

MINUTES

Kept at the Annual General Meeting of shareholders in Cloetta AB (publ), 556308-8144, on Tuesday 4 April 2023, at 3.00 pm-4.30 pm at Courtyard by Marriott, Rålambshovsleden 50 in Stockholm, Sweden

1 OPENING OF THE MEETING (ITEM 1 ON THE AGENDA)

The chairman of the Board of Directors, Mikael Norman, welcomed the shareholders to the Annual General Meeting and declared the Annual General Meeting open.

2 ELECTION OF CHAIRMAN OF THE MEETING (ITEM 2 ON THE AGENDA)

The meeting resolved to elect the lawyer Fredrik Lundén as chairman of the meeting in accordance with the proposal by the nomination committee. The chairman informed that the lawyer Louise Génétay had been appointed to keep the minutes at the meeting and that audio or video recording was not permitted.

The meeting approved that shareholders who had not registered their voting rights for their shares, employees in the company and other persons who were not shareholders who had been recorded at the entrance, were entitled to attend the meeting without the right to comment or to participate in the meeting's resolutions.

It was noted that the company's Board of Directors, representatives of the nomination committee and the company's auditor were present at the meeting.

3 DRAWING UP AND APPROVAL OF VOTING LIST (ITEM 3 ON THE AGENDA)

The meeting resolved to approve the list, which had been drawn up by Euroclear Sweden AB on behalf of the company, of shareholders who had given notice to attend and were present at the meeting including shareholders who had participated by postal voting, as voting list for the meeting, [Appendix 1](#).

The chairman informed that certain shareholders that were represented at the meeting had, in advance of the meeting, informed the company of their voting instructions regarding certain of the proposed resolutions. Furthermore, the chairman informed that the voting instructions were available for review at the meeting, if any shareholder so requested, and that votes against and abstain votes would only be recorded in the minutes if they would be relevant for the resolutions.

4 APPROVAL OF THE AGENDA (ITEM 4 ON THE AGENDA)

The meeting resolved to approve the agenda proposed by the Board of Directors, which had been included in the notice convening the meeting.

The annual report, the consolidated financial statements, the auditor's report and the consolidated auditor's report for the financial year 2022, as well as the statements and reports of the Board of Directors and the nomination committee and other documents for the Annual

General Meeting, which had been held available in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, were presented.

5 ELECTION OF TWO PERSONS TO VERIFY THE MINUTES (ITEM 5 ON THE AGENDA)

The meeting resolved that the minutes would be checked and verified by Victoria Lidén, representative of Storebrand Fonder/Storebrand Kapitalförvaltning, and Tony Wiréhn, in addition to the chairman.

6 DETERMINATION AS TO WHETHER THE ANNUAL GENERAL MEETING HAD BEEN DULY CONVENED (ITEM 6 ON THE AGENDA)

The chairman noted that the notice convening the meeting had been given in accordance with the Swedish Companies Act and the Articles of Association.

The meeting resolved to approve the notice procedure and declared the meeting duly convened.

7 PRESENTATION OF THE ANNUAL REPORT AND THE AUDITOR'S REPORT, AS WELL AS THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED AUDIT REPORT, FOR THE FINANCIAL YEAR 1 JANUARY - 31 DECEMBER 2022 (ITEM 7 ON THE AGENDA)

The chairman noted that the annual report and the auditor's report as well as the consolidated financial statements and consolidated audit report for the parent company and the group for the financial year 2022 was presented.

The company's auditor in charge, Sofia Götmar-Blomstedt, PwC, presented the work with the audit during 2022 and the conclusions from the auditor's report.

8 REPORT BY THE CHAIRMAN OF THE BOARD ON THE WORK OF THE BOARD (ITEM 8 ON THE AGENDA)

The chairman of the Board of Directors, Mikael Norman, presented the Board of Directors' work during 2022.

9 PRESENTATION BY THE CEO (ITEM 9 ON THE AGENDA)

The CEO of the company, Henri de Sauvage-Nolting, accounted in brief for Cloetta's business and development during the financial year 2022 including, inter alia, Cloetta's brand and markets, the company's sustainability work, strategic priorities and the planned new factory facility. The company's CFO, Frans Rydén, reported on the company's financial development in 2022, including the extent to which the company achieved its financial targets during the period.

Henri de Sauvage-Nolting and Frans Rydén answered questions from the shareholders regarding, inter alia, own energy production, the planned new factory facility, product recognition, inflation and related price increases, possible sugar tax, consolidation, the value of the company's current assets and content of vegetable-based ingredients in Cloetta's products.

