise actions where the need is greatest.

Focus is also centred on further strengthening internal processes to prepare for new legislative requirements, particularly the implementation of due diligence measures under the EUDR, in order to ensure improved traceability and risk management across the supply chains.

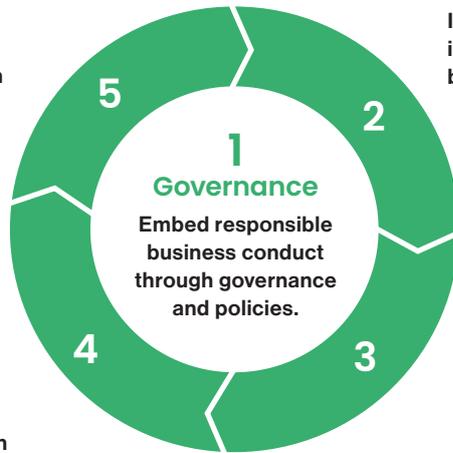
Paragraphs in the Sustainability Statement

Core elements of due diligence	Paragraphs in the Sustainability Statement							
	ESRS 2	E1	E4	E5	S1	S2	S4	G1
a) Embedding due diligence in governance, strategy and business model	GOV-1 - 4; SBM-1 - 3	SBM-3	SBM-3	SBM-3	SBM-3	SBM-3; S2-2	SBM-3; S4-2	G1-1
b) Engaging with affected stake-holders in all key steps of the due diligence	SBM-2	SBM-2	SBM-2	SBM-2	SBM-2; S1-2	SBM-2; S2-2	SBM-2; S4-2	SBM-2
c) Identifying and assessing adverse impacts	IRO-1 - 2	IRO-1 - 2	IRO-1 - 2	IRO-1 - 2	IRO-1 - 2	IRO-1 - 2	IRO-1 - 2	IRO-1 - 2
d) Taking actions to address those adverse impacts		E1-3	E4-3	E5-3	S1-4	S2-4	S4-4	G1-3
e) Tracking the effectiveness of these efforts and communicating		E1-3 - 4	E4-3 - 4	E5-3 - 4	S1-3 - 5	S2-3 - 5	S4-3 - 5	G1-3 - 4

Cloetta’s approach to due diligence¹

5. Communication of outcomes

Communicate how impacts are addressed in our sustainability report.



2. Impact identification

Identify and assess adverse impacts in operations, supply chain and business relationships.



6. Remediation

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

4. Monitoring

Track implementation and results.

3. Mitigation of impacts

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

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

GOV-5 Risk management and internal control

The Board holds overall responsibility for the company’s sustainability reporting and the internal control framework. The audit committee is established by the Board to serve as a preparatory and advisory body, supporting the Board in its oversight of sustainability reporting. Its responsibilities include reviewing sustainability reporting processes, evaluating internal controls, and monitoring risks, as well as planned improvements.

The audit committee’s task is to assist the Board in overseeing the effectiveness of risk management and internal control processes, ensuring the quality, reliability, and integrity of sustainability information, as well as circumstances affecting the quality of the sustainability reporting including keeping oversight over the independent audit processes. The audit committee meets at least four times per year and reviews the company’s sustainability reporting and compliance with applicable laws, including oversight of the double materiality assessment and related metrics. Independent limited assurance is performed by an appointed external auditor, supporting the integrity and reliability of sustainability reporting.

The President and CEO is responsible for implementing and supervising internal controls over sustainability reporting, while the Group Management Team ensures that

employees in key roles have the necessary competence to carry out the procedures that support the sustainability reporting process.

For further information regarding responsibility for sustainability reporting and the overall process for internal control, see the corporate governance report on the pages 53 and 58–59.

Sustainability reporting process

The Sustainability Reporting and Compliance Manager oversees the preparation and quality control of the sustainability statement, ensuring alignment with applicable ESRS disclosure requirements. Sustainability data is collected and verified systematically across all key metrics and forms an integral part of the company’s non-financial reporting processes. Data is internally reviewed and approved before being disclosed in the Sustainability statement, ensuring central oversight and control. Key risks identified include completeness, accuracy, and availability of reported data.

Each ESRS topic area is assigned to a designated owner within the relevant functions, who is responsible for data collection for both narrative and metric disclosures. The individual responsible for data collection is tasked with gathering and entering quantitative and qualitative data in accordance with ESRS standards, ensuring trace-

ability through documented sources and performing basic accuracy checks. The Data Review and Assurance Responsible validates the collected data for completeness, accuracy, and compliance, applying internal controls, and verifying supporting evidence. This role also provides feedback for corrections and maintains documentation of the review process, including a final internal sign-off to confirm that the data is ready for reporting.

Control activities within sustainability reporting

Cloetta has established processes to assess and manage risks related to the integrity of information disclosed in the sustainability statement. Control activities are designed to mitigate identified sustainability risks and ensure accurate, reliable, and consistent reporting, as well as process efficiency. These control activities comprise a mix of preventive and detective measures and include automated and manual activities.

The company’s central systems include automated controls, this includes basic data validation checks and predefined calculation logic for certain metrics. Several sustainability control activities are currently performed manually, both within central and local management teams. To ensure the accuracy of manually handled figures, con-

Control validations are conducted by cross-referencing the prepared data with the original documentation. A quality control process is applied to reduce risks associated with manual data entry through verification by at least two reviewers 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.

For all data, multiple layers of review are applied to verify and check the information at different stages. Manual controls play an important role in maintaining data quality, particularly for non-routine or judgment-based sustainability information.

In the coming period, Cloetta plans to further strengthen and formalise these activities, establishing a more consistent, structured, and comprehensive internal control environment for sustainability. Additionally, the company will continue to enhance and expand the automated elements of its sustainability processes over time.

Strategy, business model and value chain

SBM-1 Strategy, business model, and value chain

Cloetta's business model focuses on producing and marketing confectionery products, targeting both branded packaged and the Pick & mix segment. The offerings include brands like Läkerol, CandyKing, Tupla, Kexchoklad, Malaco, Mynthon, and Red Band. Cloetta's markets are divided into Core markets, Beyond core markets and other markets. Core markets are Sweden, Finland, Denmark, Norway, and the Netherlands. Beyond core consists of Germany, the UK and North America and other markets consists of remaining countries in which Cloetta has sales through distributors. Cloetta's manufacturing plants are primarily located in its core markets, supporting a broad product portfolio.

Cloetta distributes its products through a diversified network of sales channels, including grocery retail trade, service trade such as convenience stores, e-commerce, and other channels. In its core markets, the company manages distribution through both direct operations and, where no local sales organisation exists, via external distributors coordinated by the sales teams in Holland and Finland and from regional hubs.

How Cloetta creates value

Cloetta creates value by producing and marketing confectionery products that bring joy to consumers. The product offering includes local favorites and international icons, combining great taste with responsible business practices to meet the evolving expectations of consumers, customers, shareholders, and society.

The ability to generate long-term value depends on several critical inputs. These include agricultural raw materials such as sugar and cocoa, which are essential for the products. Cloetta relies on secure, responsible sourcing to ensure quality and supply chain continuity. Packaging materials and

energy are also fundamental to production and logistics, and efforts are ongoing to reduce their environmental footprint. Human and financial capital are equally important. The company's employees drive innovation, quality, and operational performance. Stable access to financial resources enables strategic investments in sustainability, production, and growth.

Cloetta maintains long-term, transparent relationships with suppliers, customers, retailers, and regulators to ensure compliance, manage risks, and build trust throughout the value chain. These relationships support the delivery of tangible benefits for stakeholders from providing products that align with consumer expectations for responsible business and transparency, to contributing positively to the communities where Cloetta sources and operates.

Integrating sustainability into strategy and governance

Sustainability is embedded across Cloetta's business model, value chain, and governance. It is integrated into product development, sourcing, manufacturing, packaging, risk management, compliance, and corporate governance. This ensures sustainability is consistently reflected in both daily operations and long-term strategic planning, supporting financial performance while contributing to a more sustainable confectionery sector.

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 the most important areas throughout the business and value chain where there is an ability and responsibility to create impact. Sustainability is integrated into the business core, the company's vision connects to Cloetta's purpose, and the

progress of initiatives raises the ambition to create a sweeter future. Sustainability efforts create value by enhancing the brand image, driving consumer preference, ensuring supply chain stability, and preparing the company for future regulatory requirements.

Cloetta has established sustainability-related targets primarily linked to its products and services, as well as key stakeholder relationships. For products and services, these include targets for 100 per cent recyclable packaging by 2025, the use of RSPO-certified palm oil and Rainforest Alliance-certified cocoa, as well as sugar-free and portion control targets to support healthier product choices. In relation to stakeholder relationships, Cloetta continues to engage in partnerships aimed at improving living conditions in sourcing communities, particularly within the cocoa supply chain.

Cloetta conducts several analyses to understand how significant product groups, markets, and stakeholder relationships relate to the company's sustainability targets. Insights are based on consumer research, sustainability benchmarks, and results from the double materiality assessment, which identified key focus areas across products, geographical markets, and the value chain. These analyses inform Cloetta's sustainability priorities and target setting, for example, product-related targets such as sugar-free and recyclable packaging are directly linked to consumer expectations and material impacts identified in the double materiality assessment, while stakeholder-related initiatives address key risks and opportunities in the supply chain.

In 2024, Cloetta's updated sustainability strategy was endorsed by the Board and aligned with CSRD and the ESRS framework.

CSRD has become a drive force for setting measurable, outcome-oriented, and time-bound sustainability targets. For Cloetta, this presents certain challenges, particularly in aligning targets across the company's material sustainability topics given the diversity of impacts, risks, and maturity levels within the operations and value chain.

In 2025, internal efforts on target development were deepened. This included consultations with relevant internal functions

and external experts to ensure that future targets reflect both Cloetta's strategic priorities and CSRD expectations. The focus was on strengthening the underlying data and frameworks needed to support robust target-setting and progress measurement. Cloetta has historically tracked progress on several sustainability-related targets, including greenhouse gas emissions, health and safety, sustainable sourcing, and packaging recyclability. These areas remain cen-

tral to the updated sustainability strategy. Several of the draft targets currently under development for the 2030 horizon are grounded in earlier commitments and long-term ambitions. Until new CSRD-aligned targets are finalised, Cloetta will continue to monitor and report progress against existing goals, ensuring continuity and transparency throughout the transition. Cloetta's sustainability targets are described in detail in the respective chapter of this report.

Value chain

Cloetta's value chain covers the full life-cycle of confectionery products, structured into upstream, own operations, and downstream stages. Each stage contributes to delivering high-quality products while addressing material sustainability impacts, risks, and opportunities (IROs) across environmental, social, and governance dimensions. A comprehensive understanding of the value chain is essential to identify where IROs arise and to prioritise actions.

An initial evaluation of key raw materials and their environmental impacts has been conducted, forming a foundation for assessing the sustainability of Cloetta's offerings. Key areas for improvement have been identified, particularly in the

sourcing and processing of raw materials, with ongoing efforts to better understand broader sustainability impacts and align the product portfolio with sustainability goals. To support transparency and strategic decision-making, key elements of the value chain are mapped to illustrate where IROs occur. This mapping will be further refined over time, including inputs, outputs, and outcomes.

Upstream activities include farming, resource extraction, growing, harvesting, refining, and transporting raw materials to Cloetta's facilities.

Own operations cover procurement, manufacturing, processing, and packaging. Raw materials are transformed into confectionery products under strict food safety and quality standards. Packaging protects products while minimising environmental impact, and innovation, design, and development enhance product value and meet customer needs. Marketing ensures effective communication of product benefits.

Downstream activities involve distribution to retailers and consumers through various sales channels. This stage includes product consumption and efforts to promote recycling to minimise waste and environmental impact.

Negative impact

Environmental

- 1 Natural resources exploitation and land-use change
- 2 Deforestation
- 3 Biodiversity/Habitat loss
- 4 Greenhouse gas emissions
- 5 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

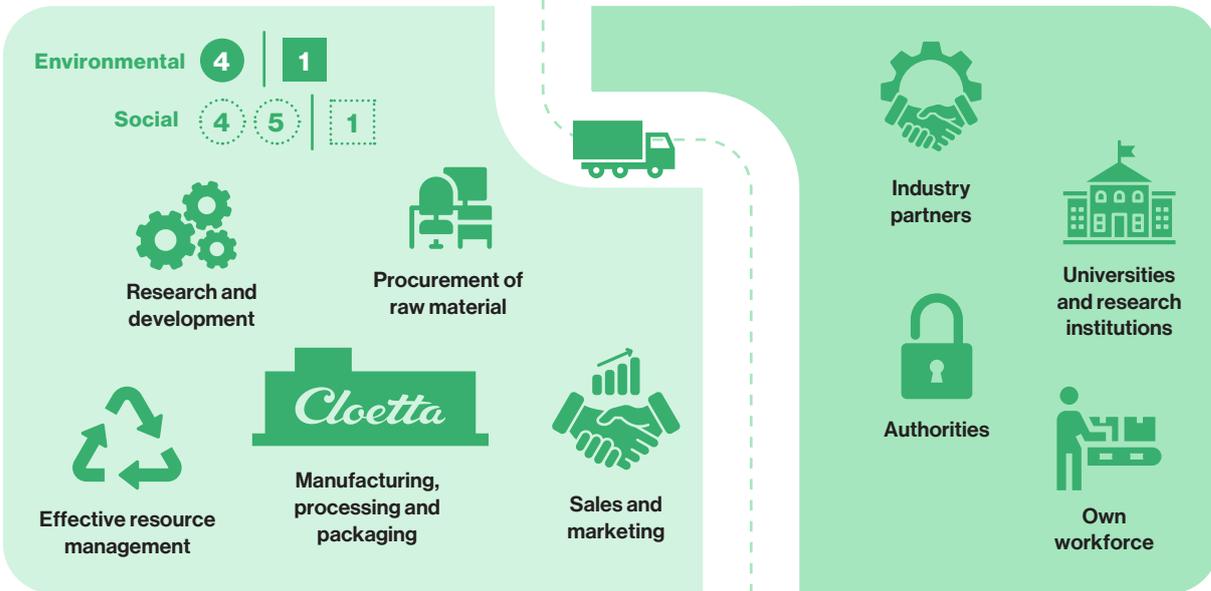
Activities

Stakeholders

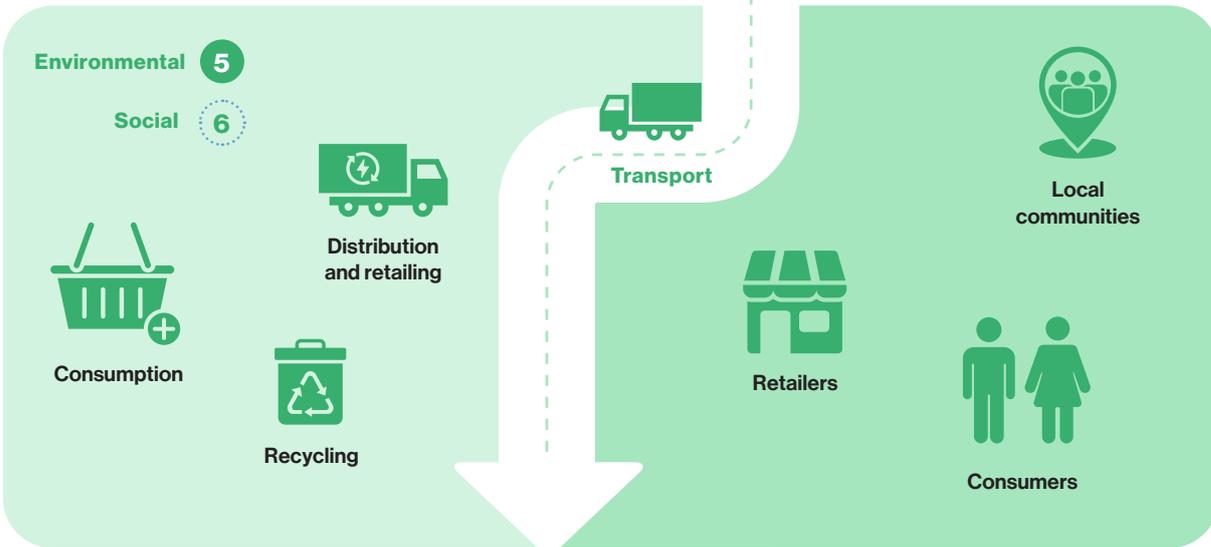
Upstream



Own operations



Downstream



SBM-2 Engagement with stakeholders

Building strategic partnerships and maintaining dialogue with key stakeholders is essential to staying responsive in a fast-changing environment. Cloetta actively engages with key stakeholders such as consumers, employees, industry peers, customers, investors, and authorities, at both local and group levels. This dialogue is integrated into strategic and operational activities to build trust, understand the expectations and needs of different

stakeholders, inform decision-making, stay informed about emerging trends, regulatory developments, and societal expectations. Insights from ongoing stakeholder engagement and the company's double materiality assessment guide the identification and prioritisation of IROs. These inputs directly shape Cloetta's sustainability agenda and strategic direction.

Stakeholder views are reviewed and, when relevant, escalated to the Group

Management Team and Board of Directors to ensure strategic alignment. Regular evaluations and adaptations to the approach are implemented, in order to maintain responsiveness to stakeholder needs, strengthen relationships, and support the long-term sustainability goals.

The following table outlines examples of how Cloetta engages with its key stakeholders.

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

SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

Cloetta's sustainability strategy is integrated with its overall business model and long-term strategic goals. Addressing sustainability challenges, such as climate change, resource efficiency, and human rights, is critical to maintaining the company's 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 embedded into key decision-making processes across all business functions. The Board 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.

As part of the established process, Cloetta conducted an annual review of the double materiality assessment in 2025, building on the 2024 analysis that confirmed

all seven ESRS topic areas as material. This year's more granular sub-topic level review enabled a more precise mapping of disclosure requirements and better prioritisation of actions in line with CSRD and ESRS standards. While the number of material topics remained consistent, the assessment refined the understanding of key issues, most notably, Biodiversity and ecosystem services was newly identified as a financially

material topic and integrated into the sustainability strategy.

All material impacts, risks, and opportunities are reported in accordance with the ESRS disclosure requirements. One additional entity-specific disclosure has been applied in this report. Further details on impacts, risks and opportunities can be found in the sections on 'Environment,' 'Social,' and 'Governance.'

Double materiality assessment outcome



Material topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
E Climate change	Climate change mitigation	Negative actual impact	Greenhouse gas emissions from energy use, large-scale agriculture, and high-impact ingredients such as gelatine, as well as deforestation linked to crops like cocoa and palm oil, contribute to global warming, sea level rise, and deteriorating air quality.	<ul style="list-style-type: none"> Reducing emissions across the value chain in alignment with science-based targets Incorporating climate mitigation strategies into sourcing practices, such as reducing emissions from animal-based products through vegan options Ensuring sustainable and deforestation-free practices by using certified raw materials like cocoa and palm oil 	Upstream Own operations Downstream	Short term Medium term Long term
		Negative actual impact	Energy use derived from fossil-based fuels, results in greenhouse gas emissions, which contribute to climate change.	<ul style="list-style-type: none"> Shift to renewable energy (wind, solar, hydro) Energy efficiency improvements with upgrades and optimisation 	Own operations	Short term Medium term Long term

Material topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
Bio-diversity and ecosystems		Risk	Transition risk ¹ : Increased costs may arise due to investments in climate mitigation measures, such as sustainable sourcing as well as increased prices of raw materials. The risk has potential to materialize in a high emission scenario.	<ul style="list-style-type: none"> Collaborate with suppliers and peers for shared costs and innovation 	Upstream Own operations Downstream	Short term Medium term Long term
		Risk	Physical risk ¹ : Production and supply chain disruptions, including energy shortages, raw material scarcities, or extreme weather, could stop operations, delay deliveries, decrease quality and availability and increase prices as well as harm the company's performance and reputation. The risk has potential to materialize in a high emission scenario.	<ul style="list-style-type: none"> Monitor sourcing and delivery processes for disruptions Protective protocols ensure safe workplace and limit risks 	Upstream	Short term Medium term Long term
		Risk	Transition risk ¹ : Regulatory risks and uncertainties, including new laws, fines, taxes, or restrictions on operations, driving extra costs or potential changes to operations. The risk has potential to materialize in both a high and low emission scenario.	<ul style="list-style-type: none"> Monitor and adapt to climate regulations Follow science-based targets to cut carbon footprint Proactively implement carbon management strategies 	Own operation	Short term Medium term Long term
	Direct impact drivers on biodiversity loss	Negative actual impact	Deforestation, driven by agricultural expansion and land-use change leads to biodiversity loss. Sourcing 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"> Source certified raw materials and collaborating with suppliers and NGOs to ensure deforestation-free practices Explore regenerative agriculture and alternative raw materials with lower environmental impacts Train procurement teams in biodiversity-related risks Conduct biodiversity and deforestation-risk assessments for key-ingredient sourcing regions, with safeguards to avoid sourcing from protected areas or other high-risk landscapes 	Upstream	Short term Medium term Long term
	Impacts on the state of species	Negative actual impact	Sourcing contributes to habitat loss, pesticide use, and deforestation, thereby affecting local species populations and biodiversity.	<ul style="list-style-type: none"> See mitigations for Direct impact drivers on biodiversity loss 	Upstream	Short term Medium term Long term
	Impacts on the extent and condition of ecosystems	Negative actual impact	Land use changes and agricultural practices lead to deforestation, soil degradation, or reduced ecosystem health and resilience.	<ul style="list-style-type: none"> See mitigations for Direct impact drivers on biodiversity loss 	Upstream	Short term Medium term Long term
	Impacts and dependencies on ecosystem services	Negative actual impact	Sourcing can degrade ecosystem functions (e.g. pesticide use affecting pollinators) but they also provide reliable crop yields, clean water, and healthy soils necessary for producing key ingredients.	<ul style="list-style-type: none"> See mitigations for Direct impact drivers on biodiversity loss 	Upstream	Short term Medium term Long term

¹) Examples of transition risks include changes in regulation and taxation, while physical risks can be both acute and chronic, such as extreme weather events and natural disasters.

Material topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
Resource use and circular economy		Risk	Financial risks related to dependency on ecosystem services, particularly those associated with the agricultural sector. These dependencies are crucial for the company's operations and can impact its financial performance.	<ul style="list-style-type: none"> Strengthen long-term supplier partnerships and certified sourcing schemes to promote resilient farming practices 	Upstream	Short term Medium term Long term
	Resource outflows, related to products	Negative actual impact	Plastic packaging 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"> Reduce plastic and minimising packaging Replace virgin fossil plastics by materials from renewable or recycled sources. Implementation of advanced technologies for better resource efficiency 	Downstream	Short term Medium term Long term
S Own workforce	Working Conditions	Negative actual impact	Workplace hazards such as machinery, slippery floors, chemical spills, and vehicle incidents can cause severe injuries, absenteeism, legal liabilities, reputational harm, and work-related stress. Exposure to chemicals, noise, and mental strain can also affect larger groups of employees over time, leading to chronic health issues, reduced well-being, and decreased productivity. These impacts occur across all production sites, combining individual incidents with systemic effects on health and well-being.	<ul style="list-style-type: none"> Health and safety management system covering all Cloetta production sites and offices Processes and training programs to proactively manage and minimise risks and incidents Continuous monitoring and strict adherence to safety protocols to prevent incidents and accidents 	Own operation	Short term Medium term Long term
	Equal treatment and opportunities for all	Negative actual 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. This is considered a systemic issue, as the underrepresentation of women in management positions reflects a broader, ongoing challenge rather than isolated incidents.	<ul style="list-style-type: none"> Measures for competence development, equal pay, and non-discrimination Introduction programs, platforms for development and learning, health-promoting activities, and regular employee surveys (Cloetta engagement survey) Leadership trainings and other initiatives to promote equal opportunities 	Own operation	Short term Medium term Long term
	Working Conditions	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. These risks are closely linked to Cloetta's dependency on its own workforce, as the well-being and engagement of employees are essential for ensuring operational continuity and upholding the company's reputation.	<ul style="list-style-type: none"> See mitigations for workplace hazards and health issues 	Own operation	Short term Medium term Long term

Material topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon	
Workers in the value chain	Working Conditions	Negative actual impact	Working conditions and other work-related rights impacts 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"> Sourcing 100 per cent certified palm oil (RSPO) and cocoa (Rainforest Alliance) Collaborating with industry initiatives such as World Cocoa Foundation and our Kolo Nafaso Shea program 	Upstream	Short term Medium term Long term	
	Other work-related rights	Negative actual 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"> Enhancing supplier performance through our Sustainable Sourcing initiative 	Upstream	Short term Medium term Long term	
Consumers and end-users	Personal safety of consumers and/or end-users	Negative actual impact	High sugar content in products is linked to health issues like obesity and diabetes, which can affect consumers- particularly children and adults who regularly enjoy sweets. Some products also contain higher levels of fat, which may influence overall dietary balance. Regular consumption of sugary products can impact dental health, by increasing the risk of cavities. These impacts are considered widespread and systemic, as they can affect a broad range of consumers across all markets where Cloetta's products are sold, rather than being limited to isolated incidents or specific business relationships.	<ul style="list-style-type: none"> Provide information about product content and calories. Develop lower-sugar and sugar-free product options Promote dental health alongside confectionery offerings Individuals under the age of 13 are not targeted by marketing efforts Focusing on developing products with functional ingredients that are beneficial for consumers 	Downstream	Short term Medium term Long term	
G	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"> Established processes for addressing potential corruption issues, including training, guidelines, and policies The Cloetta Code of Conduct outlines expectations for employees, while the Supplier Code of Conduct obligates suppliers to comply with ethical business practices 	Upstream Own operations Downstream	Short term Medium term Long term

Material sustainability matters

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Cloetta's double materiality assessment evaluates both impacts on the environment and people, as well as the financial effects of sustainability-related risks and opportunities on the business. The assessment has been conducted in accordance with the ESRS standards. The process reflects these requirements, incorporating a financial assessment and a more thorough evaluation of the value chain.

The double materiality assessment is a central component of Cloetta's sustainability strategy, guiding the identification and prioritisation of environmental, social, and governance issues that are most material for the business and stakeholders. This process enables the company to align sustainability efforts with core values and business objectives, ensuring that focus is directed towards areas with the most impacts. The outcome of the double materiality assessment is integrated into Cloetta's sustainability agenda, which reflects a commitment to provide high-quality products, supporting the well-being of people involved in the value chain, and minimising the environmental footprint. This is also reflected in the external reporting and serves as the basis for the content of the Sustainability statement.

Cloetta conducted an annual review of the double materiality assessment in 2025, building on the previous assessment conducted in 2024. As part of the annual review the process and its outcome were reviewed and approved by the Board and Cloetta's Group Management Team, 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 impacts, as well as risks and opportunities that shape stakeholder perceptions of the company's performance and affect its capacity to create and sustain value. These issues become material when they are critical to the business strategy and the management of non-financial matters. Cloetta's double materiality assessment considers impacts, risks and opportunities arising both from its own operations and from 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. The assessment focused on specific activities, business relationships, and other factors that may pose an increased risk of adverse impacts. Activities in the upstream value chain were examined, 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 the industry. The assessment was based on industry-wide value chain assessments, sector expertise, and internal insights gained through participation in various forums. An assessment of the connections between impacts and the potential financial risks or opportunities these may generate was conducted by evaluating whether each specific impact leads to a financial risk or opportunity. This 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.

Conclusion

Based on this assessment, Cloetta reports on the topical ESRS standards and related disclosure requirements presented in the index on page 136. These topics will be periodically reassessed in future reporting cycles as part of our annual materiality review process. We have not applied any sector-specific standards in this reporting period.

Process for double materiality

The following steps were conducted:

- 1 Scope definition and key sustainability issues:** The process started by defining the scope and objectives of the assessment, focusing on key parts of the value chain and relevant sustainability issues. Objectives were aligned with strategic goals and stakeholder expectations. Potential sustainability issues were identified and categorised 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 insights on their concerns and expectations were gathered. These interactions helped identify significant issues from both sustainability and financial perspectives.
- 3 Assess impact materiality:** An evaluation on how operations affect the environment and society was conducted, by analysing the scale, scope, and potential irremediability of impacts and if the impact is actual or potential. For potential impacts likelihood is also assessed.
- 4 Assess financial materiality:** Sustainability issues were analysed, in order to gain insight on how sustainability issues impact the company's financial performance, evaluating potential risks and opportunities related to regulatory changes, market trends, operational disruptions, and financial costs or savings. The analysis also considered dependencies on access to natural and social resources. This assessment focused on how these factors could affect profitability, strategy, and long-term value.
- 5 Prioritise issues:** Based on the assessments, the sustainability issues were prioritised by their significance, to determine the most critical areas. This prioritisation supported focus on efforts directed towards the most significant issues.
- 6 Develop and implement strategies:** Strategies and action plans were formulated 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:** The double materiality assessment is updated annually to reflect changes in the business and stakeholder expectations. This continuous improvement ensures that the 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.

Identifying and assessing climate-related impacts, risks, and opportunities

Climate-related impacts, risks and opportunities were identified and assessed across Cloetta's value chain as part of the double materiality assessment. The process involved screening key activities and products to determine actual and potential climate impact, with a focus on raw materials and energy use. Direct emissions from own operations (scope 1 and 2) and indirect emissions from the value chain (scope 3) were considered. The assessment covered the severity and likelihood of impacts, including the contribution to global GHG emissions. It further included actual and potential financial risks and opportunities related to climate change, such as supply chain disruptions, increased energy costs, regulatory changes, and the need for investments in sustainable practices. The assessment was informed through the identification of climate-related physical and transition risks and opportunities, as outlined below.

Scenario analysis

During 2025, Cloetta conducted a high-level scenario analysis to identify and assess climate-related impacts, risks, and opportunities across the value chain. The process was based on internal data, and covered both own operations as well as upstream and downstream activities. This includes the company's largest raw material purchasing categories and external sources.

The analysis consisted of two scenarios: a 1.5°C scenario (IPCC SSP1-1.9, NGFS

Net Zero) and a 4°C scenario (IPCC SSP5-8.5, NGFS "Hot house world"), both aligned with state-of-the-art science. Narratives and time horizons were chosen to highlight a spectrum of risks and uncertainties, ranging from ambitious mitigation efforts to business-as-usual. Key drivers considered include policy and regulatory trends, macroeconomic and market developments, energy and technology shifts, and supply chain vulnerabilities. The analysis was high-level, based on broad regional and sectoral data, and did not include site-specific geospatial analysis. More detailed geographic assessment is planned for a future phase in 2026.

At this stage, no critical climate-related assumptions from the scenario analysis have been incorporated into the financial statements. Cloetta's GHG emissions are mapped and disclosed in the section E1-6 on page 92.

Physical risks

Climate-related hazards were identified, such as extreme weather, water scarcity and crop yield decline. Furthermore, the exposure and sensitivity of company assets and the supply chain to these hazards were assessed, with a focus on key agricultural inputs and high-level geographies. This resulted in a gross list of physical risks, which was screened for financial effects. Hazards were identified over short-, medium-, and long-term horizons, and high-level assets and activities were screened for exposure. Time horizons were defined

as: short-term (0–3 years), medium-term (3–10 years), and long-term (>10 years), aligned with strategic planning and asset lifetimes. Exposure and sensitivity were assessed using likelihood, magnitude, and duration, based on available data for main sourcing regions. The identification and assessment were informed by a 1.5°C-aligned scenario (IPCC SSP1-1.9, NGFS Net Zero) and a high-emission scenarios (IPCC SSP5-8.5, NGFS "Hot house world").

Transition risks and opportunities

Transition events were identified, such as regulatory changes, market shifts and technology requirements. Following this, exposure and sensitivity of the business to these events were assessed. Transition events were identified and screened over short-, medium-, and long-term horizons, with long-term covering more than 10 years and aligned with public policy goals. Exposure and sensitivity were assessed using likelihood and magnitude, focusing on regulatory, market, and technology trends. The identification and assessment were informed by a 1.5°C-aligned scenario (IPCC SSP1-1.9, NGFS Net Zero) and a high-emission scenarios (IPCC SSP5-8.5, NGFS "Hot house world"). No assets or activities were identified as fundamentally incompatible with a climate-neutral economy, but areas needing adaptation were noted.

Findings in the scenario analysis are based on a high-level assessment that will be further developed during 2026.

Identifying and assessing biodiversity and ecosystem related impacts, risks and opportunities

Impacts, risks and opportunities related to biodiversity and ecosystems were identified and assessed across Cloetta's value chain as part of the double materiality assessment.

Main biodiversity impacts arise upstream from sourcing key agricultural raw materials, especially cocoa, sugar beet, palm oil, and starch, from regions with high conservation value, where deforestation and monoculture farming threaten ecosystems and species.

The assessment covered the severity and likelihood of impacts as well as the actual and potential financial risks and opportunities related to biodiversity and ecosystems. Further, the assessment covered the identification of biodiversity

and ecosystem-related physical and transition risks and opportunities.

Impacts were assessed by focusing on high-volume raw materials and estimated hectares used, using scientific research, biodiversity assessments and ENCORE, WWF reports and buyer input, with land occupation from sourcing being far more material than Cloetta's own footprint. Main impacts identified are land use change (deforestation and conversion of natural habitats), pollution from fertilizers and pesticides, and climate change effects, leading to habitat and species loss and disruption of ecosystem services. All EU-based production sites are managed under ISO 14001 and Cloetta's Environmental Policy. The production

sites have limited direct impact and are not located within or near any designated conservation areas. However, the Ljungsbro site is situated next to a river, and its environmental permit includes specific requirements for monitoring and measuring emissions to ensure protection of the local environment.

Cloetta's business depends on healthy ecosystems and services such as rainfall and soil fertility for stable ingredient supply. For example, cocoa yields are sensitive to weather and temperature. Disruptions to these ecosystem services can affect both supply and pricing. Cloetta faces transition risks from increasing regulation, such as the EU Deforestation Regulation (EUDR), as well as evolving expectations from

customers and stakeholders on responsible sourcing. Physical risks relate to the degradation of natural resources, including soil and water, which are essential for crop production. Climate change and extreme weather events can impact yields and supply stability, especially for weather-sensitive crops like cocoa. Opportunities include increased demand for certified and sustainably produced ingredients, which has the potential to strengthen Cloetta's market position. Biodiversity loss is recognised as a systemic risk for ecosystem stability and food security, and Cloetta is integrating bio-

diversity into risk management and sourcing, focusing on high-impact commodities.

