

# Cloetta

**Interim report** January–March **2022**

## Q1

**“Cloetta is reporting another quarter of strong growth in Branded packaged products and continued improved profitability in Pick & mix.”**

–Henri de Sauvage-Nolting, President and CEO



# Interim report

January–March 2022

*Cloetta*

## First quarter, January–March 2022

- **Net sales** for the quarter increased by 10.2 per cent to SEK 1,540m (1,398) including a positive impact from foreign exchange rates of 3.1 per cent.
- **Sales of Branded packaged products** increased organically by 2.5 per cent during the quarter.
- **Sales of Pick & mix** increased organically by 23.8 per cent during the quarter.
- **Operating profit** amounted to SEK 154m (103). Operating profit, adjusted for items affecting comparability, amounted to SEK 158m (107).
- **Operating profit, adjusted, of Branded packaged products** amounted to SEK 149m (131).
- **Operating profit, adjusted, of Pick & mix** amounted to SEK 9m (-24).
- **Profit for the period** amounted to SEK 131m (103), which equates to basic and diluted earnings per share of SEK 0.46 (0.36).
- **Cash flow** from operating activities was SEK 27m (54).
- **Net debt/EBITDA** ratio was 1.9x (2.9).

## Key ratios

SEKm	First quarter			Rolling 12	Full Year
	Jan–Mar 2022	Jan–Mar 2021	Change, %	Apr 2021–Mar 2022	Jan–Dec 2021
Net sales	1,540	1,398	10.2 <sup>1</sup>	6,188	6,046
Operating profit, adjusted	158	107	47.7	622	571
Operating profit margin, adjusted %	10.3	7.7	2.6-pts	10.1	9.4
Operating profit (EBIT)	154	103	49.5	616	565
Operating profit margin (EBIT margin), %	10.0	7.4	2.6-pts	10.0	9.3
Profit before tax	167	123	35.8	602	558
Profit for the period	131	103	27.2	500	472
Earnings per share, basic and diluted, SEK	0.46	0.36	27.8	1.74	1.64
Net debt/EBITDA, x (Rolling 12 months)	1.9	2.9	-34.5	1.9	2.0
Free cash flow	-23	11	n/a	630	664
Cash flow from operating activities	27	54	-50.0	831	858

<sup>1</sup> Organic growth at constant exchange rates was 7.1 per cent for the quarter. See further under Net sales on page 4.

**SEK 1.5 bn**  
Net sales

**7.1 %**  
Organic sales growth

**10.3 %**  
Operating profit margin, adjusted

# Continued growth and improved profitability

Cloetta is reporting another quarter of strong growth in Branded packaged products and continued improved profitability in Pick & mix. While our price increases took effect during the first quarter, the drastically rising input costs seen in 2022 only started to impact us towards the end of the quarter.

We are deeply concerned about the war in Ukraine and our thoughts are with all the innocent people affected. While Cloetta does not have any significant direct financial exposure to any of the countries involved, the limited shipments we previously had to Russia and Belarus were stopped within the first days of the invasion and we have also contributed with confectionery products through organisations supporting Ukraine. I am very proud of the engagement shown by our employees in making private monetary donations, which Cloetta has doubled through a matching contribution program.

As for our own business, we have implemented the previously communicated price increases to offset the higher input costs from the end of last year. Although the direct impact on our business from the war in Ukraine is very limited, Cloetta is being indirectly impacted through further rising cost inflation and new global supply chain challenges. So far, we have been able to manage the situation without any material impact in the quarter and we will continue to take all possible actions to protect our business.

## First quarter development

Sales for the quarter increased by 10.2 per cent, of which organic growth accounted for 7.1 per cent and exchange rate differences for 3.1 per cent. Sales of Branded packaged products increased organically by 2.5 per cent, driven by stronger marketing and continued roll-out of our disruptive product innovations. Sales of Pick & mix increased organically by 23.8 per cent during the quarter, despite somewhat later Easter compared to last year, and continued to be driven by our efforts to grow consumer confidence, premiumising the offering and increased consumer activation.

The increase in adjusted operating profit is attributable to higher volumes, which were partly offset by increasing input costs and higher marketing investments.



“Our previously announced price increases started to take effect during the first quarter, although significantly higher cost inflation is calling for further pricing.”

## Focus on leveraging food technology

During the quarter, we continued to focus on strengthening our top 25 brands and on the recovery of pastilles and gum. We also expanded our food tech innovations by launching our fruit-based candy into new markets, in new variants and under new brands. For example, fruit-based candy has now been launched in the Netherlands under our largest brand Red Band. Also, we continued to progress towards our target to only use non-artificially coloured and flavoured candy by 2023. Further development was made on our sustainability agenda during the quarter, including on our projects supporting local communities, structuring our responsible marketing initiative and on fulfilling our ambitions for transparency and portion control.

I am indeed pleased to see that our actions taken within the Pick & mix segment continue to deliver results and a fourth consecutive quarter of positive EBIT. This includes the relaunch of the Parrots concept in Sweden with a new visual expression. In Finland, the differentiated premium offer, “CandyKing – The premium mix” was rolled-out on a broader scale, with very positive reception from customers and consumers. Furthermore, our e-commerce pilot for Pick & mix in Denmark, Slikekspressen, recorded triple-digit growth with sales further fueled by the launch of a new app.

Our efficiency programmes continued according to plan during the quarter, and we are now live with our integrated sales organisation in Sweden. We also launched our new Net Revenue Management programme in our five largest markets, to bring the same efficiency focus to pricing and trade spend as we have on cost.

## A stable business in an unstable world

The war in Ukraine entails major uncertainty and risks to the global economy, including further cost inflation, and disruptions of supply chains. Our previously announced price increases started to take effect during the first quarter, although significantly higher cost inflation is calling for further pricing to mitigate the higher costs on raw materials, energy and transport. Due to timing differences, pricing will only partly offset cost inflation in the second quarter.

While inflationary pressure also is likely to reduce the consumer purchasing power, the non-cyclical nature of the confectionery market speaks to Cloetta's advantage. Historically, our business has proven to be relatively insensitive to economic fluctuations. This, combined with our strong brands, strategy and focus on execution, position us well to successfully navigate this new volatile environment.

Henri de Sauvage-Nolting  
President and CEO

# Financial overview

## First quarter development

### Geopolitical developments

The war in Ukraine that erupted at the end of February entails risks of further impact on the global economy, further cost inflation, and disruptions in supply chains. While Cloetta does not have any significant direct financial exposure to any of the countries involved, the company is being impacted by rising input costs and global supply chain challenges.

### Net sales

Net sales for the first quarter increased by SEK 142m to SEK 1,540m (1,398) compared to the same period of last year. Organic growth was 7.1 per cent and the impact of changes in exchange rates was 3.1 per cent.

Changes in net sales, %	Jan–Mar 2022
Organic growth	7.1
Changes in exchange rates	3.1
<b>Total</b>	<b>10.2</b>

### Gross profit

Gross profit amounted to SEK 561m (465), which equates to a gross margin of 36.4 per cent (33.3). The gross profit increase was driven by higher volumes and continued margin-enhancing initiatives within Pick & mix, which were partly offset by increasing input costs.

### Operating profit

Operating profit amounted to SEK 154m (103). Operating profit, adjusted for items affecting comparability, amounted to SEK 158m (107). The adjusted operating profit increase was driven by higher gross profit, partly offset by higher marketing investments.

### Items affecting comparability

Operating profit for the first quarter includes items affecting comparability of SEK -4m (-4) that are related to costs for restructuring.

### Net financial items

Net financial items for the quarter amounted to SEK 13m (20). Interest expenses related to external borrowings were SEK -8m (-8), exchange differences on cash and cash equivalents were SEK 6m (31) which mainly related to the development of the Swedish and Norwegian krona and the Great Britain pound against the euro during the quarter. Other financial items amounted to SEK 15m (-3) of which SEK 12m (1) related to the unrealised gains on single currency interest rate swaps. Of the total net financial items SEK -14m (-21) is non-cash in nature.

### Profit for the period

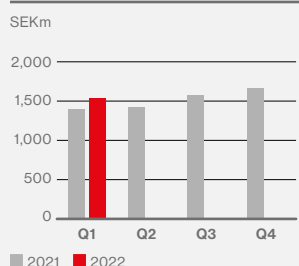
Profit for the period was SEK 131m (103), which equates to basic and diluted earnings per share of SEK 0.46 (0.36). Income tax for the period was SEK -36m (-20).

The effective tax rate for the quarter was 21.6 per cent (16.3) and was positively impacted by international tax rate differences. Non-deductible expenses had a negatively impact on the effective tax rate for the quarter.