10 RESOLUTION ON ADOPTION OF THE INCOME STATEMENT AND THE BALANCE SHEET AS WELL AS THE CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED BALANCE SHEET (ITEM 10 ON THE AGENDA)

The meeting resolved to adopt the income statement and the balance sheet in the annual report for the parent company as well as the consolidated income statement and the consolidated balance sheet for the group for the financial year 2022.

11 RESOLUTION ON DISPOSITION OF THE COMPANY'S EARNINGS ACCORDING TO THE APPROVED BALANCE SHEET, AND RECORD DAY FOR ANY DIVIDEND (ITEM 11 ON THE AGENDA)

The meeting resolved in accordance with the Board of Directors' proposal on a dividend of SEK 1.00 per share and that the record day shall be 6 April 2023.

12 PRESENTATION OF REMUNERATION REPORT FOR APPROVAL (ITEM 12 ON THE AGENDA)

The meeting resolved to approve the presented remuneration report for 2022.

13 RESOLUTION ON DISCHARGE FROM PERSONAL LIABILITY OF THE DIRECTORS AND THE CEO (ITEM 13 ON THE AGENDA)

The meeting resolved to discharge the directors and the CEO from liability for the management of the company's business during the preceding financial year, 1 January – 31 December 2022.

It was noted that the CEO and the directors who were also present in their capacity as shareholder or proxy did not participate in the decision, as far as their own discharge from personal liability was concerned, and that the resolution was supported by all the participating shareholders in the resolution, except for shareholders who had notified in advance or by postal vote announced votes against or abstain votes.

14 RESOLUTION ON THE NUMBER OF DIRECTORS (ITEM 14 ON THE AGENDA)

The chairman of the nomination committee, Lars Schedin, presented the nomination committee's proposals for resolutions regarding number of directors of the board, remuneration to the directors of the board and the auditor, election of directors of the board, election of chairman of the Board of Directors and election of auditor, rules for the nomination committee and the nomination committee's motivated proposal for the Board of Directors. The director proposed for new election, Pauline Lindwall, introduced herself to the shareholders.

Thereafter, the meeting resolved in accordance with the nomination committee's proposal that the number of directors elected by the meeting shall be seven with no deputies.

15 RESOLUTION ON THE REMUNERATION TO BE PAID TO THE DIRECTORS AND TO THE AUDITOR (ITEM 15 ON THE AGENDA)

The meeting resolved in accordance with the proposal of the nomination committee that fees to the chairman of the board shall be paid with SEK 750,000 (previously SEK 730,000) and each of the other directors elected by the Annual General Meeting shall be paid a fee of SEK 325,000 (unchanged). Furthermore, fees shall be payable for work in the board's committees with SEK

100,000 to each member of the audit committee (unchanged) and with SEK 150,000 to the chairman of the audit committee (unchanged) and with SEK 100,000 to each member of the remuneration committee (unchanged) and with SEK 150,000 to the chairman of the remuneration committee (unchanged). The total fees to the board amounts to SEK 3,400,000 (previously SEK 3,705,000), including work on the committees.

Furthermore, the meeting resolved in accordance with the proposal by the nomination committee that remuneration to the auditors shall be paid in accordance with approved invoices.

16 ELECTION OF DIRECTORS (ITEM 16 ON THE AGENDA)

The chairman provided information regarding the positions held by the proposed directors in other companies. The meeting subsequently resolved, in accordance with the nomination committee's proposal, for the period until the end of the next Annual General Meeting, to re-elect the directors Mikael Norman, Patrick Bergander, Malin Jennerholm, Alan McLean Raleigh, Camilla Svenfelt and Mikael Svenfelt and to elect Pauline Lindwall as new director of the board. Lottie Knutson and Mikael Aru had declined re-election.

The chairman informed the meeting that the employee trade unions had previously appointed Lena Grönedal as employee director of the board and Shahram Nikpour Badr as deputy. It was noted that the employee director of the Board Mikael Ström resigned from his position in connection with the meeting.

17 ELECTION OF CHAIRMAN OF THE BOARD (ITEM 17 ON THE AGENDA)

The meeting resolved, in accordance with the nomination committee's proposal, to re-elect Mikael Norman as chairman of the Board of Directors.

18 ELECTION OF AUDITOR (ITEM 18 ON THE AGENDA)

The meeting resolved, in accordance with the nomination committee's proposal and in accordance with the audit committee's recommendation, to re-elect the registered accounting firm Öhrlings PricewaterhouseCoopers AB (PwC) as the company's auditor, for a period until the end of the next Annual General Meeting. It was noted that PwC had informed that Sofia Götmar-Blomstedt will continue as the auditor-in-charge.