Aspects of community engagement and biodiversity are addressed through certified sourcing practices. Partnerships with schemes such as RSPO for palm oil and Rainforest Alliance for cocoa include criteria related to the protection of ecosystems, responsible sourcing, and consideration of local communities and shared biological resources. For example, during a visit to Côte d'Ivoire together with one of its cocoa suppliers, Cloetta met with workers on cocoa plantations to better under-

stand local conditions and risks. Cloetta also participates in industry initiatives and receives information on community risks through trade associations and collaborative projects.

Smallholder farms in the supply chain are particularly vulnerable to climate change and market fluctuations. Cloetta identifies and assesses negative impacts through field visits, supplier dialogue, and participation in industry initiatives. Actions taken include close collaboration with suppliers who control the full value chain, and sourcing only certified cocoa and palm oil.

Identifying and assessing resource use and circular economy related impacts, risks and opportunities

Impacts, risks and opportunities related to resource use and circular economy were identified and assessed across Cloetta's value chain as part of the double materiality assessment. The material negative impact is from resource outflows, particularly packaging waste from single-use plastics. While packaging is necessary for product protection, reliance on fossil-fuel-based plastics contributes to greenhouse gas emissions and resource depletion. An addi-

tional challenge regarding packaging is the lack of infrastructure to ensure it is recycled in practice. Financial risks were considered and include increased resource and waste management costs, stricter regulations, and the need for investments in innovation and circular solutions. Opportunities include increasing the use of recycled materials, improving recyclability and reducing climate impact through process improvements.

The screening is based on internal data analysis, using both quantitative and qualitative data from the ERP system and from external sources, such as packaging industry forums that are intended for both collectors and packaging producers. As part of the assessment, Cloetta has conducted consultations with internal stakeholders, but not with potentially affected communities.

Identifying and assessing business conduct-related impacts, risks and opportunities

Impacts, risks and opportunities related to biodiversity and ecosystems were identified and assessed across Cloetta's value chain as part of the double materiality assessment. The assessment considered several criteria. Location was evaluated by examining exposure to high-risk geog-

raphies where business conduct risks are more pronounced. In terms of activities, the focus was placed on specific business operations, such as raw material sourcing, to identify material matters. Sector-specific impacts, risks and opportunities were evaluated by drawing on industry-wide value

chain assessments and sector expertise relevant to the food and confectionery industry. The structure of transactions, including payment terms and contractual arrangements with suppliers, was also considered, as these can influence business conduct risks and opportunities.

Commentary on non-material topics

Cloetta's double materiality assessment includes an analysis of materiality for pollution, water and marine resources across its own operations as well as its upstream and downstream value chain. A broad range of sustainability matters was initially screened for relevance, with certain topics assessed as non-material for this reporting period. These topics were therefore excluded from the current reporting scope. The process, however, included a documented rationale for each excluded topic and will be reviewed regularly. Cloetta continues to monitor these

areas and updates its disclosures if their materiality status changes in future reporting cycles.

Pollution

As part of the double materiality assessment, Cloetta screened its site locations and business activities to identify actual and potential pollution-related impacts, risks and opportunities, covering pollution of air, water and soil, substances of concern and substances of very high concern, and microplastics. The assessment evaluated impact materiality based on

severity and likelihood and was informed by internal and external expert input. As outcome of the assessment, no site locations within Cloetta's own operations were identified where pollution constitutes a material issue. Pollution-related impacts were identified primarily in upstream agricultural activities and were assessed as non material for Cloetta. In determining this outcome, Cloetta considered potential site locations and business activities associated with pollution-related impacts, risks and opportunities.

Water and marine resources

Cloetta screened its assets and activities across its own operations and value chain to identify actual and potential water and marine resources-related impacts, risks and opportunities, including water consumption, withdrawals and discharges, as part of the double materiality assessment. The assessment was informed by internal and

external expert input. No direct consultations with affected communities were conducted specifically in relation to water and marine resources. Marine resources were assessed by considering potential dependencies on marine resource-related commodities, no such dependencies or related impacts were identified, and related pressure indicators addressed in other ESRS

standards were therefore not considered material. As outcome of the assessment, no material water or marine resources-related impacts, risks or opportunities were identified. In determining this outcome, Cloetta considered potential geographical areas, commodities and business segments associated with water and marine resources impacts, risks and opportunities.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The disclosure requirements outlined in European standards for sustainability reporting and the material sustainability

matters that have formed the basis for the preparation of the sustainability statement are provided in an index. The index further

refers to the information requirements derived from other EU legislation. The index is presented in an appendix on pages 136–140.

EI Climate change

Cloetta is committed to reduce its environmental footprint and advance understanding of the climate impacts resulting from its operations and value chain. Reducing reliance on fossil fuels is crucial for business resilience and the planet. To achieve this, Cloetta continuously refines the data collection processes and collaborates closely with value chain partners.

Approach and strategy

SBM-3 Strategy and business model

As Northern Europe's leading confectionery company, Cloetta recognises the important role it plays in addressing climate change and is committed to reducing its environmental impact. The products rely on raw materials sourced globally, and their production and consumption come with significant responsibilities. This drives the integration of climate action into every aspect of operations, from sourcing raw materials to packaging. In 2020, ambitious science-based targets were set to reduce Cloetta's 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 Cloetta's commitment to global climate goals.

As of 2025, Cloetta has not yet conducted a formal resilience analysis of the strategy and business model in relation to climate change.

Climate Action Program

Cloetta is committed to proactive climate governance, which is integrated into the sustainability and business strategy. This commitment is reflected through its Climate Action initiative. The company also established a Climate Action Program to effectively manage its climate initiatives and reduce greenhouse gas emissions across

all scopes. The initiative is comprehensive, consisting of several interconnected workstreams that bring together diverse departments. Cloetta's strategy emphasises collaboration, allowing teams to share best practices and innovative solutions that drive progress. Furthermore, the company actively seeks insights from industry leaders and sustainability experts to incorporate varied perspectives and enhance the strategies. Through this collaborative framework, Cloetta not only aims to meet its emission reduction targets but also strives to inspire a broader commitment to sustainability throughout its operations.

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
Climate change	Climate change	Negative actual impact	Greenhouse gas emissions from energy use, large-scale agriculture, and high-impact ingredients such as gelatine, as well as deforestation linked to crops like cocoa and palm oil, contribute to global warming, sea level rise, and deteriorating air quality.	<ul style="list-style-type: none"> Reducing emissions across the value chain in alignment with science-based targets Incorporating climate mitigation strategies into sourcing practices, such as reducing emissions from animal-based products through vegan options Ensuring sustainable and deforestation-free practices by using certified raw materials like cocoa and palm oil 	Upstream Own operations Downstream	Short term Medium term Long term
	Climate mitigation	Negative actual impact	Energy use derived from fossil-based fuels, results in greenhouse gas emissions, which contribute to climate change.	<ul style="list-style-type: none"> Shift to renewable energy (wind, solar, hydro) Energy efficiency improvements with upgrades and optimisation 	Own operations	Short term Medium term Long term

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
		Risk	Transition risk ¹ : Increased costs may arise due to investments in climate mitigation measures, such as sustainable sourcing as well as increased prices of raw materials. The risk has potential to materialise in a high emission scenario.	<ul style="list-style-type: none"> Collaborate with suppliers and peers for shared costs and innovation 	Upstream Own operations Downstream	Short term Medium term Long term
		Risk	Physical risk ¹ : Production and supply chain disruptions, including energy shortages, raw material scarcities, or extreme weather, could stop operations, delay deliveries, decrease quality and availability and increase prices as well as harm the company's performance and reputation. The risk has potential to materialise in a high emission scenario.	<ul style="list-style-type: none"> Monitor sourcing and delivery processes for disruptions Protective protocols ensure safe workplace and limit risks 	Upstream	Short term Medium term Long term
		Risk	Transition risk ¹ : Regulatory risks and uncertainties, including new laws, fines, taxes, or restrictions on operations, driving extra costs or potential changes to operations. The risk has potential to materialise in both a high and low emission scenario.	<ul style="list-style-type: none"> Monitor and adapt to climate regulations Follow science-based targets to cut carbon footprint. Proactively implement carbon management strategies 	Own operations	Short term Medium term Long term

¹ Examples of transition risks include changes in regulation and taxation, while physical risks can be both acute and chronic, such as extreme weather events and natural disasters.

E1-1 Transition plan

Climate strategy and transition plan

Cloetta's climate strategy and transition plan aims to address the urgent need for climate action by integrating sustainability into all aspect of operations, including implementing key initiatives with the aim to reduce greenhouse gas emissions. The company aligns its efforts with global standards and methods are based on scientific evidence to ensure that the climate work is credible and impactful. As a result, Cloetta continues to be innovative and to find new ways to lower its products' environmental footprint. This approach ensures not only reducing emissions but also building resilience for the future.

As the company's climate journey progresses, continued collaboration with suppliers to expand the plant-based product portfolio increases the range of vegan alternatives available to consumers. The aim is to transition to packaging from renewable sources or recycled materials as well as renewable energy sources, all while committing to substantial reductions in greenhouse gas emissions, verified by the Science Based Targets initiative. Cloetta Climate Journey defines the overarching targets and milestones towards the

science-based target of 46 per cent greenhouse gas emissions reduction by 2030. Cloetta has not established a climate neutrality target for 2050 but internal discussions are ongoing to define the company's future ambitions.

To support Cloetta's climate journey, an overall climate transition plan that is designed to align with the Paris Agreement and the 1.5-degree target has been established. The transition plan covers scope 1, 2, and relevant scope 3 emissions across the value chain. It includes both local and central initiatives that support the climate journey in the short and long term. These initiatives involve operational efficiency improvements to reduce energy consumption, transitioning to renewable energy sources as well as collaborating with suppliers to lower emissions in raw material sourcing, packaging, and transportation. The main initiatives in the transition plan focus on shifting to renewable energy for the company's own sites, with an emphasis on reducing the use of natural gas and liquefied petroleum gas (LPG). By shifting production processes to renewable electricity, the plan aims to reduce dependence on fossil fuels in scopes 1 and 2. Emissions

occurring from the supply chain is a substantial part of the scope 3, primarily due to the agriculture farming methods and its impact on land use carbon emissions. Products and packaging also have a substantial impact on the climate footprint. All outlined initiatives are essential to achieving Cloetta's climate objectives.

The climate transition plan is approved by the Group Management Team and the Board of Directors and is embedded in the overall business strategy through the company-wide Climate Action Program. The transition plan is incorporated into financial planning by integrating climate-related initiatives and associated costs are included in the company's overall financial assessments. Progress towards the target is monitored monthly, with updates reported transparently to ensure accountability and alignment with international climate commitments.

Investment and fundings supporting the implementation of the transition plan

Cloetta's climate transition plan is supported by targeted capital investments (Capex) and operational expenditures

(Opex) aimed at reducing greenhouse gas emissions throughout the value chain. In 2025, Cloetta worked to strengthen its approach by integrating climate considerations into business decisions and investment cases for future climate initiatives. This ensures that the climate impact of every investment and operational activity is evaluated as key part of the company's business case process.

In February 2025, Cloetta decided not to proceed with the planned greenfield investment in the Netherlands, due to increased risks related to energy supply and ongoing permitting challenges. Instead, the focus is on optimising the company's existing manufacturing and contract manufacturing network and re-evaluating the next steps in the climate transition plan. There have not been any significant investments or operational costs related to climate change mitigation during the reporting year. Following the decision not to proceed with the greenfield investment, the next steps for climate transition plan investments and costs are currently being reconsidered.

While there were no major new investments in machinery or large-scale climate projects in 2025, Cloetta continues to advance the company's climate agenda through ongoing and planned initiatives. These include energy transition projects, product reformulation, improved transport

solutions, and supplier engagement. These actions are expected to deliver significant savings in greenhouse gas emissions over the coming years. For more information on climate change mitigation actions, see the section E1-3 Actions.

Cloetta's EU taxonomy reporting disclose investments and costs related to taxonomy-eligible activities. For more information, see the EU taxonomy report on pages 96–101.

Locked-in GHG emissions from key assets and products

Locked-in greenhouse gas (GHG) emissions refer to future emissions that are challenging to mitigate due to existing assets, technologies, or product choices. These are also considered greenhouse gas and energy-intensive assets and products. For Cloetta, potential sources include:

- **Factory equipment:** Some production processes may still rely on fossil fuels or less efficient technology, which could lock in emissions until upgrades or replacements are made.
- **Cooling systems:** While some systems use ammonia (a low-emission refrigerant), others still rely on high-GWP refrigerants where alternatives are not yet available.
- **Buildings:** Older production sites and offices may lock in higher energy use and

emissions if not renovated for energy efficiency or renewable energy.

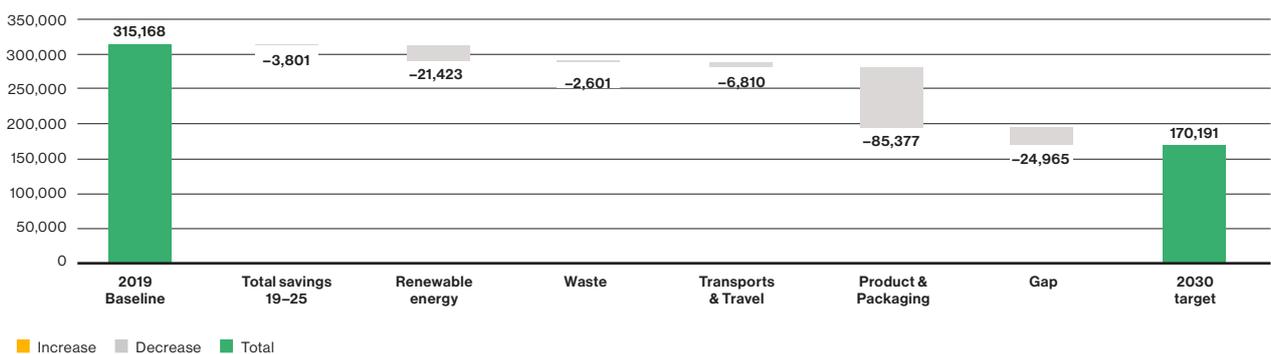
- **Packaging:** Continued use of conventional plastics could result in locked-in emissions if the shift to renewable or recycled materials is delayed.
- **Products:** Chocolate and cocoa-based products have higher inherent emissions due to raw material sourcing and processing. Gelatine and polyols (sugar alcohols) are also ingredients known to significantly contribute to increased emissions. Cloetta continuously works with recipe reformulation and supplier engagement to mitigate the impact.
- **Supplier practices:** Upstream emissions may remain locked in if key suppliers are slow to decarbonize or if alternatives are not widely available.

While these factors may pose transition risks, Cloetta addresses them through regular upgrades, supplier engagement, and monitoring of new technologies. Some emissions may persist until suitable alternatives are fully implemented, but Cloetta's flexible approach supports ongoing progress toward its GHG reduction targets.

As of 31 December 2025, Cloetta is not excluded from the Paris-aligned Benchmarks (reference indices aligned with the Paris Agreement climate goals).

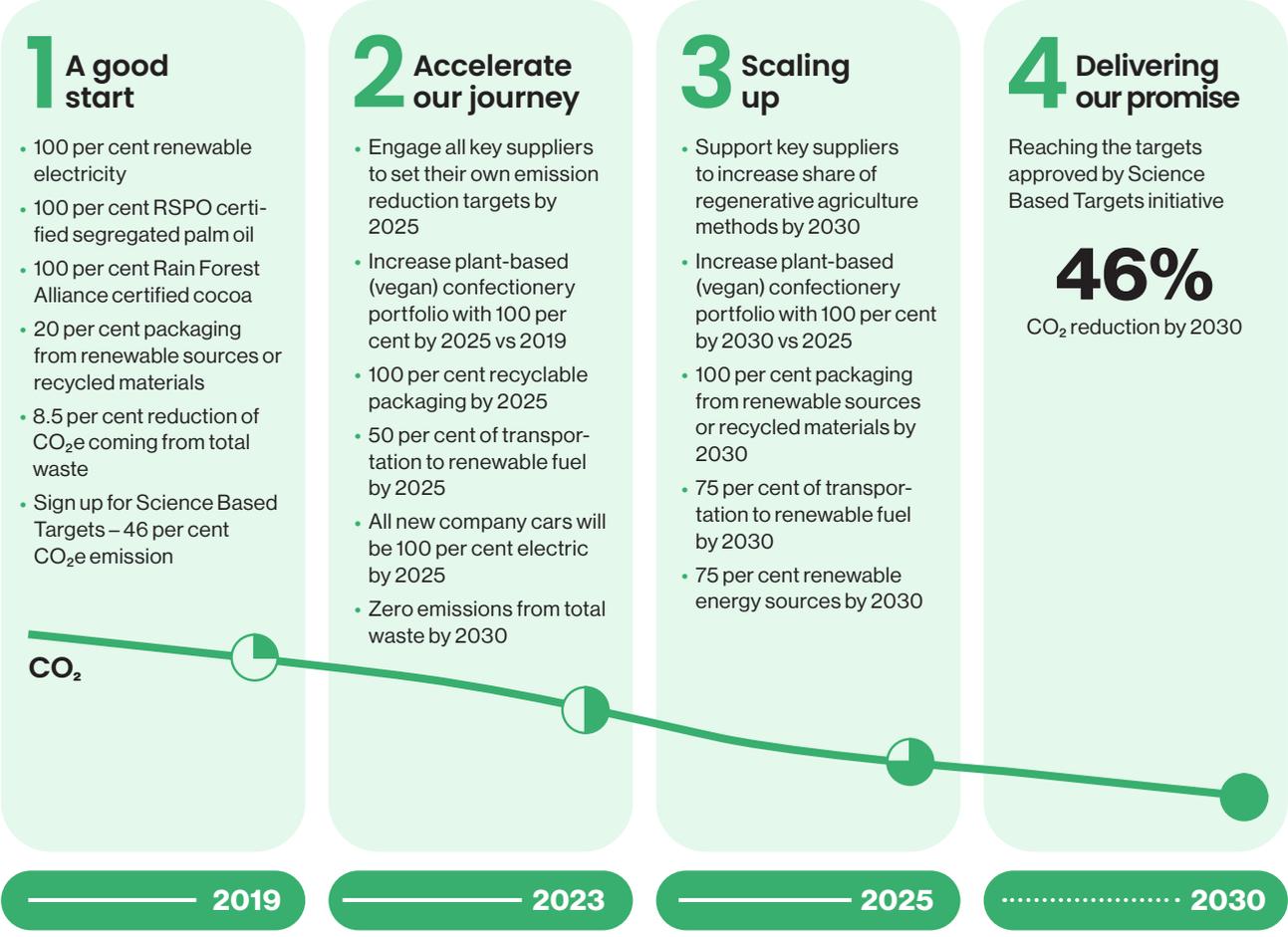
Climate transition plan

tCO₂e savings (location-based) by 2030



Source: CEMAsys

Climate journey



Impact, risk and opportunity management

E1-2 Policies

Cloetta's environmental policy forms a core part of its sustainability agenda, emphasising a commitment to reducing the environmental impact throughout the value chain. A climate policy is also currently under development. The policy outlines commitments and objectives related to climate change mitigation and adaptation, energy efficiency, renewable energy, and other relevant climate-related areas. It defines key principles and goals, including reducing greenhouse gas emissions, improving resource efficiency, and supporting the transition to a low-carbon economy. The policy will also address Cloetta's transition and physical climate-related risks. Adoption is expected in 2026.

The President and CEO and the Group Management Team at Cloetta hold ultimate

responsibility for ensuring the implementation of and compliance with all company policies. The environmental policy is publicly available on Cloetta's website cloetta.com.

Environmental policy

The environmental policy covers all stages of the supply chain, from sourcing raw materials to recycling packaging. It includes resource efficiency, climate action, and circular economy principles, with a focus on reducing carbon emissions, energy and water use, and minimising waste. It addresses climate change mitigation, energy efficiency, and the promotion of renewable energy. Cloetta also prioritises reducing hazardous substances, enhancing biodiversity through regenerative agriculture, and increasing the use of

renewable and recycled materials in product packaging. While the policy is primarily focused on climate change mitigation, the efforts to enhance biodiversity and collaborate with suppliers on regenerative agriculture also contribute to the supply chain resilience, supporting adaptation to changing climate conditions.

The policy relates to the material impacts and risks related to climate change mitigation. Cloetta is committed to continue its alignment with the Science Based Targets initiative as part of its actions to improve carbon emissions and ensures the sourcing of 100 per cent RSPO certified segregated palm oil and 100 per cent Rainforest Alliance certified cocoa in alignment with recognized third-party standards. Continuous improvement is built into

the approach, with clear objectives and regular reviews. This ongoing improvement process is guided by the company's environmental management system, which ensures compliance with regulations and stakeholder expectations. Cloetta strives

for open communication with internal and external stakeholders and reports regularly on its performance.

In setting the environmental policy, Cloetta considers the interests of key stakeholders by collaborating with suppli-

ers to promote regenerative agriculture, communicating openly with both internal and external stakeholders, and regularly reporting on environmental performance to maintain trust and meet the high expectations of customers and consumers.

E1-3 Actions

Within the Climate action initiative, the aim is to improve environmental performance both in operations and across the supply chain. This includes assessing emissions from the company's own operations as well as working closely with suppliers to drive emission reduction. In production, investments are made in energy-efficient technologies, with the goal of a full transition to renewable energy. As a food company, approximately 90 per cent of the total carbon footprint comes from scope 3 emissions related to raw materials, packaging, transportation, and purchased services. This calls for collective action, as well as innovative ideas and collaborations beyond operations. Consequently, Cloetta is actively working to reduce emissions from high-impact raw materials,

particularly by focusing on more responsible sourcing practices and expanding plant-based product offerings. Increasing the portfolio of plant-based products not only meets growing consumer demand for vegan options but also reduces 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 broader sustainability goals and science-based targets.

To mitigate potential negative impacts within the value chain, proactive collaboration with suppliers is conducted, with carbon emissions as a central aspect of 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, Cloetta gains a better understanding of their progress and assess their impact on the company's carbon footprint. The aim is to continue to strengthen collaboration with suppliers to collectively progress towards the company's climate targets.

The table below presents main actions conduct during 2025, ongoing actions and actions planned for the future. All activities support Cloettas science-based target of 46 per cent greenhouse gas reduction by 2030. Actions are focused on mitigating actual and potential impacts and risks, and are not aimed at providing remedy.

Key action 2025	Objective and expected outcome	Scope	Timeframe	Progress emission reduction
Several activities were carried out during 2025 to reduce energy consumption: Reduction of compressed air leakages; Improved energy data monitoring; Installation of roof insulation; Replacement of air filters; Transition to LED lighting; Replacement of equipment with more energy-efficient alternatives.	<ul style="list-style-type: none"> Significant CO₂ savings over the coming years Efforts form part of a broader strategy to enhance energy performance across operations 	<ul style="list-style-type: none"> Production sites and offices in Northern Europe 	2027–2030	Decrease of total emissions. Progress monitored monthly. Approximately 42 per cent reduction of total emissions since 2019.
Initiated investigation on transitioning production facilities to renewable energy sources, such as convert natural gas and LPG to biogas or other renewable alternatives. Initiated an investigation into potential investments in energy-efficient technologies within production.	<ul style="list-style-type: none"> 75 per cent renewable energy sources by 2030 Planned investments are considered key future actions in Cloetta's sustainability roadmap Efforts form part of a broader strategy to enhance energy performance across operations 	<ul style="list-style-type: none"> Production sites and offices in Northern Europe 	2027–2030	Decrease of total emissions. Progress monitored monthly. Approximately 42 per cent reduction of total emissions since 2019.
Reducing residual and physical waste and waste to landfill (e.g. by operational efficiency - and LEAN program, six sigma projects), converting waste streams for waste reduction.	<ul style="list-style-type: none"> Zero emissions from total waste by 2030 	<ul style="list-style-type: none"> Production sites and offices in Northern Europe 	2030	The emission reduction between 2024 to 2025 has specifically been a result from reduction of waste to landfill. Progress monitored monthly. Approximately 29 per cent reduction of total emissions since 2019.

Key action 2025	Objective and expected outcome	Scope	Timeframe	Progress emission reduction
Increasing the use of renewable fuels (e.g. HVO) in key freight lanes, optimizing distribution with electric trucks, shifting to more sustainable transport solutions (rail, higher payload trucks).	<ul style="list-style-type: none"> 75 per cent of transportation will transition to renewable fuel by 2030 	<ul style="list-style-type: none"> Fleet of leased and owned cars, employee commuting and domestic travel within Northern Europe 	2030	Decrease of total emissions (Business travel, Employee commuting and Upstream leased assets). Progress monitored monthly. Approximately 23 per cent reduction of total emissions since 2019.
Expanding the plant-based (vegan) product portfolio and reformulating recipes to reduce or replace animal-based ingredients.	<ul style="list-style-type: none"> 100 per cent plant-based (vegan) confectionery portfolio increase by 2030 compared to base year 2025 	<ul style="list-style-type: none"> Cloetta products in main Northern European markets 	2030	Decrease of total emissions. Progress monitored monthly. Approximately 6 per cent reduction of total emissions since 2019.
Investing in more sustainable packaging solutions, including the use of materials from renewable sources or recycled materials.	<ul style="list-style-type: none"> 100 per cent packaging from renewable sources or recycled materials by 2030 	<ul style="list-style-type: none"> Product packaging in main Northern European markets 	2030	Emission calculations are being revised in order to measure outcome accurately.
Collaborating with suppliers to improve the accuracy of CO ₂ data and drive emission reductions throughout the supply chain.	<ul style="list-style-type: none"> Support key suppliers to increase share of regenerative agriculture methods by 2030 	<ul style="list-style-type: none"> Key global suppliers representing the largest volumes 	2030	Progress monitored monthly. 42 per cent of current key suppliers (80 per cent of purchased goods) have committed to SBTi. Approximately 14 per cent reduction of total emissions from ingredients since 2021.
Improvement of data processes inventory in material scope 3 categories.	<ul style="list-style-type: none"> Improved data quality in GHG reporting and enhanced accounting principles. In order to for example include FLAG in future reporting 	<ul style="list-style-type: none"> All material scopes in value chain 	Ongoing	Developed accounting principles with further details to provide accuracy and transparency in GHG reporting.

Cloetta has a company-wide Climate Action Program, where line managers are assigned responsibilities per decarbonization lever. To evaluate investments, capital expenditures and operational expenditures are assessed as part of the business case process. Investments related to the climate action program are decided on a regular basis. Cloetta continuously evaluates alternative options and allocation of resources for future climate initiatives.

Internal capacity is identified as a dependency, as progress depends on available personnel and expertise. To address this, dedicated resources for climate data in packaging has been increased and are considering similar roles in product innovation. As climate considerations become integrated into all projects, the need for additional expertise and resources is expected to grow. No significant investments or operational costs related to climate change

mitigation were made during the reporting period. Following the decision not to proceed with the greenfield investment in the Netherlands, the next steps for climate transition plan investments and costs are under reconsideration. Currently there is 0 per cent taxonomy-eligible activities in core business for Cloetta. For Capex and Opex in eligible activities, see Taxonomy reporting chapter on page 96.

Targets and metrics

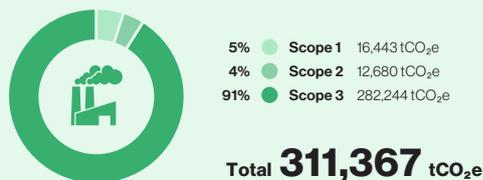
E1-4 Targets related to climate change mitigation

Greenhouse gas emissions

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

GHG emissions distribution by scope¹

%, tCO₂e

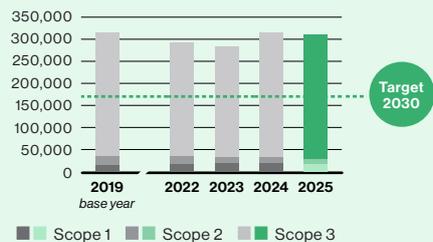


1) tCO₂e (metric tons of carbon dioxide equivalent) represents location-based emissions from all greenhouse gases.

Source: CEMAsys

GHG emissions

tCO₂e (scope 1, 2, 3)



Source: CEMAsys

Performance

Greenhouse gas emissions

Progress towards the 2030 target of a 46 per cent reduction in absolute GHG emissions remains limited, with a total decrease of 1 per cent since the 2019 base year. To align with the long term ambition, accelerated action – particularly within scope 3 emissions from purchased goods and services, which account for around 80 per cent of Cloetta's absolute scope 1, 2 and 3 GHG emissions and approximately 90 per cent of absolute scope 3 emissions, will be essential.

Energy

Scope 1 and 2 emissions from production sites and offices have decreased by approximately 15 per cent since 2019, driven by efficiency improvements resulting in a 5 per cent reduction in energy consumption, including lower electricity and district heating use. Continued focus on energy efficiency and targeted reductions in high-impact scope 3 categories will be critical to achieving the 2030 target.

About the target

Cloetta has set a combined greenhouse gas emission reduction target to reduce absolute emissions by 46 per cent by 2030, compared to the 2019 base year, in line with the Paris Agreement and the 1.5-degree target. The target is aligned with the sectoral pathway for Food and Beverage Processing and has been externally verified and approved by the Science Based Targets initiative (SBTi).

The target covers all scope 1, scope 2, and relevant scope 3 emissions across Cloetta's value chain, including production facilities, office operations, and retail activities. It encompasses upstream activities such as ingredients, purchased confectionery, transportation and well-to-tank (WTT) emissions for fuels and energy, as well as downstream activities like waste management and end-of-life treatment of products. The target applies to all geographies where Cloetta operates, including Sweden, Slovakia, the Netherlands, Ireland, Belgium, Germany, Italy, Norway, Denmark,

Finland, and the UK. The 46 per cent reduction target applies equally to each of these scopes, and scope 2 emissions are determined using the location-based calculation method. All seven greenhouse gases covered by the Greenhouse Gas Protocol are included: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

The consistency of the target with Cloetta's greenhouse gas inventory boundaries are ensured by applying the same organizational and operational boundaries for both inventory and reduction targets, as described in the greenhouse gas accounting methodology. The target is a gross reduction target, meaning it does not include removals of emissions, carbon credits, or avoided emissions.

Cloetta selected 2019 as the baseline year for its GHG reduction target because it reflects a typical year of operations, without significant anomalies or disruptions.

No normalization or 3-year averaging was deemed necessary, as 2019 is considered representative of the company's activities and external influences.

Progress towards the target is measured in absolute terms (tonnes CO₂e), intensity (CO₂e per produced tonne), and as a percentage reduction. Additional climate-related targets are tracked using relevant units, such as the percentage of plant-based (vegan) products in the assortment, the share of renewable energy, and the amount of packaging CO₂e reduced. The main data sources for Cloetta's GHG targets include external system data, supplier data, and primary data such as raw material volumes (kg), electricity consumption (kWh), and gas usage (m³). Where direct data is not available, estimates are used – for example, for office waste, third-party produced confectionery, and employee commuting. Emission factors are sourced from recognized databases and life cycle analyses. Significant assumptions include the continued decarbonisation of energy

supply, improvements in energy efficiency, and successful supplier engagement.

Progress is monitored monthly using internal systems and tracked through key performance indicators (KPIs) at both the production site and at group level. Quarterly reviews are conducted within the Climate Action Program, and results are reported in a climate dashboard. Performance is evaluated against planned milestones, any significant trends or deviations are analysed to ensure alignment with the target trajectory. Targets and progress are reviewed regularly and updated as needed to reflect new data, methodologies, or changes in the business environment.

Cloetta's strategy to achieve its climate target involves adopting modern technol-

ogies and innovative solutions across the operations and value chain. Investments are being made in energy-efficient technologies, transitioning to renewable energy, developing more sustainable packaging, and reformulating products to lower emissions. Collaboration with suppliers and local partners further supports resource efficiency and circularity, for example by converting production by-products into renewable biogas or repurposing physical waste as animal feed. The integration of these measures is expected to play a key role in meeting the greenhouse gas emission reduction target. For more information on the specific climate change mitigation actions, decarbonisation levers, and their estimated quantitative contributions to

Cloetta's target, please refer to the waterfall chart illustrating the transition plan, the emission chart in the Performance section, and the Action section.

Cloetta is currently working to improve data collection methods, particularly in relation to FLAG targets and supplier data. As data quality and methodologies improve, this may affect the comparability of reported emissions and progress over time. Any significant changes in targets, metrics, or methodologies will be transparently disclosed, including the rationale and potential impact on comparability.

To date, Cloetta has not yet considered range of climate scenarios in determining the decarbonisation levers for its GHG reduction target.

Metrics

E1-5 Energy consumption and mix

Energy consumption and mix	2025 ¹	2024 ²
(2) Fuel consumption from crude oil and petroleum products (MWh)	5,786	6,700
(3) Fuel consumption from natural gas (MWh)	66,851	83,282
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	27,604	13,549
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 2, 3 and 5)	100,241	103,531
Share of fossil sources in total energy consumption (%)	55	55
(7) Consumption from nuclear sources (MWh)	7	3
Share of consumption from nuclear sources in total energy consumption (%)	0	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	83,233	86,010
(11) Total renewable energy consumption (MWh) (calculated as the sum of line 9)	83,233	86,010
Share of renewable sources in total energy consumption (%)	45	45
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	183,481	189,544

Source: CEMAsys

1) In order to better align Cloetta's sustainability reporting with CSRD in 2025 compared to 2024, the energy consumption from nuclear sources was included (line 7) and the renewable share of purchased district heating was included alongside the renewable share of purchased electricity (line 9) in the E1-5 table. This gives a more accurate presentation of Cloetta's carbon footprint and energy consumption in 2025, as these two sources of energy consumption were earlier assumed to be from fossil sources, which was a very conservative assumption.

2) Historical data have been revised due to updates in calculation methodologies and data sources.

Energy intensity per net sales	2025	2024	% 2025 / 2024
Total energy consumption from activities in high climate impact sectors per net sales from activities in high climate impact sectors (MWh/SEKm) ²	21.5	22.0	-2

Source: CEMAsys

1) Based on the company's net sales (SEKm).

2) The calculation of energy intensity is based on Cloetta's total energy consumption in MWh from activities in high climate impact sectors divided by net sales (SEKm). The high climate impact sectors are manufacture of cocoa, chocolate and sugar confectionary. Net sales is reconciled with relevant items in the financial statements, which are disclosed in Note 2 on page 157.