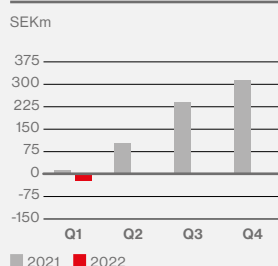




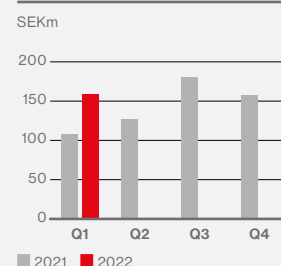
## Net sales



## Free cash flow



## Operating profit, adjusted



## Free cash flow

The free cash flow was SEK -23m (11). Cash flow from operating activities before changes in working capital was SEK 175m (122). The improvement compared to last year is mainly due to the higher operating profit. The cash flow from changes in working capital was SEK -148m (-68).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -50m (-43).

## Cash flow from changes in working capital

Cash flow from changes in working capital was SEK -148m (-68). The cash flow from changes in working capital was negatively impacted by an increase in inventories for an amount of SEK -141m (28), an increase in receivables amounting to SEK -126m (-117) partly offset by an increase in payables of SEK 119m (21).

## Cash flow from other investing activities

Cash flow from other investing activities was SEK 0m (2).

## Cash flow from financing activities

Cash flow from financing activities was SEK -17m (-17). The cash flow from financing activities was related to payments of lease liabilities of SEK -17m (-18) and net proceeds and repayments of loans from credit institutions and commercial papers of SEK 0m (1).

## Financial position

Consolidated equity at 31 March 2022 amounted to SEK 4,748m (4,390), which equates to SEK 16.5 (15.2) per share. Net debt at 31 March 2022 was SEK 1,689m (2,097).

Long-term borrowings totaled SEK 2,168m (98) and consisted of SEK 2,092m (0) in gross non-current loans from credit institutions, SEK 79m (98) in non-current lease liabilities and SEK -3m (0) in capitalised transaction costs.

Total short-term borrowings amounted to SEK 212m (2,388) and consisted of SEK 150m (250) in commercial papers, SEK 65m (58) in current lease liabilities, SEK -3m (-2) in capitalised transaction costs, SEK 0m (2,080) in gross current loans from credit institutions and accrued interest on borrowings from credit institutions and commercial papers for an amount of SEK 0m (2).

SEKm	31 Mar 2022	31 Mar 2021	31 Dec 2021
Gross non-current loans from credit institutions	2,092	-	2,081
Gross current loans from credit institutions	-	2,080	-
Commercial papers	150	250	150
Lease liabilities	144	156	143
Derivative financial instruments	-14	53	-3
Interest payable	-	2	-
<b>Gross debt</b>	<b>2,372</b>	<b>2,541</b>	<b>2,371</b>
Cash and cash equivalents	-683	-444	-692
<b>Net debt</b>	<b>1,689</b>	<b>2,097</b>	<b>1,679</b>

Cash and cash equivalents at 31 March 2022 amounted to SEK 683m (444). At 31 March 2022 Cloetta had an unutilised credit facility of SEK 620m (1,229) and the possibility to issue additional commercial papers for an amount of SEK 850m (750).

## Performance by business segment

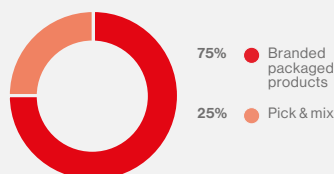
Cloetta has identified the "Branded packaged products" business and the "Pick & mix" business as its operating segments.

The chief operating decision-maker (CODM), which is the CEO and President of the Group, primarily uses external net sales and operating profit, adjusted for items affecting comparability, to assess the performance of its operating segments. Items affecting comparability, net financial items and income tax are not allocated to segments, as these are managed centrally.

No segment information is provided to or assessed by the CODM on assets and liabilities and therefore these are not separately disclosed.

Information related to each reportable segment (business segment) is set out below. For more information regarding the determination of reportable segments reference is made to page 24.

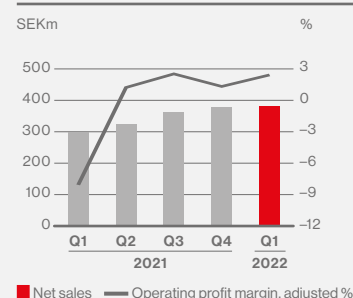
## Business segment, share of sales



## Branded packaged products



## Pick &amp; mix



Jan–Mar 2022 SEKm	Branded packaged products	Pick & mix	Total	Jan–Mar 2021 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,160	380	1,540	Net sales	1,101	297	1,398
Operating profit, adjusted	149	9	158	Operating profit, adjusted	131	-24	107
Items affecting comparability			-4	Items affecting comparability			-4
<b>Operating profit</b>			<b>154</b>	<b>Operating profit</b>			<b>103</b>
Net financial items			13	Net financial items			20
<b>Profit before tax</b>			<b>167</b>	<b>Profit before tax</b>			<b>123</b>
Income tax			-36	Income tax			-20
<b>Profit for the period</b>			<b>131</b>	<b>Profit for the period</b>			<b>103</b>

## Business segments

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

## Segment Branded packaged products

## First quarter development

## Net Sales

Net sales for the first quarter increased by SEK 59m to SEK 1,160m (1,101) compared to last year for Branded packaged products. Organic growth was 2.5 per cent.

## Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 149m (131). The increase in adjusted operating profit was driven by higher volumes, partly offset by higher marketing investments.

## Segment Pick &amp; mix

## First quarter development

## Net Sales

Net sales for the first quarter increased by SEK 83m to SEK 380m (297) compared to the same period of last year. Organic growth was 23.8 per cent.

## Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 9m (-24). The increase in adjusted operating profit was driven by higher volumes and continued margin-enhancing initiatives.

## Other disclosures

## Seasonal variations

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

## Employees

The average number of employees during the quarter was 2,608 (2,609).

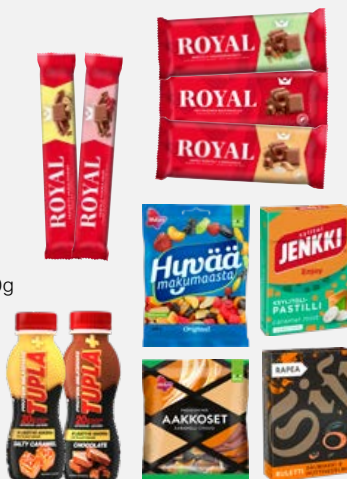
## Events after the balance sheet date

After the end of the reporting period, no significant events have taken place that could affect the company’s operations.

# Examples of new launches during the first quarter

## Finland

**AAKKOSET** – Caramel choco  
**MALACO** – Hyvää, mixed candy vegan  
**JENKKI ENJOY** – Caramel mint pastilles  
**ROYAL** – Chocolate with hazelnut 45g  
**ROYAL** – Chocolate with cranberry and crisp 45g  
**ROYAL** – Milkchocolate 190g  
**ROYAL** – Chocolate with almond and seasalt 190g  
**ROYAL** – Chocolate with mint and toffee crush 190g  
**SISU RULETTI** – Licorice and hot fruit  
**TUPLA+** – Protein milkshake with a taste of chocolate  
**TUPLA+** – Protein milkshake with a taste of salt caramel



## The Netherlands

**RED BAND** – Real fruit candy, fruit and citrus  
**RED BAND** – Real fruit candy, fruit and berries  
**RED BAND** – Real fruit candy, dropfruit duos



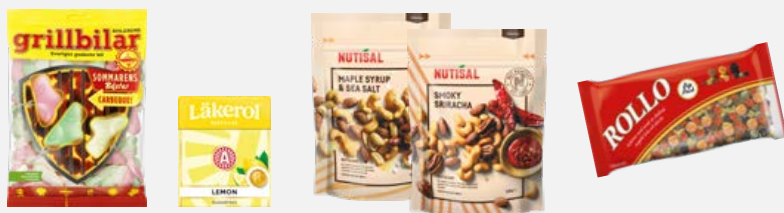
## International markets

**RED BAND** – Sour suckers, sour candy keys  
**RED BAND** – Swedish Fish  
**RED BAND** – Sour apple laces  
**CHEWITS** – Juicy bites, blue raspberries 160g  
**CHEWITS** – Juicy bites, strawberry 160g  
**CHEWITS** – Sour bites, apple and lemon 160g  
**KEXCHOCKLAD** – Bag with filled wafers in milk chocolate



## Sweden

**AHLGRENS BILAR** – Barbeque  
**LÄKEROL** – Lemon  
**NUTISAL** – Maple syrup & seasalt 150g  
**NUTISAL** – Smokey sriracha 150g  
**ROLLO** – Mixed bag with taste of chocolate, english caramel and licorice



## Denmark

**LÄKEROL** – Lemon  
**LÄKEROL YUP** – Wildsour  
**GODT & BLANDET** – Real fruit candy, fruit and licorice  
**GODT & BLANDET** – Fizzypop & co, refresh candymix



# Cloetta

– a leading confectionery company in Northern Europe.