19 PROPOSAL REGARDING RULES FOR THE NOMINATION COMMITTEE (ITEM 19 ON THE AGENDA)

The nomination committee's proposals regarding rules for the nomination committee was presented in accordance with [Appendix 2](#).

The meeting resolved to adopt the rules for the nomination committee in accordance with the nomination committee's proposal.

20 PROPOSAL REGARDING GUIDELINES FOR REMUNERATION TO THE EXECUTIVE MANAGEMENT (ITEM 20 ON THE AGENDA)

The Board of Directors' proposal regarding guidelines for remuneration to the executive management was presented in accordance with [Appendix 3](#).

The meeting resolved to adopt the guidelines for remuneration to the executive management in accordance with the Board of Directors' proposal.

21 RESOLUTION REGARDING (A) LONG-TERM SHARE-BASED INCENTIVE PLAN (LTI 2023) AND (B) TRANSFER OF OWN B-SHARES UNDER LTI 2023 (ITEM 21 A AND 21 B ON THE AGENDA)

The director of the board, and chairman of the remuneration committee, Mikael Svenfelt, presented the Board of Directors' proposal regarding resolution on a long-term share-based incentive plan in accordance with [Appendix 4](#).

The meeting resolved, in accordance with the Board of Directors' proposal, on a long-term share-based incentive plan (LTI 2023), and on transfer of own B-shares under LTI 2023.

It was noted that the resolution in accordance with item (B) was supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Annual General Meeting and that the resolution was supported by all the participating shareholders in the resolution, except for shareholders who had notified in advance or by postal vote announced votes against or abstain votes.

22 RESOLUTION REGARDING AUTHORISATION FOR THE BOARD OF DIRECTORS TO RESOLVE UPON REPURCHASE AND TRANSFER OF OWN B-SHARES (ITEM 22 ON THE AGENDA)

The Board of Directors' proposal on authorisation for the Board of Directors to resolve upon repurchase and transfer of own B-shares was presented in accordance with [Appendix 5](#).

The meeting resolved, in accordance with the Board of Directors' proposal, on authorisation for the Board of Directors to resolve upon repurchase and transfer of own B-shares.

It was noted that the resolution was supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Annual General Meeting and that that the resolution was supported by all the participating shareholders in the resolution, except for shareholders who had notified in advance or by postal vote announced votes against or abstain votes.

23 CLOSING OF THE MEETING (ITEM 23 ON THE AGENDA)

The chairman of the Board of Directors expressed the company's gratitude to the resigning directors of the board Lottie Knutson and Mikael Aru and the employee director Mikael Ström.

The chairman concluded that no further matters remained, and declared the meeting closed.

At the minutes:

Louise G netay

Approved:

Fredrik Lund n

Victoria Lid n

Tony Wir hn

Item 19 – Proposal regarding rules for the nomination committee

The nomination committee proposes the following rules for the nomination committee (unchanged from previous year other than the adjustment that the rules shall apply until further notice and that updated rules shall be proposed when deemed necessary).

1. The company shall have a nomination committee consisting of not less than four and not more than six members. Three of the members shall be appointed by the major shareholders and one member shall be appointed by the Board of Directors amongst its directors. These members of the nomination committee may appoint one additional member. In those cases, referred to in item 6 below, the number of members can amount to six.
2. Based on ownership register received as per 31 July, the chairman of the board shall each year, without delay, contact the three largest shareholders in the company in terms of votes, and offer such shareholders to, within reasonable time, each appoint a representative to be part of the nomination committee. If any of these shareholders elects to renounce from its right to appoint a representative, the right to appoint a representative shall be transferred to the largest shareholder in turn in terms of votes which is not already entitled to be represented on the nomination committee. The nomination committee shall not include a representative of a shareholder that itself or through others conducts competing activities with the group.
3. The member of the nomination committee who represents the shareholder controlling the largest number of votes shall chair the nomination committee.
4. The members of the nomination committee are appointed for a term up until a new nomination committee has been appointed.
5. The composition of the nomination committee shall be announced as soon as the nomination committee has been formed and, in all events, no later than on 30 September the year before the next Annual General Meeting.
6. In the event that the ownership structure of the company is changed after 31 July and not later than on 31 December the year before the next Annual General Meeting, and if a shareholder that has become one of the three largest shareholders in terms of votes following this change asks the chairman of the nomination committee to be represented on the nomination committee, such shareholder is entitled to, in the nomination committee's discretion, either appoint an additional member to the nomination committee or to replace the member who represents, following the change of the ownership structure, the smallest shareholder in terms of votes.
7. If a member of the nomination committee that represent a shareholder resigns or otherwise is unable to continue as member, the nomination committee shall – if time allows and if the change is not due to a specific circumstance e.g. that the shareholder has sold its shares – request the shareholder that had appointed that member to, within reasonable time, appoint a new member of the nomination committee. If the shareholder is no longer eligible for the nomination committee or if it renounces its right to appoint a member, the right to appoint such new member shall be transferred to the largest shareholder in turn in terms of votes which is not already represented on, or has renounced its right to appoint a member to, the nomination committee. If a member that has been appointed by the other members of the nomination committee resigns or is otherwise unable to continue as member, the other members of the nomination committee may elect a new member.
8. The members of the nomination committee are not to receive any remuneration from the company. However, the company shall be liable for costs incurred by the nomination committee in its work.
9. The nomination committee shall present proposals regarding
 - Chairman of the Annual General Meeting
 - Number of members of the Board of Directors
 - Members of the Board of Directors to be elected by the Annual General Meeting
 - Chairman of the Board of Directors