Accounting principles

Energy consumption and mix

Energy consumption data is collected from all 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, district heat-

ing and small usage of heat heavy fuel oil. Energy data is collected monthly and reported at the site level and 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.

EI-6 Greenhouse gas emissions

Gross scopes 1, 2, 3 and total GHG emissions (tCO ₂ e)	Retrospective				Milestones and target years		
	Base year	2025	2024	% 2025/2024	2025 ¹	2030	Annual % target/ Base year ²
Scope 1 GHG emissions³							
Gross scope 1 GHG emissions	14,306	16,443	19,304	-15	17,374	7,725	4
Scope 2 GHG emissions⁴							
Gross location-based scope 2 GHG emissions	19,909	12,680	11,676	9	11,522	10,751	4
Gross market-based scope 2 GHG emissions	15,026	5,682	2,930	94	N/A	N/A	N/A
Scope 3 GHG emissions							
Total gross scope 3 GHG emissions	280,953	282,244	274,192	3	253,775	151,715	4
1 Purchased goods and services	246,033	251,528	241,514	4	N/A	N/A	N/A
3 Fuel and energy-related activities (not included in scope 1 or scope 2) ⁵	4,834	5,569	5,975	-7	N/A	N/A	N/A
4 Upstream transportation and distribution	15,299	13,008	14,425	-10	N/A	N/A	N/A
5 Waste generation ⁶	1,286	1,003	1,211	-17	N/A	N/A	N/A
6 Business travelling	2,266	1,522	1,306	17	N/A	N/A	N/A
7 Employee commuting	3,934	3,774	3,628	4	N/A	N/A	N/A
8 Upstream leased assets	1,792	897	1,142	-21	N/A	N/A	N/A
9 Downstream transportation	1,773	2,116	1,878	13	N/A	N/A	N/A
12 End-of-life treatment of sold products	3,736	2,827	3,113	-9	N/A	N/A	N/A
Total GHG emissions⁷							
Total GHG emissions (location-based)	315,168	311,367	305,172	2	282,671	170,191	4
Total GHG emissions (market-based)	310,285	304,369	296,426	3	N/A	N/A	N/A

Source: CEMAsys

- 1) Linear projection of the targets for 2025-2029 to achieve a 46 per cent reduction by 2030.
- 2) The calculation determines the average annual percentage reduction in emissions needed to achieve a 46 % reduction from the base year 2019 to 2030. This is calculated by dividing the emissions in the target year by the emissions in the base year, then dividing by the number of years from 2019 to 2030.
- 3) The percentage from regulated trading schemes in scope 1 is 0 per cent.
- 4) Scope 2 emissions account for indirect GHG emissions from purchased energy (electricity, district heating and heat heavy fuel oil) produced off-site, and therefore avoids double counting in relation to scope 1 and 3.
- 5) Figures for 2024 have been adjusted compared to previously published data due to corrections in input data.
- 6) Waste adjusted compared to published figures 2024 due to EF change for third-party water.
- 7) Figures for 2024 have been adjusted compared to previously published data due to corrections in scope 3 categories: Fuel- and energy-related activities and Waste generation.

Biogenic emissions of CO ₂ from combustion of biodegradation of biomass excluded from Scope 2 and 3 GHG emissions ¹ (tCO ₂ eq)	2025	2024	% 2025 / 2024
Scope 2 biogenic carbon emissions	5,029	4,785	5
Scope 3 biogenic carbon emissions	67	103	-35
Total biogenic carbon emissions	5,096	4,888	4

Source: CEMAsys

- 1) In order to better align Cloetta's sustainability reporting with CSRD in 2025 compared to 2024, biogenic emissions in Scope 2 are reported separately from other Scope 2 emissions. Biogenic emissions from electricity and district heating usage arise from burning biomass for electricity and district heating generation.

GHG intensity per net sales ¹	2025	2024	% 2025 / 2024
Total GHG emissions (location-based) per net sales (tCO ₂ e/SEKm)	36.5	35.4	3
Total GHG emissions (market-based) per net sales (tCO ₂ e/SEKm)	35.7	34.4	4

Source: CEMAsys

- 1) The calculation of greenhouse gas intensity is based on Cloetta's total emissions in tonnes of CO₂ equivalents divided by net sales (SEKm). Net sales is reconciled with relevant items in the financial statements, which are disclosed in Note 2 on page 157.

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 site level and group level. In accordance with

the GHG Protocol, an operational control approach for scope 1, 2 and 3 emissions are 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.

The climate data is consolidated in

accordance with the same principles applied in the preparation of the financial statements, encompassing the parent company, Cloetta AB (publ), and its controlled subsidiaries. Acquired entities are included from the date on which control is obtained. In this respect, the consolidation principles set out in ESRS take precedence over the GHG Protocol.

Monthly climate data is summarized in the CEMAsys software system no later than the second Tuesday of each month. Reporting follows the four-eye principle: two people verify the data before submission, one of whom is the responsible consultant at CEMAsys. Third party audits are performed by external consultants for all climate data during quarter four.

Emission factors and methodology

For emission 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 system considers the following greenhouse gases, all converted into CO₂-equivalents: CO₂, CH₄ (methane), N₂O (nitrous oxide) and HFCs. The total reported GHG emissions are expressed in metric tons of CO₂ equivalent (tCO₂e). 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 and offices, 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.

Cloetta uses GoOs and RECs to verify that purchased electricity originates from renewable sources. All of Cloetta’s electricity consumption, except for the UK office, is covered by such green certificates, representing nearly 100 per cent of the total electricity use. Purchases of certificates are only made in combination with electricity supply contracts and actual consumption (bundled). Cloetta does not purchase or trade unbundled certificates separately from electricity contracts. There is an annual emission factors (EF) update process at CEMAsys that consists of screening all EFs in the company’s database, reviewing the availability of new sources, gathering new values and documentation, and then importing the new values and data to the system.

Scope 1, 2 and 3 emissions

Scope 1 emissions cover direct emissions from Cloetta-owned or controlled assets, including on-site energy use (natural gas, LPG and refrigerants). Scope 2 emissions account for indirect GHG emissions from purchased energy (electricity, district heating and small usage of heat heavy fuel oil) 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.

Downstream emissions cover emissions related to warehousing, transportation and distribution, marketing, sales, end-of-life treatment of products etc. According to SBT guidelines, Cloetta identifies and reports the scope 3 categories that are assessed to have a significant impact on the company’s total carbon footprint and are essential to the business model, supply chain, and production. Excluded categories are considered negligible. Scope 3 estimates are based on LCA studies relevant to the operations and are conducted by a third party to ensure calculation quality. 84 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.

Biogenic emissions

The calculation of biogenic CO₂ emissions is based on emission factors for biogenic CO₂ emissions for the corresponding biomass source. No biogenic CO₂ emissions are reported for Scope 1, as Cloetta does not own vehicles or consume biogas or bio-fuels for other purposes. For Scope 2, biogenic CO₂ is calculated by identifying the biomass share in the production mix of the electricity and district heating consumed by Cloetta. Scope 3 biogenic CO₂ emissions are based on the combustion of fuel in leased vehicles and are calculated by taking the biobased share of each fuel type and applying biogenic CO₂ emission factors.

Comment on data

GHG emissions

Scope 1 decreased by 15 per cent compared with the previous year, mainly due to a 46 per cent reduction in natural gas consumption at the Levice production site following a supplier pipeline leak. The gas shortfall was offset by increased purchases of steam and hot water, contributing to higher scope 2 emissions. Scope 2 emissions increased by 9 per cent (location-based) and 94 per cent (market-based). Location-based electricity emissions fell by 20 per cent due to lower grid carbon intensity (IEA 2024), while total electricity consumption decreased by 3 per cent. Scope 3 increased by 3 per cent compared to 2024, mainly due to increased purchase volume of third-party candy and nuts. Corrections to methodologies, input data, or emission factors related to Purchased Goods and Services (PGS) emissions, fuel and energy-related activities, and waste resulted in an increase compared to the previous year.

Biogenic emissions

Scope 2 increased marginally, mainly due to higher heat consumption at one location where the energy mix has a relatively high biomass share. The biomass share also increased marginally, further contributing to the increase. Scope 3 (upstream leased assets) decreased by 35 per cent, mainly due to a reduction in fuel use combined with a lower assumed biofuel blend-in. Meanwhile, electricity consumption for electric vehicles (EV) increased approximately four times, increasing biogenic emissions from EV electricity use.

Energy mix

Total fossil-based energy use across Scope 1 and 2 decreased slightly. Scope 1 (LPG consumption) decreased by 14 per cent and natural gas by 20 per cent, driven by improved production efficiency and a natural gas shortage that led sites to switch to steam. Scope 2 (fossil-based acquired energy) increased due to higher steam purchases following the natural gas shortage and a more fossil-intensive UK residual grid mix. District heating remained largely renewable.

Scope 3 GHG Emissions Categories: Inclusion, Exclusion and Methodology

Scope 3 Category	Included in Inventory	Justification for Exclusion (if applicable)	Reporting Boundary & Description	Calculation Method & Tools Used
1. Purchased goods and services	Yes	N/A	All raw materials, in-house and third-party (3P) production, and all purchased confectionery are included. Non-raw/pack purchases (e.g. chemicals, office supplies, protective clothing etc.) as well as are excluded as these were assessed as insignificant. In addition, material used for co-packing activities, mainly including re-packing of finished goods, is excluded due to insufficient data, however assessed as insignificant.	Purchase volumes from all closed purchase orders. Emissions are calculated using emission factors applied to purchase volumes.
2. Capital goods	No	Excluded as assessed negligible.	N/A	N/A
3. Fuel- and energy-related activities (not included in scope 1 or scope 2)	Yes	N/A	All fuel and energy consumption not covered by Scope 1 and 2, i.e. upstream emissions from production and/or transmission and distribution losses referred to as well-to-tank (WTT) emissions, to capture the full lifecycle impact of fuel and electricity.	The same consumption data and calculation methods as for Scope 1 and 2 are used, with supplementary emission factors for upstream emissions.
4. Upstream transportation and distribution	Yes	N/A	All freight and distribution activities paid for by Cloetta are included, with the exception of logistics of third-party goods inbound to Cloetta facilities from tier 1 suppliers, or so-called Co-packers. Data from Co-packer have been excluded due to lack of data. Energy consumption associated with warehouse operations – such as inbound, storage, and outbound activities - is excluded, as it is considered a negligible source of GHG emissions.	Data sourced directly from logistics providers (distance travelled and fuel type, e.g., km + diesel). Where primary data is unavailable, estimates or exclusions are noted.
5. Waste generated in operations	Yes	N/A	Waste generated within Cloetta's production sites and offices. Excludes waste from external warehouses.	Factory waste: Based on actual data provided by external waste management companies, reported by specific waste fractions with defined emission factors. Office waste: Based on the average waste from offices with actual data, accounting for the number of employees.
6. Business travel	Yes	N/A	Business travel by airplane and in private cars. Business travel in Norway, Sweden, Denmark, the Netherlands and other markets (which covers Cloetta's remaining locations). Other means of transportations are excluded, for example train and taxi but will be included in the future when the base year and climate targets are recalculated in alignment with the establishment of FLAG targets.	Calculated based on data provided by travel assistants, from external travel agency software systems. Mileage for business travel in private cars is collected from Cloetta representatives in each country. All consumption data is reported in km or pkm, and corresponding emission factors are used for calculating emissions.
7. Employee commuting	Yes	N/A	All employees (FTEs) at year-end.	Calculated based on number of total FTEs at year-end (adjusted for absentee rate), and by using a commuting emission factor.
8. Upstream leased assets	Yes	N/A	Consumption from use of company cars.	Each country reports company car fuel consumption in litres or kWh. Where specific fuel types are unavailable, an "average bio-blend" is used as a proxy. This category is minor for Cloetta.

Scope 3 Category	Included in Inventory	Justification for Exclusion (if applicable)	Reporting Boundary & Description	Calculation Method & Tools Used
9. Downstream transportation and distribution	Yes	N/A	All Ex Works-transportation (transportation where Cloetta is not paying for the transportation, as it's the Customer who pays for it) occurring in the Nordics (Finland, Sweden, Denmark, and Norway), Other markets and the UK. Energy consumption associated with warehouse operations – such as inbound, storage, and outbound activities – is excluded, as it is considered a negligible source of GHG emissions. Transport of third-party produced candy for which the suppliers pay for the transport themselves is excluded.	Data is based on estimations and calculated in tkm by Cloetta representatives.
10. Processing of sold products	No	Cloetta produces	N/A	N/A
11. Use of sold products	No	Cloetta produces confectionery, that is directly consumed by end-users.	N/A	N/A
12. End-of-life treatment of sold products	Yes	N/A	Packaging of Cloetta's sold products.	End-of-Life treatment is calculated only for packaging, as the products themselves are directly consumed. All procured packaging is assumed to become waste after use. Packaging materials are matched to waste emission factors based on their primary material. End-of-life treatment methods (recycling, incineration, landfill) and their respective shares are determined using available statistics. Emissions are calculated by applying the relevant emission factors to each waste fraction and treatment method.
13. Downstream leased assets	No	Cloetta does not lease out any of its owned goods.	N/A	N/A
14. Franchises	No	Cloetta operates no franchises.	N/A	N/A
15. Investments	No	Cloetta is not a financial institution.	N/A	N/A

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, Cloetta as a non-financial parent company presents the share of group turnover, capital expenditure (Capex) and operating expenditure (Opex) for the reporting period 2025, which are associated with Taxonomy-eligible and aligned economic activities related to the six environmental objectives.

Economic activities as a confectionery company – Taxonomy-non-eligible

All Taxonomy-eligible economic activities listed in the delegated acts under the Taxonomy Regulation have been examined, based on activities as a confectionery company. The manufacturing of chocolate and sugar confectionery is defined as the core business activity. It was concluded that these core economic activities are not covered by the delegated acts under the Taxonomy Regulation and are consequently 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.

KPIs

The KPIs include turnover, Capex and Opex. For the reporting period 2025, 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 considered individually Taxonomy-eligible, reference is made to the explanations provided below in the sections “Capex KPI” and “Opex KPI” in the description of the accounting policies. Since the 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 the total turnover is 0 per cent and, consequently, the related Capex and Opex are also 0 per cent. However, Capex and Opex are disclosed relating to the purchase of output from Taxonomy-eligible economic activities and individual measures to improve energy efficiency listed in the delegated acts. Verification of alignment with suppliers has been possible only to a certain extent. 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 2025 – Turnover

Financial year 2025	Year		Substantial contribution criteria						DNSH criteria (“Does Not Significantly Harm”) (h)						Taxonomy aligned (A.1.) or eligible (A.2.) proportion of turnover, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)		
	Turnover, SEKm (3)	Proportion of turnover, 2025 (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)	Turnover, SEKm (3)	Proportion of turnover, 2025 (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 turnover, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Text	Cur-rency	%	%	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
A. Taxonomy-eligible activities																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
Of wich enabling		-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	
Of wich transitional		-	0							-	-	-	-	-	-	-	0		-
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		-	0	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								0		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		-	0														0		
B. Taxonomy-non-eligible activities (B)																			
Turnover of Taxonomy-non-eligible activities (B)		8,525	100																
Total (A+B)		8,525	100																

Taxonomy reporting table 2025 – Capex

Financial year 2025	Year		Substantial contribution criteria							DNSH criteria (“Does Not Significantly Harm”) (h)							Taxonomy aligned (A.1.) or eligible (A.2.) proportion of Capex, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
	Capex, SEKm (3)	Code (a) (2)	Proportion of Capex, 2025 (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)	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	
A. Taxonomy-eligible activities																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	8	4	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	-	T	
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		8	4	-	-	-	-	-	-	-	-	-	-	-	-	0			
Of which enabling		0		-	-	-	-	-	-	-	-	-	-	-	-	0	-		
Of which transitional		4								-	-	-	-	-	-	0		T	
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				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	37	20	EL	N/EL	N/EL	N/EL	N/EL	N/EL							24			
Renovation of existing buildings	CCM 7.2	16	8	EL	N/EL	N/EL	N/EL	N/EL	N/EL							1			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	16	8	EL	N/EL	N/EL	N/EL	N/EL	N/EL							2			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	7	4	EL	N/EL	N/EL	N/EL	N/EL	N/EL							5			
Acquisition and ownership of buildings	CCM 7.7	6	3	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0			
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		81	43	-	-	-	-	-	-							32			
A. Capex of Taxonomy-eligible activities (A.1+A.2)		89	47	-	-	-	-	-	-							32			
B. Taxonomy-non-eligible activities (B)																			
Capex of Taxonomy-non-eligible activities (B)		100	53																
Total (A+B)		189	100																

The 2024 data have been restated following an updated calculation methodology for categories 6.5 Transport by motorcycles, passenger cars and light commercial vehicles and 7.7 Acquisition and ownership of buildings. The restatement resulted in an increase in the share of Taxonomy-eligible Capex within category 6.5 and a decrease within category 7.7. Overall, the total share of Taxonomy-eligible Capex increased from 29 per cent to 32 per cent.

Taxonomy reporting table 2025 – Opex

Financial year 2025	Year		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm") (h)							Taxonomy aligned (A.1) or eligible (A.2) proportion of Opex, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
	Code (a) (2)	Opex, SEKm (3)	Proportion of Opex, 2025 (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	Cur-rency	%	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	%	E	T	
A. Taxonomy-eligible activities																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
	Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	-	-	-	-	-	-	-	-	-	-	-	-	0			
	Of which enabling		0	-	-	-	-	-	-	-	-	-	-	-	-	0	-		
	Of which transitional		0													0		-	
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
	Product-as-a service and other circular use and result-oriented service models	CCM 5.5	22	9	N/EL	N/EL	N/EL	N/EL	N/EL							5			
	Renovation of existing buildings	CCM 7.2	4	1	EL	N/EL	N/EL	N/EL	N/EL							0			
	Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	8	3	EL	N/EL	N/EL	N/EL	N/EL							2			
	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	8	3	EL	N/EL	N/EL	N/EL	N/EL							5			
	Acquisition and ownership of buildings	CCM 7.7	6	3	EL	N/EL	N/EL	N/EL	N/EL							4			
	Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		48	20	-	-	-	-	-							16			
	A. Opex of Taxonomy-eligible activities (A.1+A.2)		48	20	-	-	-	-	-							16			
B. Taxonomy-non-eligible activities (B)																			
	Opex of Taxonomy-non-eligible activities (B)		194	80															
	Total (A+B)		242	100															

Nuclear energy related activities

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

Fossil gas related activities

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

Taxonomy-eligible or aligned KPIs are determined in accordance with the legal requirements and describe the 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 145. Details of the net sales is provided in Note 3 on page 157.

Capex KPI

The Capex KPI is defined as Taxonomy-eligible or aligned Capex (numerator) divided by the company's 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 161, Note 13 Property, plant and equipment on page 163 and Key ratios on page 200 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 the 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 the 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, Capex and Opex related to assets or processes associated with Taxonomy-aligned economic activities are not recorded in the numerator of the Capex KPI or 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 production sites 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.

Progress on EU Taxonomy alignment

In 2025, Cloetta continued to strengthen its taxonomy reporting practices under the EU Taxonomy Regulation by conducting a pilot initiative designed to enhance the quality and structure of internal processes. Throughout the year, opportunities were identified to further formalise and develop the existing methodology, with particular focus on the assessment of alignment. As part of this effort, a selected group of suppliers was engaged to evaluate the taxonomy alignment of identified eligible activities, with special attention given to material alignment categories such as leased buildings and company vehicles.

Verification of alignment with suppliers was achievable only to a certain extent, as the assessment relies on external data. The reported alignment share reflects the supplier data available for the 2025 reporting year, based on the information obtained within the scope of the pilot.

As additional information becomes available from suppliers in future reporting cycles, the alignment assessment will be further refined, which may result in an increased proportion of activities meeting alignment criteria.

Comment on process and outcome of 2025’s taxonomy alignment

Cloetta’s alignment share for 2025 is calculated for material areas and relates 100 per cent to purchased outputs, i.e. leased cars and leased real estate. The assessment of the technical screening criteria has been carried out through the development of a reporting checklist for suppliers. The checklist was sent to suppliers for their self-assessment of compliance with the technical screening criteria, including the “do no significant harm” criteria and minimum social safeguards. The checklist included all technical screening criteria

for the applicable activity, and was quality reviewed by an external party.

Cloetta has conducted a review of the suppliers’ assessments of alignment by evaluating each supplier’s response. A precautionary principle has been applied, meaning that if any uncertainties were identified in a supplier’s assessment of alignment, the corresponding leased cars or real estate were not included as aligned.

In 2025, a relatively small share of alignment is reported. Cloetta considers this mainly to be an effect of data limitations, as some suppliers could not provide sufficient supporting evidence, data and information for the alignment evaluation. Looking ahead to 2026, Cloetta will continue to further develop both the alignment assessment process and the evaluation methodology, with a particular focus on material categories.

E4 Biodiversity and ecosystems

As a leading confectionery company, Cloetta recognises the impact its operations can have on biodiversity and ecosystems. The company’s products are dependent on raw materials, and the biodiversity needed to maintain healthy ecosystems that supply these crucial materials. Therefore, Cloetta has a great responsibility to reduce its environmental footprint and contribute to more resilient ecosystems.

Approach and strategy

SBM-3 Strategy and business model

As a confectionery company, Cloetta depends on ingredients such as sugar, starch, palm oil and cocoa, 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. Cloetta acknowledges these challenges, and is focused on mitigating the environmental

footprint across its value chain. Cloetta’s ongoing efforts to protect biodiversity and ecosystems are critical to the company’s long-term sustainability and resilience. By integrating biodiversity into the sustainability agenda, strategic planning and operations, Cloetta does not only meet regulatory requirements but also contributes 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 biodiversity 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 meet Cloetta’s sustainability targets by improving the environmental and social performance, supporting responsible sourcing practices across the supply chain, and contributing to the company’s broader commitment to reducing the 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.

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
E Bio-diversity and ecosystems	Direct impact drivers on biodiversity loss Deforestation	Negative actual impact	Deforestation, driven by agricultural expansion and land-use change leads to biodiversity loss. Sourcing 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"> Sourcing certified raw materials and collaborating with suppliers and NGOs to ensure deforestation-free practices Exploring regenerative agriculture and alternative raw materials with lower environmental impacts. Training procurement teams in biodiversity-related risks Conduct biodiversity and deforestation risk assessments for key-ingredient sourcing regions, with safeguards to avoid sourcing from protected areas or other high-risk landscapes 	Upstream	Short term
						Medium term
						Long term

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
Impacts on the state of species	Impacts on the state of species	Negative actual impact	Sourcing contributes to habitat loss, pesticide use, and deforestation, thereby affecting local species populations and biodiversity	<ul style="list-style-type: none"> See mitigations for Direct impact drivers on biodiversity loss. 	Upstream	Short term Medium term Long term
	Impacts on the extent and condition of ecosystems	Negative actual impact	Land use changes and agricultural practices lead to deforestation, soil degradation, or reduced ecosystem health and resilience	<ul style="list-style-type: none"> See mitigations for Direct impact drivers on biodiversity loss. 	Upstream	Short term Medium term Long term
	Impacts and dependencies on ecosystem services	Negative actual impact	Sourcing can degrade ecosystem functions (e.g. pesticide use affecting pollinators) but they also provide reliable crop yields, clean water, and healthy soils necessary for producing key ingredients.	<ul style="list-style-type: none"> See mitigations for Direct impact drivers on biodiversity loss. 	Upstream	Short term Medium term Long term
		Risk	Financial risks related to dependency on ecosystem services, particularly those associated with the agricultural sector. These dependencies are crucial for the company's operations and can impact its financial performance	<ul style="list-style-type: none"> Strengthening of long-term supplier partnerships and certified sourcing schemes to promote resilient farming practices 	Upstream	Short term Medium term Long term

E4-1 Consideration of biodiversity and ecosystems in strategy and business model

Cloetta has initiated work on biodiversity and has conducted a biodiversity assessment to better understand the company's impacts and dependencies. A full resilience

analysis of the business model and strategy in relation to biodiversity-related risks and opportunities is planned and will be carried out. Cloetta is working on integrating bio-

diversity considerations into risk assessments and strategic planning and will report on progress and any future transition plans in subsequent sustainability reports.

Impact, risk and opportunity management

E4-2 Policies

The operations are governed through documents that guide the management of biodiversity-related sustainability topics. These policies help shape the company's approach to minimise impact on biodiversity. Cloetta's environmental policy, palm oil policy, and Supplier Code of Conduct form the foundation of Cloetta's commitment to responsible sourcing and business practices. Meanwhile, the Supplier Code of Conduct establishes expectations for ethical behaviour, 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

Cloetta's website cloetta.com. 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.

Biodiversity-related policies

Cloetta's biodiversity-related policies are informed by the material impacts, dependencies, risks, and opportunities identified in the value chain. For example, the focus on certified sourcing and regenerative agriculture is a direct response to the risks of deforestation, land-use change, and loss of ecosystem services identified in the supply chain. The policy objectives and requirements are designed to address biodiversity-related matters. The palm oil policy ensures that 100 per cent of the palm oil used is RSPO-certified, supporting sustain-

able agriculture and reducing deforestation. Cloetta's production sites that manufacture products using palm oil are therefore certified according to the RSPO SCCS annually. At this stage Cloetta does not in detail perform regular monitoring and reporting of biodiversity status and gains or losses.

Environmental policy

The environmental policy emphasises Cloetta's dedication to reducing its environmental footprint by promoting resource efficiency, addressing climate change and pollution as well as protect biodiversity by collaborating with key suppliers on regenerative agriculture. The policy applies to all operations and the entire value chain, guiding all major decisions. Implementation is ensured through the ISO 14001-certified environmental management system, regular

reviews, and annual audits of production sites and suppliers, including RSPO certification for palm oil. The Supplier Code of Conduct requires suppliers to meet international standards, assess environmental and social impacts, and consider the rights

of local communities and vulnerable groups. This contributes to a targeted and responsible approach to biodiversity, aligned with material risks and stakeholder interests.

Cloetta has not yet conducted a formal resilience analysis of its business model

and strategy in relation to biodiversity related risks. The company recognises the growing importance of biodiversity for long-term raw material availability and aim to integrate biodiversity into risk assessments in the coming years.

E4-3 Actions

To mitigate negative impacts within biodiversity and eco-systems, Cloetta continues to develop supply chain practices

including risk assessments, EUDR compliance efforts and partnerships throughout the supply chain. In the table below main

actions are presented both for current year and actions planned for the future:

Key actions 2025	Outcome	Related objectives	Timeframe and progress	Resources allocated
Sourcing 100 per cent Rainforest Alliance certified cocoa. The scope of action reaches through the cocoa supply chain and global sourcing regions.	<ul style="list-style-type: none"> Mitigate risks from unsustainable practices Ensure cocoa is produced responsibly Minimize deforestation, promote biodiversity 	<ul style="list-style-type: none"> Supports biodiversity and sustainability targets Reduces habitat loss, promotes biodiversity and safeguards ecosystem services 	Maintained 100 per cent certified cocoa sourcing is performed on an ongoing basis.	Internal resources include central HSE, central QFS, Sustainability, Innovation, Masterdata, Legal, Sourcing, Supply planning.
Sourcing 100 per cent RSPO certified palm oil; phasing out palm oil where not essential. The scope of action reaches through the palm oil supply chain and global sourcing regions.	<ul style="list-style-type: none"> Reduce negative impacts on biodiversity, deforestation, and habitat destruction 	<ul style="list-style-type: none"> Supports biodiversity and sustainability targets Reduces habitat loss, promotes biodiversity and safeguards ecosystem services 	Maintained 100 per cent certified palm oil sourcing, phased out palm oil where not essential, is performed on an ongoing basis.	Internal resources include central HSE, central QFS, Sustainability, Innovation, Masterdata, Legal, Sourcing, Supply planning.
Preparing for compliance with EU Deforestation Regulation (EUDR): training and risk assessments for responsible procurement, enhanced due diligence and traceability. The scope of action is all raw materials linked to deforestation risks in the global supply chain.	<ul style="list-style-type: none"> Ensure compliance with EUDR Reinforce responsible sourcing Mitigate deforestation risks 	<ul style="list-style-type: none"> Supports biodiversity and sustainability targets Ensures responsible sourcing and reduces deforestation risk 	Ongoing activities to reach compliance.	Internal resources include Logistics, IT, Innovation, Masterdata, Legal, Sourcing, Supply planning, Commercial. External resources include consultants.
Biodiversity assessment to identify key risks and opportunities in value chain. Company-wide assessment with a value chain focus on high-impact commodities.	<ul style="list-style-type: none"> Improved understanding of impacts, risks, and opportunities Foundation for future strategy and policy 	<ul style="list-style-type: none"> Supports integration of biodiversity into risk management and strategic planning 	Biodiversity assessment conducted in 2025.	Internal resources include Sustainability affairs and external consultancy.
Collaboration with Rainforest Alliance, RSPO, and with suppliers/NGOs for traceability and sustainability performance. The scope of action is the cocoa and palm oil supply chain and other key raw materials.	<ul style="list-style-type: none"> Improved responsible sourcing, traceability, and sustainability performance Support for ecosystem protection 	<ul style="list-style-type: none"> Supports biodiversity and sustainability targets Reduces habitat loss, promotes biodiversity and safeguards ecosystem services 	Ongoing collaboration and certifications maintained.	Internal resources across the organization, central HSE, central QFS, Sustainability, Innovation, Masterdata, Legal, Sourcing, Supply planning.
Key actions planned	Expected outcome	Related objectives	Timeframe and progress	Resources allocated
Develop a dedicated biodiversity policy and strategy in 2026, with a scope covering company-wide, value chain focus on high-impact areas.	<ul style="list-style-type: none"> Clear comprehensive strategic plans Mitigate risks from unsustainable practices by ensuring clear policy statements 	<ul style="list-style-type: none"> Supports biodiversity and sustainability targets Reduces habitat loss, promotes biodiversity and safeguards ecosystem services 	Policy to be established during 2026-2027, and strategy to be developed during 2027-2028.	Internal resources include operative operational teams, management teams and the Board.
Scenario and resilience analysis for biodiversity, with a scope covering company-wide, value chain focus on high-impact areas.	<ul style="list-style-type: none"> Understand the current situation and prioritise the necessary actions 	<ul style="list-style-type: none"> Set the direction to ensure that the policy is met 	Analyses will be carried out during 2026-2027.	Internal resources include operational teams, management teams and the Board.

Cloetta has applied the mitigation hierarchy. All actions performed in this reporting year focus on mitigating negative impacts, through certified sourcing, sustainable agricultural practices and ecosystem safeguards. For this reason, the activities are not associated with any specific case or remedial need. Mitigation hierarchy is applied when planning future actions.

Funding for actions is provided within

the budgets allocated to leaders of specific sustainability initiatives. For investments or expenditures of a more specific nature, targeted financing may be applied; however, no such cases occurred during the year. Biodiversity offsets are currently not used for any of the company's actions.

Cloetta has incorporated local and indigenous knowledge and nature-based solutions into biodiversity and ecosystems-

related actions through third party engagement. Cloetta receives information from third parties on these matters and is not directly involved in monitoring. The biodiversity assessment is mainly based on indexes and does not directly incorporate local and indigenous knowledge and nature-based solutions.

Targets

E4-4 Targets related to biodiversity and ecosystems

100 per cent of the palm oil content in purchased ingredients is RSPO-certified segregated palm oil

100 per cent of purchased cocoa is Rainforest Alliance certified

Performance

In 2025, Cloetta upheld its commitment to biodiversity by continuing to source 100 per cent certified cocoa and palm oil. This ongoing dedication ensures that biodiversity protection remains central to the supply chain, as both RSPO and Rainforest Alliance certification programs emphasise sustainable agriculture and responsible land use. By adhering to these certifications, the aim is to contribute to mitigate deforestation risks and supporting biodiversity conservation in the regions where key ingredients are grown.

About the target

Cloetta's biodiversity-related targets focus on maintaining responsible sourcing practices for key raw materials. Stakeholder input, including suppliers, certification bodies, and industry initiatives, was considered in the development and review of the biodiversity-related targets, with the target-setting process relying on supplier data, third-party certification audit reports, and industry benchmarks.

No specific scenario analysis was conducted, as the targets are based on full certification coverage rather than modelled outcomes. The commitment to source 100 per cent RSPO segregated certified palm oil and 100 per cent Rainforest Alliance certified cocoa, is reflected in the adopted targets. These targets address the most material biodiversity risks in the value chain, particularly deforestation and land-use change linked to agricultural production in high-risk regions. In addition to addressing risks, these targets also help safeguard

key ecosystem services, such as pollination and soil health, that the supply chain depends on. By supporting sustainable agricultural practices, Cloetta's aim is to reduce the exposure to supply chain disruptions and contribute to long-term resilience and value creation.

While the targets are not based on quantified ecological thresholds or allocation methodologies, they are grounded in internationally recognised frameworks. The EU Biodiversity Strategy for 2030 promotes deforestation-free supply chains and the protection of ecosystems, while the Kunming-Montreal Global Biodiversity Framework calls for halting biodiversity loss and restoring natural ecosystems. By sourcing certified materials through schemes such as RSPO and the Rainforest Alliance, Cloetta aligns actions with these global ambitions and contributes to the sustainable management of land and biodiversity within the supply chain.

These targets apply globally, covering

all sourcing regions relevant to palm oil and cocoa. Cloetta does not rely on biodiversity offsets to meet these goals. Instead, the approach is based on the first two layers of the mitigation hierarchy: avoidance and minimisation of biodiversity loss, achieved through certified sourcing, sustainable agricultural practices, and ecosystem safeguards embedded in the company's supply chain standards.

Responsibility for implementing and monitoring these targets lies with Cloetta's Group Health, Safety and Environment and Sourcing teams. Certification compliance and supplier practices are reviewed regularly through third-party audits and internal monitoring processes to ensure continuous alignment with biodiversity and sustainability commitments. Cloetta has not directly involved stakeholders setting or tracking targets. However, they are involved providing insights to Cloetta's work through current stakeholder dialogue.

E5 Resource use and circular economy

Efficient resource management is a priority for Cloetta across the entire value chain, and the company is committed to adopting a circular approach and continuously assessing the environmental impact of its products and packaging throughout their life cycle. Key focus areas include efficient resource use and enhancing operational efficiency, minimising waste and reducing emissions.