**1862**

Founded in

**2,600**

Employees

**> 50**

Countries

**7**

Factories

**2**

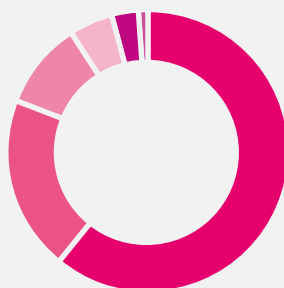
Business segments

“

We believe in  
the Power of  
True Joy

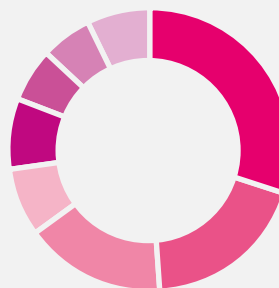


## Cloetta's net sales, January–March 2022



### By Category

- 61% Candy
- 20% Chocolate
- 10% Pastilles
- 5% Chewing gum
- 3% Nuts
- 1% Other



### By Country

- 30% Sweden
- 19% Finland
- 16% The Netherlands
- 8% Denmark
- 8% Norway
- 6% The UK
- 6% Germany
- 7% International Markets

**75%**

Branded packaged  
products

**25%**

Pick & mix

**65%**

Nordic countries

**35%**

Other



# Strategic priorities



## Q1 highlights

### 1 Growth leadership in Branded packaged products

#### Activities

- Strengthening top 25 brands
- Focus on recovery of pastilles and gum
- Expanded food tech innovations; fruit-based candy launched in the Netherlands
- Price increases implemented, significantly higher cost inflation requires further pricing

### 2 Sustainable value within the Pick & mix business

#### Activities

- Relaunch of the Parrots concept with a new visual expression
- “CandyKing – The premium mix” rolled out on a broader scale in Finland
- E-commerce pilot recording triple-digit growth
- Price increases implemented, significantly higher cost inflation requires further pricing

### 3 Focus on lower costs and greater efficiency

#### Activities

- Live with integrated sales organisation in Sweden
- New maintenance system live in second factory
- NRM programme launched in five largest markets, bringing efficiency focus to pricing and trade spend

# Sustainability

## For You

### We provide choices for you

We create joyful moments through our products. We aim to meet the variety of consumer preferences.

## For People

### We care about people

We support our employees, our suppliers and farmers, as well as our communities.

## For the Planet

### We improve our planet footprint

Our business depends on the environment. We take responsibility for our impacts; from sourcing to packaging.

## Q1 highlights

### More natural

- Knowledge sharing at the Finnish Dental Fair regarding the Jenkki product offering and the benefits of xylitol for supporting oral health.

### Community involvement

- Strategic framework developed for how to work with our projects for local communities.

### Climate Action Programme

- Structuring internal workstreams within our Climate Action Programme, to deliver on target of 46 per cent CO2 reduction by 2030.

“  
A sweeter  
future



The Board of Directors hereby gives its assurance that the interim report provides a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, 26 April 2022

Cloetta AB (publ)

Mikael Norman  
*Board Chairman*

Mikael Aru  
*Member of the Board*

Patrick Bergander  
*Member of the Board*

Malin Jennerholm  
*Member of the Board*

Lottie Knutson  
*Member of the Board*

Alan McLean Raleigh  
*Member of the Board*

Camilla Svenfelt  
*Member of the Board*

Mikael Svenfelt  
*Member of the Board*

Lena Grönedal  
*Employee Board member*

Mikael Ström  
*Employee Board member*

Henri de Sauvage-Nolting  
*President and CEO*

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

## Financial calendar

Interim report Q2

15 July 2022

Interim report Q3

27 October 2022

## Contact

Nathalie Redmo,

Head of IR and Communication

+ 46 76 696 59 40

*This information is information that Cloetta AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person detailed above, at 08:00 a.m. CEST on 26 April 2022.*

# Financial statements in summary

## Consolidated profit and loss account

SEKm	First quarter		Rolling 12	Full Year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021– Mar 2022	Jan-Dec 2021
Net sales	1,540	1,398	6,188	6,046
Cost of goods sold	-979	-933	-3,944	-3,898
<b>Gross profit</b>	<b>561</b>	<b>465</b>	<b>2,244</b>	<b>2,148</b>
Selling expenses	-246	-211	-973	-938
General and administrative expenses	-161	-151	-655	-645
<b>Operating profit</b>	<b>154</b>	<b>103</b>	<b>616</b>	<b>565</b>
Exchange differences on cash and cash equivalents in foreign currencies	6	31	8	33
Other financial income	17	1	25	9
Other financial expenses	-10	-12	-47	-49
<b>Net financial items</b>	<b>13</b>	<b>20</b>	<b>-14</b>	<b>-7</b>
Profit before tax	167	123	602	558
Income tax	-36	-20	-102	-86
<b>Profit for the period</b>	<b>131</b>	<b>103</b>	<b>500</b>	<b>472</b>
<i>Profit for the period attributable to:</i>				
Owners of the Parent Company	131	103	500	472
Earnings per share, SEK				
Basic and diluted <sup>1</sup>	0.46	0.36	1.74	1.64
Number of shares outstanding at end of period <sup>1</sup>	287,028,670	288,619,299	287,028,670	287,028,670
Average number of shares (basic) <sup>1</sup>	287,028,670	286,633,680	287,578,319	287,480,924
Average number of shares (diluted) <sup>1</sup>	287,071,655	286,870,744	287,634,351	287,518,726

<sup>1</sup> Cloetta entered into forward contracts to repurchase own shares to fulfill its future obligation to deliver the shares to the participants of the long-term share-based incentive plan. The contract has been settled in the second quarter of 2021. During 1 till 9 November 2021 Cloetta purchased 1.590.629 treasury shares to fulfill its future obligation to deliver shares to the participants of the long-term share-based incentive plan.



## Consolidated statement of comprehensive income

SEKm	First quarter		Rolling 12	Full Year
	Jan–Mar 2022	Jan–Mar 2021	Apr 2021– Mar 2022	Jan–Dec 2021
<b>Profit for the period</b>	<b>131</b>	<b>103</b>	<b>500</b>	<b>472</b>
<i>Other comprehensive income</i>				
Remeasurement of defined benefit pension plans	72	60	21	9
Income tax on remeasurement of defined benefit pension plans	-15	-12	-5	-2
<b>Items that will never be reclassified to profit or loss for the period</b>	<b>57</b>	<b>48</b>	<b>16</b>	<b>7</b>
Currency translation differences	52	111	61	120
Hedge of a net investment in a foreign operation	-13	-24	-13	-24
Income tax on hedge of a net investment in a foreign operation	3	5	3	5
<b>Items that are or may be reclassified to profit or loss for the period</b>	<b>42</b>	<b>92</b>	<b>51</b>	<b>101</b>
<b>Total other comprehensive income</b>	<b>99</b>	<b>140</b>	<b>67</b>	<b>108</b>
<b>Total comprehensive income, net of tax</b>	<b>230</b>	<b>243</b>	<b>567</b>	<b>580</b>
<i>Total comprehensive income for the period attributable to:</i>				
Owners of the Parent Company	230	243	567	580

## Net financial items

SEKm	First quarter		Rolling 12	Full Year
	Jan–Mar 2022	Jan–Mar 2021	Apr 2021– Mar 2022	Jan–Dec 2021
<b>Exchange differences on cash and cash equivalents in foreign currencies</b>	<b>6</b>	<b>31</b>	<b>8</b>	<b>33</b>
Other financial income, third parties	5	0	7	2
Unrealised gains on single currency interest rate swaps	12	1	18	7
<b>Total Other financial income</b>	<b>17</b>	<b>1</b>	<b>25</b>	<b>9</b>
Interest expenses third-party borrowings and realised losses on single currency interest rate swaps	-8	-8	-33	-33
Amortisation of capitalised transaction costs	-1	-1	-3	-3
Other financial expenses, third parties	-1	-3	-11	-13
<b>Total Other financial expenses</b>	<b>-10</b>	<b>-12</b>	<b>-47</b>	<b>-49</b>
<b>Net financial items</b>	<b>13</b>	<b>20</b>	<b>-14</b>	<b>-7</b>