- Remuneration to the Board of Directors elected by the Annual General Meeting, distributed between the chairman of the board, the deputy chairman of the board, if any, and the other members of the Board of Directors, and remuneration for work on the committees
 - Remuneration to the auditor
 - Election of auditor
 - Amendments to the rules for the nomination committee, when deemed necessary
10. At shareholders' meetings other than the Annual General Meeting, the nomination committee shall submit proposals for elections, if any, to take place at such shareholders' meeting.
 11. These rules shall apply until further notice. However, the nomination committee shall continuously evaluate these rules and submit proposals of such changes of these rules as the nomination committee deems necessary.

Item 20 – Proposal regarding guidelines for remuneration to the executive management

The Board of Directors proposes that the meeting resolves to adopt the following guidelines for remuneration to the executive management to be in force until further notice, however no longer than until the Annual General Meeting 2027. The guidelines cover the CEO and the other members of Cloetta's executive management. These guidelines apply to agreements concluded, and amendments made to existing agreements, after the guidelines have been adopted by the Annual General Meeting 2023. The guidelines do not apply to remuneration which is resolved upon by the general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Cloetta's business strategy involves, *inter alia*, to strengthen the company's position as the leading confectionery company in Northern Europe. In order to achieve this, the company is working to grow sales, especially organically, and to further improve the profitability on the company's main markets; Sweden, Finland, the Netherlands, Denmark, Norway, Germany and the UK. It is essential for Cloetta to create an incentive for the executive management team to drive commitment, forward thinking and activities that drive sales and strengthen Cloetta's brands in a way which is sustainable in the long-term. The remuneration to the executive management shall ensure that Cloetta can recruit and retain qualified employees and that the executive management team has the right focus and that right behaviours are encouraged. The types of remuneration shall be market-based and competitive based on the conditions on the markets where Cloetta operates and shall be designed in a way that motivate the members of the executive management team to do their utmost to create shareholder value.

For more information about the company's business strategy, see the company's website www.cloetta.com.

Types of remuneration, etc.

The remuneration to the executive management may comprise a fixed and a variable part as well as pension benefits and other benefits. In addition thereto, the general meeting may, and irrespective of these guidelines, resolve upon, among other things, share-based and share price-based remuneration, so called incentive plans. The purpose of the incentive plans shall be to increase the value for the group's shareholders by promoting and maintaining the executive management team's and senior managers' commitment for the group's development, and thereby align the interests of the executive management team and key employees with the shareholders' in order to ensure maximum long-term value creation. The plans are distinctly linked to the business strategy and thereby to sustainability as well as the company's long-term value creation through the defined performance targets.

Any variable salary shall be limited to the equivalent of one fixed annual salary. The variable salary shall be linked, directly or indirectly, to the achievement of the long-term financial targets set by Cloetta's Board of Directors, and which fulfilment contributes to the Company's long-term value creation. The targets shall be measured in relation to the development of the entire group or be linked to the development of e.g. a region or otherwise to the executive's area of responsibility. Variable salary shall generally be paid based on performance over a period of twelve months (the calendar year) and shall be based on the company's most recently published financial information. Normally, variable salary shall only be paid if the adjusted profit for the year exceeds the previous year's adjusted profit. Cloetta's Board of Directors is responsible for assessing the outcome in relation to variable salary to the CEO. In relation to variable salary to the other members of the executive management team, the CEO is responsible for assessing the outcome which shall be confirmed by the remuneration committee.