Approach and strategy

SBM-3 Strategy and business model

Packaging plays a crucial role in protecting Cloetta's products, ensuring quality, and extending shelf life, which helps reduce food 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 and recycled materials, Cloetta contributes to reduced environmental impact and strives to minimize waste across the entire value chain. The company's target of 100 per cent recyclable packaging by 2025 aligns with global efforts to reduce plastic waste and mitigate environmental 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. Cloetta's strategy for efficient resource use is embedded into its sustainability agenda, primarily through initiatives like "Less and Better Packaging".

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
E Resource use and circular economy	Resource outflows, related to products	Negative actual impact	Plastic packaging 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"> Reducing plastic and minimising packaging Replacing virgin fossil plastics by materials from renewable or recycled sources. Implementation of advanced technologies for better resource efficiency 	Downstream	Short term Medium term Long term

Impact, risk and opportunity management

E5-1 Policies

Cloetta's way of working is founded on a philosophy of continuous improvement to strengthen the environmental performance, as outlined in the company environmental management system. This system includes guidelines that support the implementation of the environmental policy, ensure compli-

ance with legal and other requirements, and meet the expectations of 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 policy is

also publicly available on Cloetta's website cloetta.com.

Environmental policy

Cloetta's environmental policy guides the company's efforts to use resources efficiently, reduce waste, and enhance

environmental performance. It relates to the material impact of resource outflows. The policy covers all stages of Cloetta's supply chain, from sourcing raw materials to recycling packaging. Environmental considerations are integrated into product development, technical installations, and investments. In addition to the commitments outlined in the environmental Policy, Cloetta ensures that all food contact packaging materials comply with relevant EU food contact legislation, including Commission Regulation (EU) No 10/2011, Commission Regulation (EC) No 2023/2006, and Regulation (EC) No 1935/2004, as amended.

These legal requirements are respected as part of Cloetta's operational practices and support broader environmental and product safety objectives. The policy is based on a life cycle perspective and a circular approach, aiming to minimise negative environmental impacts and identify opportunities for improvement throughout the value chain. Key focus areas include reducing total environmental footprint, promoting efficient use of energy, water, and materials, and applying the hierarchy of best use and circularity principles. Cloetta is committed to sourcing packaging materials from renewable or recycled sources, increasing

the plant-based product portfolio, and collaborating with suppliers to support regenerative agriculture and certified sustainable raw materials.

The environmental policy considers the interests of key stakeholders by collaborating with suppliers to promote regenerative agriculture, communicating openly with both internal and external stakeholders, and regularly reporting on environmental performance to maintain trust and meet the high expectations of customers and consumers. The policy is formally approved and signed by the President and CEO.

E5-2 Actions

To mitigate negative impacts within the resource-use and circular economy area, Cloetta continues to develop circular business practices focusing on resource outflows. Regarding the target of making all packaging material used in Cloetta production sites recyclable, work has been carried out according to The Circular Economy for Flexible Packaging's (CEFLEX) definition of recyclability. Revision will follow the

Packaging and Packaging Waste Regulation (PPWR), with continued commitment to achieving recyclable packaging by 2030 through ongoing innovations. Further reduction of virgin fossil-based plastics is being investigated by shifting additional volume from plastic tubs to a bag-in-box solution. The bag in box solution reduces the amount of plastic used per kg packed product. Continuous innovation and research is one of the

cornerstones, continuously aiming at identifying future solutions to packaging and circular business practices. In the table below main actions are presented both for current year and actions planned for the future.

All Cloetta's actions in below table are orientated towards mitigating negative impacts. For this reason, the activities are not associated with any specific case or remedial need.

Key action 2025	Outcome	Related policy objectives/targets	Timeframe and progress	Resources allocated
Comprehensive research and mapping of the entire packaging portfolio, from packaging used at own sites, to identifying and developing new solutions for potential packaging reduction.	<ul style="list-style-type: none"> Support the target of 100 per cent packaging from renewable/recycled materials by 2030 Add recycled content as new technical solutions become available 	<ul style="list-style-type: none"> Development of recycled materials supports better utilisation of packaging waste Supports packaging targets Aligns with climate roadmap and CO₂ reduction targets 	Continuous progress and evaluation. Purchase groups are currently being discussed for potential changes to improve the analysis of Cloetta's packaging data.	Part of the operations of the Packaging Innovation Team, aggregates to part of 1 FTE's daily efforts.
Ongoing work to move additional volume from plastic tubs to bag-in-box solution, for Pick&Mix tubs used in own production sites.	<ul style="list-style-type: none"> Reduce amount of plastic used per kg packed product 	<ul style="list-style-type: none"> Reduced plastic waste Supports packaging targets Aligns with climate roadmap and CO₂ reduction targets 	Project for two Pick&Mix articles transferred to bag-in-box solution completed in 2025.	Part of the following functions overall mission: dedicated project teams, including functions like purchase, marketing, technological department, packaging innovation.
Ensuring correct sorting instructions on all Cloetta consumer packaging and developing new packaging designs, carried out on an ongoing basis.	<ul style="list-style-type: none"> Support improved recycling rate by ensuring that consumers have the best possible information to sort the packaging correctly 	<ul style="list-style-type: none"> Support improved recycling rate of packaging waste Supports packaging targets Aligns with climate roadmap and CO₂ reduction targets 	Continuous progress and evaluation via design changes.	A part of ongoing work for packaging innovation team.

Planned key action	Expected outcome	Related policy objectives/targets	Resources allocated
Continued innovation and research to develop new packaging solutions with renewable or recycled materials for all packaging used in own production sites.	<ul style="list-style-type: none"> Support target of 100 per cent packaging from renewable/recycled materials by 2030 Add recycled content as new technical solutions become available 	<ul style="list-style-type: none"> Development of recycled materials supports better utilisation of packaging waste Supports packaging targets Aligns with climate roadmap and CO₂ reduction targets 	Will be incorporated into the operations of the Packaging Innovation Team.
Ongoing transition from plastic tubs to bag-in-box solutions to reduce virgin plastic use, for Pick&Mix tubs used in own production sites.	<ul style="list-style-type: none"> Reduce amount of plastic used per kg packed product 	<ul style="list-style-type: none"> Reducing plastic waste Supports packaging targets Aligns with climate roadmap and CO₂ reduction targets 	Will become of the following functions overall mission: dedicated project teams, including functions like purchase, marketing, technological department, packaging innovation.
Revision of recyclability criteria and packaging portfolio in line with new EU Packaging and Packaging Waste Regulation (PPWR), for all packaging used in own production sites.	<ul style="list-style-type: none"> Compliance with PPWR 	<ul style="list-style-type: none"> Supports packaging targets Aligns with climate roadmap and CO₂ reduction targets Uphold policy commitments for environmental impacts 	Will be incorporated into the operations of the Packaging Innovation Team.

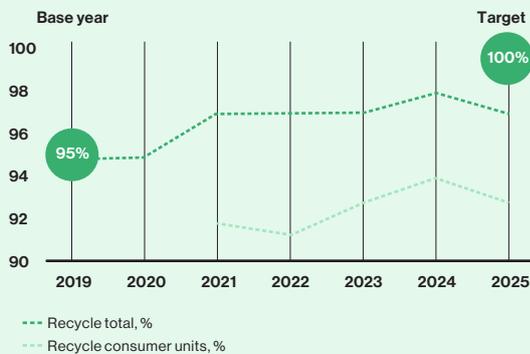
Targets and metrics

E5-3 Targets related to resource use and circular economy

Packaging

100 per cent recyclable packaging by 2025

Increase cyclability target



Performance

In 2025 the final result for the recyclability target was approximately 97 per cent recyclable packaging used at Cloetta's production sites and approximately 93 per cent based on consumer packaging. This represents a slight decline (below 0.5 percent) compared with the 2024 result, mainly due to improved data accuracy following updates to Cloetta's internal systems.

Cloetta continued the efforts to identify and evaluate recyclable packaging materials by closely monitoring industry developments and updates related to the EU's Packaging and Packaging Waste Regulation (PPWR). Cloetta will revise according to PPWR, to ensure the future proofing of Cloetta's packaging portfolio and secure compliance with emerging requirements.

About the target

The target applies to all packaging for products manufactured at Cloetta's production facilities, covering supplier-provided materials across all product categories and geographic markets. Data on all packaging materials delivered to Cloetta production sites is collected through the ERP-system and then analyzed. The baseline year for the target is 2019, when recyclability levels were assessed at approximately 95 per cent for all packaging in Cloetta's production facilities. No scenarios were used setting the target.

In 2021, tracking of the recyclability of consumer units began separately, with

recyclability levels at that time of approximately 92 per cent. This decision was based on the insight that consumer units represent the most complex segment within the packaging portfolio. Focusing on this area strengthened the potential for advancing recyclability and driving progress toward the target.

Work has been carried out in accordance with the Circular Economy for Flexible Packaging's (CEFLEX) definition of recyclability. The approach will be revised in line with PPWR, with a continued commitment to achieving recyclable packaging by 2030 through ongoing innovations. The target applies to the period 2019 to 2025.

The recyclability target has been established voluntarily and is now the foundation of Cloetta's commitment to be compliant with the recycling criteria defined by PPWR. The definition of recyclability and the related measurement methodology are being updated to incorporate evolving PPWR criteria, including material composition and traceability requirements. Significant assumptions made when defining the target include the expected availability of food grade recycled packaging materials on the market, supplier capability to transition to compliant materials, and the continued development of recycling infrastructure in core markets. Full compliance with the

regulation will follow the timeline set by the European Union, which may affect year-on-year comparability of reported data.

Packaging suppliers and senior internal stakeholders have been involved throughout the target-setting process. External regulatory developments and industry guidelines have also informed the design of the target. Cloetta works with suppliers to improve packaging design and enhance recyclability across all packaging types. Effectiveness is monitored through annual data collection and analysis of packaging materials to ensure continuous improvement and compliance with evolving regula-

tory standards. Progress is tracked using data from Cloetta's ERP system and supplier reporting, with annual review by the sustainability and packaging teams.

The target primarily addresses resource outflows by reducing downstream waste and increasing the recyclability of materials placed on the market. This contributes directly to Cloetta's waste reduction and circularity objectives.

Looking ahead, Cloetta will continue refining its recyclability metrics in line with EU regulation, strengthening collaboration with suppliers, and improving internal processes for packaging data and reporting.

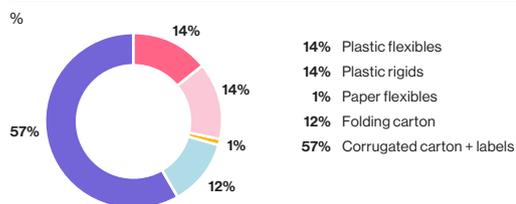
Cloetta will comply with the requirements and methodology for determining packaging recyclability grades once they are defined in EU legislation following PPWR.

Information related to PlantPack and the target of 100 per cent of packaging from renewable sources or recycled materials by 2030, is no longer reported under E5. This change reflects that PlantPack primarily relates to climate-related disclosures rather than recyclability and ensures clearer alignment with ESRS requirements and thematic scope. Accordingly, related climate targets and follow-up activities are presented in chapter E1.

E5-5 Resource outflows

Increase recyclability	2025	
	Recyclability within subcategory, %	Recyclability of total, %
Plastic flexibles ¹	93	14
Plastic rigids	97	14
Paper flexibles	69	1
Folding carton	97	12
Corrugated carton + labels	100	57
All packaging materials	97	
Consumer units	93	

Recyclability of packaging materials



¹ Plastic flexibles include all plastic films, mainly for consumer packaging but also other packaging materials, for example stretch film for pallets.

Comment on data

Minor variations were identified between the 2024 and 2025 annual data. These variations are related to improvements in data accuracy, whereby previously reported values may be adjusted to reflect more precise and reliable information. This is an ongoing activity within Cloetta's internal systems. The reported figures have been prepared using the same methodology as in the previous year,

ensuring consistent data collection and consolidation. Recalculation of the 2024 figures is deemed unnecessary due to the extensive work required and the limited expected impact on the results. Accordingly, the refinements are applied prospectively, and the 2024 figures remain unchanged.

Accounting principles

Data on all packaging materials delivered to Cloetta production sites is collected through the company ERP-system. Packaging data is calculated in absolute terms, meaning reported figures fluctuate with both portfolio variations and production volumes; lower production typically results in reduced packaging figures and vice versa. 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 per-

centage of all packaging materials that are recycle-ready and the percentage of consumer units meeting recycle-ready criteria.

Cloetta's definition of recycling-ready is based on the CEFLEX guidelines. While relying on material specifications from the ERP system for recyclability assessments, there are some limitations and assumptions in the process. Actual recycling outcomes depend on regional infrastructure, local demand, and sorting practices, which can vary significantly and are outside Cloetta's control. In some markets, packaging may be used for energy recovery rather than

material recycling. Packaging symbols and recycling logos are used to guide consumers, but requirements and standards differ by country. Although the methodology is standardized and reviewed annually, minor uncertainties may exist in material specifications. No significant changes have been made to the methodology compared to previous years, and ongoing improvements in internal controls help ensure data accuracy. Data is not reviewed by any other external third party than Cloetta's auditors.

S1 Own workforce

A healthy and safe working environment is crucial to foster and sustain an engaged and productive workforce. Therefore, Cloetta is committed to continuously developing a well-balanced work environment where employees can perform at their best. To systematically improve performance, the approach to managing workforce-related matters is divided into two areas: Human Resources and Health and safety.

Approach and strategy

SBM-3 Strategy and business model

Human Resources

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

The strategy for employee well-being is embedded in Cloetta's broader sustainability agenda through the initiative, Diversity, Equity and Inclusion (DEI).

DEI focuses on fostering a work environment that promotes employee health, engagement, and career development. Key actions include offering development opportunities, promoting work-life balance, and ensuring fair treatment for all employees across the organisation. By integrating employee well-being into the overall corporate strategy, Cloetta ensures a consistent, fair, and supportive environment that aligns with both business and sustainability objectives.

Cloetta values

Cloetta's values being Focus, Passion, Teamplay, and Pride guide the development of an inclusive company culture. These

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

Health and safety

The 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 the design of work processes and organising activities. By maintaining a focus on health and safety, the aim is to prevent workplace injuries and occupational illnesses, safeguarding the well-being of the company's workforce. A safe and healthy work environment directly impacts the ability to achieve business objectives through increased productivity, reduced absenteeism, and enhanced employee morale.

Key elements of the health and safety 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. The strategy is integrated into the 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 Production Site. 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, the aim is to create an organisation where health and safety considerations are integrated in the daily operations and decision-making processes.



Passion

We dream big and see challenges as opportunities.



Pride

We're proud of each other and our contribution to the world.



Focus

We prioritise and define clear goals to stay relevant.



Teamplay

We make each other better through trust and respect

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
S Own workforce	Working Conditions	Negative actual impact	Workplace hazards such as machinery, slippery floors, chemical spills, and vehicle incidents can cause severe injuries, absenteeism, legal liabilities, reputational harm, and work-related stress. Exposure to chemicals, noise, and mental strain can also affect larger groups of employees over time, leading to chronic health issues, reduced well-being, and decreased productivity. These impacts occur across all production sites, combining individual incidents with systemic effects on health and well-being.	<ul style="list-style-type: none"> • Health and safety management system covering all Cloetta production sites and offices • Processes and training programs to proactively manage and minimize risks and incidents • Continuous monitoring and strict adherence to safety protocols to prevent incidents and accidents 	Own operation	Short term Medium term Long term
	Equal treatment and opportunities for all	Negative actual 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. This is considered a systemic issue, as the underrepresentation of women in management positions reflects a broader, ongoing challenge rather than isolated incidents.	<ul style="list-style-type: none"> • Measures for competence development, equal pay, and non-discrimination • Introduction programs, platforms for development and learning, health-promoting activities, and regular employee surveys (Cloetta engagement survey) • Leadership trainings and other initiatives to promote equal opportunities 	Own operation	Short term Medium term Long term
	Working Conditions	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. These risks are closely linked to Cloetta's dependency on its own workforce, as the well-being and engagement of employees are essential for ensuring operational continuity and upholding the company's reputation.	<ul style="list-style-type: none"> • See mitigations for workplace hazards and health issues 	Own operation	Short term Medium term Long term

Cloetta's own workforce mainly consists of employees in permanent positions, with additional groups of fixed-term and seasonal employees who are hired for specific periods or during peak seasons. The company also engages non-employees, including contingent workers who are either self-employed or provided by third-party agencies primarily involved in employment activities. All these groups are included

in the scope of the sustainability report, as they may be materially impacted by Cloetta's operations.

Within Cloetta's production sites, Health, Safety, and Environment (HSE) managers regularly assess workplace risks to identify which groups in the workforce may be at greater risk of harm. In offices and stores, risks are evaluated with the support of HR business partners. Employees who operate

or maintain machinery, handle chemicals, or work in high-pressure environments are recognized as being more exposed to risks such as injuries, chemical exposure, noise, and work-related stress. This understanding enables Cloetta to focus health and safety efforts on those most at risk, helping to minimize potential harm.

Impact, risk and opportunity management

S1-1 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 physical health, mental well-being, and overall safety. They guide the company's efforts to proactively manage potential health risks, ensure a positive work environment, and continuously improve safety standards.

Through these policies, Cloetta is 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. The company 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. The workforce-related policies include commitments to inclusion, diversity, and non-discrimination for all employees, but do not contain specific policy commitments or positive action measures for groups at particular risk of vulnerability within the own workforce.

Engagement is supported by regular employee surveys and feedback mechanisms, as well as ongoing dialogue with works councils and labour unions. Open channels for health and safety input are maintained, and active participation in creating a safe and supportive workplace is encouraged. For further information, see section S1-2 Engaging with own workforce. Further, channels are established for employees to raise concerns about workplace conditions, discrimination, or other issues affecting employee well-being and are committed to addressing and remediating any adverse impacts in line with international standards. For further information, see section S1-3 Remediate negative impacts.

Cloetta makes its central policies available to all employees and relevant stakeholders through multiple channels. Policies are accessible on the internal platform and are included as part of the onboarding process, where new employees receive links, assignments, and video introductions. In addition, employees can access handbooks and, depending on the country, may use local HR pages on the internal platform to find relevant policies. This ensures that all potentially affected stakeholders, as well as those

responsible for implementing the policies, have access to the necessary information. The HR policies, health and safety policy and the Code of Conduct all relate to the identified material sub-topics related to Cloetta's own workforce.

The President and CEO and the Group Management Team at Cloetta hold ultimate responsibility for ensuring the implementation of and compliance with all company policies. Regular reviews ensure that policies are effectively implemented, remain compliant with regulations, and evolve in response to changing workforce needs and feedback. For transparency and accessibility, the health and safety policy is publicly available on Cloetta's website [cloetta.com](https://www.cloetta.com).

Human Resources policies

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. The aim is to support strategy, foster a positive workplace culture, and create a performance-driven environment based on Cloetta's core values and vision. Additionally, the policies promote respect for diversity, equity, and inclusion, valuing employees for their unique backgrounds, skills, and experiences. These policies are communicated to all managers within the organisation. The business lead and the HR Business Partner of each unit are responsible for implementing local HR policies. Regular reviews ensure that policies are effectively implemented, remain compliant with regulations, and evolve in response to changing workforce needs and feedback.

Health and safety policy

The health and safety policy has its foundation in Cloetta's sustainability values. The 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 specifically prohibits discrimination on the grounds of age, gender, ethnicity, religious beliefs, disability, and sexual orientation. The purpose is to ensure equal rights, obligations, and opportunities for all individuals in the workplace, in line with applicable laws and regulations. The policy is relevant for all people working under the Cloetta brand and/or visit Cloetta premises. For further information on Cloetta's established health and safety management system, see section S1-4 Actions.

The business lead and the HSE function of each unit are responsible for implementing the health and safety policy. To further support effective implementation, it is ensured that all employees are introduced to the policy through structured onboarding, including dedicated e-learning modules that explain its principles and practical application. Ongoing communication and individual follow-up activities reinforce awareness and understanding of health and safety requirements. Employee knowledge of the health and safety policy is periodically verified through external audits and spot checks.

Code of Conduct

The Code of Conduct sets out the commitment to lawful, ethical, and responsible business practices. Cloetta's approach to employee well-being and labour rights is reinforced by the Code, which is aligned with internationally recognized frameworks, including the International Bill of Human Rights, the UN Guiding Principles on Business & Human Rights, and the OECD Guidelines for Multinational Enterprises. These frameworks guide the commitment to ethical and responsible business conduct, with a strong focus on respecting and safeguarding the rights of the own workforce.

The code clearly states that discrimination of any kind is not tolerated, whether based on gender, age, religion, marital status, race, social background, disability, pregnancy, ethnic or national origin, union membership, political affiliation, sexual orientation, or similar characteristics. All employment decisions are made strictly according to abilities and qualifications, ensuring a fair and inclusive workplace for everyone.

All employees and representatives are expected to uphold these standards and

report any breaches through established channels. For more information, see page 133 in chapter G1 Business Conduct.

Implementation of Non-Discrimination and DEI Policy commitments

The commitments within the Non-discrimination and DEI policy is implemented

through a combination of formal procedures and ongoing initiatives. Discrimination is prevented and mitigated through inclusive recruitment practices, regular awareness sessions, and clear guidelines for job advertisements to ensure equal opportunities. Any issues identified, such as through engagement surveys or

reporting channels, are addressed through a formal process where responsible managers review team-level results, define action plans, and take corrective action as needed. Leadership is provided with support and tools to facilitate a constructive dialogue on diversity and inclusion.

S1-2 Engaging with own workforce

Cloetta actively fosters a workplace culture that encourages open communication, collaboration, and professional development. Through employee surveys and feedback mechanisms, levels of employee engagement are assessed and insights gathered to inform 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. The 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.

Operational responsibility for ensuring that engagement takes place and that results inform Cloetta's approach lies with the closest manager, supported by HR Business Partners who coach managers in this process. The most senior role operationally responsible is the manager with work environment responsibility. New leaders also participate in the Leader-

ship Academy, which provides targeted training to strengthen their ability to act on engagement results and fosters continuous improvement.

The effectiveness of workforce engagement is primarily assessed through the engagement survey and key performance indicators, such as illness rates and retention. Based on the survey results, managers work with their teams to identify and address the three most important focus areas, which are then summarized in a central platform and presented to Cloetta's Group Management Team. This structured process includes the development of action plans to ensure continuous improvement and accountability. As a result, concrete actions are implemented at the team level to address identified issues, and progress on these focus areas is regularly monitored and reviewed to drive ongoing improvements in employee engagement and workplace well-being.

Health and safety

Within health and safety, the processes for workforce engagement encompass regular communication, training, and a systematic

approach to health and safety responsibilities. To enhance competence development, employees are provided comprehensive training programs that outline specific roles and responsibilities related to health and safety. This includes practical deployment of health and safety awareness methodology which is designed to strengthen the overall health and safety culture. Through these processes, it is ensured that all employees understand their vital role in maintaining a safe workplace. The engagement processes also include regular health and safety assessments, employee feedback mechanisms, and health and safety audits. These practices enable to continually improve health and safety measures and respond proactively to any concerns raised by the 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.

S1-3 Remediate negative impacts

Cloetta actively identifies, assesses, and remediates any adverse effects the operations may have on employees and the wider community. Through established channels, employees are encouraged to raise potential concerns regarding workplace conditions, discrimination, or any other issues affecting their well-being. Reports can be

made confidentially through the dedicated whistleblower function, or directly to their line managers. An open dialogue is encouraged, as well as fostering a culture where everyone feels empowered to speak up without fear of retaliation. However, Cloetta does not currently assess employee awareness or trust in the whistleblowing mecha-

nism, nor are there formal evaluations of its effectiveness or stakeholder involvements in its review. For further information, see page 133 in chapter G1 Business Conduct. While Cloetta aims to address concerns and provides remedy where needed, there is currently not a formal process to assess the effectiveness of the remedies provided.

S1-4 Actions

Human Resources

Cloetta emphasises skill development, equal pay, non-discrimination, parental leave, and mental health support, to maintain a supportive and fair work environment where a healthy work-life balance with flexible working arrangements is promoted. Through various initiatives employee well-being and engagement is enhanced. These practices ensure a positive and growth-oriented workplace, where many of these are specifically designed to deliver positive impacts for employees' well-being and engagement. Programs include onboarding, evaluation and learning platforms, wellness activities, and regular feedback surveys.

The 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. Cloetta employs job descriptions and a rigorous selection process with interviews and tests to attract top talent. The "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.

The Cloetta Energy program encourages a healthy lifestyle through the 4B's: Brain, Body, Behavior & Building. Locally, Cloetta organises activities focusing on for example work-life balance, sports, healthy behaviors, and ergonomics. These practices 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 Cloetta's 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. The annual performance management process, supported by the HR system, helps employees and managers review objectives and performance.

Health and safety

Health and safety efforts are structured around two main objectives. Firstly, the approach is to proactively 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, Cloetta aims to build a strong health and safety culture across all operations, 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. Health care services are prioritised in each operating country, offering accessible support for medical treatment and preventative measures. Health examinations and wellness initiatives are part of the commitment to ensure 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 the health and safety management system, including guidelines to fulfil policies and organisation compliance obligations. Internal and external audits are part of a continuous improvement philosophy as well as monitoring progress through identified KPIs. The health and safety management system covers all Cloetta production sites and offices. All employees, temporary personnel, consultants and visitors are part of the health and safety management system where the core is to identify hazards and risks and report all types of incidents. The processes enable employees to regularly submit reports on incidents, hazards, and risks through each site-specific incident reporting structure. These reports are tracked and monitored within the 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 is managed by the HSE incident and reporting process that supports us in finding the root cause and takes appropriate actions.

Actions to mitigate material health and safety impacts and risks are outlined in the table below. Key measures include the implementation of a comprehensive health and safety management system, regular risk assessments, ongoing training and competence development, and strict adherence to safety protocols. Effectiveness is tracked through monitoring of safety KPIs, training completion rates, and regular health and safety audits.

In the following table main actions for human resources and health and safety work are presented, both for current year and actions planned for the future.

Key actions 2025	Expected outcome	Related objectives	Progress and monitoring	Resources allocated
Pay equality analysis and preparation for new regulations, with a scope covering all employees within the EU.	<ul style="list-style-type: none"> Analysis of pay gaps and preparations for regulatory compliance in 2026 	<ul style="list-style-type: none"> Compliance with the EU Pay Transparency Act by 2026, reporting in 2027 	<ul style="list-style-type: none"> Pay practices are harmonized to the extent possible in previous years. Reporting is conducted annually to Group Management. 	International compensation and benefits team. Part of ongoing workload for the project team.
Ongoing gender balance monitoring and reporting – inclusive recruitment practices, implementation of Workday Learning, covering all employees, leadership teams, job applicants in all geographies.	<ul style="list-style-type: none"> Increased awareness Improved gender balance in leadership Support progress toward DEI policy objectives and targets (e.g. balanced leadership teams) 	<ul style="list-style-type: none"> Supports DEI policy objectives Balanced leadership teams (50/50 female/male by 2030) 	<ul style="list-style-type: none"> Progress tracked via engagement survey and KPIs, gender balance KPIs regularly shared, action plans documented and monitored Effectiveness are ensured through quarterly updates to Group management team 	HR Leads/BP's and Group management team. Part of ongoing workload, with a 4x per year reporting rate.

Key actions 2025	Expected outcome	Related objectives	Progress and monitoring	Resources allocated
Daily safety observations and rapid response to reinforce safe behaviors, empower teams, and provide training. Rollout of basic safety rules, hazard mapping, incident follow-up, and horizontal checks.	<ul style="list-style-type: none"> Improved safety culture Reduced workplace hazards Progress toward zero work-related accidents, reduced incidents and lost days 	<ul style="list-style-type: none"> Supports health and safety policy objectives on an ongoing basis Prevent injury and ill-health Improve safety culture, reduced workplace hazards 	<ul style="list-style-type: none"> New targets introduced per team level (for unsafe conditions & safe behaviour) Progress tracked via LTIR, TRIR, severity rate, etc. Decrease in "major" category demonstrates a safer work environment and efficiency in actions taken 	HSE managers and teams at each production site, supported by HR Business Partners, are led by a central HSE function. Each line manager is responsible for workplace safety within their area. In total, 17 full-time positions are dedicated to HSE.
Targeted interventions and ongoing investment in machine safety and ergonomic improvements. Covering all employees, production sites, offices, and contractors across all geographies.	See expected outcomes above.	See related objectives above.	See progress and monitoring above.	See resources allocated above.
Cloetta Energy program (wellness, 4B's: Brain, Body, Behavior & Building). Flexible working arrangements, onboarding and learning platforms, regular feedback surveys, annual performance management process, covering all employees in all geographies.	<ul style="list-style-type: none"> Support employee well-being and engagement Enhanced work-life balance, skill development and positive workplace culture 	<ul style="list-style-type: none"> Supports employee well-being, engagement, skill development, fair treatment, and work-life balance objectives on an ongoing basis 	<ul style="list-style-type: none"> Progress tracked via engagement survey, performance management, and feedback surveys Engagement survey is used to secure effectiveness, performed every other year 	Part of ongoing workload for the project team.
Key actions planned	Expected outcome	Related objectives	Resources allocated	
To strengthen leadership commitment, awareness of unconscious bias will be raised through training via Workday Learning. Implementation will take place in 2026, covering all Cloetta employees, leadership teams, and job applicants across all regions.	<ul style="list-style-type: none"> Raised awareness and improved gender balance in leadership Supported progress toward DEI policy objectives and inclusion-related targets 	<ul style="list-style-type: none"> Supports DEI policy objectives, Part of the effort to achieve the objective of balanced leadership teams (50/50 female/male) by 2030 Part of the effort to achieve the objective of equal pay for equal work by 2027 	Will become part of HR Leads work scope.	
Regularly assessing the state of DEI via surveys and feedback. Expanding DEI training and promoting inclusive language across the organization. Covering all Cloetta employees, leadership teams, job applicants in all geographies.	<ul style="list-style-type: none"> Raised awareness and improved gender balance in leadership Supported progress toward DEI policy objectives and targets (e.g. balanced leadership teams, equal pay for equal work) 	<ul style="list-style-type: none"> Supports DEI policy objectives, balanced leadership teams (50/50 female/male by 2030), equal pay for equal work by 2027 	Will become part of HR Leads work scope.	
Reviewing talent pipelines and promotion criteria to ensure equal opportunities. Covering all Cloetta employees in all geographies.	<ul style="list-style-type: none"> Enhanced employee well-being, engagement, positive workplace culture 	<ul style="list-style-type: none"> Supports employee well-being, engagement, skill development, fair treatment, and work-life balance objectives on an ongoing basis 	Will become part of HR Leads work scope.	
Updating policies to support work-life balance and an equitable workplace. Covering all Cloetta employees in all geographies.	<ul style="list-style-type: none"> Enhanced employee well-being, engagement, work-life balance, positive workplace culture 	<ul style="list-style-type: none"> Supports employee well-being, engagement, skill development, fair treatment, and work-life balance objectives on an ongoing basis 	Will become part of HSE Leads work scope.	
Completing the rollout of basic safety rules and evaluating their impact. Covering all Cloetta employees, production sites, offices, contractors in all geographies.	<ul style="list-style-type: none"> Improved safety culture, reduced workplace hazards, progress toward zero work-related accidents, reduced incidents and lost days 	<ul style="list-style-type: none"> Supports health and safety policy objectives on an ongoing basis: prevent injury and ill-health, improve safety culture, reduce workplace hazards 	HSE – managers and team at each factory. HR- BP's as sites such as offices. These are lead by central HSE function, currently three FTE's. In addition, each line manager has a HSE responsibility for work environment within their area.	

Key actions planned	Expected outcome	Related objectives	Resources allocated
Continuing to strengthen root cause analysis and risk assessment processes. In markets or business areas where higher incident rates or specific risks are identified, targeted actions will be planned and implemented to address these issues. Covering all Cloetta employees, production sites, offices, contractors in all geographies.	<ul style="list-style-type: none"> Improved safety culture, reduced workplace hazards, progress toward zero work-related accidents, reduced incidents and lost days 	<ul style="list-style-type: none"> Supports health and safety policy objectives on an ongoing basis: prevent injury and ill-health, improve safety culture, reduce workplace hazards 	HSE – managers and team at each factory. HR- BP’s as sites such as offices. These are lead by central HSE function, currently three FTE’s. In addition, each line manager has a HSE responsibility for work environment within their area.

Tracking effectiveness and managing workforce impacts

Cloetta track and assess the effectiveness of actions and initiatives primarily through managerial follow-up and key performance indicators (KPIs) measured in the engagement survey, which is conducted every second year. Action plans are documented in a central portal, where the current and desired states are defined and whether actions have been completed is monitored. While Cloetta does not systematically evaluate whether the actions taken are always the most effective, progress is indicated by movement in the relevant KPIs. For example, to identify and address gaps in recruitment processes aimed at improving gender balance, follow-up discussions with recruitment agencies if candidate shortlists do not include female candidates is upheld.

Cloetta is committed to ensuring that operational practices do not cause or contribute to material negative impacts on employees. As part of the DEI strategy, the plan is to introduce training on unconscious bias, microaggressions, and cultural competence, as well as promoting inclusive language and active listening. While these initiatives have not yet been implemented, they are planned to further strengthen Cloetta’s approach.

To ensure appropriate responses to actual or potential negative impacts

on employees, several processes are executed to identify and determine the necessary actions. Depending on the nature of the issue, employees can raise concerns through various channels, including but not limited to direct manager, HR, employee representatives or the company’s whistleblower function. Each channel follows its own established flow to assess the situation and determine the appropriate response, ensuring that concerns are addressed by the relevant function or authority within Cloetta.

These activities are managed within existing resources, and no significant additional investments have been necessary beyond the regular reporting activities. The management of material impacts is supported by an employee engagement platform. Managers are responsible for addressing issues, with HR providing support as needed. Trusted persons are trained for their roles and serve as confidential advisors, offering employees a safe and confidential space to discuss sensitive concerns such as workplace conflicts, harassment, or discrimination.

Tracking effectiveness and managing health and safety impacts

The listed actions support Cloetta’s policy objectives of preventing injury and ill-health, improving safety culture, and reducing work-

place hazards. Progress is tracked through weekly and monthly monitoring of key indicators such as lost time injury rate (LTIR), total recordable injury rate (TRIR), and severity rate, with results reviewed at both factory and group level.