# Condensed consolidated balance sheet

SEKm	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	5,610	5,596	5,582
Property, plant and equipment	1,590	1,566	1,576
Deferred tax asset	44	24	42
Derivative financial instruments	5	-	2
Other financial assets	8	4	5
<b>Total non-current assets</b>	<b>7,257</b>	<b>7,190</b>	<b>7,207</b>
<b>Current assets</b>			
Inventories	987	937	843
Other current assets	942	894	806
Derivative financial instruments	9	-	1
Cash and cash equivalents	683	444	692
<b>Total current assets</b>	<b>2,621</b>	<b>2,275</b>	<b>2,342</b>
<b>TOTAL ASSETS</b>	<b>9,878</b>	<b>9,465</b>	<b>9,549</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>4,748</b>	<b>4,390</b>	<b>4,515</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2,168	98	2,162
Deferred tax liability	894	867	863
Provisions for pensions and other long-term employee benefits	427	453	505
Provisions	1	-	-
<b>Total non-current liabilities</b>	<b>3,490</b>	<b>1,418</b>	<b>3,530</b>
<b>Current liabilities</b>			
Short-term borrowings	212	2,388	206
Derivative financial instruments	-	53	0
Other current liabilities	1,422	1,188	1,293
Provisions	6	28	5
<b>Total current liabilities</b>	<b>1,640</b>	<b>3,657</b>	<b>1,504</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,878</b>	<b>9,465</b>	<b>9,549</b>

## Condensed consolidated statement of changes in equity

SEKm	First quarter		Full Year
	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<b>Equity at beginning of period</b>	<b>4,515</b>	<b>4,153</b>	<b>4,153</b>
Profit for the period	131	103	472
Other comprehensive income	99	140	108
<b>Total comprehensive income</b>	<b>230</b>	<b>243</b>	<b>580</b>
<b>Transactions with owners</b>			
Forward contract to repurchase own shares	-	-	48
Purchase of treasury shares	-	-	-44
Share-based payments	3	-6	-7
Dividend <sup>1</sup>	-	-	-216
Dividend on outstanding shares in forward contracts to repurchase own shares	-	-	1
<b>Total transactions with owners</b>	<b>3</b>	<b>-6</b>	<b>-218</b>
<b>Equity at end of period</b>	<b>4,748</b>	<b>4,390</b>	<b>4,515</b>

<sup>1</sup> The dividend paid in 2021 comprised a dividend of SEK 0.75 (0.50) per share.

## Condensed consolidated cash flow statement

SEKm	First quarter		Rolling 12	Full Year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021– Mar 2022	Jan-Dec 2021
Cash flow from operating activities before changes in working capital	175	122	728	675
Cash flow from changes in working capital	-148	-68	103	183
<b>Cash flow from operating activities</b>	<b>27</b>	<b>54</b>	<b>831</b>	<b>858</b>
Cash flows from investments in property, plant and equipment and intangible assets	-50	-43	-201	-194
Cash flow from other investing activities	0	2	1	3
<b>Cash flow from investing activities</b>	<b>-50</b>	<b>-41</b>	<b>-200</b>	<b>-191</b>
<b>Cash flow from operating and investing activities</b>	<b>-23</b>	<b>13</b>	<b>631</b>	<b>667</b>
<b>Cash flow from financing activities</b>	<b>-17</b>	<b>-17</b>	<b>-436</b>	<b>-436</b>
<b>Cash flow for the period</b>	<b>-40</b>	<b>-4</b>	<b>195</b>	<b>231</b>
Cash and cash equivalents at beginning of period	692	396	444	396
Cash flow for the period	-40	-4	195	231
Exchange difference	31	52	44	65
<b>Total cash and cash equivalents at end of period</b>	<b>683</b>	<b>444</b>	<b>683</b>	<b>692</b>

# Condensed consolidated key figures

SEKm	First quarter		Rolling 12	Full Year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
<b>Profit</b>				
Net sales	1,540	1,398	6,188	6,046
Net sales, change, %	10.2	-7.9	11.0	6.2
Organic net sales, change, %	7.1	-4.2	11.5	8.4
Gross margin, %	36.4	33.3	36.3	35.5
Depreciation	-60	-63	-247	-250
Amortisation	-3	-3	-10	-10
Impairment loss other non-current assets	-	-	-1	-1
Operating profit, adjusted	158	107	622	571
Operating profit margin, adjusted %	10.3	7.7	10.1	9.4
Operating profit (EBIT)	154	103	616	565
Operating profit margin (EBIT margin), %	10.0	7.4	10.0	9.3
EBITDA, adjusted	221	173	880	832
EBITDA	217	169	874	826
Profit margin, %	10.8	8.8	9.7	9.2
<b>Segments</b>				
<b>Branded packaged products</b>				
Net sales	1,160	1,101	4,745	4,686
Operating profit, adjusted	149	131	595	577
Operating profit margin, adjusted %	12.8	11.9	12.5	12.3
<b>Pick &amp; mix</b>				
Net sales	380	297	1,443	1,360
Operating profit, adjusted	9	-24	27	-6
Operating profit margin, adjusted %	2.4	-8.1	1.9	-0.4
<b>Financial position</b>				
Working capital	512	614	512	363
Capital expenditure	71	48	253	230
Net debt	1,689	2,097	1,689	1,679
Capital employed	7,555	7,382	7,555	7,388
Return on capital employed, % (Rolling 12 months)	8.6	5.2	8.6	7.9
Equity/assets ratio, %	48.1	46.4	48.1	47.3
Net debt/equity ratio, %	35.6	47.8	35.6	37.2
Return on equity, % (Rolling 12 months)	10.5	7.5	10.5	10.5
Equity per share, SEK	16.5	15.2	16.5	15.7
Net debt/EBITDA, x (Rolling 12 months)	1.9	2.9	1.9	2.0
<b>Cash flow</b>				
Cash flow from operating activities	27	54	831	858
Cash flow from investing activities	-50	-41	-200	-191
Cash flow after investments	-23	13	631	667
Free cash flow	-23	11	630	664
Free cash flow yield (Rolling 12 months), %	8.5	5.4	8.5	8.8
Cash flow from operating activities per share, SEK	0.1	0.2	2.9	3.0
<b>Employees</b>				
Average number of employees	2,608	2,609	2,602	2,599



# Reconciliation of alternative performance measures key figures

	First quarter		Rolling 12	Full Year
SEKm	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
<b>Items affecting comparability</b>				
Acquisitions, integration and restructurings	-4	-4	-6	-6
<b>Items affecting comparability</b>	<b>-4</b>	<b>-4</b>	<b>-6</b>	<b>-6</b>
<i>Corresponding line in the condensed consolidated profit and loss account:</i>				
Cost of goods sold	-	-	1	1
Selling expenses	-4	-	-4	-
General and administrative expenses	-	-4	-3	-7
<b>Total</b>	<b>-4</b>	<b>-4</b>	<b>-6</b>	<b>-6</b>
<b>Operating profit, adjusted</b>				
Operating profit	154	103	616	565
Minus: Items affecting comparability	-4	-4	-6	-6
<b>Operating profit, adjusted</b>	<b>158</b>	<b>107</b>	<b>622</b>	<b>571</b>
Net sales	1,540	1,398	6,188	6,046
<b>Operating profit margin, adjusted, %</b>	<b>10.3</b>	<b>7.7</b>	<b>10.1</b>	<b>9.4</b>
<b>EBITDA, adjusted</b>				
Operating profit	154	103	616	565
Minus: Depreciation	-60	-63	-247	-250
Minus: Amortisation	-3	-3	-10	-10
Minus: Impairment loss other non-current assets	-	-	-1	-1
<b>EBITDA</b>	<b>217</b>	<b>169</b>	<b>874</b>	<b>826</b>
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	-4	-4	-6	-6
<b>EBITDA, adjusted</b>	<b>221</b>	<b>173</b>	<b>880</b>	<b>832</b>
<b>Capital employed</b>				
Total assets	9,878	9,464	9,878	9,549
Minus: Deferred tax liability	894	867	894	863
Minus: Non-current provisions	1	-	1	-
Minus: Current provisions	6	28	6	5
Minus: Other current liabilities	1,422	1,187	1,422	1,293
<b>Capital employed</b>	<b>7,555</b>	<b>7,382</b>	<b>7,555</b>	<b>7,388</b>
Capital employed comparative period previous year	7,382	7,989	7,382	7,198
<b>Average capital employed</b>	<b>7,469</b>	<b>7,686</b>	<b>7,469</b>	<b>7,293</b>