Pension benefits may vary depending on agreements and practices in the country where the individual is employed. Defined contribution pension benefits are strived for. Swedish executives' pension terms shall comply with or correspond to, and thus be limited to, general pension plan in accordance with the ITP plan¹ in relation to the executives who are covered by collective bargaining agreements. The executives who are not covered by collective bargaining agreements shall have the right to defined contribution pension provisions amounting to no more than 30 per cent of the fixed annual cash salary. The company's CEO shall have the right to defined

¹ One of Cloetta's executives has a certain agreement regarding early retirement in addition to benefits under the ITP plan; an agreement which was entered into by Leaf Sverige AB, which Cloetta acquired in 2012. Due to this early retirement agreement, the pension provisions for the relevant executive may exceed 35 per cent of the fixed annual cash salary.

contribution pension provisions amounting to no more than 30 per cent of the fixed annual cash salary. Variable salary and other benefits shall not be pension-qualifying unless otherwise provided by law or collective bargaining agreements. In addition to the pension provisions stated above, Swedish executives have the right to exchange salary for additional pension provisions provided that it is cost neutral for Cloetta. For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted in order to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines. Pension provisions for executives whose employments are governed by rules other than Swedish may however not exceed 30 per cent of the fixed annual cash salary.

The executive management's non-monetary benefits shall facilitate the executives' work and correspond to what can be considered reasonable in relation to practices on the market where the relevant executive operates. Such other benefits shall correspond to not more than 15 per cent of the total remuneration. For executives who are stationed outside their place of residence for a period of time, the value of the benefits in total may not exceed 25 per cent of the fixed annual salary in order to facilitate the executive's work. In addition, in connection with the transition to work in another place, one-off benefits of a maximum of 15 per cent of the fixed salary may be paid, for example for costs relating to moving.

Termination of employment

Upon termination of employment agreements by Cloetta, the notice period shall not exceed twelve months, and any severance pay may not exceed one fixed annual cash salary in addition to the notice period.² Upon termination made by the executive, a notice period of not more than six months shall apply, or any longer notice period which follows from statute and general principles of law. Severance pay shall not be paid upon terminations made by the executive.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these guidelines for remuneration, salary and employment conditions for the company's employees have been taken into account by including information on the employees' total income, the components of the remuneration as well as the increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to the executive management team as well as any deviations from the guidelines. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and present the proposal for a resolution by the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate plans for variable remuneration to the executive management team, the application of the guidelines for remuneration to the executive management team as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent in relation to the company and the executive management team. In the Board of Directors' work regarding remuneration-related matters, the CEO of the company and the other members of the executive management are not present in so far as the questions concern their own remuneration.

Deviation from the guidelines

The Board of Directors may temporarily resolve to deviate from the guidelines set out above, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. If the Board of Directors deviates from the guidelines for remuneration to the executive management team this shall be reported in the remuneration report to the upcoming Annual General Meeting.

Significant changes to the guidelines

The proposed guidelines for remuneration mean that the variable salary shall be linked, directly or indirectly, to the achievement of Cloetta's long-term financial targets, without it being necessary that the profit for the year,

² One of the executives have an employment agreement that entitles to severance payment exceeding twelve months' salaries, in accordance with an agreement entered into by Leaf International B.V., which Cloetta acquired in 2012.

or that the other financial targets, exceed the previous year's results, even if the starting point when deciding on payment of variable salary shall be that the adjusted profit for the year exceeds the previous year's adjusted profit.

Item 21 – Proposal regarding (A) long-term share-based incentive plan (LTI 2023) and (B) transfer of own B-shares under LTI 2023

The Board of Directors proposes that the Annual General Meeting resolves on a long-term share-based incentive plan (LTI 2023) for Cloetta AB (publ) ("Cloetta") and on a transfer of own B-shares in accordance with item (A) and (B) below.

(A) LONG-TERM SHARE-BASED INCENTIVE PLAN

The Board of Directors proposes a long-term share-based incentive plan for 2023 in line with the structure used in previous years incentive plans. The main motive for LTI 2023 is to align the interests of the executive management team and key employees with the shareholders' in order to ensure maximum long-term value creation. Similar to last year's long-term share-based incentive plan, LTI 2023 will contribute to a group-wide focus for the participants on increased profit and growth. The incentive plan is also important for Cloetta to be able to recruit and retain senior employees.