The responsibility for work environment (HSE) issues is integrated throughout the organization, with leaders and employees sharing accountability as part of daily operations. Rather than increasing dedicated resources, HSE considerations are embedded into existing roles and processes, supported by ongoing training and competence development. This lean and integrated approach ensures that material impacts related to the work environment are managed effectively through shared responsibility and structured routines. As a result of these efforts, in 2025 Cloetta did not identify any actual material health and safety impacts that required remedy.

All Cloetta’s actions in above table are orientated towards mitigating negative impacts and potential risks, not towards a specific case of providing remedy. Within the HSE risk assessment external developments are included when assessing if dependencies become risks. For HSE an overall risk management process is in place. This overall process is currently on a high level linked to Cloetta’s double materiality assessment.

Targets and metrics

S1-5 Targets

Human Resources

Achieve gender-balanced leadership teams, with 50 per cent of leadership team members being female by 2030

33%

female leadership team members in 2025

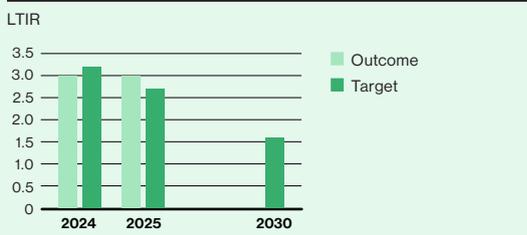
Performance

Cloetta remains committed to achieving gender balanced leadership teams by 2030. While the overall organisation already demonstrates a healthy gender balance, leadership levels show both solid progress and opportunities for further improvement. Middle management is nearing full balance, while senior and executive leadership continue to require targeted attention. Quarterly reporting strengthens transparency and increases awareness, and the recruitment approach consistently ensures diverse candidate pools and equal opportunity decision making. Together, these efforts are fostering inclusive, diverse, and high performing leadership teams that support Cloetta's long term success.

Health and safety

Continue to work towards zero work-related accidents

Lost Time Injury Frequency Rate



Performance

LTIR remained flat in 2025, in line with 2024 levels, and the target of 2.7 was therefore not achieved. Cloetta continues to strengthen the Safety First mindset across the organisation by deepening the understanding of how work can be carried out safely and how accidents can be prevented. Key activities during the year included an increased focus on identifying, reducing, and controlling hazards and risks, as well as actively recognising and communicating both unsafe and safe behaviours. During 2025, Cloetta also enhanced project management processes by integrating hazard and risk assessments at earlier stages of planning.

Progress against this target is measured using the Lost Time Injury Rate (LTIR), as it reflects work-related accidents resulting in lost work time per million hours worked and provides a relevant indicator of performance against the ambition of zero work-related accidents.

About the Human Resources target

The target is absolute, measured as the percentage of women among all members of Cloetta's leadership teams, and it is directly linked to Cloetta's DEI policy objectives. It supports the commitment to hiring diversity, fostering balanced leadership, and ensuring equal access to advancement opportunities, as outlined in Cloetta's DEI vision and objectives. It is designed to drive measurable progress toward the vision of a workplace where all employees feel valued, represented, and treated equitably. The scope of the target covers all of Cloetta's own operations and applies to leadership teams across all geographies where Cloetta operates. The baseline value is 31 per cent female leadership team members, measured in the base year 2025. Interim targets for female representation in leadership teams have been established for 2025 at each leadership level, providing clear milestones to track progress toward achieving the overall 50 per cent gender balance target by 2030. The target was defined by benchmarking against other companies and participating in external training sessions to understand best practices in gender balance. The methodology

assumes that these external benchmarks and industry standards are relevant and achievable for Cloetta's leadership teams. Stakeholder involvement in setting this target included input and decision-making by the Group Management Team and the international HR team. Cloetta has not engaged directly with employees or unions in the process of setting or tracking the performance of Human Resources targets.

About the Health and safety target

The target supports Cloetta's commitment to providing a safe and healthy work environment for all employees and individuals working on behalf of the company. The target is absolute, aiming for zero work-related accidents across all operations and geographies. The scope includes all Cloetta employees as well as non-employees working at Cloetta sites. The base year for this target is 2019. The target period extends to 2030, with annual interim targets typically set at a 10 per cent reduction in work-related accidents each year. These interim targets are reviewed annually and may be adjusted based on performance and organisational developments.

Cloetta's methodology for defining and measuring progress is based on established internal practices, originally aligned with ISO 45001 and GRI standards, while maintaining some company-specific definitions for consistency. Cloetta is currently reviewing ESRS recommendations to ensure continued relevance and alignment. Stakeholders, including site managers and HSE managers, are actively involved in the target-setting process through regular dialogue and review at each site which includes tracking performance and identifying lessons or improvements at the local level. The scope of reporting was expanded in 2024 to include all commercial operations, in addition to production sites, to provide a more comprehensive view of work-related accidents across the entire organization. As baseline data is being established for these areas, results from 2024 and onward may not be directly comparable to previous years. This change was made to improve data completeness and align with evolving internal and external expectations.

Metrics

S1-6 & S1-7 Workforce characteristics

Employees per contract type broken down by country

Country	Total Number of Employees ¹		Number of Regular Employees		Number of Fixed Term Employees		Number of Seasonal hours employees		Number of Contingent Workers	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Sweden	734	747	684	696	33	37	-	-	17	14
Slovakia	697	702	610	631	65	69	-	-	22	2
The Netherlands	471	510	408	432	23	26	-	-	40	52
Finland	280	296	191	208	19	11	66	75	4	2
The UK	208	208	206	207	2	1	-	-	-	-
Belgium	118	117	108	108	-	-	-	-	10	9
Denmark	158	144	154	136	2	6	-	-	2	2
Ireland	62	68	48	52	14	16	-	-	-	-
Norway	28	29	28	28	-	-	-	-	-	1
Germany	12	11	12	11	-	-	-	-	-	-
Italy	3	3	3	3	-	-	-	-	-	-
Other	6	7	4	4	-	-	-	-	2	3
Total	2,777	2,842	2,456	2,516	158	166	66	75	97	85

Source: Workday

1) Headcount used as data compilation methodology for employees and for workers that are not employees. Reference ESRS 2, SBM-1 disclosure paragraph 40; headcount of employees by geographical area. See Note 6 on pages 158–159 for average number of employees per country.

Employees per contract type broken down by gender¹

Contract type	Female		Male		Other ²		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees	1,520	1,554	1,257	1,288	-	-	-	-	2,777	2,842
Number of regular employees	1,348	1,369	1,110	1,147	-	-	-	-	2,458	2,516
Number of fixed term employees	90	100	68	66	-	-	-	-	158	166
Number of seasonal hours employees	52	61	14	14	-	-	-	-	66	75
Number of contingent workers	30	24	65	61	-	-	-	-	95	85

Source: Workday

1) Headcount used as data compilation methodology for employees and for workers that are not employees. Reference ESRS 2, SBM-1 disclosure paragraph 40; headcount of employees by geographical area. See Note 6 on pages 158–159 for average number of employees per country.

2) Gender as stated by the worker.

Employee turnover

Turnover	#		% ¹	
	2025	2024	2025	2024
Total employee turnover	551	584	20	21

Source: Workday

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

S1-9 Diversity metrics

Gender distribution management ¹	Female				Male				Other ²			
	#		%		#		%		#		%	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Board of directors	3	3	43	43	4	4	57	57	-	-	-	-
Group management Team ³	2	2	22	20	7	8	78	80	-	-	-	-
Managers	144	152	45	44	175	193	55	56	-	-	-	-

Source: Workday

- 1) Headcount used as data compilation methodology for employees and for workers that are not employees.
- 2) Gender as stated by the worker.
- 3) Top management refers to the managerial level directly below the administrative and supervisory bodies and consists of the Group Management Team.

Employee age distribution ¹	#		%	
	2025	2024	2025	2024
<30 years	447	463	17	17
30–50 years	1,328	1,379	49	50
>50 years	907	915	34	33
Total	2,682	2,757	100	100

Source: Workday

- 1) Only employees are counted; contingent workers are excluded

Comments on data

In March 2025, Cloetta announced updated strategic priorities and financial targets geared for profitable growth, followed by the announcement in April 2025 to change the structure and Group Management to support the new strategic priorities.

The expectations were that the changes resulted in a reduction up to 100 positions across Europe by year end 2025 (and full effective in the first quarter of 2026). By year end 2025, the actual number of headcount deduction is 75.

S1-14 Health and safety

KPI	Category	2025	2024
Number of fatalities ¹	Employees	0	0
	Non-employee workers	0	0
Number of lost days from work	Employees	296	457
Number of recordable accidents ²	Employees	231	194
	Non-employee workers	0	9
Total TIR rate ³	Employees	56.9	48.1

Source: CEMAsys

- 1) Refers to fatalities resulting from work-related injuries and fatalities resulting from work-related ill health. Includes both Cloetta employees and other workers present on Cloetta's sites- such as contractors, visitors, and consultants- all of whom are reported under "non-employees" in the table.
- 2) Number of recordable accidents (REC) includes first aid accidents (FA) and lost time accidents (LTA). REC refers to work-related injuries requiring external medical treatment beyond first aid. FA refers to injuries requiring self-treatment or treatment by a qualified first aid provider. LTA refers to injuries resulting in lost workdays, starting from the next scheduled working day.
- 3) TIR: LTA 's + REC + FA x 1000.000/worked hours for the same period.

Comments on data

Health and safety performance remained broadly stable compared to the previous year. The number of lost time accidents was unchanged year-on-year and targets were not fully met, while manufacturing showed improvement with fewer lost time accidents, reflecting a continued focus on safety culture and risk reduction. The severity of accidents decreased significantly, driven by less serious incidents and a more systematic approach to risk manage-

ment. Recordable accidents increased compared to previous year, which impacted some injury rates, partly reflecting the expanded scope of company-wide reporting introduced in the prior year. No recordable accidents involving non-employees were reported. Continued efforts are underway to strengthen preventive reporting and improve incident reporting processes.

Accounting principles

Human Resources

Cloetta's workforce data is reported based on headcount as of 31 December 2025.

Data covers demographics, employment types, and turnover rates. Data is primarily gathered through 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. HR system are 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.

The same definitions are used for different employment types:

- Regular employment refers to permanent or indefinite-term positions.
- 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 (also known as non-employees) are (co-)workers contracted via agencies, consultancy organisations, or self-employed individuals hired to fulfil specific assignments.

Headcount numbers are reported for the different employee characteristics. A total breakdown per country shows both headcount and FTE. Headcount is defined as the total number of individuals employed by Cloetta. FTE is defined as the number of

hours worked by an employee divided by the number of hours considered full-time for a given period at the entity and country where the employee works.

Data is retrieved by the Head of Compensation & Benefits, who is also the functional owner of the HR Information System and has full access to all data. The data is reviewed by the HR Director. Data is not reviewed by any external third party other than auditors.

Health and safety

Cloetta collects and reports health and safety data for production sites, offices, and stores in accordance with internal definitions outlined in the Central HS KPI Reporting document. Data is measured and reported monthly at the local level and consolidated at the group level to ensure accuracy and reliability.

Employees are defined as individuals who work for Cloetta under an employment contract (written, verbal, or implied), in exchange for compensation such as wages, salary, or benefits. Non-employees are individuals who perform work for Cloetta but do not have an employment relationship with that organization. Non-employees are engaged through agencies, consultancy, contractors (e.g., construction work), value chain workers (e.g., truck drivers loading/unloading at Cloetta premises) or self-employed.

Data covers all individuals present at Cloetta premises, including employees, temporary workers, consultants, contractors, supply chain workers and visitors.

Cloetta does monthly reporting for production sites and offices and annual reporting for aggregated data. Estimated or calculated data is used when actual data is unavailable and is clearly flagged in the reporting system. These estimates are

replaced by actual figures once available. Verification follows the four-eye principle at both local and group levels. Additionally, third-party audits are conducted annually in the fourth quarter by external consultant company.

Data is monitored on a rolling 12-month basis, with real-time KPI tracking enabled through daily transfers from the reporting system. The reporting uses number of worked hours. Worked hours are sourced from time and attendance systems. Where unavailable, calculations are based on FTEs and average hours. The following definition is used for FTE = the number of hours worked by an employee divided by the number of hours considered full-time for a given period at the entity and country the employee is working for. All data is tracked for employees and non-employees and reported into the data reporting system.

Governance and Accountability

Central HSE oversees reporting and performance monitoring. Group Management Team reviews KPI performance and reports to the Board. Incident investigations follow the HSE Alert Process for LTAs, serious near misses, and environmental incidents. Corrective actions are defined with clear deadlines, resources, and responsibilities at both local and central levels.

Monthly data is summarized in the CEMAsys software system no later than the second Tuesday of each month. Reporting follows the four eye principle: two people verify the data before submission, one of whom is the responsible consultant at CEMAsys. Third party audits are performed by external consultants for all health and safety data during the fourth quarter of the year.

S2 Workers in the value chain

To respond to sustainability challenges and fulfill Cloetta's overall sustainability agenda, it is essential to take care of the people involved in the production of the products. This responsibility extends beyond the production sites and offices. Engaging in partnerships and collaborating with organisations enables support for farmers and helps improve living conditions throughout the supply chain.

Approach and strategy

SBM-3 Strategy and business model

The physical and mental well-being of individuals throughout Cloetta's value chain is fundamental to operations and is essential for maintaining trust with all stakeholders impacted by these activities. The interests and rights of value chain workers, particularly in raw material production such as cocoa and palm oil, can be affected by the business. Their perspectives are regularly considered through stakeholder engagement, supplier dialogue, and multi-stakeholder initiatives. These insights inform strategy, responsible sourcing, and certification efforts. Recognized risks include low wages, health and safety issues, and child or forced labour in high-risk regions. These risks are addressed through risk management and due diligence, for example by certifying products with Rainforest Alliance and the Roundtable on Sustainable Palm Oil (RSPO), as well as through targeted actions such as requiring supplier certifications, requesting signed Supplier Code of Conduct, distributing supplier questionnaires, and collaborating with partners and NGOs.

Value chain workers who may be materially impacted by Cloetta's activities are included in the disclosures on pages 72–73. The greatest risks are found upstream, particularly among farmers in the supply chain, while risks closer in the value chain,

such as tier 1 suppliers, customers, and transporters, are significantly lower. Types of value chain workers potentially subject to material impacts include farmers (value chain), factory workers (own and agency staff), transporters and third-party packing unit workers. A range of social risks has been identified in the raw material supply chains, including risks related to working conditions, inadequate wages, human rights violations, and child labor. These risks are particularly relevant for raw materials such as gum arabic, cocoa, and palm oil. No actual cases of material negative impacts on value chain workers were identified during the reporting period. Certain groups, such as children and those in high-risk countries, may be at greater risk of harm, especially where poverty is widespread and children may work instead of attending school. At this stage, Cloetta has not undertaken direct engagement or specific activities to further identify or gain insight into the perspectives of vulnerable groups, beyond this initial assessment.

In line with international standards, Cloetta is guided by the International Bill of Human Rights, the International Labor Organization's (ILO) Core Conventions, and the UN Guiding Principles on Business & Human Rights. As a signatory of the UN

Global Compact, Cloetta also supports the OECD Guidelines for Multinational Enterprises. These frameworks guide activities, ensuring operations are conducted ethically and responsibly, with a particular focus on preventing and minimizing negative impacts on people directly or indirectly affected by the business. Cloetta plays an active role in collaborating with partners and organisations to improve living conditions throughout the supply chain. This approach is embedded in the company's Sustainable Sourcing initiative, a core element of the sustainability agenda. Efforts are made to minimise negative impacts by engaging proactively with stakeholders, including suppliers, farmers, and local communities. Through ongoing dialogue and collaboration, practices are continuously improved and any potential impacts arising from operations are actively addressed. Activities include ensuring compliance with human rights standards, including child and forced labor, maintaining ethical working conditions, and supporting a living income throughout the supply chain. Various partnerships allow the commitment to ethical practices to extend beyond Cloetta's own facilities, ensuring that these values are reflected across the value chain.

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
S Workers in the value chain	Working conditions	Negative actual impact	Working conditions and other work-related rights impacts 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"> Sourcing 100 per cent certified palm oil (RSPO) and cocoa (Rainforest Alliance) Collaborating with industry initiatives such as World Cocoa Foundation and our Kolo Nafaso Shea program 	Upstream	Short term Medium term Long term
	Other work-related rights	Negative actual 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"> Enhancing supplier performance through our Sustainable Sourcing initiative 	Upstream	Short term Medium term Long term

Impact, risk and opportunity management

S2-1 Policies

Cloetta has established policies to ensure that suppliers adhere to ethical, environmental, and social standards throughout the supply chain. Cloetta 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.

A standalone human rights policy has not previously existed, but human rights considerations have been addressed through existing policies covering areas such as working conditions, non-discrimination, business ethics, and responsible sourcing. Together with compliance with relevant legislation and international standards, these frameworks have ensured that human rights considerations are integrated into operations. In 2025, Cloetta began developing a dedicated standalone human rights policy, which is expected to be finalised and implemented across the organisation in 2026, further strengthening the company's approach to human rights.

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 Cloetta's website cloetta.com.

Supplier Code of Conduct

The Supplier Code of Conduct addresses key risks for value chain workers, including child and forced labour, discrimination, harassment, inadequate wages, excessive working hours, lack of freedom of association, and unsafe working conditions. It explicitly prohibits human trafficking, forced or compulsory labour, and child labour. The Code also requires suppliers to ensure that no child labour occurs at their own or their subcontractors' sites. It also covers environmental risks and requires suppliers to have grievance mechanisms. The Code applies to all suppliers, sub-suppliers (tiers 1–3), co-manufacturers, and their workers across the supply chain, including producers, manufacturers, and third-party packing units. Stakeholder input from suppliers, workers, and business reviews informs policy updates and implementation.

Compliance with the Supplier Code of Conduct is evaluated as a key part of the supplier selection process. The Code sets out minimum standards of ethical and responsible conduct, which all suppliers are expected to uphold in both intent and

action. The Code aligns with the UN Global Compact, ILO core conventions, Universal Declaration of Human Rights, and the Ethical Trading Initiative's base code, and recommends SEDEX/SMETA participation. No cases were identified during the reporting period where the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises were not respected in Cloetta's value chain.

Suppliers are expected to be transparent and maintain an open dialogue regarding any challenges encountered in their operations. Cloetta engages with key suppliers through regular dialogue and quarterly business reviews, during which responsible buyers discuss areas for improvement, quality, and sustainability. Suppliers are required to have effective grievance mechanisms in place, and clear expectations are set for strong health and safety practices as well as robust due diligence—an area further strengthened by EUDR, which has improved insight and risk follow-up.

Cloetta's Whistleblower service and policy also apply to suppliers and business partners. For further details, see page 133 chapter G1 Business Conduct.

S2-2 Value chain workers engagement

Cloetta engages with suppliers and partners through various mechanisms, such as surveys and questionnaires, and open communication channels, which help us gather insights into working conditions, labour rights, health and safety standards. Key suppliers receive a sustainability survey every two years, and responsible buyers conduct quarterly business reviews with key suppliers. Direct dialogues and additional surveys are carried out as needed, for example in connection with EUDR compliance. Furthermore, different part-

nerships include collaboration with suppliers in agricultural sourcing to promote sustainable farming practices and worker welfare. Through partnerships with third-party organisations and NGOs, outreach is extended to farmers and workers for the raw materials used. Through selected certification programmes or other collaborations, efforts are made to enhance agricultural practices that protect biodiversity, uphold community welfare, and ensure fair labour standards. Initiatives also include training programmes that encourage

sustainable farming methods, advocate for fair working hours and a living income, as well as empower women. Cloetta's partners continuously evaluate and track progress through on-the-ground visits, audits, and local engagements, which assess the effectiveness of these initiatives. If risks or breaches are identified, corrective actions are implemented in collaboration with suppliers. Operational responsibility for ensuring supplier engagement and for ensuring that results inform Cloetta's approach lies with the Procurement Director.

S2-3 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 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 133 in chapter G1 Business Conduct. Cloetta engages with value chain workers primarily

through regular and direct dialogue with suppliers, including ongoing business reviews where risks, concerns, and working conditions are discussed. This approach supports the identification and management of potential and actual impacts on value chain workers. To ensure value chain workers can raise concerns, Cloetta provides an accessible whistleblower service for all, referenced in multiple locations, and requires suppliers to have grievance mechanisms in place. Issues raised through these channels are tracked and addressed

by relevant functions within Cloetta, with follow-up actions taken as needed to resolve concerns. While mechanisms are in place to raise concerns, there are not yet established formal processes to evaluate the effectiveness of these channels, assess the awareness or trust of value chain workers in them, or systematically involve value chain stakeholders in their review. Through our Rainforest Alliance and RSPO certifications, Cloetta relies on ethical aspects being monitored and managed by the respective certification schemes.

S2-4 Actions

Cloetta carries out a range of both process-based and targeted activities to enhance understanding and to identify and manage working conditions across its value chain. When a material actual or potential negative impact on value chain workers is identified, Cloetta determines appropriate and effective actions by analysing the specific risks and their geographic context, and by seeking to support or initiate projects that directly address the identified risks in the relevant parts of the value chain.

Managing suppliers

Supplier relations are based on the principles of Cloetta's Supplier Code of Conduct. For suppliers that provide direct material, requirements relating to product quality and food safety are 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 original agreements. Relationships with suppliers

is managed through the Supplier Code of Conduct, regular monitoring, and close collaboration between the sustainability and procurement teams to ensure that Cloetta's own practices do not cause or contribute to material negative impacts on value chain workers. For further details, see page 133 chapter G1 Business Conduct.

Screening and approval process of new suppliers

Potential new suppliers undergo a screening process, where 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 on their health, safety, and environmental practices to ensure compliance with Cloetta's sustainability standards. The submitted materials are evaluated and approved only if they meet Cloetta's requirements.

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. A questionnaire is shared with selected suppliers, to assess adherence to the Supplier Code of Conduct and related criteria, verifying that required documentation is in place and enabling corrective action if non-conformities arise. They 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. Supplier relations are followed up through regular dialogue and evaluations. To ensure all documents for existing suppliers are valid there is an established process for follow-up on certificates and policies.

Partnerships

Cloetta continuously identifies and assesses potential human rights risks and impacts on employees, contractors, as well as people within the supply chain. These risks are identified based on information from impact assessments, internal and external experts, and other relevant sources. Through risk assessments, ingredients have been identified that are sourced in countries with historical instances of

human rights breaches. To safeguard the sustainability of the supply chain, proactive steps are being taken to address identified risks together with suppliers. Through partnerships with NGOs and suppliers, outreach extends to the people growing the raw materials. Cloetta has chosen to take part in several international initiatives to mitigate the risk of human rights incidents in the value chain.

The table below presents the main actions for the current year as well as actions planned for the future. Activities are designed in line with the targets and objectives defined in Cloetta's governing documents, specifically supporting the human rights-related objectives of the Supplier Code of Conduct. All activities aim at addressing negative impacts and are not associated with any specific case or remedial need.

Key action 2025	Expected outcome	Stakeholder effects	Progress
Biennial sustainability surveys to key suppliers with focus on high risk raw materials (e.g. cocoa, palm oil, gum arabic) in Cloetta's global supply chain.	<ul style="list-style-type: none"> Improved insight into working conditions Supported labour rights in the value chain Health and safety standards in the supply chain 	Focus on analysing human rights compliance to establish a foundation for discussions with suppliers and to support or initiate projects that directly address identified impacts within the relevant parts of the value chain.	Action is performed biannually. In the 2025 round, the focus was on improving the response rate, with responses obtained from all high-risk suppliers except one (awaiting completion). 96 per cent response rate for the campaign 2025.
Quarterly business reviews with responsible buyers and key suppliers.	<ul style="list-style-type: none"> Continuous improvement in supplier performance Identification of risks and areas for improvement 	Focus during the period has been on collecting supplier responses and managing deviations from established requirements.	Supply chain management upheld through quarterly distribution of the questionnaire and reviews of key suppliers, along with engagement as needed. To date, no supplier has been excluded from the scope due to non-compliance.
Direct ongoing engagement with suppliers for EUDR compliance includes training, risk assessments, and follow-up. The scope covers suppliers of raw materials associated with deforestation risks.	<ul style="list-style-type: none"> Compliance with EU Deforestation Regulation; reduced deforestation risk Enhanced due diligence and traceability 	Cloetta will only purchase products from suppliers who, after a full due diligence assessment in accordance with the EUDR, confirm that there is no risk, or only a negligible risk, that the relevant commodity originates from areas affected by deforestation, and where the rights of indigenous peoples are respected. Activity is not aimed at providing remedies.	Currently in the stage of setting the process.
Ongoing participation in industry initiatives (e.g. World Cocoa Foundation, Kolo Nafaso shea program), the scope covers cocoa, shea, and other high-risk raw material supply chains for Cloetta.	<ul style="list-style-type: none"> Improved living conditions Empowerment of women Sustainable farming Direct trade and traceability 	Membership in a sector-wide organization aimed at improving farmer income, combating child labor, and addressing deforestation.	First year for Cloetta membership, progress is not measured for 2025.
Launch of a livelihood initiative project, focused on cocoa farmers in high-risk sourcing countries.	<ul style="list-style-type: none"> Monitoring and prevention of child labour Improved living conditions 	The program focuses on strengthening cocoa cooperatives to prevent child labor and uphold human rights through better governance, local collaboration, and economic resilience.	Project approval in 2025. The project is set to begin in 2026 and run through 2027.

Key actions planned

Key actions planned	Expected outcome
A livelihoods initiative planned to be initiated during 2026 and finished in 2027. Project approval in 2025 and the scope covers cocoa farmers in high-risk sourcing countries, Bossematié, Ivory Coast.	<ul style="list-style-type: none"> Improved living conditions Monitoring and prevention of child labour Program focus on strengthening cocoa cooperatives to prevent child labor and uphold human rights through better governance, local collaboration, and economic resilience
New targets will be set for 2026 to further strengthen the management of working conditions across the value chain, supported by measurable indicators to enable quantitative progress tracking across Cloetta's global supply chain.	<ul style="list-style-type: none"> Clear strategy Measurable indicators Monitoring progress
A human rights policy will be formed in 2026, covering Cloetta's global supply chain.	<ul style="list-style-type: none"> Sets direction and framework Supports future target implementation

No cases of severe human rights issues have been reported in Cloetta's value chain during 2025. Main resources involved in above actions include Cloetta's sustainability and procurement department, with support from dedicated trainings, compliance exercises, external consultants and partners and IT department. Internal resources primarily carry out work as part of their ongoing workload. Funding for the actions is provided within the budgets allocated to leaders of specific sustainability initiatives.

For investments or expenditures of a more specific nature, targeted financing may be applied; however, no such cases occurred during the year

The company continuously monitors developments in regions where it depends on key suppliers to assess whether such dependencies could pose a risk. The value chain workforce-related risk assessment process is embedded in procurement risk processes and further integrated into overall Cloetta risks, with the Group

Management Team being informed on a regular basis about the overall risk picture. At this point Cloetta does not fully ensure that processes to provide or enable remedy in the event of material negative impacts are available and effective in their implementation and outcomes. Incidents where remedy may be required are managed on a case-by-case basis and escalated to senior management for appropriate action.

S2-5 Targets

Maintain existing partnerships and initiate a new collaboration to improve living conditions in our supply chain by 2025.

Performance

Cloetta maintained existing partnerships and established a new collaboration. Support continues through the Kolo Nafaso programme, which promotes sustainable shea sourcing and women's livelihoods, and Cloetta joined the World Cocoa Foundation to contribute to coordinated industry efforts on labour practices and farmer resilience. A new partnership with Rainforest Alliance has been approved and will commence in 2026, focusing on the prevention and remediation of child labour in the Bossematié cocoa-growing region in Côte d'Ivoire.

About the target

The target is aligned with Cloetta's policy objectives on human rights and working conditions, supporting the Supplier Code of Conduct and international standards such as the ILO Core Conventions. It is currently qualitative and process-oriented, focusing on establishing and sustaining collaborations that drive improvements for value chain workers. The target scope covers specific raw materials in high risks sourcing countries, with emphasis on regions and suppliers where risks to workers' rights are most significant.

The target has a 2024 baseline, no formal milestones or interim targets have yet been set. These will be defined as measurement approach are further refined. The target is based on risk analysis, supplier assessments, and stakeholder dialogue, using international guidelines and the assumption that partnerships are effective for driving change. Stakeholders, including suppliers, industry initiatives, and NGOs, have been engaged through dialogue and joint forums in the target-setting process. No significant changes to the target or measurement methodologies have occurred during the

reporting period. To date, value chain workers and their representatives have not been directly involved in setting, tracking, or evaluating the target, but the need to strengthen this engagement through future consultations, feedback mechanisms, and collaboration with unions and NGOs has been acknowledged.

As this target is closed in 2025 a new target will be set in the coming period, continuing the work and strategy in this area. In connection with this, measurable indicators are being introduced to enable quantitative tracking going forward.

S4 Consumers and end-users

Cloetta’s consumers are at the centre of the business. Innovating for the future is a key success factor for staying in tune with changing demands. By responding to different preferences and needs, the company aims to ensure the accuracy and significance of the product range. The commitment extends not only to meeting diverse tastes and preferences but also to maintaining high standards of safety, quality, and transparency in all products.

Approach and strategy

SBM-3 Strategy and business model

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 labelled ingredients, responsibly sourced materials, and products that align with evolving health expectations. This commitment is integrated into the sustainability agenda, ensuring that the approach to consumer safety, product quality, and transparency is supported by targeted initiatives.

Impact on consumers

Cloetta acknowledges that it may have an impact on consumers’ health and safety, given that the 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, efforts have focused on reducing sugar and calories in the products, supporting World Health Organization (WHO) recommendations to limit added sugar intake. This 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 quality and food safety risks and enhancing consumer satisfaction, all Cloetta plants have stringent quality and food safety management systems in place which include 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 food safety regulations.

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
<p>S</p> <p>Consumers and end-users</p>	<p>Personal safety of consumers and/or end-users</p>	<p>Negative actual impact</p>	<p>High sugar content in products is linked to health issues like obesity and diabetes, which can affect consumers- particularly children and adults who regularly enjoy sweets. Some products also contain higher levels of fat, which may influence overall dietary balance. Regular consumption of sugary products can impact dental health, by increasing the risk of cavities. These impacts are considered wide-spread and systemic, as they can affect a broad range of consumers across all markets where Cloetta's products are sold, rather than being limited to isolated incidents or specific business relationships.</p>	<ul style="list-style-type: none"> • Provide information about product content and calories • Develop lower-sugar and sugar-free product options. • Promote dental health alongside confectionery offerings • Individuals under the age of 13 are not targeted by marketing efforts • Focusing on developing products with functional ingredients that are beneficial for consumers 	<p>Downstream</p>	<p>Short term Medium term Long term</p>

All consumers of Cloetta's products are included in the scope of the sustainability report, as they may be materially impacted by the company's products and activities

downstream in the value chain. An enhanced understanding has been developed of how consumers with particular characteristics, or those using specific

products, may be at greater risk of harm, based on a combination of desk-top analysis and interviews conducted as part of the double materiality assessment process.

Impact, risk and opportunity management

S4-1 Policies

Cloetta has established several policies to ensure that the operational work within the organisation is aligned with ambitions and strategy. The responsible marketing policy and the food safety and quality policy both relate to the identified material sub-topic related to consumers and end-users. While the policies are aligned with laws and industry standards, they do not currently include explicit commitments or references to international human rights frameworks, nor do they explicitly describe specific mechanisms to provide or enable remedy for human rights impacts related to marketing practices as well as food safety and quality. This is because Cloetta has not identified a link between identified negative impact on consumers and end-users and Human Rights. Furthermore, no cases of non-compliance with such frameworks involving consumers or end-users are known or have been reported in the downstream value chain.

The President and CEO and the Group Management Team at Cloetta hold ultimate responsibility for ensuring the implementation 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 Cloetta's website cloetta.com.

Responsible marketing policy

Cloetta is committed to responsible marketing, guided by the responsible marketing policy, which ensures that practices reflect the dedication to ethical standards and positively influence the communities Cloetta serve. Through this policy, transparency, fairness, and integrity in all marketing efforts are prioritised, reinforcing the position as a positive role model within the industry. The 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. It is ensured that all relevant employees are informed of the policy. Existing and future media and creative partners are trained to adhere to the responsible marketing policy. The policy is reviewed annually, and adjustments are made if necessary.

The responsible marketing policy applies to all of Cloetta's marketing activities and communications across all markets where Cloetta operates. The policy specifically covers marketing directed to consumers, with measures to protect children under 13 years of age by not targeting this group in advertising, promotions, or product placements. Exclusions include sugar-free chewing gum, xylitol pastilles/mints, packaging, and point-of-sale materials. The policy also requires third parties licensing Cloetta's brands to adhere to these standards. Key stakeholder groups include adult consumers and those making household purchasing decisions, such as parents or guardians. The policy applies to all consumers, with guidelines in place to protect children under 13 years of age by not directing marketing communications or product promotions to this group.

Food safety and quality policy

Cloetta's food safety and quality policy is integral to the company's sustainability agenda. The company is dedicated to delivering high-quality products that are safe, authentic, transparently labelled, 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. The 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 consumers' and customers' feedback. The policy applies to all customers and consumers of Cloetta products, without limitation to specific groups.

S4-2 Consumer engagement

Cloetta actively engages with consumers to ensure their needs, preferences, and concerns are incorporated into business practices. Through a variety of channels, including surveys, focus groups, and direct feedback mechanisms, insights are gathered on consumer expectations related to product safety, quality, sustainability, and ethical business practices. This feedback is systematically analysed and integrated into the product development and marketing strategies to enhance transparency and align the offerings with consumer demands. Consumer engagement efforts also help identify emerging risks and opportunities in areas such as health, environmental impact, and social responsibility, enabling continuous adaptation and improvement. Cloetta continuously monitors consumer trends to enhance product development, using insights from market analysis to shape new concepts. The 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 optimisation of products before launch. Cloetta continues to strengthen the commitment to natural ingredients reducing artificial substances, aligning with health and wellness trends.