## Reconciliation alternative performance measures, continued

SEKm	First quarter		Rolling 12	Full Year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
<b>Return on capital employed</b>				
Operating profit (Rolling 12 months)	616	400	616	565
Financial income (Rolling 12 months)	25	3	25	9
<b>Operating profit plus financial income (Rolling 12 months)</b>	<b>641</b>	<b>403</b>	<b>641</b>	<b>574</b>
Average capital employed	7,469	7,686	7,469	7,293
<b>Return on capital employed, %</b>	<b>8.6</b>	<b>5.2</b>	<b>8.6</b>	<b>7.9</b>
<b>Free cash flow yield</b>				
Cash flow from operating activities (Rolling 12 months)	831	631	831	858
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-201	-234	-201	-194
<b>Free cash flow (Rolling 12 months)</b>	<b>630</b>	<b>397</b>	<b>630</b>	<b>664</b>
Number of shares outstanding	287,028,670	288,619,299	287,028,670	287,028,670
<b>Free cash flow per share (Rolling 12 months), SEK</b>	<b>2.19</b>	<b>1.38</b>	<b>2.19</b>	<b>2.31</b>
Market price per share, SEK	25.74	25.56	25.74	26.20
<b>Free cash flow yield (Rolling 12 months), %</b>	<b>8.5</b>	<b>5.4</b>	<b>8.5</b>	<b>8.8</b>
<b>Changes in net sales</b>				
Net sales	1,540	1,398	6,188	6,046
Net sales comparative period previous year	1,398	1,518	5,575	5,695
<b>Net sales, change</b>	<b>142</b>	<b>-120</b>	<b>613</b>	<b>351</b>
Minus: Changes in exchange rates	43	-56	-26	-125
<b>Organic growth</b>	<b>99</b>	<b>-64</b>	<b>639</b>	<b>476</b>
Organic growth, %	7.1	-4.2	11.5	8.4

## Quarterly data

SEKm	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>Profit and loss account</b>									
Net sales	1,540	1,662	1,566	1,420	1,398	1,466	1,474	1,237	1,518
Cost of goods sold	-979	-1,057	-1,015	-893	-933	-923	-1,040	-777	-978
<b>Gross profit</b>	<b>561</b>	<b>605</b>	<b>551</b>	<b>527</b>	<b>465</b>	<b>543</b>	<b>434</b>	<b>460</b>	<b>540</b>
Selling expenses	-246	-276	-209	-242	-211	-253	-248	-213	-237
General and administrative expenses	-161	-172	-163	-159	-151	-176	-104	-146	-158
<b>Operating profit</b>	<b>154</b>	<b>157</b>	<b>179</b>	<b>126</b>	<b>103</b>	<b>114</b>	<b>82</b>	<b>101</b>	<b>145</b>
Exchange differences on cash and cash equivalents in foreign currencies	6	9	-1	-6	31	34	-11	45	-78
Other financial income	17	4	2	2	1	1	0	1	1
Other financial expenses	-10	-12	-12	-13	-12	-13	-13	-14	-12
<b>Net financial items</b>	<b>13</b>	<b>2</b>	<b>-11</b>	<b>-17</b>	<b>20</b>	<b>22</b>	<b>-24</b>	<b>32</b>	<b>-89</b>
<b>Profit before tax</b>	<b>167</b>	<b>158</b>	<b>168</b>	<b>109</b>	<b>123</b>	<b>136</b>	<b>58</b>	<b>133</b>	<b>56</b>
Income tax	-36	-11	-32	-23	-20	-59	-16	-27	-16
<b>Profit for the period</b>	<b>131</b>	<b>147</b>	<b>136</b>	<b>86</b>	<b>103</b>	<b>77</b>	<b>42</b>	<b>106</b>	<b>40</b>
<i>Profit for the period attributable to:</i>									
Owners of the Parent Company	131	147	136	86	103	77	42	106	40
<b>Key figures</b>									
<b>Profit</b>									
Depreciation, amortisation and impairment	-63	-63	-66	-66	-66	-74	-78	-69	-72
Operating profit, adjusted	158	157	180	127	107	116	125	106	148
EBITDA, adjusted	221	220	246	193	173	191	191	175	220
EBITDA	217	220	245	192	169	188	160	170	217
Operating profit margin, adjusted %	10.3	9.4	11.5	8.9	7.7	7.9	8.5	8.6	9.7
Operating profit margin (EBIT margin), %	10.0	9.4	11.4	8.9	7.4	7.8	5.6	8.2	9.6
Earnings per share, SEK									
Basic and diluted <sup>1</sup>	0.46	0.51	0.47	0.30	0.36	0.27	0.15	0.37	0.14
<b>Segments</b>									
<b>Branded packaged products</b>									
Net sales	1,160	1,284	1,204	1,097	1,101	1,179	1,178	1,052	1,118
Operating profit, adjusted	149	152	171	123	131	164	149	165	171
Operating profit margin, adjusted %	12.8	11.8	14.2	11.2	11.9	13.9	12.6	15.7	15.3
<b>Pick &amp; mix</b>									
Net sales	380	378	362	323	297	287	296	185	400
Operating profit, adjusted	9	5	9	4	-24	-48	-24	-59	-23
Operating profit margin, adjusted %	2.4	1.3	2.5	1.2	-8.1	-16.7	-8.1	-31.9	-5.8
<b>Financial position</b>									
Share price, last paid, SEK	25.74	26.20	27.12	25.54	25.56	24.52	26.00	23.72	23.52
Return on equity, % (Rolling 12 months)	10.5	10.5	9.1	7.2	7.5	6.4	8.2	10.4	9.9
Equity per share, SEK	16.5	15.7	15.2	14.8	15.2	14.4	15.2	14.9	15.4
Net Debt/EBITDA, x (Rolling 12 months)	1.9	2.0	2.5	2.9	2.9	2.8	2.6	2.6	2.4
<b>Cash flow</b>									
Free cash flow	-23	313	238	102	11	252	252	-118	-20
Cash flow from operating activities per share, SEK	0.1	1.3	1.0	0.5	0.2	1.1	1.1	-0.1	0.2

<sup>1</sup> Cloetta entered into forward contracts to repurchase own shares to fulfill its future obligation to deliver the shares to the participants of the long-term share-based incentive plan. The contract has been settled in the second quarter of 2021.

# Reconciliation of alternative performance measures per quarter

SEKm	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>Items affecting comparability</b>									
Acquisitions, integration and restructurings	-4	0	-1	-1	-4	-2	-43	-5	-3
of which: impairment loss non-current assets	-	-	-	-	-	1	-12	-	-
<b>Items affecting comparability</b>	<b>-4</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>-4</b>	<b>-2</b>	<b>-43</b>	<b>-5</b>	<b>-3</b>
<i>Corresponding line in the condensed consolidated profit and loss account:</i>									
Cost of goods sold	-	1	0	0	-	0	-19	0	-
Selling expenses	-4	-	-	-	-	0	-12	0	-
General and administrative expenses	-	-1	-1	-1	-4	-2	-12	-5	-3
<b>Total</b>	<b>-4</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>-4</b>	<b>-2</b>	<b>-43</b>	<b>-5</b>	<b>-3</b>
<b>Operating profit, adjusted</b>									
Operating profit	154	157	179	126	103	114	82	101	145
Minus: Items affecting comparability	-4	0	-1	-1	-4	-2	-43	-5	-3
<b>Operating profit, adjusted</b>	<b>158</b>	<b>157</b>	<b>180</b>	<b>127</b>	<b>107</b>	<b>116</b>	<b>125</b>	<b>106</b>	<b>148</b>
Net sales	1,540	1,662	1,566	1,420	1,398	1,466	1,474	1,237	1,518
<b>Operating profit margin, adjusted, %</b>	<b>10.3</b>	<b>9.4</b>	<b>11.5</b>	<b>8.9</b>	<b>7.7</b>	<b>7.9</b>	<b>8.5</b>	<b>8.6</b>	<b>9.7</b>
<b>EBITDA, adjusted</b>									
Operating profit	154	157	179	126	103	114	82	101	145
Minus: Depreciation	-60	-61	-63	-63	-63	-72	-65	-66	-67
Minus: Amortisation	-3	-2	-3	-2	-3	-2	-3	-2	-3
Minus: Impairment loss other non-current assets	-	-	-	-1	-	0	-10	-1	-2
<b>EBITDA</b>	<b>217</b>	<b>220</b>	<b>245</b>	<b>192</b>	<b>169</b>	<b>188</b>	<b>160</b>	<b>170</b>	<b>217</b>
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	-4	0	-1	-1	-4	-3	-31	-5	-3
<b>EBITDA, adjusted</b>	<b>221</b>	<b>220</b>	<b>246</b>	<b>193</b>	<b>173</b>	<b>191</b>	<b>191</b>	<b>175</b>	<b>220</b>
<b>Capital employed</b>									
Total assets	9,878	9,549	9,544	9,224	9,464	9,228	9,595	9,364	10,244
Minus: Deferred tax liability	894	863	881	871	867	836	813	797	813
Minus: Non-current provisions	1	-	-	1	-	5	6	-	-
Minus: Current provisions	6	5	7	11	28	24	28	6	7
Minus: Other current liabilities	1,422	1,293	1,328	1,184	1,187	1,165	1,233	1,122	1,435
<b>Capital employed</b>	<b>7,555</b>	<b>7,388</b>	<b>7,328</b>	<b>7,157</b>	<b>7,382</b>	<b>7,198</b>	<b>7,515</b>	<b>7,439</b>	<b>7,989</b>
Capital employed comparative period previous year	7,382	7,198	7,515	7,439	7,989	7,576	7,514	7,362	7,654
<b>Average capital employed</b>	<b>7,469</b>	<b>7,293</b>	<b>7,422</b>	<b>7,298</b>	<b>7,686</b>	<b>7,387</b>	<b>7,515</b>	<b>7,401</b>	<b>7,822</b>