Participants in LTI 2023

LTI 2023 comprises up to 46 employees as a maximum, consisting of the executive management team and senior managers within the Cloetta group, divided into three categories. These employees are considered to have a large impact on the growth and results of Cloetta. The first category comprises the CEO and the other 9 members of the executive management team, the second category comprises up to 10 senior managers, who belongs to a certain management level. The third category comprises up to 26 managers, consisting of individuals who have a certain other employment level.

Personal shareholding, grant of performance share rights and vesting period

To participate in LTI 2023, the participant must have a personal shareholding in Cloetta ("Investment Shares") and that those shares are allocated to LTI 2023. The Investment Shares may be acquired specifically for purposes of LTI 2023, or be shares already held by the participant, provided that these have not been allocated to previous incentive plans. The CEO and the executive management team may as a maximum invest 12 per cent of the participant's fixed annual salary for 2022 before tax, the participants in the second category may as a maximum invest 10 per cent of the participant's fixed annual salary for 2022 before tax, and the participants in the third category may as a maximum invest 8 per cent of the participant's fixed annual salary for 2022 before tax in LTI 2023.

For the first category of participants, each Investment Share gives entitlement to six and a half (6.5) performance share rights. For the second category, each Investment Share gives entitlement to five (5) performance share rights. For the third category, each Investment Share gives entitlement to three and a half (3.5) performance share rights. The performance share rights will be granted to the participant following the Annual General Meeting 2023 in connection with, or shortly after, an agreement is made between the participant and Cloetta concerning participation in LTI 2023.

Terms for the performance share rights

For the performance share rights the following conditions apply:

- The performance share rights are granted free of charge.
- The participants are not entitled to transfer, pledge or dispose of the performance share rights or perform any shareholders' rights regarding the performance share rights during the vesting period.
- Allocation of B-shares shall normally take place within two weeks after announcement of Cloetta's interim report for the first quarter of 2026.
- Allocation of B-shares based on performance share right is conditional upon that the participant remains employed within the Cloetta Group until the announcement of Cloetta's interim report for the first quarter of 2026, and also that the participant has not before that terminated her or his employment, been made redundant or dismissed and that the participant continues to hold all the Investment Shares. Allocation of B-shares on the basis of performance share rights requires, in addition, fulfilment of performance targets.

- Cloetta will not compensate the participants in the plan for dividends made in respect of the shares that the respective performance share right qualifies for.

Performance targets

The performance share rights are divided into Series A and Series B according to the different performance targets that LTI 2023 includes and that drive long-term value for Cloetta. Of each participant's allocation of performance share rights shall one (1) be of Series A and the rest of the performance share rights shall be of Series B.

Series A Allocation shall be made if Cloetta's average annual adjusted EBIT for 2023-2025 is at least SEK 1 million higher than the adjusted EBIT for 2022.

Series B The Board of Directors has established minimum levels and maximum levels for the performance target. The maximum levels, which entitles to full allocation, are that Cloetta's compounded organic net sales value is at least 2 per cent annually for 2023-2025 and that Cloetta's adjusted EBIT margin for 2025 is at least 13 per cent. The minimum levels are a compounded organic net sales value that is at least 0 per cent annually for 2023-2025 and an adjusted EBIT margin that is at least 10.2 per cent for 2025. Allocation is determined through a combined outcome of the two sub-targets, where achievement of the sub-target linked to Cloetta's adjusted EBIT margin is given greater importance than the achievement of the sub-target linked to the average increase in the compounded organic net sales value.

Formulation and administration

The Board of Directors, or a specific committee appointed by the Board of Directors, shall be responsible for the formulation and administration of LTI 2023, and the terms that will apply between Cloetta and the participant in the plan, within the scope of the terms and directions set out herein. In connection therewith, the Board of Directors shall be authorised to establish divergent terms for the plan regarding inter alia the vesting period and allocation of Cloetta shares in the event of termination of employment during the vesting period as a result of e.g. early retirement. The Board of Directors shall be authorised to make the necessary adjustments to fulfil specific rules or market prerequisites in other jurisdictions. In the event that the delivery of shares to persons outside of Sweden cannot be achieved at reasonable cost and with reasonable administrative efforts, the Board of Directors may decide that the participating person may instead be offered cash-based settlement. Cloetta's Board of Directors may also make other adjustments in the event of structural changes such as acquisitions and divestures and other extraordinary events where the terms set out above do no longer serve the purpose. Before the number of shares which shall be allocated in accordance with the performance share rights is finally determined, the Board of Directors shall assess if the outcome of LTI 2023 is reasonable. This assessment shall be made in relation to Cloetta's financial results and position, the conditions on the share market and otherwise. If, in this assessment, the Board of Directors finds that the outcome is not reasonable, the Board of Directors shall reduce the number of shares which shall be allocated.