Consumer engagement at Cloetta is ongoing, with feedback and complaints received by Consumer Service reviewed and responded to promptly, while the Quality & Food Safety function investigates and monitors complaints on a regular basis to identify preventative actions and initiatives for improvement. Additionally, focus groups and consumer panels are used regularly during product development. The Innovation, Marketing, and Research functions, led by the Chief Marketing Officer, are responsible for ensuring that consumer

engagement takes place and that insights are integrated into decision-making. The effectiveness of engagement is assessed by monitoring trends in consumer feedback and setting annual internal targets to reduce the number of complaints. Insights from these activities have led to tangible outcomes, such as adapting recipes and product assortments to better meet local consumer preferences and updating internal guidelines based on consumer input. Cloetta considers the needs of vulnerable groups primarily through precautionary measures, such as excluding children from consumer testing of sugar-based products, applying a choking policy in product design, and following responsible marketing guidelines. Although direct engagement with children or other vulnerable groups is not conducted, research into health-related needs, such as reduced-sugar options, helps inform future innovation.

S4-3 Remediate negative impacts

Cloetta has 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. Consumer issues are tracked and monitored through dedicated feedback systems, including input from social media. All cases are categorized, prioritized, and followed up according to internal procedures. Regular analyses are conducted to identify trends and areas of improvement. Consumers are indirectly involved in the process, as their feedback forms the basis for corrective actions and improvements.

Cloetta regularly evaluates consumer contact points in one of the markets to assess whether consumers are aware of and trust this channel for raising concerns. Other markets are preparing to implement similar evaluations at a later stage. Consum-

ers are provided with the option to submit feedback anonymously, which helps protect their identity and offers an additional safeguard against potential retaliation. There is no explicit policy stating non-retaliation for consumers and end-users, however the whistleblower policy covers all external stakeholders and can be used by consumers.

Cloetta supports the availability of feedback channels by enabling consumers to raise concerns through in-store channels. Additionally, feedback from retailers is forwarded into internal systems for follow-up, ensuring that input from business relationships is systematically managed and addressed.

When a concern or complaint is received, it is carefully assessed to determine the nature and potential impact of the issue. Cloetta follows a structured approach to investigate incidents, identify root causes, and implement corrective and preventive actions to protect consumers and continu-

ously improve its products and processes. In cases where consumer safety may be at risk, there are processes to withdraw or recall products from the market as needed.

Remedies may include product withdrawal, recall, or replacement, and, where appropriate, compensation in line with local policies and legal requirements. Compensation practices and remedies may differ by country, and in some cases, certain risks are considered intrinsic to the product and may not be compensated. In cases involving consumer injury, the matter is handled in accordance with local laws and may involve legal review.

The majority of consumer claims and complaints are managed by the Consumer Service Centre, which is responsible for initial assessment and resolution, including determining the type of compensation or remedy to offer within established thresholds. If a case involves a potential legal risk, significant liability, or exceeds defined financial thresholds, the Legal department

is engaged to support risk assessment and decision-making. For complex disputes exceeding further financial thresholds, approval from the Group Management Team or the Board may be required, in line

with Cloetta's legal policy and the Approval and Authorization Framework.

The effectiveness of these actions is monitored through regular reviews and analysis of trends in consumer feedback and

incidents. Key learnings from these cases are shared within the organization and with product innovation teams to help prevent recurrence and to support the ongoing commitment to consumer health and well-being.

S4-4 Actions

Cloetta has implemented a series of strategic actions aimed at mitigating risks and meeting evolving consumer demands.

These actions focus on consumer well-being, product innovation, responsible marketing, and product safety and quality.

In the table below main actions are presented both for current year and actions planned for the future:

Key action 2025	Expected outcome	Related objectives	Stakeholder effects	Resources allocated	Progress and monitoring
Launch and expansion of sugar-free and functional products in the Nordic markets and Finland during 2025–2030, alongside the development of lower-sugar alternatives across all markets.	<ul style="list-style-type: none"> Increased share of healthier and functional products Support dental health and fresh breath 	<ul style="list-style-type: none"> Supports the well-being strategy and a healthier product portfolio and Public health recommendations 	<ul style="list-style-type: none"> Increased focus on consumer well-being through a broad range of sugar-free pastilles, with plans to expand to additional markets. 	Action as part of current work load of involved divisions including R&D product & pack, Project Management, Marketing, Legal, Consumer Insight and Sales.	Sugar-free products are to represent 33 per cent of total consumer units by 2030. Progress is measured quarterly using internal systems to track the share of sugar-free products in the total assortment.
Implementation of portion control communication guidelines on product packaging, covering all candy and chocolate products in all markets during 2025–2030.	<ul style="list-style-type: none"> Support consumers to make informed choices Promote responsible consumption 	<ul style="list-style-type: none"> Supports the well-being strategy and a healthier product portfolio and Public health recommendations 	<ul style="list-style-type: none"> Increased portion communication on total consumers units Examples on effects seen are increased transparency, encouragement of mindful eating habits, increased commitment to consumer well-being Effectiveness such as changed consumer habits are currently not measured 	Action as part of current work load of involved divisions including marketing managers, brand managers and packaging team.	Portion communication is to be implemented across the candy and chocolate assortment by 2030. Progress is measured quarterly by manually tracking design changes and calculating the share of products with updated portion communication.
Updated Responsible marketing policy, strengthening restrictions on marketing below the defined age threshold by increasing the minimum age for paid media audiences from 13 to 18 years.	<ul style="list-style-type: none"> Safeguard young people Promote responsible consumption Align with stakeholder expectations 	<ul style="list-style-type: none"> Supports the well-being strategy and a healthier product portfolio and Public health recommendations 	<ul style="list-style-type: none"> Current processes are formalized in policy commitments meaning that practices will enter into force during 2026 	Action as part of current work load of marketing directors.	No paid media and marketing activities are directed at audiences below the defined age threshold. Progress is measured quarterly through media agency reports, which track the age segmentation of all paid media placements.

Key actions planned	Expected outcome	Related objectives	Future resource allocation
Further launches and expansion of sugar-free and functional products, covering main markets in Nordics and Finland, during 2026–2030.	<ul style="list-style-type: none"> Increased share of healthier and functional products Support for dental health and fresh breath 	<ul style="list-style-type: none"> Supports the wellbeing strategy and a healthier product portfolio and Public health recommendations 	Involved divisions: R&D product & pack, Project Management, Marketing, Legal, Consumer Insight and Sales. Action as part of future work load.
Continued innovation for healthier, vegan, and lower-sugar alternatives, covering all markets.	<ul style="list-style-type: none"> Reduction of health risks and fulfillment of consumer demand Lower carbon footprint 	<ul style="list-style-type: none"> Supports the wellbeing strategy and a healthier product portfolio Public health recommendations Environmental goals 	Company-wide program with several divisions involved, such as product innovation. Action as part of future work load.

Key actions planned	Expected outcome	Related objectives	Future resource allocation
Ongoing roll-out of portion control communication on packaging, covering all candy and chocolate products in all markets.	<ul style="list-style-type: none"> Support for consumers in making informed choices Promotion of responsible consumption 	<ul style="list-style-type: none"> Supports the wellbeing strategy and a healthier product portfolio and Public health recommendations 	Involved divisions: Marketing managers, Brand managers and Packaging team. Action as part of future work load.
Continuous improvement and enforcement of responsible marketing practices. Covering all marketing communications, all countries, all paid media (excludes sugar-free products, pastilles, and chewing gum, packaging, POS).	<ul style="list-style-type: none"> Safeguard young people Promote responsible consumption Align with stakeholder expectations 	<ul style="list-style-type: none"> Supports responsible marketing and the wellbeing strategy International standards. 	Action as part of future work load of Marketing Directors.

Wellbeing strategy

Cloetta's wellbeing strategy is at the core of the efforts to mitigate negative impacts and create positive impacts for consumers and society. The strategy guides actions to reduce caloric intake, increase the share of healthier and more functional products, ensure responsible marketing, and improve environmental performance. The approach is informed by consumer insights and market trends, with the goal of offering products that support healthier lifestyles while meeting consumer preferences.

The effectiveness of Cloetta's wellbeing strategy and related actions is tracked and assessed through a set of internal key performance indicators. These indicators monitor progress on areas such as the proportion of sugar-free items in the portfolio, portion control, responsible marketing

practices, and improvements in packaging and environmental impact. Regular review of these metrics ensures that the initiatives are delivering the intended outcomes for consumers and end-users and help guide ongoing improvements to the product portfolio and strategy.

As of 2025, no severe human rights issues or incidents connected to consumers or end-users have been reported. Cloetta will continue to monitor and report on such issues if they should arise in the future. All actions outlined in the table above are oriented towards mitigating negative impacts and risks, rather than addressing a specific case of providing remedy.

For food safety all ingredients, packaging materials and products are risk assessed to ensure compliance. Cloetta takes external developments into account

assessing new and developed regulations and restrictions managing dependency on keeping compliance in relation to quality and food safety. Outcomes of performed risk assessments and monitoring of products' quality and food safety are communicated with all levels of the organization with a specific frequency and type of reporting.

For a description of the processes to identify, assess, and address actual or potential negative impacts on consumers and end-users, including how remedies are provided or enabled and the effectiveness of these actions ensured, see the section S4-3. This section outlines the structured approach to handling quality issues and consumer harm, the range of remedies available, and continuous improvement efforts based on feedback and incident review.

Targets

S4-5 Targets

24 per cent of Cloetta's consumer units are sugar free (<0,5 per cent sugar content) by 2025, with a goal of 33 per cent by 2030.

24%

sugar free consumer units in 2025

Performance

In 2025, sugar-free consumer units (≤0.5 per cent sugar content) accounted for 22 per cent of total volume. The year primarily focused on establishing a robust baseline, aligning internal definitions, and strengthening data collection processes. While progress remains below the level required to meet the 2025 target of 24 per cent, development was impacted by portfolio adjustments within the sugar-free range due to consumer demands. A more structured action plan will be developed towards 2030 to accelerate progress.

About the target

The target was set in 2025 through collaboration between key internal stakeholders, including the innovation director, innovation manager, and reporting responsible personnel, and has been approved by the Group Management Team. While not directly engaging with consumers and end users setting targets, consumer insights and analysis of market trends inform the target setting, ensuring alignment with evolving consumer expectations. Progress is tracked quarterly using internal systems, with regular reviews of product data and media agency reports to monitor compliance and performance. As this target is implemented, learnings are continuously integrated to further enhance the approach and ensure that actions remain relevant and effective. The target is new and formally accepted in financial year 2025, hence there is no change to previous reporting period.

This target directly supports Cloetta's policy objective of advancing the nutritional value of its product portfolio while minimizing societal impact, as outlined in Cloetta's wellbeing strategy. Cloetta is committed to bringing joyful moments to consumers by offering products that fit within a balanced and healthy diet, in line with recommendations from the World Health Organization and other regulatory bodies to limit added sugar intake.

The target is absolute, aiming for at least 24 per cent of all Cloetta consumer units to contain less than 0.5 per cent sugar content. It is measured at the consumer unit level, using internal systems to identify Stock Keeping Units (SKUs) that are sugar free

compared to the total number of SKUs in the assortment. The unit of measurement is the percentage (%) of consumer units that are sugar free. The baseline value 21 per cent is based on data from 2025, which serves as the base year for measuring progress toward the target. The target period extends to 2030, with the aim of reaching 33 per cent sugar-free consumer units by that year. The interim milestone is to achieve 24 per cent by 2025, with quarterly monitoring of the share of sugar-free products in the portfolio to ensure progress toward the 2030 goal.

The scope covers all consumer units sold under the Cloetta brand, across all markets and product categories. The methodology for defining the target is based on a comprehensive evaluation of Cloetta's product portfolio, using internal SKU data as primary data source. Significant assumptions include the continued availability of alternative ingredients and stable consumer demand for sugar-free products. The target also considers the wider context of sustainable development by supporting healthier diets and reducing the environmental impact of production, in line with both global and local public health and sustainability objectives.

Entity specific metric

To enable consistent monitoring of performance against the target and to appropriately capture impacts on consumers and end-users, Cloetta has developed an entity-specific metric to monitor progress. The metric complements the ESRS requirements, as no mandatory standard metric fully reflects the specific impact area addressed by the target.

Accounting principles

Progress on sugar reduction is monitored using data from the Product Lifecycle Management (PLM) system. Products classified as "sugarless", defined as containing no more than 0.5 g of sugar per 100 g, are identified at the Consumer Unit (CU) or Traded Formula (TF) level, where labelling information is generated. These levels represent the consumer-facing product, including the edible component and primary packaging. Both CU and TF entries are included to ensure coverage of items originally created as Traded Formulas, including certain third-party products. Only valid master formulas are counted, while packaging and material items are excluded. Data related to Pick and Mix (P&M) is not included in the reported data. The share of sugarless CU/TF entries is calculated relative to all CU/TF entries in the system. This indicator reflects product development activity within PLM and does not represent active SKUs or market sales volumes. Data is not reviewed by any other external third party than the auditors.

Data limitations

SKU (M3) numbers are not consistently linked to CU/TF levels limiting the ability to connect the data to SKU activity or sales. Individual CU entries may have been used for more than one packed product/SKU number. Not all third-party items (3P) are currently represented in the PLM system.

G1 Business conduct

Cloetta is committed to fostering a transparent and ethical business environment, both internally and in our external partnerships. Cloetta prioritises 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.

Approach and strategy

Cloetta has established a structured system of processes and frameworks to effectively manage risks related to business conduct, as well as corruption and bribery. To mitigate potential corruption risks, Cloetta provides targeted employee training programs. These include foundational training for all employees and in-depth training for roles with higher corruption risk.

The company maintains a robust governance structure to address business risks, with a particular focus on anti-corruption and anti-bribery efforts. This is supported by a comprehensive set of policies aimed at both internal employees and external partners, establishing clear principles for operations and relationships.

Cloetta has implemented an internal control framework that integrates organizational structure and corporate culture, ensuring an effective environment for internal control aligned with company objectives. This framework includes ongoing risk assessments, with the control environment continuously monitored and improved.

Material Topic	Sub-topic	Material impact or risk	Description	Mitigation	Value chain	Time horizon
G 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"> Established processes for addressing potential corruption issues, including training, guidelines, and policies The Cloetta Code of Conduct outlines expectations for employees, while the Supplier Code of Conduct obligates suppliers to comply with ethical business practices 	Upstream Own operations Downstream	Short term Medium term Long term

Impact, risk and opportunity management

G1-1 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 company, 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 -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 -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, that any questions 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. Cloetta's policies relating to anti-bribery and anti-corruption are consistent with United Nation's Convention against Corruption.

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.

Approval and authorisation framework policy

Cloetta maintains a ruleset for who is authorised to internally approve commitments made towards third parties and which persons can authorise such commitments. By application of this framework, Cloetta ensures that every commitment is reviewed and approved by at least two persons to ensure that no single individual can commit the group. This creates an increased transparency before entering into commitments.

Whistleblower policy

Cloetta believes it is important that employees and third parties can report actual or suspected infringements of legal requirements or ethical commitments. Cloetta therefore provides 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 which is governed by the Whistleblower policy. This process ensures that misconduct can be reported confidently 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.

However, Cloetta does not currently assess whether employees are aware of

or trust the whistleblowing mechanism as a way to raise concerns or have them addressed, and we do not formally assess the channel's effectiveness or systematically involve stakeholders in its evaluation.

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 ensur-

ing 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.

The relevant policies are also communicated as part of the employee onboarding and are available together with other

corporate policies on Cloetta's intranet. When providing training, links to relevant policies are also shared. For transparency towards third parties, these documents are available publicly on Cloetta's website cloetta.com.

The policies outlined above does not implement third-party standards and Cloetta has not committed to adhere to any binding initiatives in this area, however, Cloetta adheres to relevant legislation and industry practice when designing policies. These policies set out the group's general commitment and are not subject to consultation with potential stakeholders.

G1-3 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, the Board of Directors is not included in any training. This training is mandatory for new employees and is repeated throughout their employment. A high-level training on corruption and bribery has been made available to employees within the group and a more in-depth training has been provided in roles where the risk of corruption may be higher, such as sales roles. During 2025, 97 per cent of all employees in at-risk functions participated in the in-depth training. 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 Cloetta's 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 are more 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 COSO¹ framework. The five elements can be summarised as follows. 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 information about Internal control over financial reporting, see pages 58–59.

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 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.

1) Committee of Sponsoring Organizations of the Treadway Commission

Actions during 2025

In order to mitigate negative impacts and risks within business conduct, Cloetta continues to develop our processes within anti-corruption and bribery. In the table below main actions are presented both for current year and actions planned for the future:

Key action 2025	Outcome	Related objectives	Resources allocated
Yearly anti-corruption training for all employees.	<ul style="list-style-type: none"> All employees aware of Cloettas Code of Conduct principles Adherence of to the policy 	All employees are aware of Cloettas Code of Conduct, the Anti-Bribery and Anti-Corruption Policy and their underlying principles.	Part of current workload for dedicated internal resources including the legal counsel who review trainings each year and all participating employees.
Yearly in-depth anti-corruption training for at-risk functions.	<ul style="list-style-type: none"> At-risk functions gain a deeper understanding of risks related to corruption and bribery 	Functions exposed to higher risk of corruption/bribery, have a deeper understanding of Cloetta's Code of Conduct, the Anti-Bribery and Anti-Corruption Policy and their underlying principles.	Part of current workload for dedicated internal resources including the legal counsel who review trainings each year and participating at-risk employees.

Key action planned	Expected outcome	Related objectives	Future resources allocation
Draft a new Anti-Bribery and Anti-Corruption Policy in 2026.	Adopt a new policy	A policy which is more structured provides more assistance for employees seeking clarity.	Part of current workload.

All Cloetta's actions in above table are aimed towards mitigating risks, not towards a specific case of providing remedy.

Metrics

G1-4 Corruption and bribery incidents

Cloetta maintains a zero-tolerance policy toward corruption and bribery. For 2025, zero confirmed incidents or zero conviction of corruption or bribery were identified across Cloetta's operations, nor were any

legal cases related to such matters initiated or concluded. We received four reports in our whistleblowing channels during 2025 whereof zero reports fulfilled the requirements, or were sufficiently substantiated,

to initiate a formal investigation under our whistleblowing policy and four reports which were deemed not to be formal whistleblowing matters.

Index of disclosures included in the sustainability statement

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The tables on the following pages provide an overview of the disclosure requirements outlined in European Sustainability Reporting Standards (ESRS) 2 and the material sustainability matters that have guided the preparation of the Sustainability statement. The tables also contain an overview of whether the information requirements are derived from other EU legislation.

Disclosure requirements related to E2, E3, and S3 fall below the materiality threshold and are deemed non-material based on Cloetta's double materiality assessment, and have therefore been excluded from below table.

The overview serves as a guide to the disclosure requirements, indicating whether they are included in the

Sustainability statement, other chapters of the Annual Report or in the separately published Remuneration Report.

For further information on how the following disclosure requirements have been determined to cover the sustainability statement, please refer to section IRO-1.

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ESRS 2	SBM-2 Engagement with stakeholders	74
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ESRS 2	IRO-1, E1 Identifying and assessing climate-related impacts, risks, and opportunities	81
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ESRS 2	SBM-3, E4 Strategy and business model	102
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ESRS-standard	Disclosure requirement	Page
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ESRS 2	IRO-1, E5 Identifying and assessing resource use and circular economy related impacts, risks and opportunities	82
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ESRS 2	GOV-1, G1 The role of the administrative, supervisory and management bodies	66
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ESRS G1	G1-1 Policies	133
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Disclosure Requirement and datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section and page number in Cloetta's annual report
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	●		●		Sustainability statement, page 66
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			●		Sustainability statement, page 66
ESRS 2 GOV-4 Statement on due diligence paragraph 30	●				Sustainability statement, page 69
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	●	●	●		Not relevant for Cloetta
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d)	●		●		Not relevant for Cloetta
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	●		●		Not relevant for Cloetta
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	●		●		Sustainability statement, page 66
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			●		Sustainability statement, page 66
ESRS 2 GOV-4 Statement on due diligence paragraph 30	●				Sustainability statement, page 69
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	●	●	●		Not relevant for Cloetta
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d)	●		●		Not relevant for Cloetta
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	●		●		Not relevant for Cloetta
ESRS E1-5 Energy consumption and mix paragraph 37	●				Sustainability statement, page 91
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	●				Sustainability statement, page 91
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	●	●	●		Sustainability statement, page 92
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	●	●	●		Sustainability statement, page 92
ESRS E1-7 GHG removals and carbon credits paragraph 56				●	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			●		Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		●			Phase-in
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).					Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		●			Phase-in

Disclosure Requirement and datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section and page number in Cloetta's annual report
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			●		Phase-in
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	●				Sustainability statement, page 81
ESRS 2- IRO 1 - E4 paragraph 16 (b)	●				Sustainability statement, page 81
ESRS 2- IRO 1 - E4 paragraph 16 (c)	●				Sustainability statement, page 81
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	●				Sustainability statement, page 81
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	●				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	●				Sustainability statement, page 103
ESRS E5-5 Non-recycled waste paragraph 37 (d)	●				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	●				Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	●				Not material
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	●				Not material
ESRS S1-1 Human rights policy commitments paragraph 20	●				Sustainability statement, page 112
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			●		Sustainability statement, page 112
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	●				Not material
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	●				Sustainability statement, page 112
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	●				Sustainability statement, page 112
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	●				Sustainability statement, page 113
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	●		●		Sustainability statement, page 119
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	●				Sustainability statement, page 119
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	●		●		Not material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	●				Not material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	●				Not material

Disclosure Requirement and datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section and page number in Cloetta's annual report
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	●		●		Not material
ESRS 2- SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	●				Sustainability statement, page 121
ESRS S2-1 Human rights policy commitments paragraph 17	●				Sustainability statement, page 122
ESRS S2-1 Policies related to value chain workers paragraph 18	●				Sustainability statement, page 122
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	●		●		Sustainability statement, page 122
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			●		Sustainability statement, page 122
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	●				Sustainability statement, page 123
ESRS S4-1 Policies related to consumers and end-users paragraph 16	●				Sustainability statement, page 127
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	●		●		Sustainability statement, page 127
ESRS S4-4 Human rights issues and incidents paragraph 35	●				Sustainability statement, page 129
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	●				Sustainability statement, page 133
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	●				Sustainability statement, page 133
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws paragraph 24 (a)	●		●		Sustainability statement, page 135
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	●				Sustainability statement, page 135

Auditor's limited assurance report of Cloetta AB (publ)'s statutory sustainability statement

To the general meeting of the shareholders of Cloetta AB (publ), corporate identity number 556308-8144

Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Cloetta AB (publ) for the financial year 2025. The sustainability statement is included on pages 64–140 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement,
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The sustainability statement for the previous financial year has not been subject to a limited assurance engagement and no review of the comparative figures in the sustainability statement for the year 2025 (the financial year) has therefore been performed.

Other information than the sustainability statement

This document also contains other information than the sustainability statement and is found on pages 1–63, 143–193 and 198–208. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we

also take into account our knowledge otherwise obtained in the limited assurance engagement 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 sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:

Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
 - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
 - Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in the sustainability statement.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement;

- Evaluate whether the information identified by the Process is included in the sustainability statement;
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- Perform inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Perform substantive assurance procedures on selected information in the sustainability statement;
- Through inquiries and analytical procedures, evaluate supporting evidence to the methods for developing significant estimates and forward-looking information;

The review of the taxonomy disclosures included, but was not limited to, the following audit procedures:

- Evaluating whether the presentation of the taxonomy tables complies with the requirements of the EU Taxonomy Regulation and the corresponding disclosures;
- Conducting inquiries with company management and other relevant personnel to gain an understanding of the process and sources of information used in the taxonomy disclosures;
- Performing analytical review procedures related to selected taxonomy disclosures.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Cloetta AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Cloetta AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm 10 March 2026

Öhrlings PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorized Public Accountant
Partner in charge

Erik Bergh
Authorized 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.



Financial reports

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Consolidated financial statements

Consolidated profit and loss account

SEKm	Note	2025	2024
Net sales	2,3	8,525	8,613
Cost of goods sold	4, 5, 6, 8	-5,436	-5,747
Gross profit		3,089	2,866
Selling expenses	4, 5, 6, 8	-1,184	-1,160
General and administrative expenses	4, 5, 6, 8, 11	-797	-899
Operating profit		1,108	807
Exchange differences on cash and cash equivalents	9	13	-35
Other financial income	9	42	111
Other financial expenses	9	-145	-224
Net financial items		-90	-148
Profit before tax		1,018	659
Income tax	10	-227	-182
Profit for the year		791	477
<i>Profit for the year attributable to:</i>			
Owners of the Parent Company		791	477
Earnings per share, SEK			
Basic	20	2.78	1.67
Diluted	20	2.78	1.67
Number of shares outstanding at end of period	20	286,682,516	286,065,407
Average number of shares (basic)	20	284,725,873	285,690,150
Average number of shares (diluted)	20	284,884,305	285,786,127

Consolidated statement of comprehensive income

SEKm	2025	2024
Profit for the year	791	477
<i>Other comprehensive income</i>		
Remeasurement of defined benefit pension plans	19	-2
Income tax on remeasurement of defined benefit pension plans	-4	0
Items that will never be reclassified to profit or loss for the period	15	-2
Currency translation differences	-273	206
Hedge of a net investment in a foreign operation	79	-47
Income tax on hedge of a net investment in a foreign operation	-15	9
Items that may be reclassified to profit or loss for the period	-209	168
Total other comprehensive income	-194	166
Total comprehensive income, net of tax	597	643
<i>Total comprehensive income for the period attributable to:</i>		
Owners of the Parent Company	597	643

Consolidated balance sheet

SEKm	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets	12	5,596	5,833
Property, plant and equipment	13	1,544	1,695
Deferred tax assets	14	25	59
Derivative financial instruments	22	2	1
Other financial assets	15	3	4
Total non-current assets		7,170	7,592
Current assets			
Inventories	16	1,377	1,336
Trade and other receivables	17	1,102	1,256
Current income tax assets	14	27	4
Derivative financial instruments	22	1	4
Cash and cash equivalents	18	737	953
Total current assets		3,244	3,553
Total assets		10,414	11,145
EQUITY AND LIABILITIES			
Equity			
Share capital	19	1,443	1,443
Other paid-in capital	19	4,124	4,124
Treasury shares	19	-46	-59
Foreign currency translation reserve	19	1,050	1,323
Retained earnings including profit for the year	19	-865	-1,397
Equity attributable to owners of the Parent Company		5,706	5,434
Non-current liabilities			
Long-term borrowings	21	1,408	2,306
Deferred tax liabilities	14	889	910
Derivative financial instruments	22	-	4
Provisions for pensions and other long-term employee benefits	23	364	378
Provisions	24	1	163
Total non-current liabilities		2,662	3,761
Current liabilities			
Short-term borrowings	21	197	203
Derivative financial instruments	22	79	45
Trade and other payables	25	1,591	1,573
Provisions	24	31	11
Current income tax liabilities	14	148	118
Total current liabilities		2,046	1,950
Total equity and liabilities		10,414	11,145

Consolidated statement of changes in equity

SEKm	Share capital	Other paid-in capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Total equity
Balance at 1 January 2024	1,443	4,124	-79	1,117	-1,507	5,098
<i>Comprehensive income</i>						
Profit for the year	-	-	-	-	477	477
Other comprehensive income	-	-	-	206	-40	166
Total comprehensive income for 2024	-	-	-	206	437	643
Transactions with owners						
Issue of treasury shares to employees	-	-	20	-	-20	-
Forward contracts to repurchase own shares	-	-	-	-	-40	-40
Share-based payments	-	-	-	-	18	18
Dividend ¹	-	-	-	-	-285	-285
Total transactions with owners	-	-	20	-	-327	-307
Balance at 31 December 2024	1,443	4,124	-59	1,323	-1,397	5,434
<i>Comprehensive income</i>						
Profit for the year	-	-	-	-	791	791
Other comprehensive income	-	-	-	-273	79	-194
Total comprehensive income for 2025	-	-	-	-273	870	597
Transactions with owners						
Issue of treasury shares to employees	-	-	13	-	-13	-
Forward contracts to repurchase own shares	-	-	-	-	-35	-35
Share-based payments	-	-	-	-	23	23
Dividend ¹	-	-	-	-	-315	-315
Dividend on outstanding shares in forward contracts to repurchase own shares	-	-	-	-	2	2
Total transactions with owners	-	-	13	-	-338	-325
Balance at 31 December 2025	1,443	4,124	-46	1,050	-865	5,706

1) The dividend paid in 2025 comprised an ordinary dividend of SEK 1.10 (1.00) per share.

Total equity is attributable to the owners of the Parent Company.

Consolidated cash flow statement

SEKm	Note	2025	2024
Operating profit		1,108	807
<i>Adjustments for non-cash items</i>			
Amortisation and depreciation of assets	4	259	284
Impairment of assets	4	9	60
Provisions for pensions		-11	-14
Other provisions		-132	-8
Interest received		33	91
Interest paid		-110	-187
Proceeds on derivative financial instruments		-1	27
Income tax paid		-173	-99
Cash flow from operating activities before changes in working capital		982	961
Changes in working capital			
Change in inventories		-118	-1
Change in trade and other receivables		85	-131
Change in trade and other payables		108	-64
Cash flow from changes in working capital		75	-196
Cash flow from operating activities		1,057	765
Investing activities			
Investments in property, plant and equipment	13	-131	-162
Investments in intangible assets	12	-2	-1
Disposals of non-current assets	13	2	72
Cash flow from investing activities		-131	-91
Cash flow from operating and investing activities		926	674
Financing activities			
Proceeds from loans from credit institutions	21	1,382	-
Proceeds from commercial papers	21	596	594
Repayment of loans from credit institutions	21	-2,182	-
Repayment of commercial papers	21	-596	-593
Transaction costs paid	21	-13	-4
Payment of lease liabilities	21	-66	-79
Dividends paid	19	-313	-285
Cash flow from financing activities		-1,192	-367
Cash flow for the year		-266	307
Cash and cash equivalents at beginning of year	18	953	658
Cash flow for the year		-266	307
Exchange difference		50	-12
Cash and cash equivalents at end of year	18	737	953

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 2025 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 10 March 2026. 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 21 April 2026.

Disclosures regarding changes in group structure

Acquisitions and incorporations

On 19 June 2025, Cloetta North America Inc. was incorporated. 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 2025. 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 Mynthon. 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:

I	Net sales
II	Cost of goods sold
III	Selling expenses
IV	General and administrative expenses
V	Employee remuneration
VI	Net financial items
VII	Income tax
VIII	Dividend distribution
IX	Items affecting comparability
X	Intangible assets
XI	Property, plant and equipment
XII	Deferred tax
XIII	Financial assets and liabilities
XIV	Impairment of non-current non-financial assets
XV	Inventories
XVI	Current income tax
XVII	Equity
XVIII	Provisions
XIX	Employee benefits
XX	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 150–151. 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 150–151 for further explanation regarding identification of segments.

Cloetta's operating segments are Branded packaged products and Pick & mix.

2025 SEKm	Branded packaged products	Pick & mix	Total
Net sales	5,972	2,553	8,525
Operating profit, adjusted	799	234	1,033
Items affecting comparability			75
Operating profit			1,108
Net financial items			-90
Profit before tax			1,018
Income tax			-227
Profit for the period			791

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
Operating profit			807
Net financial items			-148
Profit before tax			659
Income tax			-182
Profit for the period			477

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	2025	2024
Branded packaged products	5,972	6,219
Pick & mix	2,553	2,394
Total	8,525	8,613

The breakdown of net sales by category is as follows:

2025 SEKm	Branded packaged products	Pick & mix	Total
Candy	3,420	1,847	5,267
Chocolate	1,299	663	1,962
Pastilles	779	-	779
Chewing gum	369	-	369
Nuts	-	43	43
Other	105	-	105
Total	5,972	2,553	8,525

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
Total	6,219	2,394	8,613

The breakdown of net sales by country, allocated on the basis of the customers' locations is as follows:

%	2025	2024
Sweden	31	30
Finland	20	20
The Netherlands	14	14
Denmark	11	11
Norway	6	6
Germany	7	7
The UK	4	5
Other markets ¹	7	7
Total	100	100

1) North America is included in Other markets

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	2025	2024
Other intangibles	11	12
Land and buildings	26	28
Machinery and equipment	152	158
Right-of-use assets	70	86
Total amortisation and depreciation	259	284
<i>Amortisation and depreciation have been allocated by function as follows:</i>		
Cost of goods sold	171	186
Selling expenses	11	11
General and administrative expenses	77	87
Total amortisation and depreciation	259	284
<i>(Reversal of) Impairment</i>		
Intangible assets	-	91
Property, plant and equipment	9	-31
Total (reversal of) impairment	9	60
<i>Depreciation charge right-of-use assets by asset category:</i>		
Land and buildings	23	34
Transport	36	41
Other equipment	11	11
Total depreciation charge right-of-use asset	70	86

The impairments of SEK 9m have been charged to cost of goods sold.

The impairment loss on intangible assets in 2024 of SEK 91m relates to the divestment of the Nutisal brand and has been recognised in general and administrative expenses. The reversal of impairments on property, plant and equipment in 2024 of SEK -31m mainly relates to the investment in the greenfield facility and postponed closure of the Spoorstraat plant 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	2025	2024
Raw materials and consumables used including change in inventory of finished goods and work in progress	3,650	3,782
Personnel expenses (See Note 6)	1,628	1,791
Depreciation, amortisation and impairment charges (See Note 4)	268	344
Transportation expenses	285	243
Lease expenses	34	35
Advertising, promotion, selling and marketing expenses	484	499
Energy expenses	189	232
Maintenance expenses	162	162
Other operating expenses	717	718
Total operating expenses	7,417	7,806

The costs recognised relating to research and development amount to SEK 60m (57).

Note 6 Personnel expenses and number of employees

See Note 1 (V) for the accounting policy.