## Reconciliation alternative performance measures, continued

SEKm	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>Return on capital employed</b>									
Operating profit (Rolling 12 months)	616	565	522	425	400	442	537	650	708
Financial income (Rolling 12 months)	25	9	6	4	3	3	2	3	2
<b>Operating profit plus financial income (Rolling 12 months)</b>	<b>641</b>	<b>574</b>	<b>528</b>	<b>429</b>	<b>403</b>	<b>445</b>	<b>539</b>	<b>653</b>	<b>710</b>
Average capital employed	7,469	7,293	7,422	7,298	7,686	7,387	7,515	7,401	7,822
<b>Return on capital employed, %</b>	<b>8.6</b>	<b>7.9</b>	<b>7.1</b>	<b>5.9</b>	<b>5.2</b>	<b>6.0</b>	<b>7.2</b>	<b>8.8</b>	<b>9.1</b>
<b>Free cash flow yield</b>									
Cash flow from operating activities (Rolling 12 months)	831	858	800	828	631	641	649	595	634
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-201	-194	-197	-211	-234	-275	-266	-265	-227
<b>Free cash flow (Rolling 12 months)</b>	<b>630</b>	<b>664</b>	<b>603</b>	<b>617</b>	<b>397</b>	<b>366</b>	<b>383</b>	<b>330</b>	<b>407</b>
Number of shares outstanding	287,028,670	287,028,670	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299
<b>Free cash flow per share (Rolling 12 months), SEK</b>	<b>2.19</b>	<b>2.31</b>	<b>2.09</b>	<b>2.14</b>	<b>1.38</b>	<b>1.27</b>	<b>1.33</b>	<b>1.14</b>	<b>1.41</b>
Market price per share, SEK	25.74	26.20	27.12	25.54	25.56	24.52	26.00	23.72	23.52
<b>Free cash flow yield (Rolling 12 months), %</b>	<b>8.5</b>	<b>8.8</b>	<b>7.7</b>	<b>8.4</b>	<b>5.4</b>	<b>5.2</b>	<b>5.1</b>	<b>4.8</b>	<b>6.0</b>
<b>Changes in net sales</b>									
Net sales	1,540	1,662	1,566	1,420	1,398	1,466	1,474	1,237	1,518
Net sales comparative period previous year	1,398	1,466	1,474	1,237	1,518	1,722	1,629	1,583	1,559
<b>Net sales, change</b>	<b>142</b>	<b>196</b>	<b>92</b>	<b>183</b>	<b>-120</b>	<b>-256</b>	<b>-155</b>	<b>-346</b>	<b>-41</b>
Minus: Changes in exchange rates	43	-7	-19	-43	-56	-44	-36	-11	21
<b>Organic growth</b>	<b>99</b>	<b>203</b>	<b>111</b>	<b>226</b>	<b>-64</b>	<b>-212</b>	<b>-119</b>	<b>-335</b>	<b>-62</b>
<b>Organic growth, %</b>	<b>7.1</b>	<b>13.8</b>	<b>7.5</b>	<b>18.2</b>	<b>-4.2</b>	<b>-12.3</b>	<b>-7.3</b>	<b>-21.2</b>	<b>-4.0</b>

# Parent company

## Condensed parent company profit and loss account

SEKm	First quarter		Rolling 12	Full Year
	Jan–Mar 2022	Jan–Mar 2021	Apr 2021– Mar 2022	Jan–Dec 2021
Net sales	21	12	95	86
<b>Gross profit</b>	<b>21</b>	<b>12</b>	<b>95</b>	<b>86</b>
General and administrative expenses	-28	-28	-112	-112
<b>Operating profit/loss</b>	<b>-7</b>	<b>-16</b>	<b>-17</b>	<b>-26</b>
Net financial items	2	-3	74	69
<b>Profit/loss before tax</b>	<b>-5</b>	<b>-19</b>	<b>57</b>	<b>43</b>
Income tax	1	4	-15	-12
<b>Profit/loss for the period</b>	<b>-4</b>	<b>-15</b>	<b>42</b>	<b>31</b>

Profit/loss for the period corresponds to comprehensive income for the period.

## Condensed parent company balance sheet

SEKm	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>5,360</b>	<b>5,356</b>	<b>5,355</b>
<b>Current assets</b>	<b>101</b>	<b>90</b>	<b>91</b>
<b>TOTAL ASSETS</b>	<b>5,461</b>	<b>5,446</b>	<b>5,446</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>2,863</b>	<b>3,079</b>	<b>2,864</b>
<b>Non-current liabilities</b>			
Borrowings	939	138	938
Provisions	3	1	2
<b>Total non-current liabilities</b>	<b>942</b>	<b>139</b>	<b>940</b>
<b>Current liabilities</b>			
Borrowings	150	1,050	150
Other current liabilities	1,506	1,178	1,492
<b>Total current liabilities</b>	<b>1,656</b>	<b>2,228</b>	<b>1,642</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,461</b>	<b>5,446</b>	<b>5,446</b>

# Condensed parent company statement of changes in equity

SEKm	First quarter		Full Year
	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<b>Equity at beginning of period</b>	<b>2,864</b>	<b>3,100</b>	<b>3,100</b>
Profit/loss for the period	-4	-15	31
<b>Total comprehensive income</b>	<b>-4</b>	<b>-15</b>	<b>31</b>
<b>Transactions with owners</b>			
Share-based payments	3	-6	-7
Purchase of treasury shares	-	-	-44
Dividend <sup>1</sup>	-	-	-216
<b>Total transactions with owners</b>	<b>3</b>	<b>-6</b>	<b>-267</b>
<b>Equity at end of period</b>	<b>2,863</b>	<b>3,079</b>	<b>2,864</b>

<sup>1</sup> The dividend paid in 2021 comprised a dividend of SEK 0.75 (0.50) per share.

# Accounting and valuation policies, disclosures and risk factors

## Accounting and valuation policies

### Compliance with legislation and accounting standards

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) which have been endorsed by the European Commission for application in the EU. The applied standards and interpretations are those that were in force and had been endorsed by the EU at 1 January, 2022. The consolidated interim report is presented compliant with IAS 34, Interim Financial Reporting, and in compliance with the relevant provisions in the Swedish Annual Accounts Act and the Swedish Securities Market Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which are consistent with the provisions in recommendation RFR 2, Accounting for Legal Entities. For lease accounting the company makes use of the exemption under RFR2 to treat all leases as operating lease.

### Basis of accounting

The same accounting policies and methods of computation are applied in the interim financial statements as in the most recent annual financial statements. Reference is made to Note 1 'General information and accounting and valuation policies of the Group' and Note 31 'Changes in accounting policies' in the annual and sustainability report 2021 at [www.cloetta.com](http://www.cloetta.com). No new standards are effective as from 1 January 2022 which have been endorsed by the EU.

## Disclosures

### Segment reporting

In the years after the acquisition of the Candyking Group in 2017, the Pick & mix business became a significant part of Cloetta's total business with its own focus, operational organisation, management responsibilities and reporting flows. Following the changes in the business, also the management structure of the Group evolved with the introduction of a Chief Pick & mix Officer (CPMO) responsible for the

development of the Pick & mix business and a Chief Marketing Officer (CMO) being responsible for the marketing of the Branded packaged business. Both officers are members of the executive committee and are accountable within their own business lines and report directly to the President and CEO.

In Q1 2021, Cloetta has reassessed the operating segments with an increased focus on the impact of the changes in the organisation as indicated above. The reassessment has been performed with the intention to come to a sustainable structure taking into account the current organisation, operating model and initiated initiatives related to the direction of the company.

In the assessment it has been considered that both the Branded packaged business and the Pick & mix business have their own specific characteristics. Both business lines generate their own external revenues and incur expenses and for both business lines a different company wide business and investment strategy has been developed and is in place.

The character of the more profitable Branded packaged business requires investments in the brands (A&P) with consumer visibility (traditional- and social media) to generate long term strength of our own brands, leading to value creation for the company. Cloetta manufactures nearly all products sold in this business in its own production facilities.

The much lower margin Pick & mix business is predominantly a wholesale business where Cloetta sells its own products and its competitors' products to retailers under their own private brand or under the CandyKing concept. The Pick & mix business is driven by volumes and requires investments in the pick & mix concept including investments in the fixtures in which the products are offered to the consumer.