Scope

As a maximum, 1,923,844 B-shares in Cloetta can be allocated to the participants under LTI 2023, which represents approximately 0.7 per cent of all shares and 0.6 per cent of all votes in the company. The number of B-shares included in LTI 2023 shall, under conditions that the Board of Directors stipulates, be subject to recalculation where Cloetta implements a bonus issue, a share split or a reverse share split, a rights issue or similar measures, taking into account customary practice for similar incentive plans.

Hedging

The Board of Directors has considered two alternative hedging methods for the LTI 2023; either a hedging arrangement (equity swap) with a bank securing delivery of B-shares under the plan or transfer of B-shares in Cloetta to entitled participants in the LTI 2023. The Board of Directors considers the latter alternative to be preferable. The Board of Directors has therefore proposed that the Annual General Meeting shall resolve on transfer of B-shares in Cloetta that are held by the company (see item (B) below) as well as to authorise the Board of Directors to execute acquisitions of B-shares in Cloetta (see item 22 on the agenda). The Board of

Directors also proposes that the Board of Directors shall have the right to execute transfers of B-shares in Cloetta, which are held by the company, on Nasdaq Stockholm to cover costs for social security contributions under the LTI 2023. Should the Annual General Meeting, however, not approve of the Board of Directors' proposal regarding transfers and repurchases of B-shares, the Board of Directors has the right, if this item (A) is approved by the general meeting, to enter into an equity swap as described above with a bank to secure the obligation of the company to deliver B-shares under the plan. Such an equity swap with a bank may also be used for the purpose to cover social security costs that accrue under the LTI 2023.

Estimated costs, and value, of LTI 2023

The performance share rights cannot be pledged or transferred to others, but an estimated value for each right can be calculated. The Board of Directors has estimated that the value of each performance share right is SEK 21.88. This estimate is based, inter alia, on the closing price for the Cloetta share on 7 February 2023. Based on the assumption that all persons who have been offered participation in the plan participate, that they make the maximum investment, that there is a 100 per cent fulfilment of the performance targets and that they continue as employees of Cloetta, the aggregate estimated value of the performance share rights is approximately SEK 42 million. This value is equivalent to approximately 0.7 per cent of the market capitalisation for Cloetta as of 7 February 2023. Historic performance for earlier Cloetta long-term share incentive plans shows an average pay out of 14 per cent of the maximum number of shares.

The costs are treated as personnel expenses in the profit and loss accounts during the vesting period, in accordance with IFRS 2 on share-based payments. In the profit and loss accounts, social security costs will accrue in accordance with UFR 7 over the vesting period. The size of these costs will be calculated based on the Cloetta share price development during the vesting period and allocation of the performance share rights. Based on the assumptions stated above and a constant share price during the plan, and a vesting period of three (3) years, the total cost of LTI 2023 including social security costs is estimated to amount to approximately SEK 48 million which on an annual basis is approximately 1.1 per cent of Cloetta's total personnel expenses during the financial year 2022. LTI 2023 has no limitation on maximum profits per performance share right for the participants and therefore no maximum social security costs can be calculated as it depends on the share price.

If Cloetta were to enter into an equity swap with a bank, the interest cost for the equity swap is estimated to amount to approximately SEK 5 million based on market conditions as of 7 February 2023 at a three-year term. In addition, the equity swap may lead to both positive and negative cash flows, which, while not affecting the profit and loss account, will be booked directly against equity and may be recorded as debt in the balance sheet.

Effects on key ratios

In the event of full participation in LTI 2023, Cloetta's personnel expenses are expected to increase with approximately SEK 18 million annually (including social security costs). On a pro-forma basis for 2022, these costs are equal to a negative effect on Cloetta's operating margin of approximately 0.3 per cent units and a decrease of earnings per share of approximately SEK 0.05. Nevertheless, the Board of Directors considers that the positive effects on Cloetta's financial performance which are expected from an increased shareholding by the participants, and the possibility of additional allocation of shares in Cloetta under the plan, outweigh the costs related to LTI 2023.

The preparation of the proposal

LTI 2023 has been initiated by the Board of Directors in Cloetta. The plan has been prepared and reviewed by the Remuneration Committee and dealt with at meetings of the Board of Directors during the beginning of 2023. Except for the employees who have prepared the proposal in accordance with the instruction from the remuneration committee or the Board of Directors, no employee that may be a participant in the plan has participated in the development of the plan.