Personnel expenses are specified as follows:

SEKm	2025	2024
Salaries and remuneration Group Management Team		
Sweden	45	43
Other	22	37
<i>Of which, short-term variable compensation</i>		
Sweden	12	15
Other	4	11
Pension costs Group Management Team		
Defined contribution plans	8	8
Total salaries, remuneration and pension costs Group Management Team	75	88
Salaries and remuneration, other employees		
Sweden	269	286
Other	926	936
Pension costs, other employees		
Defined contribution plans	107	96
Defined benefit plans	7	6
Total salaries, remuneration and pension costs, other employees	1,309	1,324
Personnel expenses, all employees		
Total salaries, remuneration and pension costs	1,384	1,412
Social security expenses	307	308
Other personnel costs	-63	71
Total personnel expenses	1,628	1,791

The average number of employees is as follows:

#	2025	2024
Group Management Team	9	10
Other employees	2,512	2,567
<i>Of whom, women</i>		
Group Management Team	2	1
Other employees	1,307	1,347

The average number of employees by country is as follows:

#	2025	2024
Sweden	675	686
Slovakia	695	712
The Netherlands	485	512
Finland	213	214
The UK	109	114
Belgium	112	113
Denmark	122	117
Ireland	67	63
Norway	28	30
Germany	8	9
Italy	3	3
Other	4	4
Total	2,521	2,577
<i>Of whom, women:</i>		
Sweden	333	338
Slovakia	415	430
The Netherlands	163	175
Finland	177	179
The UK	80	85
Belgium	25	25
Denmark	71	70
Ireland	26	24
Norway	13	15
Germany	5	6
Italy	1	1
Other	-	-
Total	1,309	1,348

The specification of the gender distribution is as follows:

%	2025	2024
Percentage of women		
Board of Directors	43	43
Group Management Team	22	14
Other employees	52	52

See pages 55–57 for further details on remuneration of the Group Management Team.

Note 7 Remuneration of the Board

Costs incurred 2025 SEK 000s	Board fees	Committee fees	Total
Board Chairman			
Morten Falkenberg	840	116	956
Board members			
Patrick Bergander	347	192	539
Malin Jennerholm	347	120	467
Pauline Lindwall	347	157	504
Alan McLean Raleigh	522	105	627
Camilla Svenfelt	347	120	467
Mikael Svenfelt	347	105	452
Total	3,097	915	4,012

Costs incurred 2024 SEK 000s	Board fees	Committee fees	Total
Board Chairman			
Morten Falkenberg ¹	533	67	600
Mikael Norman ²	250	33	283
Board members			
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
Total	2,793	798	3,591

1) Elected as per 9 April 2024

2) Resigned on 9 April 2024

The board and committee fees relate to the Board Chairman and other board members elected by the AGM.

Note 8 Items affecting comparability

See Note 1 (IX) for the accounting policy.

SEKm	2025	2024
Acquisitions, integration and restructurings	75	-103
<i>of which: impairment non-current assets</i>	-6	-60
Total	75	-103
<i>Corresponding line in the consolidated profit and loss account:</i>		
Cost of goods sold	123	25
Selling expenses	-32	-3
General and administrative expenses	-16	-125
Total	75	-103

The items affecting comparability are mainly related to releases of restructuring provisions as a result of not proceeding with the investment of a plant in the Netherlands, partly offset by the recognition of a restructuring provision for the change of the operating structure. See pages 202–203 for alternative performance measures.

Note 9 Net financial items

See Notes 1 (VI) and (XIII) for the accounting policy.

SEKm	2025	2024
Exchange differences in cash and cash equivalents in foreign currencies	13	-35
Other financial income, third parties	34	83
Other financial income at amortised cost	34	83
Unrealised gains on single currency interest rate swaps	4	-
Realised gains on single currency interest rate swaps	4	28
Other financial income at fair value	8	28
Total other financial income	42	111
Interest expenses, third-party borrowings	-89	-177
Interest expenses, third-party pensions	-13	-9
Amortisation of capitalised transaction costs	-12	-5
Other financial expenses, third parties	-25	-14
Other financial expenses at amortised cost	-139	-205
Unrealised losses on single currency interest rate swaps	-1	-19
Realised losses on single currency interest rate swaps	-5	-
Other financial expenses at fair value	-6	-19
Total other financial expenses	-145	-224
Net financial items	-90	-148

Note 10 Income taxes

See Notes 1 (VII), (XII) and (XVI) for the accounting policy.

SEKm	2025	2024
Current income tax	-153	-226
Deferred income tax	-74	44
Total	-227	-182
The year's income tax expense corresponds to an effective tax rate of, %	22.3	27.6

The difference between the effective tax rate and the applicable tax rate in Sweden is attributable to the following items:

SEKm	2025	2024
Profit before tax	1,018	659
Tax calculated at applicable tax rate for the Parent Company	-210	-136
International rate differences	-12	-1
Expenses not deductible for tax purposes	-6	-3
Adjustments recognised in the period for tax of prior periods	24	-7
Effect of (substantially) enacted tax rate changes	-	-6
Tax losses for which no deferred income tax asset was recognised in the current year	-26	-
Tax losses for which no deferred income tax asset was recognised in previous years	-13	-20
Other	16	-9
Income tax	-227	-182
Reported effective tax rate, %	22.3	27.6
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 is 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. During 2025, Cloetta performed an initial assessment on the impact of the OECD Pillar Two legislation. Based on this assessment, 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	2025	2024
Fee for auditing services	6	6
<i>Fee for other services</i>		
Tax advice	-	-
Audit-related advice	-	-
Other	1	0
Total other services	1	0
Total audit fees	7	6

For both the financial years 2024 and 2025 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 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
1 January 2024				
Acquisition or production costs	3,296	2,817	246	6,359
Accumulated amortisation and impairments	-58	-252	-187	-497
Book value at 1 January 2024	3,238	2,565	59	5,862
Movements in 2024				
Additions	-	-	1	1
Impairments	-90	-1	-	-91
Disposals	-57	-	-	-57
Amortisation	-	-	-12	-12
Exchange differences	56	73	1	130
Total	-91	72	-10	-29
31 December 2024				
Acquisition or production costs	3,205	2,893	250	6,348
Accumulated amortisation and impairments	-58	-256	-201	-515
Book value at 31 December 2024	3,147	2,637	49	5,833
Movements in 2025				
Additions	-	-	2	2
Amortisation	-	-	-11	-11
Exchange differences	-97	-130	-1	-228
Total	-97	-130	-10	-237
31 December 2025				
Acquisition or production costs	3,108	2,707	245	6,060
Accumulated amortisation and impairments	-58	-200	-206	-464
Book value at 31 December 2025	3,050	2,507	39	5,596
<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	
	2025	2024	2025	2024
Scandinavia	3.0	n/a	8.8	n/a
Finland & East	3.0	n/a	9.1	n/a
The Netherlands & West Growth	3.0	n/a	9.4	n/a
Sweden	3.0	2.0	9.5	n/a
The Netherlands	3.0	2.0	9.1	9.8
Finland	3.0	2.0	9.4	10.7
Norway & Denmark	n/a	2.0	9.1	9.4
The Netherlands & Germany	n/a	2.0	n/a	9.6
International Markets & the UK	n/a	2.0	n/a	10.7
Group	3.0	2.0	n/a	11.2
			9.5	10.3

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 Scandinavia, Finland & East, the Netherlands & West and Growth. As a result of the change in the operating structure as of 1 October 2025, the goodwill of previous acquisitions has been reallocated. The reallocation has taken place using a relative value approach.

The following summary specifies the allocation of goodwill to the different groups of cash-generating units

SEKm	Scandi- navia	Sweden	Norway & Denmark	Finland & East	Finland	Growth	Inter- national Markets & the UK	Nether- lands & West	The Netherlands & Germany	Total
1 January 2024	-	539	515	-	1,141	-	53	-	317	2,565
Impairments	-	-1	-	-	-	-	-	-	-	-1
Exchange rate differences	-	13	11	-	38	-	2	-	9	73
31 December 2024	-	551	526	-	1,179	-	55	-	326	2,637
Reallocation of goodwill	1,081	-551	-526	1,188	-1,179	49	-55	319	-326	-
Exchange rate differences	-44	-	-	-65	-	-3	-	-18	-	-130
31 December 2025	1,037	-	-	1,123	-	46	-	301	-	2,507

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.

The following summary specifies the allocation of trademarks to the different cash-generating units

SEKm	Sweden	Finland	The Netherlands	Other (corporate assets)	Total
1 January 2024	1,545	575	1,063	55	3,238
Impairments	-90	-	-	-	-90
Disposal	-57	-	-	-	-57
Exchange rate differences	-	19	30	7	56
31 December 2024	1,398	594	1,093	62	3,147
Transfers	-	-	-114	114	-
Exchange rate differences	-	-33	-55	-9	-97
31 December 2025	1,398	561	924	167	3,050

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. A reasonable change in key assumptions is not expected to trigger any impairment on the goodwill, nor on the trademarks.

During 2024, Cloetta divested the Nutisal brand, for which a total impairment loss of SEK -91m was recognised.

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.

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
1 January 2024					
Acquisition or production costs	1,004	4,324	248	340	5,916
Accumulated depreciation and impairments	-510	-3,532	-3	-185	-4,230
Book value at 1 January 2024	494	792	245	155	1,686
Movements in 2024					
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
Total	15	111	-93	-24	9
31 December 2024					
Acquisition or production costs	1,045	4,323	154	313	5,835
Accumulated depreciation and impairments	-536	-3,420	-2	-182	-4,140
Book value at 31 December 2024	509	903	152	131	1,695
Movements in 2025					
Additions	-	-	131	56	187
Disposals	-	-2	-	-3	-5
Transfers	21	116	-137	-	-
Depreciation	-26	-152	-	-70	-248
Impairments	1	36	-46	-	-9
Exchange differences	-24	-40	-8	-4	-76
Total	-28	-42	-60	-21	-151
31 December 2025					
Acquisition or production costs	1,007	4,010	92	267	5,376
Accumulated depreciation and impairments	-526	-3,149	-	-157	-3,832
Book value at 31 December 2025	481	861	92	110	1,544
<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>	

At 31 December 2025, the Group had contractual commitments for purchases of property, plant and equipment for an amount of SEK 26m (58).

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 2025	31 Dec 2024
Land and buildings	43	59
Transport	59	65
Other equipment	8	7
Total	110	131

SEKm	31 Dec 2025	31 Dec 2024
Sweden	2,787	2,319
Finland	1,707	1,804
The Netherlands	1,559	1,696
Slovakia	658	733
Other countries	429	976
Total	7,140	7,528

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), (XII) and (XVI) 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
1 January 2024	96	-115	-748	14	-124	-877
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
31 December 2024	102	-123	-699	13	-144	-851
Profit and loss account (charge)/ credit for the year	-38	7	12	0	-8	-27
Adjustments recognised in the period for tax of prior periods	2	-22	-10	-3	11	-22
Other (including exchange differences)	-4	5	24	0	11	36
31 December 2025	62	-133	-673	10	-130	-864

Deferred tax assets and liabilities are broken down as follows:

SEKm	31 Dec 2025	31 Dec 2024
Deferred tax assets	25	59
Deferred tax liabilities	-889	-910
Total	-864	-851

Deferred tax assets are expected to be realised as follows:

SEKm	31 Dec 2025	31 Dec 2024
Deferred tax asset to be realised after more than 12 months	23	58
Deferred tax asset to be realised within 12 months	2	1
Total	25	59

The composition of deferred tax assets for deductible temporary differences and tax losses carried forward is as follows:

SEKm	31 Dec 2025		31 Dec 2024	
	Recognised	Not recognised	Recognised	Not recognised
Deductible temporary differences	96	-	75	-
Tax losses carried forward	62	117 ¹	102	104 ¹
Total	158	117	177	104

1) The not recognised amount for tax losses carry forward of SEK 117m (104) is related to the UK.

The recognised deferred tax asset includes a provision for an uncertain tax position in Belgium. 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 2025	31 Dec 2024
Deferred tax liability to be recovered after more than 12 months	839	874
Deferred tax liability to be recovered within 12 months	50	36
Total	889	910

The recognised deferred tax liability includes a provision for an uncertain tax position in Slovakia.

Current income tax

SEKm	31 Dec 2025	31 Dec 2024
Current income tax assets	27	4
Current income tax liabilities	-148	-118
Total	-121	-114

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.

The non-current financial assets consist of deposits of SEK 3m (4).

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 2025	31 Dec 2024
Raw materials and consumables	449	453
Work in progress	77	78
Finished goods and goods for resale	851	805
Total	1,377	1,336

Movements in the provision for obsolete inventory are as follows:

SEKm	2025	2024
At 1 January	61	14
Additions for impairment of inventories	16	60
Inventories written off during the year as obsolete	-42	-11
Unused amounts reversed	-9	-3
Exchange differences	-2	1
At 31 December	24	61

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.

The inventories written off during the year as obsolete mainly relate to an isolated case of a raw material quality deviation.

Note 17 Trade and other receivables

See Note 1 (XIII) for the accounting policy.

SEKm	31 Dec 2025	31 Dec 2024
Trade receivables before loss allowances	969	1,047
Loss allowances for trade receivables	-0	-1
Trade receivables	969	1,046
Other receivables	76	146
Prepaid expenses and accrued income	57	64
Total	1,102	1,256

The individual trade receivables for which provisions were made relate to uncollectible receivables that are not covered by credit insurance.

Receivables of SEK 24m, which were fully provided for in 2023, were

Movements in the loss allowance for trade receivables are as follows:

SEKm	2025	2024
At 1 January	1	24
Provision for impairment of trade receivables	1	2
Trade receivables written off during the year as uncollectible	-1	-22
Unused amounts reversed	0	-4
Exchange differences	-1	1
At 31 December	0	1

written off as uncollectible during 2024. These receivables related to one of the largest customers in the UK that went into administration in 2023.

The age analysis of the trade receivables including loss allowances is as follows:

SEKm	31 Dec 2025			31 Dec 2024		
	Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
Current (not past due)	917	-	917	1,002	-	1,002
Up to 30 days past due	45	-	45	44	-	44
30 to 60 days past due	3	-	3	1	-	1
60 to 90 days past due	4	-	4	-1	-	-1
Over 90 days past due	0	0	0	1	-1	-
Total	969	0	969	1,047	-1	1,046

The other receivables and prepaid expenses and accrued income do not contain any provided amounts.

As per 31 December 2025, trade receivables of SEK 52m (44) 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 98m (126) 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 2025	31 Dec 2024
Euro	345	394
Swedish krona	289	289
Danish krone	231	251
Great Britain pound	38	56
Norwegian krone	36	41
US dollar	25	8
Other currencies	5	7
Total	969	1,046

The breakdown of prepaid expenses and accrued income is as follows:

SEKm	31 Dec 2025	31 Dec 2024
Prepaid IT expenses	16	16
Prepaid rent, insurance and lease charges	7	10
Prepaid personnel-related expenses	4	2
Prepaid marketing expenses	1	2
Prepaid deposits	0	1
Other prepaid expenses	11	22
Other accrued income	18	11
Total	57	64

Note 18 Cash and cash equivalents

See Note 1 (XIII) for the accounting policy.

Cash and cash equivalents in the consolidated cash flow statement and consolidated balance sheet amount to SEK 737m (953).

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:

2025 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	2,189	-1,532	657	80	-	737
Total assets	2,189	-1,532	657	80	-	737
Loans from credit institutions	1,532	-1,532	-	-	1,353	1,353
Total liabilities	1,532	-1,532	-	-	1,353	1,353

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
Total assets	3,858	-2,952	906	47	-	953
Loans from credit institutions	2,952	-2,952	-	-	2,232	2,232
Total liabilities	2,952	-2,952	-	-	2,232	2,232

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.

During 2025, the company's long-term goal of a dividend pay-out of between 40 and 60 per cent of profit after tax was updated to a target of a dividend pay-out above 50 per cent of profit after tax. Both in 2025 and 2024, 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. During 2025, the company's defined long-term leverage target of 2.5x was updated to a target of below 1.5x. The net debt/EBITDA ratio at 31 December 2025 was 0.7x (1.3).

Dividend per share

The Annual General Meeting (AGM) approved the following dividend on 9 April 2024 and 10 April 2025.

	2025	2024
Dividend per share, SEK	1.10	1.00
Total dividend, SEKm	315	285
Dividend as a percentage of profit for the previous year	66	65
Payment date	April 2025	April 2024

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.

	2025	2024
Dividend per share, SEK	1.40	1.10
Total dividend, SEKm	401	315

On 24 November 2025, a dividend from group companies of SEK 555m (1,909) 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 3,150m (2,672) are to be distributed to the shareholders in the amount of SEK 401m (315) and to be carried forward to new account in the amount of SEK 2,749m (2,357).

Group equity

Share capital

The number of shares authorised, issued and fully paid up at 31 December 2025 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 32 for further details.

On 29 April 2024 and 14 May 2025, a total of 723,373 and 617,909 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 and 2022 respectively on vesting. 1,936,783 treasury shares are held with the purpose of issuing shares to the participants of 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 148.

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 shareholders and the weighted-average number of shares outstanding:

	2025	2024
Profit for the year, attributable to shareholders (in SEKm) (basic and diluted)	791	477
Number of issued shares	288,619,299	288,619,299
Effect of forward contracts to repurchase own shares	-1,740,232	-138,086
Effect of purchase of treasury shares	-2,153,194	-2,791,063
Weighted average number of shares during the year before dilution	284,725,873	285,690,150
Effect of share-based payments	158,432	95,977
Weighted average number of shares during the year after dilution	284,884,305	285,786,127
Basic earnings per share, SEK	2.78	1.67
Diluted earnings per share, SEK	2.78	1.67

On 29 April 2024 and 14 May 2025, a total of 723,373 and 617,909 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 and 2022 respectively on vesting.

On 28 November 2024 and 15 October 2025, Cloetta entered into for-

ward contracts to repurchase 1,531,492 and 989,485 own shares respectively 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 2025 SEKm	Remaining term < 1 year	Remaining term 1–2 years	Remaining term 2–5 years	Remaining term > 5 years	Total
Loans from credit institutions	-	-	1,353	-	1,353
Capitalised transaction costs	-3	-5	-4	-	-12
Commercial papers	149	-	-	-	149
Accrued interest	0	-	-	-	0
Lease liabilities	51	27	28	9	115
Total	197	22	1,377	9	1,605

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
Total	203	2,262	32	12	2,509

On 24 September 2025, Cloetta entered into a new term and multicurrency revolving facilities agreement and resolved to continue its existing commercial paper program. The terms as agreed in the credit facilities agreement comprise of:

- a EUR 125m term loan with a maturity of four years, with the possibility of extending the facility for an additional two years; and

- a EUR 115m multicurrency revolving credit facility with a maturity of five years, with the possibility of extending the facility for an additional year. The commitments under the facilities agreement are split between Danske Bank, Handelsbanken, SEB and Svensk Exportkredit.

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
Balance at 1 January 2024	2,264	220	2,484
<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
Total changes from financing cash flows	-9	-73	-82
<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
Total other changes	51	56	107
Balance at 31 December 2024	2,306	203	2,509
<i>Changes from financing cash flows</i>			
Repayment of lease liabilities	-10	-56	-66
Transaction costs paid	-10	-3	-13
Proceeds from loans from credit institutions	1,382	-	1,382
Proceeds from commercial papers	-	596	596
Repayment of loans from credit institutions	-2,182	-	-2,182
Repayment of commercial papers	-	-596	-596
Total changes from financing cash flows	-820	-59	-879
<i>Other changes</i>			
Additions to lease liabilities	5	51	56
Early termination of lease liabilities	-7	-	-7
Amortisation of capitalised transaction costs	6	6	12
Interest expenses, third-party borrowings	67	4	71
Interest paid	-67	-4	-71
Exchange differences on borrowings	-82	-4	-86
Total other changes	-78	53	-25
Balance at 31 December 2025	1,408	197	1,605

The carrying amounts and fair value of short-term and long-term borrowings are as follows:

SEKm	Fair value		Carrying amount	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Loans from credit institutions	1,353	2,232	1,353	2,232
Commercial papers	149	149	149	149
Total	1,502	2,381	1,502	2,381

Loans from credit institutions

The total available facilities at reporting date amounts to EUR 240m. 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 ¹	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Single currency term loan of nominal EUR 125m (125)	1,353	1,432	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	n/a	800	n/a	Variable STIBOR + fixed applicable margin, with zero-floor	n/a	0.95%
Commercial papers of nominal SEK 1,000m (1,000)	149	149	Fixed margin per issued paper	Fixed margin per issued paper	2.40%	3.08%
Multicurrency credit revolving loan of EUR 115m (50)	-	-	Variable IBOR + fixed applicable margin, with zero-floor	Variable IBOR + fixed applicable margin, with zero-floor	0.90%	1.15%
Credit revolving loan of EUR 10m	n/a	-	n/a	Variable EURIBOR + fixed applicable margin, with a floor of 0,20%	n/a	0.70%
Single currency term loan of EUR 100m	n/a	-	n/a	Variable EURIBOR + fixed applicable margin, with zero-floor	n/a	1.55%
Multicurrency credit revolving loan of EUR 60m	n/a	-	n/a	Variable IBOR + fixed applicable margin, with zero-floor	n/a	1.35%
Total Group credit facility	1,502	2,381				
Capitalised transaction costs	-12	-10				
Lease liabilities	115	136				
Accrued interest	0	2				
Total borrowings	1,605	2,509				

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 2025, the Group had unutilised credit facilities of SEK 1,244m (2,521) 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 commercial papers of SEK 149m (149), part of the lease liabilities for an amount corresponding to SEK 33m (60) and in 2024, the single currency term loan of SEK 800m.

The effective interest rate for the loans from credit institutions and the commercial papers was 3.31 per cent (4.81). The effective interest rate including the effect of single currency interest rate swaps was 3.38 per cent (3.56).

Note 22 Derivative financial instruments

See Note 1 (XIII) for the accounting policy.

SEKm	31 Dec 2025		31 Dec 2024	
	Assets	Liabilities	Assets	Liabilities
<i>Non-current</i>				
Single currency interest rate swaps	2	-	1	4
Total non-current	2	-	1	4
<i>Current</i>				
Forward contract to repurchase own shares	-	75	-	40
Single currency interest rate swaps	1	4	4	5
Total current	1	79	4	45
Total	3	79	5	49

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 external financing denominated in both SEK and EUR.

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 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
STIBOR Interest rate swaps	SEKm	-	100	-	3.8750%	-	Q1 2025 - Q2 2025
STIBOR Interest rate swaps	SEKm	50	50	1.7975%	1.7975%	Q1 2026-Q2 2026	Q1 2025 - Q2 2026
STIBOR Interest rate swaps	SEKm	400	400	1.7975%	1.7975%	Q1 2026-Q2 2026	Q3 2025 - Q2 2026
STIBOR Interest rate swaps	SEKm	120	-	2.2200%	-	Q3 2026-Q3 2028	-
EURIBOR Interest rate swaps	EURm	-	60	-	1.9160%	-	Q1 2025 - Q2 2025
EURIBOR Interest rate swaps	EURm	-	35	-	1.9160%	-	Q1 2025 - Q2 2025
EURIBOR Interest rate swaps	EURm	70	70	3.0810%	3.0810%	Q1 2026-Q2 2026	Q3 2025 - Q2 2026
EURIBOR Interest rate swaps	EURm	100	-	2.1775%	-	Q3 2026-Q3 2028	-

All single currency interest rate swaps include zero-floors on the floating part.

The following table shows the movements in forward contracts to repurchase own shares since 1 January 2024:

	Date	Number of shares	
		Contract 1	Contract 2
Balance at	1 Jan 2024	-	-
New forward contract to repurchase own shares	28 Nov 2024	1,531,492	-
Balance at	31 Dec 2024	1,531,492	-
New forward contract to repurchase own shares	15 Oct 2025	-	989,485
Balance at	31 Dec 2025	1,531,492	989,485
	Price, SEK	26.2632	35.1387

See Note 23 for more details about the share-based long-term incentive plan.

Forward contracts to repurchase own shares

Following the approval of the 2024 and 2025 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 contracts to repurchase own shares are measured at cost.

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 44m (52). These are split into employer contributions of SEK 30m (35) and employee contributions of SEK 14m (17). At 30 September 2025, the coverage of the pension fund was 126.6 per cent (121.7).

At 31 December 2025, 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 2025	31 Dec 2024
Obligation for pension benefits	-364	-378
Total	-364	-378

The net liability recognised in the balance sheet is determined as follows:

SEKm	31 Dec 2025	31 Dec 2024
Present value of funded obligations	61	64
Fair value of plan assets	-70	-74
Deficit/(Surplus) of funded plans	-9	-10
Present value of unfunded obligations	358	374
Impact of minimum funding requirements/asset ceiling	15	14
Net liability in the balance sheet	364	378

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
1 January 2024	439	-67	10	382
Current Service cost	6	-	-	6
Interest expense/(income)	11	-2	0	9
Total amount recognised in profit or loss	17	-2	0	15
<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
Total remeasurements recognised in other comprehensive income	-1	-3	5	1
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
31 December 2024	438	-74	14	378
Current Service cost	7	-	-	7
Interest expense/(income)	15	-2	1	14
Total amount recognised in profit or loss	22	-2	1	21
<i>Remeasurements:</i>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	3	-	3
Losses from change in financial assumptions	-22	-	-	-22
Experience (gains)/losses	-1	-	-	-1
Change in asset ceiling, excluding amounts included in interest expense	-	-	0	0
Total remeasurements recognised in other comprehensive income	-23	3	0	-20
Exchange differences	-3	3	0	0
<i>Contributions:</i>				
Employers	-	-18	-	-18
Plan participants	0	0	-	-
<i>Payments from plans:</i>				
Benefit payments	-18	18	-	-
Curtailements	3	-	-	3
31 December 2025	419	-70	15	364

The Group expects to pay SEK 17m (18) in contributions to its defined benefit plans in 2026.

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 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Sweden	357	373	-18	-19	9	8	348	362
Norway	10	9	-16	-15	6	6	-	-
Finland	20	24	-16	-21	-	-	4	3
Other countries	32	32	-20	-19	-	-	12	13
Total	419	438	-70	-74	15	14	364	378

The significant actuarial assumptions are as follows:

Weighted average percentage	31 Dec 2025	31 Dec 2024
Discount rate	3.79	3.47
Expected rate of future salary increases	2.26	2.26
Expected rate of future increase for benefits in payment	1.69	1.73
Expected long-term inflation rate	1.76	1.78

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in each territory.

These assumptions translate into an average life expectancy in years for a pensioner retiring at the age of 65:

Years	2025		2024	
	Sweden	Others	Sweden	Others
Retiring at the end of the reporting period:				
– Male	23	22	22	21
– Female	24	25	24	25
Retiring 20 years after the end of the reporting period:				
– Male	44	41	43	40
– Female	45	46	45	45

At 31 December 2025 the weighted average duration of the defined benefit obligation was 14.37 years (14.82).

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			
		2025		2024	
		Increase	Decrease	Increase	Decrease
Discount rate	1%-point	-16	22	-17	23
Salary growth rate	1%-point	2	-3	3	-2
Pension growth rate	1%-point	15	-14	16	-14
		Increase by 1 year	Decrease by 1 year	Increase by 1 year	Decrease by 1 year
%					
Life expectancy		2.96	-3.78	3.55	-3.54

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 2024 and 2025 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 2025	31 Dec 2024
Less than 3 years	-	-
Between 3–7 years	27	32
Between 7–15 years	173	182
Over 15 years	219	224
Total	419	438

Total pension costs for defined benefit plans amounting to SEK 21m (15) 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 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, 15 per cent of the total performance shares will be granted series A shares, conditional upon the Total Shareholders Return (TSR) exceeding 0 per cent during the measurement period. The TSR is calculated by comparing the volume-weighted average price of the B-shares in Cloetta on Nasdaq Stockholm during the trading days in March 2025 to the volume weighted average price on B shares in Cloetta on Nasdaq Stockholm during the trading days in March 2028, including reinvested dividends. For each invested share, 35 per cent of the total performance shares will be granted series B shares, conditional upon Cloetta's compounded organic net sales growth annually for 2025-2027. The maximum level is at least 4 per cent and the minimum level is at least 0 per cent annually for 2025-2027. For each invested share, 50 per cent of the total performance shares will be granted series C shares, conditional upon Cloetta's adjusted EBIT margin for 2027. The maximum level is at least 14 per cent and the minimum level is at least 10.6 per cent. To be eligible for series B and series C shares, the absolute adjusted EBIT in 2027 should exceed SEK 910m.

The share-based long-term incentive plans of 2021 and 2022 were vested in 2024 and 2025, respectively.

With respect to the share-based long-term incentive plan of 2022, the performance targets were related to Cloetta's average annual adjusted EBIT level during the period 2022 to 2024, Cloetta's compounded net sales growth during the period 2022 to 2024 and Cloetta's adjusted EBIT

margin for 2024. The target levels set by the Board for the performance targets were met for a weighted average percentage of approximately 78 per cent. As a result, Cloetta transferred 617,109 shares to participants holding performance share rights in 2025.

With respect to the share-based long-term incentive plan of 2023, the target levels set by the Board for the performance targets were met for a weighted average percentage of approximately 95 per cent. The performance targets were related to Cloetta's compounded net sales growth during the period 2023 to 2025, Cloetta's adjusted EBIT margin for 2025 and Cloetta's average annual adjusted EBIT level during the period 2023 to 2025. LTI 2023 will be paid out in 2026. As a result, Cloetta expects to transfer 806,504 shares to participants holding performance share rights.

Total costs related to the non-vested share-based long-term incentive plans are expected to amount to SEK 88m (74) during the total vesting period. The total costs for the share-based long-term incentive plans recognised in 2025 are SEK 32m (21).

See page 34 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	2025	2024
At 1 January	3,290	3,171
Granted for new plans	1,245	1,582
Vested plans	-617	-723
Released	-655	-740
At 31 December	3,263	3,290

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
1 January 2025	168	6	174
Additions	63	9	72
Utilisations	-17	-6	-23
Unused amounts reversed	-181	-2	-183
Undiscounting	-3	-	-3
Exchange differences	-4	-1	-5
31 December 2025	26	6	32
<i>Analysis of total provisions</i>			
Non-current			1
Current			31
Total			32

SEKm	Reorganisation	Other	Total
1 January 2024	168	6	174
Additions	8	5	13
Utilisations	-6	-5	-11
Unused amounts reversed	-9	0	-9
Undiscounting	2	-	2
Exchange differences	5	-	5
31 December 2024	168	6	174
<i>Analysis of total provisions</i>			
Non-current			163
Current			11
Total			174

Additions to and reversals of unused amounts of reorganisation provisions are included in "Personnel expenses" in the expenses by type in Note 5. The unused amounts reversed in 2025 mainly relate to the decision not to proceed with the greenfield investment project.

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 2025	31 Dec 2024
Trade payables	691	648
Other taxes and social security expenses	141	149
Pension liabilities	14	13
Other liabilities	0	7
Accruals and deferred income	745	756
Total	1,591	1,573

Accruals and deferred income are specified as follows:

SEKm	31 Dec 2025	31 Dec 2024
Accrued personnel-related expenses	285	315
Accrued customer bonuses and discounts	281	266
Other accrued expenses and deferred income	179	175
Total	745	756

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 141m (161)) which mitigates the foreign currency translation risk on these trademarks. The fair value of the loans was EUR 141m (161). 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 2025, the cumulative effect of the net investment hedge in a foreign operation amounted to SEK -291m (-370), 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 can use forward foreign currency 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 forward foreign currency contracts 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 2024 and 2025, exchange rates have been volatile and as a result impacted Cloetta's financial performance significantly.

In the 2025 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 43m (41) 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 46m (25) higher/lower. The total effect on equity would have been SEK 60m (125) 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. 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 2.75 years of its exposure to interest rate fluctuations and has covered for on average 80 per cent of the interest rate exposure on the drawn facilities. The Group is in compliance with 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

SEKm	Impact of changes in interest rates on profit before tax			
	2025		2024	
	Profit before tax	Equity	Profit before tax	Equity
-2%-point	23	19	14	11
-1%-point	12	9	7	6
+1%-point	-12	-9	-7	-6
+2%-point	-23	-18	-14	-11

The analysis considers the effects of single currency interest rate swaps and, insofar relevant, 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 98m (126) 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, receivables of SEK 24m, which were fully provided for in 2023, were written off as uncollectible during 2024. These receivables related to one of the largest customers in the UK that went into administration in 2023.

The Group uses several banks (range of most used banks varies between AA- and AA+ (long-term) and A-2 and A-1 (short-term)) and has a revolving facility available

SEKm	Rating (S&P)	Cash balances		Other loans	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Aktiebolaget Svensk Exportkredit (publ)	Long-term AA+	-	-	-338	-
Danske Bank A/S	Long-term A+	657	906	-338	-558
DNB Sweden AB	Long-term AA-	-	-	-	-558
KBC	Short-term A-1	8	11	-	-
Skandinaviska Enskilda Banken AB (publ)	Long-term AA-	0	0	-338	-558
Svenska Handelsbanken AB (publ)	Long-term AA-	39	-	-338	-558
Tatra Banka	Short-term A-2	15	24	-	-
Other banks		18	12	-	-
Total		737	953	-1,353	-2,232

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 the Parent Company and most 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 2025	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 ¹	42	42	42	1,384	-	-	1,510
Commercial papers	150	-	-	-	-	-	150
Lease liabilities	55	33	20	15	13	30	166
Derivative financial liabilities	79	-	-	-	-	-	79
Trade and other payables, excluding other taxes and social security payables	1,424	-	-	-	-	-	1,424
Total	1,750	75	62	1,399	13	30	3,329

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 ¹	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
Total	1,721	2,310	21	10	6	13	4,081

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 Facility A of EUR 125m and Facility B of EUR 115m, 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 1,353m (2,232). Throughout 2024 and 2025, 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. Cloetta has remained largely unaffected by the increased global market uncertainty related to US tariffs and potential retaliatory measures.