Operating segments have been identified in accordance with the guidance provided in IFRS 8 paragraph 5–10.

The overall focus on revenues, 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.



### Disaggregation of revenue from contracts with customers

Cloetta generates revenues from the transfer of goods and services at a point in time and over time in the following major sales categories and performance obligations:

### Disaggregation of revenue

	First quarter		Rolling 12	Full Year
SEKm	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
<b>Net sales</b>				
Branded packaged products	1,160	1,101	4,745	4,686
Pick & mix	380	297	1,443	1,360
<b>Total</b>	<b>1,540</b>	<b>1,398</b>	<b>6,188</b>	<b>6,046</b>

### Breakdown of net sales by category

	First quarter		Rolling 12	Full Year
%	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
<b>Net sales</b>				
Candy	61	59	61	61
Chocolate	20	20	19	19
Pastilles	10	11	10	10
Chewing gum	5	6	5	5
Nuts	3	2	3	3
Other	1	2	2	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

### Breakdown of net sales by country

	First quarter		Rolling 12	Full Year
%	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Sweden	30	31	31	31
Finland	19	21	21	21
The Netherlands	16	14	14	14
Denmark	8	9	8	9
The UK	6	4	6	6
Norway	8	9	7	7
Germany	6	6	6	6
International Markets	7	6	7	6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Leases

## Right-of-use assets

SEKm	31 Mar 2022	31 Mar 2021	31 Dec 2021
Land and buildings	76	90	80
Transportation	47	49	50
Other equipment	20	14	10
<b>Total right-of-use assets</b>	<b>143</b>	<b>153</b>	<b>140</b>

Additions to the right-of-use assets were SEK 20m (3) during the quarter.

## Lease liability

SEKm	31 Mar 2022	31 Mar 2021	31 Dec 2021
Current	65	58	59
Non-current (between 1 and 5 years)	78	97	83
Non-current (over 5 years)	1	1	1
<b>Total Lease liability</b>	<b>144</b>	<b>156</b>	<b>143</b>

The non-current lease liability of SEK 79m (98) is reflected in the 'long-term borrowings'. The current lease liability of SEK 65m (58) is reflected in the 'short-term borrowings'.

## Depreciation charge right-of-use assets

SEKm	First quarter		Rolling 12	Full Year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021
Land and buildings	-8	-7	-34	-33
Transportation	-7	-7	-29	-29
Other equipment	-2	-2	-6	-6
<b>Total depreciation charge right-of-use assets</b>	<b>-17</b>	<b>-16</b>	<b>-69</b>	<b>-68</b>

## Other disclosures

SEKm	First quarter		Rolling 12	Full Year	Recognised in:
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Jan-Dec 2021	
Interest expense	0	-1	-1	-2	net financial items, in the profit and loss account
Expense relating to leases of low-value assets that are not short-term leases	0	0	-1	-1	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Expense relating to short-term leases, where no right-of-use asset has been recognised	-1	-2	-4	-5	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Expense relating to variable lease payments not included in lease liabilities	-5	-4	-17	-16	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
<b>Total cash outflow for leases</b>	<b>-18</b>	<b>-18</b>	<b>-70</b>	<b>-70</b>	cash flow from operating activities and financing activities, in the cash flow statement

### Taxes

The effective tax rate was positively impacted by international tax rate differences. Non-deductible expenses had a negatively impact on the effective tax rate for the period.

### Fair value measurement

The only items recognised at fair value after initial recognition are the interest rate swaps categorised within level 2 of the fair value hierarchy in all periods presented.

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

For measurement purposes, the fair value of financial assets and liabilities is estimated by discounting the future contractual cash flows

at the current market interest rate that is available to the Group for similar financial instruments. The fair value measurements by level according to the fair value measurement hierarchy are as follows:

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

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

31 Mar 2022	Carrying amount				Fair value			
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
<b>SEKm</b>								
<b>Financial assets</b>								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	835	-	835				
• Single currency interest rate swaps	14	-	-	14	-	14	-	14
• Cash and cash equivalents	-	683	-	683				
<b>Total assets</b>	<b>14</b>	<b>1,518</b>	<b>-</b>	<b>1,532</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>14</b>
<b>Financial liabilities</b>								
• Loans from credit institutions	-	-	2,081	2,081				
• Commercial papers	-	-	150	150				
• Lease liabilities	-	-	144	144				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,252	1,252				
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>3,627</b>	<b>3,627</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 Dec 2021

SEKm	Carrying amount				Fair value			
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	721	-	721				
• Single currency interest rate swaps	3	-	-	3	-	3	-	3
• Cash and cash equivalents	-	692	-	692				
<b>Total assets</b>	<b>3</b>	<b>1,413</b>	<b>-</b>	<b>1,416</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>Financial liabilities</b>								
• Loans from credit institutions	-	-	2,081	2,081				
• Commercial papers	-	-	150	150				
• Single currency interest rate swaps	0	-	-	0	-	0	-	0
• Lease liabilities	-	-	413	413				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,129	1,129				
<b>Total liabilities</b>	<b>0</b>	<b>-</b>	<b>3,503</b>	<b>3,503</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>

31 Mar 2021

SEKm	Carrying amount				Fair value			
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	779	-	779				
• Forward contract to repurchase own shares	-	-	-	-	-	0	-	0
• Cash and cash equivalents	-	444	-	444				
<b>Total assets</b>	<b>-</b>	<b>1,223</b>	<b>-</b>	<b>1,223</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>Financial liabilities</b>								
• Loans from credit institutions	-	-	2,080	2,080				
• Commercial papers	-	-	250	250				
• Forward contract to repurchase own shares	-	-	49	49				
• Single currency interest rate swaps	4	-	-	4	-	4	-	4
• Lease liabilities	-	-	156	156				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,026	1,026				
<b>Total liabilities</b>	<b>4</b>	<b>-</b>	<b>3,561</b>	<b>3,565</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>

No transfers between fair value hierarchy levels have occurred during the financial year or the prior financial year. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included within level 2.

The valuation of the instruments is based on quoted market prices, but the underlying swap amounts are based on the specific requirements of the Group. These instruments are therefore included within level 2. The valuation techniques and inputs used to value financial instruments are:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign currency contracts is calculated using the difference between the exchange rate on the spot date with the contractually agreed upon exchange rates.
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value of the remaining financial instruments.

### Parent Company

Cloetta AB's primary activities include head office functions such as group-wide management and administration. The comments below refer to the period from 1 January to 31 March 2022. Net sales in the Parent Company amounted to SEK 21m (12) and relate mainly to intra-group services. Operating loss was SEK -7m (-16). Net financial items totaled SEK 2m (-3). Loss before tax was SEK -5m (-19) and loss for the period was SEK -4m (-15). Cash and cash equivalents and short-term investments amounted to SEK 0m (0).

### The Cloetta share

Cloetta's class B share is listed on Nasdaq Stockholm, Mid Cap. During the period from 1 January to 31 March 2022, a total of 49,080,939 shares were traded for a combined value of SEK 1,195m, equivalent to around 17 per cent of the total number of class B shares at the end of the period. The highest quoted bid price during the period from 1 January to 31 March 2022 was SEK 26.62 (4 January) and the lowest was SEK 21.84 (7 March). The share price on 31 March 2022 was SEK 25.74 (last price paid). During the period from 1 January to 31 March 2022, the Cloetta share decreased by 2.6 per cent while the Nasdaq OMX Stockholm PI index decreased by 15.0 per cent. Cloetta's share capital at 31 March 2022 amounted to 1,443,096,495. The total number of shares is 288,619,299, consisting of 5,735,249 (5,735,249) class A shares and 282,884,050 (282,884,050) class B shares, equal to a quota value of SEK 5 per share. At 31 March 2022 Cloetta had 1,590,629 class B shares in treasury.

### Shareholders

On 31 March 2022, Cloetta AB had 37,617 shareholders. The largest shareholder was AB Malfors Promotor with a holding corresponding to 40.1 per cent of the votes and 29.4 per cent of the share capital in the company. La Financière de l'Echiquier was the second largest shareholder with 3.4 per cent of the votes and 4.0 per cent of the share capital. The third largest shareholder was LSV Asset Management with 3.0 per cent of the votes and 3.5 per cent of the share capital.

### Risk factors

Cloetta is an internationally active company that is exposed to a number of market and financial risks. All identified risks are monitored continuously and, if needed, risk mitigating measures are taken to limit their impact. The most relevant risk factors are described in the annual and sustainability report 2021 and consist of industry and market-related risks, operational risks and financial risks.

Compared to the annual and sustainability report which was issued on 14 March 2022, the risk-profile of Cloetta has not significantly changed although the rising input costs and global supply chain challenges are materialising and may further affect the business performance of Cloetta.