Other incentive plans in Cloetta

Please refer to Cloetta's annual and sustainability report 2022, note 23 or the company's website www.cloetta.com for a description of other share-based incentive plans in Cloetta.

The proposal by the Board of Directors

Referring to the description above, the Board of Directors proposes that the Annual General Meeting resolves on LTI 2023.

Majority requirement

A resolution on LTI 2023 in accordance with the Board of Directors' proposal is valid where supported by shareholders holding more than half of the votes cast at the Annual General Meeting.

(B) TRANSFER OF OWN B-SHARES UNDER LTI 2023

The Board of Directors' proposal on a resolution to transfer B-shares in Cloetta as set out below, provides that the Annual General Meeting first has resolved on a long-term share-based incentive plan (LTI 2023) in accordance with item (A) above.

Background

In order to implement LTI 2023 in a cost-effective and flexible manner, the Board of Directors has considered different methods for how the delivery of B-shares in Cloetta to the participants by allocation according to LTI 2023 can be ensured.

Based on these considerations, the Board of Directors intends to ensure delivery by transferring repurchased own B-shares to the participants. Such transfer of repurchased B-shares in Cloetta requires a particularly high majority regarding the decision at the Annual General Meeting. To the extent that the Board of Director's proposal for a decision on the transfer of repurchased shares to the participants does not receive the required majority, the Board of Directors instead intends (in accordance with what is described in item (A) above) to enter into an equity swap with a bank to ensure delivery of B-shares to the participants.

Transfer of B-shares in Cloetta to participants in the LTI 2023

The Board of Directors proposes that the Annual General Meeting resolves to transfer B-shares in Cloetta in accordance with the following.

- Not more than 1,923,844 B-shares in Cloetta may be transferred (or the higher number of B-shares due to recalculation as a result of a bonus issue, a reversed share split or a share split, rights issue, or similar measures).
- The B-shares may be transferred to participants in the LTI 2023 who under the terms for the LTI 2023 are entitled to receive B-shares.
- Transfer of B-shares shall be made at the time and otherwise according to the terms pursuant to the LTI 2023.

The reason for deviating from the shareholders' preferential rights is that the transfer of B-shares is part of the execution of the LTI 2023. Therefore, the Board of Directors considers the transfer of B-shares, in accordance with the proposal, benefits the company.

Majority requirement

The Board of Director's proposal for a resolution above regarding transfer of B-shares requires that the proposal is supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the meeting. The board's proposal in accordance with this item (B) is conditional upon the Board of Director's proposal on LTI 2023 being approved by the Annual General Meeting (item (A) above).

Item 22 – Proposal regarding authorisation for the Board of Directors to resolve upon repurchase and transfer of own B-shares

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to, on one or more occasions for the period until the end of the next Annual General Meeting, resolve to acquire a maximum number of B-shares so that the company holds a maximum of ten per cent of all B-shares in Cloetta at any time following the acquisition. Acquisitions shall be conducted on Nasdaq Stockholm and at a price per B-share that is within the price range for the share price prevailing at any time (the so-called spread), i.e. the range between the highest ask price and the lowest bid price. In the event that the acquisitions are effected by a stock broker as assigned by the company, the share price may, however, correspond to the volume weighted average price during the time period within which the B-shares were acquired, even if the volume weighted average price on the day of delivery to Cloetta falls outside the price range. Payment for the B-shares shall be made in cash.

The Board of Directors further proposes that the Annual General Meeting authorises the Board of Directors to, on one or more occasions for the period until the end of the next Annual General Meeting, resolve upon transfer of own B-shares. The number of B-shares transferred may not exceed the total number of B-shares held by Cloetta at any time. Transfers may be conducted on Nasdaq Stockholm or elsewhere, including a right to resolve on deviations from the shareholders' pre-emption rights. Transfer of B-shares on Nasdaq Stockholm shall be made at a price within the price range applicable at any given time. Transfer of B-shares outside Nasdaq Stockholm shall be made at a price in cash, or in value of property received, that corresponds to the share price, at the time of the transfer, of the transferred B-shares in Cloetta, with any deviation that the board deems appropriate in the individual the case.

The purpose of the above authorisations, regarding acquisition and transfer of own B-shares, is to enable financing of acquisitions of businesses through payment with own B-shares and to be able to continuously adjust Cloetta's capital structure and thereby contribute to increased shareholder value, as well as to enable hedging of costs and delivery of shares related to the implementation of the Cloetta's, at any given time, share-based incentive plan.