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 2024, this contingent earn-out consideration was 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 27m (asset) while the carrying amount is SEK 75m (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 2025	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
Financial assets								
Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	980	-	980				
Single currency interest rate swaps	3	-	-	3	-	3	-	3
Cash and cash equivalents	-	737	-	737				
Total assets	3	1,717	-	1,720	-	3	-	3
Financial liabilities								
Loans from credit institutions	-	-	1,353	1,353				
Commercial papers	-	-	149	149				
Forward contract to repurchase own shares	-	-	75	75	-	-27	-	-27
Single currency interest rate swaps	4	-	-	4	-	4	-	4
Trade and other payables, excluding other taxes and social security payables	-	-	1,450	1,450				
Total liabilities	4	-	3,027	3,031	-	-23	-	-23

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
Financial assets								
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				
Total assets	7	2,009	-	2,016	-	7	-	7
Financial liabilities								
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				
Total liabilities	9	-	3,845	3,854	-	11	-	11

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 required the

use of significant unobservable inputs and was 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 was measured at fair value using a scenario model with an earn-out threshold, different results and related changes. These data were 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
Derivative financial instruments			
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 was 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 was 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 2024 and 2025, 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 48-57 and Notes 6, 7 and 23. The Group has no receivables on the Board of Directors, Group Management Team or key employees. In 2024 and 2025, 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 23m (18), of which SEK 12m (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	2025	2024	Recognised in:
<i>Recognised expenses for leases under IFRS 16 amount to:</i>			
Interest expense	-4	-5	net financial items, in the profit and loss account
Expense relating to short-term leases, where no right-of-use asset has been recognised	-6	-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	-27	-30	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Total cash outflow for leases	-71	-84	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 Scandinavia, Finland & East, the Netherlands & West and Growth 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 5,596m (5,833).

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 bene-

fit 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 364m (378). 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.

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 2025.

A number of amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2025. 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 2025, 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 pres-

entation 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.

Note 32 Events after the balance sheet date

Dividend proposal

The Board proposes a dividend for 2025's result of SEK 1.40 (1.10) per share.

There were no other significant after the end of the reporting period.

Parent Company financial statements

Parent Company profit and loss account

SEKm	Note	2025	2024
Net sales	P2	167	137
Gross profit		167	137
General and administrative expenses	P3, P4	-172	-177
Operating loss		-5	-40
Exchange differences on borrowings and cash	P5	-1	0
Other financial income	P5	386	506
Other financial expenses	P5	-51	-166
Net financial items		334	340
Dividends received from group companies	P10	555	1,909
Profit before tax		884	2,209
Income tax	P6	-68	-58
Profit for the year		816	2,151

Profit 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 2025	31 Dec 2024
ASSETS			
Non-current financial assets			
Deferred tax asset	P7	12	29
Shareholdings in group companies	P8	4,880	4,884
Derivative financial instruments	P12	0	1
Receivables from group companies	P15	-	523
Total non-current financial assets		4,892	5,437
Current assets			
Derivative financial instruments	P12	0	1
Receivables from group companies	P15	395	471
Other receivables		14	68
Cash and bank	P9	0	0
Total current assets		409	540
Total assets		5,301	5,977
EQUITY AND LIABILITIES			
Equity			
Share capital		1,443	1,443
Share premium		2,712	2,712
Treasury shares		-46	-59
Retained earnings including profit/loss for the year		438	-40
Equity attributable to owners of the Parent Company	P10	4,547	4,056
Non-current liabilities			
Borrowings	P11	-	798
Payables to group companies	P15	157	156
Derivative financial instruments	P12	-	0
Deferred tax liability	P7	0	-
Provisions		2	2
Total non-current liabilities		159	956
Current liabilities			
Borrowings	P11	149	149
Payables to group companies	P15	217	669
Trade payables		6	1
Other current liabilities		22	18
Derivative financial instruments	P12	75	41
Accrued expenses and deferred income	P13	22	34
Current income tax liabilities		104	53
Total current liabilities		595	965
Total equity and liabilities		5,301	5,977

Parent Company statement of changes in equity

SEKm	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2024	1,443	2,712	-79	-1,864	2,212
<i>Comprehensive income</i>					
Profit for the year	-	-	-	2,151	2,151
Total comprehensive income for 2024	-	-	-	2,151	2,151
Transactions with owners					
Forward contracts to repurchase own shares	-	-	-	-40	-40
Issue of treasury shares to employees	-	-	20	-20	-
Share-based payments	-	-	-	18	18
Dividend ¹	-	-	-	-285	-285
Total transactions with owners	-	-	20	-327	-307
Balance at 31 December 2024	1,443	2,712	-59	-40	4,056
<i>Comprehensive income</i>					
Profit for the year	-	-	-	816	816
Total comprehensive income for 2025	-	-	-	816	816
Transactions with owners					
Forward contracts to repurchase own shares	-	-	-	-35	-35
Issue of treasury shares to employees	-	-	13	-13	-
Share-based payments	-	-	-	23	23
Dividend ¹	-	-	-	-315	-315
Dividend on outstanding shares in forward contracts to repurchase own shares	-	-	-	2	2
Total transactions with owners	-	-	13	-338	-325
Balance at 31 December 2025	1,443	2,712	-46	438	4,547

1) The dividend paid in 2025 comprised a dividend of SEK 1.10 (1.00) per share.

Profit 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	2025	2024
Operating loss		-5	-40
Adjustments for non-cash items			
Other provisions		0	3
Interest paid		-42	-125
Income tax paid		0	-3
Cash flow from operating activities before changes in working capital		-47	-165
Cash flow from changes in working capital			
Group contributions		380	466
Change in other operating receivables		673	-386
Change in operating liabilities		-454	-1,540
Cash flow from operating activities		552	-1,625
Cash flow from operating and investing activities		552	-1,625
Financing activities			
Repayment of interest-bearing borrowings		-1,396	-593
Proceeds from interest-bearing borrowings		596	594
Dividends to shareholders		-313	-285
Dividends received		555	1,909
Transaction costs paid		0	-2
Cash flow from financing activities		-558	1,623
Cash flow for the year		-6	-2
Cash and cash equivalents at beginning of year	P9	0	0
Cash flow for the year		-6	-2
Exchange difference		6	2
Cash and cash equivalents at end of year	P9	0	0

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 2025. 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 2025 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 167m (137) relate to intra-group services and intra-group royalty income.

The breakdown of net sales by market is as follows:

SEKm	2025	2024
Sweden	68	52
The Netherlands	34	31
Slovakia	16	17
Finland	16	12
Other	33	25
Total	167	137

P3 Personnel expenses and number of employees

SEKm	2025	2024
Salaries and remuneration		
Group Management Team		
Sweden	40	39
<i>Of which, short-term variable compensation</i>	10	17
Total salaries and remuneration	40	39
Pension costs		
Group Management Team		
Defined contribution plans	5	5
Total pension costs	5	5
Social security expenses, all employees	8	6
Total pension costs and social security expenses	13	11
Total personnel expenses	43	50

See pages 55-57 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 (1) 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:

%	2025	2024
Percentage of women		
Board of Directors	43	43
Group Management Team	22	14

P4 Audit fees

SEKm	2025	2024
Fee for auditing services	3	3
<i>Fee for other services</i>		
Tax advice	-	-
Audit-related advice	-	-
Other	1	-
Total other services	1	-
Total audit fees	4	3

For both the financial years 2024 and 2025 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 limited assurance report on the statutory sustainability report.

P5 Net financial items

SEKm	2025	2024
Exchange differences on cash	-1	0
Group contributions	380	466
Interest income, group companies	6	36
Realised gains on single currency interest rate swaps	0	4
Other financial income	386	506
Interest expenses, third-party borrowings	-24	-45
Interest expenses, group companies	-21	-120
Interest expenses on third-party pensions	0	0
Unrealised losses on single currency interest rate swaps	-1	-1
Other interest expenses	-5	0
Other financial expenses	-51	-166
Net financial items	334	340

P6 Income taxes

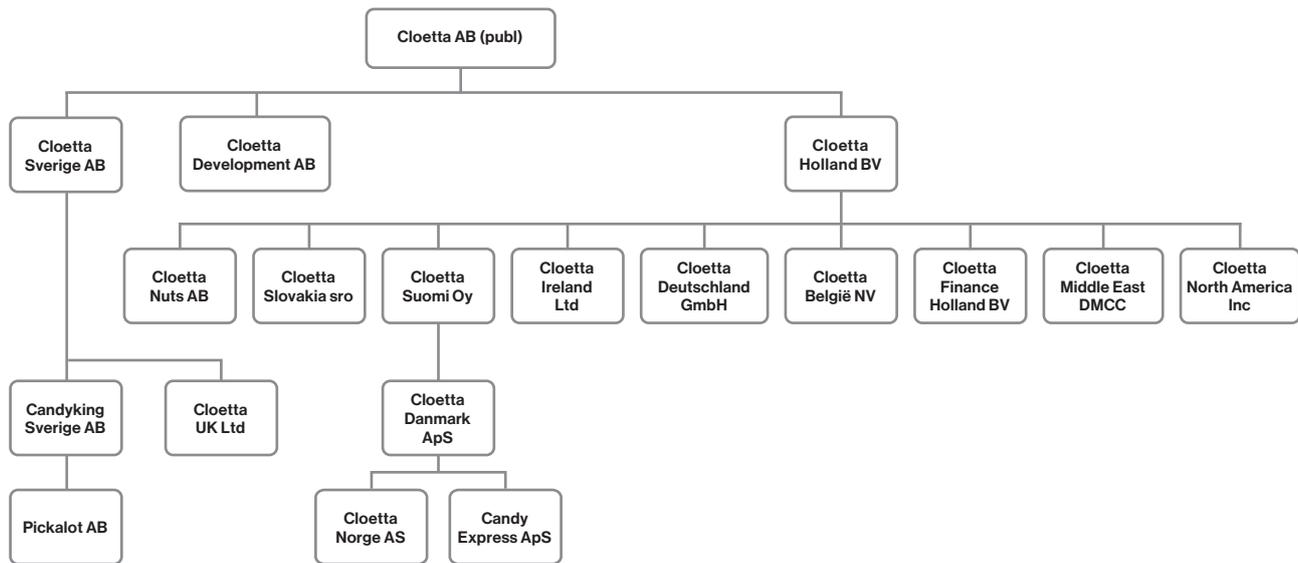
SEKm	2025	2024
Current income tax	-51	-58
Deferred income tax	-17	0
Total	-68	-58
The year's income tax expense corresponds to an effective tax rate of, %	7.7	2.6

SEKm	2025	2024
<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	884	2,209
Tax calculated at applicable tax rate for the Parent Company	-182	-455
Expenses not deductible for tax purposes	1	-1
Adjustments recognised in the period for tax for prior periods	-1	5
Tax effect of dividends received	114	393
Income tax	-68	-58
Reported effective tax rate, %	7.7	2.6
Tax rate in Sweden, %	20.6	20.6

P7 Deferred 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 12m (29) and are considered to be realised after more than 12 months. The recognised deferred tax assets comprise deductible temporary differences of SEK 12m (29). There are no unrecognised deferred taxes.

P8 shareholdings in group companies



	Corp. ID no.	Domicile	% of capital		Carrying amount in SEKm	
			2025	2024	2025	2024
Cloetta Holland B.V.	34221053	Amsterdam, the Netherlands	100	100	3,591	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 ¹	556706-9264	Helsingborg, Sweden	100	100	-	-
Cloetta Ireland Ltd.	285910	Dublin, Ireland	100	100	-	-
Cloetta Middle East DMCC	DMCC156985	Dubai, United Arab Emirates	100	100	-	-
Cloetta North America Inc. ²	39-2984555	Wilmington, United States	100	-	-	-
Cloetta Sverige AB	556674-9155	Malmö, Sweden	100	100	1,287	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
Total					4,880	4,884

1) On 19 September 2024, Cloetta Nutisal AB was renamed into Cloetta Nuts AB.

2) On 19 June 2025, Cloetta North America Inc was incorporated

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

On 29 April 2024 and 14 May 2025, a total of 723,373 and 617,909 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 and 2022 respectively on vesting. 1,936,783 treasury shares are held with the purpose of issuing shares to the participants of LTI'23 at vesting date.

Dividend

The Annual General Meeting (AGM) approved the following dividend on 9 April 2024 and 10 April 2025:

	2025	2024
Dividend per share, SEK	1.10	1.00
Total dividend, SEKm	315	285
Dividend as a percentage of profit of the Cloetta Group for the previous year	66	65
Payment date	April 2025	April 2024

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

	2025	2024
Dividend per share, SEK	1.40	1.10
Total dividend, SEKm	401	315

On 24 November 2025, a dividend from group companies of SEK 555m (1,909) was received. The Board of Directors proposes that the total earnings in the Parent Company at the disposal of the AGM of SEK 3,150m (2,672) are to be distributed as follows: SEK 401m (315) to be distributed to the shareholders and SEK 2,749m (2,357) 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 0m (798) 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
Balance at 1 January 2024	799	149	948
<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
Total changes from financing cash flows	-1	-	-1
<i>Other changes</i>			
Amortisation of capitalised transaction costs	-	1	1
Interest expenses, third-party borrowings	38	6	44
Interest paid	-38	-7	-45
Total other changes	0	0	0
Balance at 31 December 2024	798	149	947
<i>Changes from financing cash flows</i>			
Proceeds from commercial papers	-	596	596
Repayment of loans from credit institutions	-800	-	-800
Repayment of commercial papers	-	-596	-596
Transaction costs paid	0	-	0
Total changes from financing cash flows	-800	-	-800
<i>Other changes</i>			
Amortisation of capitalised transaction costs	2	-	2
Interest expenses, third-party borrowings	21	3	24
Interest paid	-21	-3	-24
Total other changes	2	-	2
Balance at 31 December 2025	-	149	149

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 0m (2) of which SEK 0m (1) is non-current in nature, single currency interest rate swap liabilities amounting to SEK 0m (1) of which SEK 0m (0) is non-current in nature and forward contracts to repurchase own shares of SEK 75m (40) which are current in nature.

P13 Accrued expenses and deferred income

Accrued expenses and deferred income amount to SEK 22m (34), of which SEK 16m (18) is related to accrued personnel-related expenses and SEK 6m (16) to other accrued expenses and deferred income.

P14 Pledged assets and contingent liabilities

SEKm	31 Dec 2025	31 Dec 2024
<i>Contingent liabilities</i>		
Guarantees on behalf of group companies	282	253
Guarantee for loans from credit institutions for group companies	1,353	1,432
Total	1,635	1,685

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 2025	31 Dec 2024
Non-current interest-bearing receivables	-	523
Current interest-free receivables	395	471
Non-current interest-bearing payables	-157	-156
Current interest-bearing payables	-217	-669
Total	21	169

For the Parent Company, SEK 167m (137), equal to 100 per cent (100) of the year's net sales, and SEK 86m (91), equal to 50 per cent (51) 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 24 November 2025, a dividend from group companies of SEK 555m (1,909) was received.

At 31 December 2025, the Parent Company's receivables from group companies amount to SEK 395m (994) and liabilities to subsidiaries amount to SEK 374m (825). 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 amount to SEK 17m (5), of which SEK 17m (5) 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 401,355,522 equal to SEK 1.40 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

		2025
Share premium reserve	SEK	2,711,620,366
Retained earnings	SEK	-377,789,336
Profit for the year	SEK	815,746,307
Total	SEK	3,149,577,337

The earnings are to be disposed as follows:

		2025
To be distributed to the shareholders	SEK	401,355,522
To be carried forward to new account	SEK	2,748,221,815
Total	SEK	3,149,577,337

The number of shares at 31 December 2025 was 288,619,299, of which 1,936,783 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 sustainability report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) pursuant to the requirements of the Swedish Annual Accounts Act and Article 8 of the EU Taxonomy Regulation. The contents of the annual report were finalized on 10 March 2026.

Stockholm, 10 March 2026

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 and limited assurance report for the sustainability report was issued on 10 March 2026

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 21 April 2026. 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 12 March 2026, at 2:00 p.m. CET.

Auditor's report

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 2025 except for the corporate governance statement on pages 48–54 and the statutory Sustainability Report on pages 64–140, respectively. The annual accounts and consolidated accounts of the company are included on pages 35–140 and 143–193 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 as of 31 December 2025 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 2025 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 and the statutory sustainability report on pages 48–54 and 64–140, respectively. 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/EU) 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/EU) 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 the Board of Directors and the Managing Director 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 as set out in the table below. 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 Matter

Impairment Testing of Goodwill and Intangible Assets

Goodwill and intangible assets with indefinite useful lives constitute a significant part of Cloetta's balance sheet and amounted to SEK 5,557m as of 31 December 2025 (SEK 5,784m). The company conducts an annual impairment test of these assets, which is based on the calculation of discounted future cash flows for the cash-generating units to which goodwill and other intangible assets are allocated, in accordance with the requirements set forth in the IFRS Accounting Standards. The impairment test involves a high degree of judgment and assumptions regarding future cash flows.

How our audit addressed the Key Audit Matter

In our audit, we have assessed the valuation model used by the management. This includes, among other things, verifying that the most critical assumptions for the valuation have been aligned with the Group's budget, strategic plan, and, where applicable, external data. Furthermore, we have reviewed how well the assumptions made in the previous year were achieved. We have tested the sensitivity of the key assumptions to evaluate the risk of impairment and have assessed the accuracy of the disclosures presented in the annual report.

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 1–34, 64–140 and 198–208. 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 Swedish Inspectorate of Auditors' website: 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 2025 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 Directors and the Managing Director 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 organization 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 organization 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 Swedish Inspectorate of Auditors' website: 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 2025.

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 Opinion

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 the 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 obtain 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 48–54 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 10 April 2025 and has been the company's auditor since 4 April 2019.

Stockholm, 10 March 2026

Öhrlings PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorized Public Accountant
Auditor in charge

Erik Bergh
Authorized 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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Profit and loss account in summary										
Net sales	8,525	8,613	8,301	6,869	6,046	5,695	6,493	6,218	5,784	5,107
Cost of goods sold	-5,436	-5,747	-5,751	-4,738	-3,898	-3,718	-4,112	-3,934	-3,678	-3,084
Gross profit	3,089	2,866	2,550	2,131	2,148	1,977	2,381	2,284	2,106	2,023
Other income	-	-	-	-	-	-	-	4	6	-
Selling expenses	-1,184	-1,160	-1,073	-1,009	-938	-951	-1,011	-1,025	-972	-806
General and administrative expenses	-797	-899	-742	-656	-645	-584	-643	-603	-613	-582
Operating profit	1,108	807	735	466	565	442	727	660	527	635
Exchange differences cash and cash equivalents	13	-35	-43	-143	33	-10	-19	-16	-17	-8
Other financial income	42	111	128	83	9	3	2	5	7	17
Other financial expenses	-145	-224	-250	-63	-49	-52	-62	-87	-74	-175
Net financial items	-90	-148	-165	-123	-7	-59	-79	-98	-84	-166
Profit before tax	1,018	659	570	343	558	383	648	562	443	469
Income tax expense	-227	-182	-133	-68	-86	-118	-150	-79	-206	-122
Profit for the period for continuing operations	791	477	437	275	472	265	498	483	237	347
Result after tax from discontinued operations	-	-	-	-	-	-	-	-	-334	-538
Net profit/loss for the period	791	477	437	275	472	265	498	483	-97	-191
<i>Profit for the period attributable to:</i>										
Owners of the Parent Company										
Continuing operations	791	477	437	275	472	265	498	483	237	347
Discontinued operation	-	-	-	-	-	-	-	-	-334	-538
Total	791	477	437	275	472	265	498	483	-97	-191

SEKm	31 Dec 2025	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
Balance sheet in summary										
Intangible assets	5,596	5,833	5,862	5,883	5,582	5,530	5,684	5,626	5,490	5,354
Property, plant and equipment	1,544	1,695	1,686	1,581	1,576	1,560	1,559	1,354	1,338	1,700
Deferred tax asset	25	59	23	43	42	21	9	16	20	54
Derivative financial instruments	2	1	5	25	2	-	-	-	-	-
Other financial assets	3	4	3	3	5	3	7	11	11	13
Total non-current assets	7,170	7,592	7,579	7,535	7,207	7,114	7,259	7,007	6,859	7,121
Inventories	1,377	1,336	1,292	1,090	843	952	888	765	745	780
Trade and other receivables	1,102	1,256	1,089	1,030	787	736	928	838	881	988
Current income tax assets	27	4	47	44	19	30	6	6	8	36
Derivative financial instruments	1	4	18	34	1	-	-	1	0	4
Cash and cash equivalents	737	953	658	583	692	396	579	551	759	298
Total current assets	3,244	3,553	3,104	2,781	2,342	2,114	2,401	2,161	2,393	2,106
Assets held for sale	-	-	-	-	-	-	-	-	-	9
TOTAL ASSETS	10,414	11,145	10,683	10,316	9,549	9,228	9,660	9,168	9,252	9,236
Equity	5,706	5,434	5,098	4,994	4,515	4,153	4,197	3,968	3,818	4,199
Long-term borrowings	1,408	2,306	2,264	2,277	2,162	111	939	2,076	1,715	2,666
Deferred tax liability	889	910	900	884	863	836	803	754	703	586
Derivative financial instruments	-	4	8	-	-	0	3	3	2	12
Other non-current liabilities	-	-	-	-	-	-	-	-	138	-
Provisions for pensions and other long-term employee benefits	364	378	382	345	505	512	499	419	374	396
Provisions	1	163	160	107	-	5	5	9	5	22
Total non-current liabilities	2,662	3,761	3,714	3,613	3,530	1,464	2,249	3,261	2,937	3,682
Short-term borrowings	197	203	220	207	206	2,368	1,870	500	999	2
Derivative financial instruments	79	45	1	-	0	54	68	61	71	54
Trade and other payables	1,591	1,573	1,585	1,419	1,267	1,144	1,227	1,342	1,394	1,196
Provisions	31	11	14	6	5	24	5	23	3	64
Current income tax liabilities	148	118	51	77	26	21	44	13	30	39
Total current liabilities	2,046	1,950	1,871	1,709	1,504	3,611	3,214	1,939	2,497	1,355
Total equity and liabilities	10,414	11,145	10,683	10,316	9,549	9,228	9,660	9,168	9,252	9,236

Key ratios

SEKm	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Profit										
Net sales	8,525	8,613	8,301	6,869	6,046	5,695	6,493	6,218	5,784	5,107
Net sales, change %	-1.0	3.8	20.8	13.6	6.2	-12.3	4.4	7.5	13.3	n/a
Organic net sales, change, %	1.9	4.7	15.7	10.0	8.4	-11.2	2.3	-2.8	-1.2	n/a
Gross margin, %	36.2	33.3	30.7	31.0	35.5	34.7	36.7	36.7	36.4	39.6
Depreciation	-248	-273	-284	-251	-250	-270	-290	-218	-218	-206
Amortisation	-11	-11	-11	-11	-10	-10	-11	-12	-11	-5
Impairment other non-current assets	-9	-60	17	-136	-1	-13	-2	-	-9	-2
Operating profit (EBIT), adjusted	1,033	910	799	691	571	495	743	677	604	695
Operating profit margin (EBIT margin), adjusted %	12.1	10.6	9.6	10.1	9.4	8.7	11.4	10.9	10.4	13.6
Operating profit (EBIT)	1,108	807	735	466	565	442	727	660	527	635
Operating profit margin (EBIT margin), %	13.0	9.4	8.9	6.8	9.3	7.8	11.2	10.6	9.1	12.4
EBITDA, adjusted	1,295	1,194	1,100	955	832	777	1,046	907	833	906
EBITDA	1,376	1,151	1,013	864	826	735	1,030	890	765	848
Profit margin, %	11.9	7.7	6.9	5.0	9.2	6.7	10.0	9.0	7.7	9.2
Segments										
Branded packaged products										
Net sales	5,972	6,219	6,153	5,169	4,686	4,527	n/a	n/a	n/a	n/a
Operating profit, adjusted	799	740	786	669	577	649	n/a	n/a	n/a	n/a
Operating profit margin, adjusted %	13.4	11.9	12.8	12.9	12.3	14.3	n/a	n/a	n/a	n/a
Pick & mix										
Net sales	2,553	2,394	2,148	1,700	1,360	1,168	n/a	n/a	n/a	n/a
Operating profit, adjusted	234	170	13	22	-6	-154	n/a	n/a	n/a	n/a
Operating profit margin, adjusted %	9.2	7.1	0.6	1.3	-0.4	-13.2	n/a	n/a	n/a	n/a
Financial position										
Working capital	888	1,017	796	701	363	540	589	402	232	572
Capital expenditure	189	225	379	296	230	357	235	184	157	170
Net debt	956	1,610	1,825	1,855	1,679	2,139	2,302	2,091	2,035	2,443
Capital employed	7,754	8,370	7,973	7,823	7,388	7,198	7,576	7,027	6,979	7,329
Return on capital employed, % ¹	14.3	11.2	10.9	7.2	7.9	6.0	10.0	9.5	8.2	11.1
Equity/assets ratio, %	54.8	48.8	47.7	48.4	47.3	45.0	43.4	43.3	41.3	45.5
Net debt/equity ratio, %	16.8	29.6	35.8	37.1	37.2	51.5	54.8	52.7	53.3	58.2
Return on equity, %	13.9	8.8	8.6	5.5	10.5	6.4	11.9	12.2	6.2	-4.5
Equity per share, SEK	19.9	19.0	17.9	17.5	15.7	14.4	14.5	13.7	13.2	14.5
Net debt/EBITDA, x	0.7	1.3	1.7	1.9	2.0	2.8	2.2	2.3	2.4	2.4

1) Return on capital employed for 2016 was calculated pro-forma for continuing operations.

SEKm	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cash flow										
Cash flow from operating activities	1,057	765	778	519	858	641	724	628	712	889
Cash flow from investing activities	-131	-91	-280	-213	-191	-274	-330	-184	-22	-322
Cash flow after investments	926	674	498	306	667	367	394	444	690	567
Free cash flow	924	602	496	305	664	366	538	444	555	719
Free cash flow yield, %	8.0	8.3	9.5	5.1	8.8	5.2	5.9	6.3	6.5	8.7
Cash flow from operating activities per share, SEK	3.7	2.7	2.7	1.8	3.0	2.2	2.5	2.2	2.5	3.1
Employees										
Average number of employees ²	2,521	2,577	2,582	2,598	2,599	2,653	2,629	2,458	2,467	2,115
Share data										
Earnings per share, SEK										
Basic ³	2.78	1.67	1.53	0.96	1.64	0.92	1.74	1.69	-0.34	-0.67
Diluted ³	2.78	1.67	1.53	0.96	1.64	0.92	1.74	1.68	-0.34	-0.67
<i>Earnings per share from continuing operations, SEK</i>										
Basic ³	2.78	1.67	1.53	0.96	1.64	0.92	1.74	1.69	0.83	1.21
Diluted ³	2.78	1.67	1.53	0.96	1.64	0.92	1.74	1.68	0.83	1.21
<i>Earnings per share from discontinued operation, SEK</i>										
Basic ³	-	-	-	-	-	-	-	-	-1.17	-1.88
Diluted ³	-	-	-	-	-	-	-	-	-1.17	-1.88
<i>Ordinary dividend per share, proposed, SEK⁴</i>	1.40	1.10	1.00	1.00	1.00	0.75	0.50	1.00	0.75	0.75
Special dividend per share, SEK		-	-	-	-	-	-	-	0.75	-
Number of shares outstanding at end of period ³	286,682,516	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
Average number of shares (basic) ³	284,725,873	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
Average number of shares (diluted) ³	284,884,305	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
Share-price at year-end, SEK	40.46	25.20	18.32	20.86	26.20	24.52	31.70	24.30	29.70	28.70
Exchange Rates										
EUR, average	11.0675	11.4408	11.4821	10.6346	10.1527	10.4880	10.5815	10.2543	9.6362	9.4700
EUR, end of period	10.8215	11.4590	11.0960	11.1218	10.2503	10.0343	10.4468	10.2274	9.8210	9.5804
NOK, average	0.9440	0.9831	1.0046	1.0532	0.9991	0.9757	1.0748	1.0672	1.0324	1.0200
NOK, end of period	0.9137	0.9715	0.9871	1.0578	1.0262	0.9584	1.0591	1.0294	0.9997	1.0548
GBP, average	12.9086	13.5177	13.2099	12.4689	11.8203	11.7868	12.0732	11.5917	10.9909	11.5480
GBP, end of period	12.4014	13.8197	12.7680	12.5397	12.1987	11.1613	12.2788	11.3992	11.0684	11.1673
DKK, average	1.4829	1.5339	1.5410	1.4295	1.3652	1.4070	1.4173	1.3760	1.2956	1.2721
DKK, end of period	1.4489	1.5365	1.4888	1.4956	1.3784	1.3485	1.3982	1.3698	1.3192	1.2888

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 and 2025, 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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Items affecting comparability										
Acquisitions, integration and restructurings	75	-103	-64	-249	-6	-53	-13	-38	-62	-43
<i>of which: impairment non-current assets</i>	-6	-60	23	-134	-	-11	-	-	-9	-2
Remeasurements of contingent considerations	-	-	-	-	-	-	-	21	5	-17
Other items affecting comparability	-	-	-	24	-	-	-3	0	-20	-
Items affecting comparability	75	-103	-64	-225	-6	-53	-16	-17	-77	-60
<i>Corresponding line in the condensed consolidated profit and loss account:</i>										
Net sales	-	-	-	-	-	-	-	0	-	-
Cost of goods sold	123	25	-48	-210	1	-19	2	3	-39	-15
Other income	-	-	-	-	-	-	-	4	4	-
Selling expenses	-32	-3	1	-4	-	-12	-6	-1	-6	-
General and administrative expenses	-16	-125	-17	-11	-7	-22	-12	-23	-36	-45
Total	75	-103	-64	-225	-6	-53	-16	-17	-77	-60
Operating profit, adjusted¹										
Operating profit	1,108	807	735	466	565	442	727	660	527	635
Minus: Items affecting comparability	75	-103	-64	-225	-6	-53	-16	-17	-77	-60
Operating profit, adjusted	1,033	910	799	691	571	495	743	677	604	695
Net sales	8,525	8,613	8,301	6,869	6,046	5,695	6,493	6,218	5,784	5,107
Operating profit margin, adjusted, %	12.1	10.6	9.6	10.1	9.4	8.7	11.4	10.9	10.4	13.6
EBITDA, adjusted¹										
Operating profit	1,108	807	735	466	565	442	727	660	527	635
Minus: Depreciation	-248	-273	-284	-251	-250	-270	-290	-218	-218	-206
Minus: Amortisation	-11	-11	-11	-11	-10	-10	-11	-12	-11	-5
Minus: Impairment non-current assets	-9	-60	17	-136	-1	-13	-2	-	-9	-2
EBITDA	1,376	1,151	1,013	864	826	735	1,030	890	765	848
Minus: Items affecting comparability (excl. impairment non-current assets)	81	-43	-87	-91	-6	-42	-16	-17	-68	-58
EBITDA, adjusted	1,295	1,194	1,100	955	832	777	1,046	907	833	906

1) The key figure has been affected by IFRS 16 'Leases' as of 1 January 2019. Comparative figures are not restated.

SEKm	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Capital employed^{1,2}										
Total assets	10,414	11,145	10,683	10,316	9,549	9,228	9,660	9,168	9,252	9,236
Minus: Deferred tax liability	889	910	900	884	863	836	803	754	703	586
Minus: Other non-current liabilities	-	-	-	-	-	-	-	-	138	-
Minus: Non-current provisions	1	163	160	107	-	5	5	9	5	22
Minus: Current provisions	31	11	14	6	5	24	5	23	3	64
Minus: Trade and other payables	1,591	1,573	1,585	1,419	1,267	1,144	1,227	1,342	1,394	1,196
Minus: Current income tax liabilities	148	118	51	77	26	21	44	13	30	39
Capital employed	7,754	8,370	7,973	7,823	7,388	7,198	7,576	7,027	6,979	7,329
Capital employed comparative period previous year	8,370	7,973	7,823	7,388	7,198	7,576	7,027	6,979	5,966	7,756
Average capital employed	8,062	8,172	7,898	7,606	7,293	7,387	7,302	7,003	6,473	7,543
Return on capital employed^{1,2}										
Operating profit	1,108	807	735	466	565	442	727	660	527	635
Financial income	42	111	128	83	9	3	2	5	7	17
Operating profit plus financial income	1,150	918	863	549	574	445	729	665	534	652
Average capital employed	8,062	8,172	7,898	7,606	7,293	7,387	7,302	7,003	6,473	5,879
Return on capital employed, %	14.3	11.2	10.9	7.2	7.9	6.0	10.0	9.5	8.2	11.1
Free cash flow yield¹										
Cash flow from operating activities	1,057	765	778	519	858	641	724	628	712	889
Cash flows from investments in property, plant and equipment and intangible assets	-133	-163	-282	-214	-194	-275	-186	-184	-157	-170
Free cash flow	924	602	496	305	664	366	538	444	555	719
Number of shares outstanding	286,682,516	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
Free cash flow per share, SEK	3.22	2.10	1.74	1.07	2.31	1.27	1.86	1.54	1.92	2.49
Market price per share, SEK	40.46	25.20	18.32	20.86	26.20	24.52	31.70	24.30	29.70	28.70
Free cash flow yield, %	8.0	8.3	9.5	5.1	8.8	5.2	5.9	6.3	6.5	8.7
Changes in net sales										
Net sales	8,525	8,613	8,301	6,869	6,046	5,695	6,493	6,218	5,784	5,107
Net sales comparative period previous year	8,613	8,301	6,869	6,046	5,695	6,493	6,218	5,784	5,107	n/a
Net sales, change	-88	312	1,432	823	351	-798	275	434	677	n/a
Minus: Structural changes	-41	-70	-	-	-	-	-	375	708	n/a
Minus: Changes in exchange rates	-210	-12	356	217	-125	-70	129	217	30	n/a
Organic growth	163	394	1,076	606	476	-728	146	-158	-61	n/a
Structural changes, %	-0.5	-0.9	-	-	-	-	-	6.5	13.9	n/a
Organic growth, %	1.9	4.7	15.7	10.0	8.4	-11.2	2.3	-2.8	-1.2	n/a

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

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
Margins		
Gross margin	Net sales less cost of goods sold as a percentage of net sales.	Gross margin measures production 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.
Operating profit margin, adjusted	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.
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		
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 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.
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		
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 company.
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 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.
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.

Definition/calculation

Purpose

Data per share

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 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 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.
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

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 and amortisation.	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 and amortisation.	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 equivalents 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 of the financing structure of the company.
Operating profit (EBIT), adjusted	Operating profit, adjusted for items affecting comparability.	Adjusted EBIT increases the comparability of EBIT.
Organic growth	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.
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.



Shareholder information

Annual General Meeting 2026

The AGM will be held on Tuesday, 21 April. All information related to the meeting is available on www.cloetta.com/en/governance/general-meetings/.

Annual and Sustainability Report 2025

The report is available digitally in English and Swedish and can be downloaded from www.cloetta.com. Physical copies are available at Cloetta's HQ, Landsvägen 50A, 17263 Sundbyberg, Sweden.

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