# Definitions

<b>General</b>	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.	
<b>Margins</b>	<b>Definition/calculation</b>	<b>Purpose</b>
<b>Gross margin</b>	Net sales less cost of goods sold as a percentage of net sales.	Gross margin measures production profitability.
<b>Operating profit margin, adjusted</b>	Operating profit, adjusted for items affecting comparability, as a percentage of net sales.	Adjusted operating profit margin excludes the impact of items affecting comparability, enabling a comparison of operational profitability.
<b>Operating profit margin (EBIT margin)</b>	Operating profit expressed as a percentage of net sales.	Operating profit margin is used for measuring the operational profitability.
<b>Profit margin</b>	Profit/loss before tax expressed as a percentage of net sales.	This metric enables the profitability to be compared across locations where corporate taxes differ.
<b>Return</b>	<b>Definition/calculation</b>	<b>Purpose</b>
<b>Free cash flow</b>	Sum of the cash flow from operating activities and cash flow from investments in property, plant and equipment and intangible assets.	The free cash flow is the cash flow available to all investors consisting of shareholders and lenders.
<b>Free cash flow yield</b>	Free cash flow of the last 12 months divided by the number of outstanding shares at the end of the period and consequently divided by the market price per share at the end of the period.	This metric is an indicator for the return on investment of investors in the company.
<b>Return on capital employed</b>	Operating profit plus financial income as a percentage of average capital employed. The average capital employed is calculated by taking the capital employed per period end and the capital employed by period end of the comparative period in the previous year divided by two.	Return on capital employed is used to analyse profitability, based on the amount of capital used. The leverage of the company is the reason that this metric is used next to return on equity, because it includes equity, but takes into account borrowings and other liabilities as well.
<b>Return on equity</b>	Profit from continuing operations for the period as a percentage of total equity.	Return on equity is used to measure profit generation, given the resources attributable to the owners of the Parent Company.
<b>Capital structure</b>	<b>Definition/calculation</b>	<b>Purpose</b>
<b>Capital employed</b>	Total assets less interest-free liabilities (including deferred tax).	Capital employed measures the amount of capital used and serves as input for the return on capital employed.
<b>Equity/assets ratio</b>	Equity at the end of the period as a percentage of total assets. The equity/assets ratio represents the amount of assets on which shareholders have a residual claim.	This ratio is an indicator of the company's leverage used to finance the firm.
<b>Gross debt</b>	Gross current and non-current borrowings, credit overdraft facilities, lease liabilities, derivative financial instruments and interest payable.	Gross debt represents the total debt obligation of the company irrespective of its maturity.
<b>Net debt</b>	Gross debt less cash and cash equivalents.	The net debt is used as an indication of the ability to pay off all debts if these became due simultaneously on the day of calculation, using only available cash and cash equivalents.
<b>Net debt/EBITDA</b>	Net debt at the end of the period divided by the EBITDA, adjusted, for the last 12 months, taking into consideration the annualisation of EBITDA for acquired or divested companies.	The net debt/EBITDA ratio approximates the company's ability to decrease its debt. It represents the number of years it would take to pay back debt if net debt and EBITDA were held constant, ignoring the impact of cash flows from interest, tax and capital expenditure.
<b>Net debt/equity ratio</b>	Net debt at the end of the period divided by equity at the end of the period.	The net debt/equity ratio measures the extent to which the company is funded by debt. Because cash and overdraft facilities can be used to pay-off debt at short notice, the leverage takes into account net debt instead of gross debt.
<b>Working capital</b>	Total inventories and trade and other receivables adjusted for trade and other payables.	Working capital is used to measure the company's ability, besides cash and cash equivalents, to meet current operational obligations.
<b>Data per share</b>	<b>Definition/calculation</b>	<b>Purpose</b>
<b>Cash flow from operating activities per share</b>	Cash flow from operating activities in the period divided by the average number of outstanding shares.	The cash flow from operating activities per share measures the amount of cash the company generates per share from the revenues it brings in, irrespective of the capital investments and cash flows related to the financing structure of the company.
<b>Earnings per share</b>	Profit for the period divided by the average number of outstanding shares adjusted for the effect of forward contracts to repurchase own shares.	The earnings per share measures the amount of net profit that is available for payment to shareholders per share.
<b>Equity per share</b>	Equity at the end of the period divided by number of outstanding shares at the end of the period.	Equity per share measures the net-asset value backing up each share of the company's equity and determines if a company is increasing shareholder value over time.



Other definitions	Definition/calculation	Purpose
Amortisation	Amortisation of intangible assets except for amortisation on software which is included in "Depreciation".	Amortisation deviates from depreciation where amortisation has the purpose to spread capitalised expenses over the useful lifetime of these expenses.
Depreciation	Depreciation of property, plant and equipment and amortisation of software.	Depreciation deviates from amortisation where depreciation has the purpose to spread the cost of a non-current asset over the useful lifetime of these assets.
EBITDA	Operating profit before depreciation, amortisation and impairments of other non-current assets.	EBITDA is used to measure the cash flow generated from operating activities, eliminating the impact of financing and accounting decisions.
EBITDA, adjusted	Operating profit, adjusted for items affecting comparability, before depreciation, amortisation and impairments of other non-current assets.	Adjusted EBITDA increases the comparability of EBITDA.
Effective tax rate	Income tax as a percentage of profit before tax.	This metric enables the income tax to be compared across locations where corporate taxes differ.
Items affecting comparability	Items affecting comparability are those significant items which are separately disclosed by virtue of their size or incidence, in order to enable a full understanding of the Group's financial performance. These include items such as restructurings, impact from acquisitions or divestments.	Items affecting comparability increases the comparability of the Group's financial performance.
Net financial items	The total of exchange differences on cash and cash equivalent in foreign currencies, other financial income and other financial expenses.	The net financial items reflects the company's total costs of external financing.
Net sales, change	Net sales as a percentage of net sales in the comparative period of the previous year.	Net sales, change reflects the company's realised top-line growth over time.
Operating profit (EBIT)	Operating profit consists of comprehensive income before net financial items and income tax.	This metric enables the profitability to be compared across locations where corporate taxes differ, irrespective the financing structure of the company.
Operating profit (EBIT), adjusted	Operating profit adjusted for items affecting comparability.	Operating profit, adjusted increases the comparability of operating profit.
Organic growth	Net sales, change excluding acquisition-driven growth and changes in exchange rates.	Organic growth excludes the impact of changes in group structure and exchange rates, enabling a comparison on net sales growth over time.
Structural changes	Net sales, change resulting from changes in group structure.	Structural changes measure the contribution of changes in group structure to the net sales growth.

## Glossary

Branded packaged products	Products that are mainly sold under brands and are packaged.
FVTPL	Fair Value Through Profit and Loss.
Pick & mix	Cloetta's range of candy and natural snacks that are picked by the consumers themselves.
Pick & mix concept	Cloetta's complete concept in pick & mix including products, displays and accompanying store and logistic services.

## Exchange rates

SEKm	31 Mar 2022	31 Mar 2021	31 Dec 2021
EUR, average	10.4889	10.1291	10.1527
EUR, end of period	10.3370	10.2383	10.2503
NOK, average	1.0570	0.9893	0.9991
NOK, end of period	1.0645	1.0243	1.0262
GBP, average	12.5423	11.6117	11.8203
GBP, end of period	12.2194	12.0155	12.1987
DKK, average	1.4097	1.3620	1.3652
DKK, end of period	1.3898	1.3766	1.3784

# Cloetta

## Strategic priorities

1. Growth leadership in Branded packaged products
2. Sustainable value within the Pick & mix business
3. Lower costs and greater efficiency



## Our purpose

"We believe in the Power of True Joy"

## Business model

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

## Long-term financial targets

- Cloetta's target is to increase organic sales at least in line with market growth.
- Cloetta's target is an EBIT margin, adjusted for items affecting comparability, of at least 14 per cent.
- Cloetta's long-term target is a net debt/EBITDA ratio of 2.5x.
- Cloetta's long-term intention is a dividend payout of 40–60 per cent of profit after tax.

## Value drivers

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

## Sustainability

### We provide choices for you

We create joyful moments through the quality of our products. We aim to meet the variety of consumer preferences.

### We care about people

We support our employees, suppliers, and farmers, as well as our communities.

### We improve our footprint

Our business depends on the environment. We are responsible for the impact we have from sourcing to packaging.

# “We believe in the Power of True Joy”

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



## *Cloetta*

Cloetta AB (publ) • Corp. ID no. 556308-8144 • Landsvägen 50A, Box 2052,  
174 02, Sundbyberg, Sweden • Tel +46 (0)8-52 72 88 00 • [www.cloetta.com](http://www.cloetta.com)

More information about Cloetta is available at [www.cloetta.com](http://www.cloetta.com)