

# Know our consumer – bring moments of Joy

At Cloetta, consumer centricity is our long-term commitment and passion to identify and satisfy consumer needs. Consumer and market insights are a key source of input for our product development, marketing, and branding strategies. It is important to understand all parts of the consumer journey to provide brands and products that are liked, purchased, and consumed. Our strategic efforts are mobilised around the following three key areas.

## The consumer in focus

Cloetta continuously monitors market trends to gain valuable information to feed into the development of new ideas and concepts, see pages 16–17. Cloetta develops different hypotheses, concepts and prototypes to test those and ensure our offerings resonate well with consumers expectation.

By evaluating the physical products, consumers provide essential feedback to our innovation team which subsequently improves the product recipes to fully meet consumers’ preferences before launch. We manage and make use of our own consumer panel to efficiently conduct product tests, establishing a direct line with consumers, which supports the improvement of our current products as well as the development of new ones.

We closely follow the health of our brands regarding consumer perception through advanced tracking tools based on specific KPIs to systematically follow the effect of our marketing activities and new launches. The high frequency of data points ensures a thorough understanding of the brand performance and enables quick and effective actions when needed.

## Strategic product development

Product development is one of the key enablers to win new consumers and drive brand health while differentiating in the market. On an ongoing basis we introduce product extensions such as launches of new flavours, textures and packaging as well as adaptations to local needs on already existing product lines. A product that is successful in one market can be launched in another

“Our strategy is strongly influenced by the focus to constantly recruit new consumers and grow the consumer base of our brands.”

market under an existing local brand provided consumer approval.

To ensure valorisation and competitive edge, we focus on fewer but bigger innovations every year to provide truly new taste and ingredient experiences based on key consumer insights. It enables us to enter new market segments, grow categories, be margin-accretive and launch these innovations cross markets to ensure synergies of scale.

## Brand and category leadership

The continuous development and care of its unique brands are of vital importance for Cloetta. Strong brands and top-quality products provide the anchor and orientation in times of uncertainty and volatility.

In an impulse driven category with high percentage of shoppers buying the category only a few times per year, our strategy is strongly influenced by the focus to constantly recruit new consumers and grow the consumer base of our brands. Doing so, we drive marketing return on investment with increased emphasis on the largest brands of the brand portfolio to grow them even bigger. Cloetta’s ten largest brands account for more than half of the Group’s sales. For each brand there is an individual development plan aimed at continuously developing and strengthening the brand.

Another overarching ambition is to ensure that the marketing investments we make are effective in driving incremental sales and brand equity for the long-term. This involves creating the right impactful content combined with a suitable media channel mix, which must be carefully developed and planned for each campaign, based on the defined performance objectives.

Cloetta typically combines marketing activities with in-store campaigns. New products are normally given sales support through campaigns, events, in-store activities, and advertisements to reach consumers as quickly as possible.

Over the last years, efficiency gains have enabled us to increase the share of marketing that is visible to the consumers, reaching close to 70 per cent in 2023, helping us to invest competitively.



A woman with curly brown hair, wearing a blue sweater, is smiling and looking to the right. She is holding a yellow and red wrapper of a chocolate wafer cookie, with a bite taken out of it. The background is a solid light blue color.

“ Sweet  
moments  
of joy

# Accelerate brand strength and grow consumer base

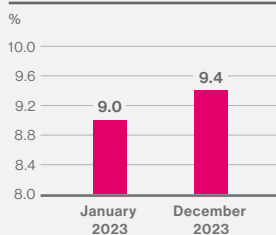
Cloetta is executing a number of strategies to accelerate brand strength and grow the consumer base. The following two areas describe examples of how we address this objective and successfully advance in consumer penetration and brand growth.

## “Strong support for our core brands in uncertain and volatile times through enhancing distinctiveness”

### Ahlgrens bilar relaunch:

In 2022, a new positioning was rolled out which was followed up with a new visual identity and communication platform in 2023, based on the brand essence of Spark Happiness and purpose of Ignite Playfulness. The communication targets the younger audience, centering Ahlgrens bilar strongest brand assets. And it has been received very well among the audience, still delivering high scores on Sender ID and Ad recall\*.

### Ahlgrens bilar – Value Share Growth\*\*



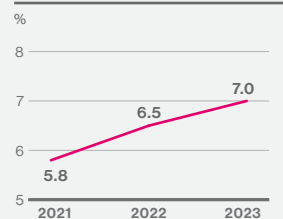
Source: \*PHD Campaign Evaluation Dec 2023, DVJ Insights Dec 2023.  
\*\*AC Nielsen Value % Share, DVH+SVH+LPH Tot candy cat, MAT w. 44 2023 Kingsman.



### Kexchoklad activation:

Kexchoklad has grown by 1.2 market share points in the last three years driven by a full activation program based on core brand assets and increased media. Visibility is achieved through well-known brand assets and consistent messaging. The brand communication platform and in-store campaigns are designed to strengthen the connection of Kexchoklad and contribute to a joyful family time during an active day.

### Kexchoklad – Value Share Growth\*

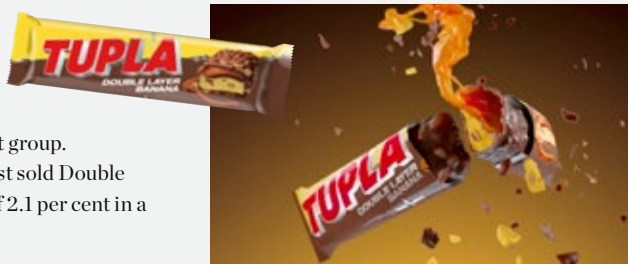


Source: \*AC Nielsen Value % Share, DVH+SVH+LPH Tot choc cat, MAT w. 44 2023.

### Tupla campaign and launch:

Tupla Double Layer Banana was launched in May 2023, to bring diversity to the current assortment of chocolate count lines on the Finnish market. The aim was to increase Tupla’s market share and penetration, especially in the younger target group.

Tupla Double Layer Banana count line is currently the most sold Double Layer count line in Tupla’s portfolio, holding a market share of 2.1 per cent in a very competitive market.



Source: Kesko YTD 10.12.2023.

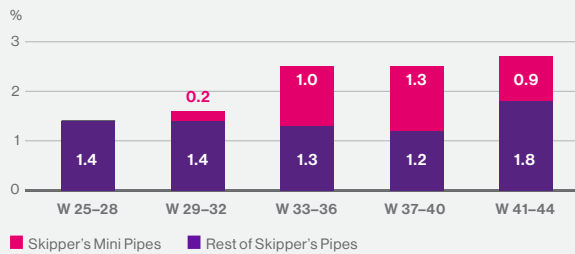
# “Product launches to enter adjacent segments and channels – expand our consumer base and shopper touchpoints”

## Skipper’s Mini Pipes

The launch of Skipper’s Mini Pipes marks the successful expansion of the iconic original Skipper’s Pipes. Following consumer validation, the Skipper’s Pipes entered the bag segment with a smaller version of its famous liquorice pipe, delivering a product that successfully addresses the sharing occasion and consumer preference for bag format.



## Skipper’s Pipes – Value Share Growth\*



Source: \*AC Nielsen, Candy, Total Denmark w. 44 2023.

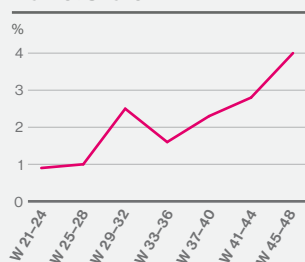


## Sportlife Mints

In 2023, Sportlife brought the gum flavors into the pastilles category with the launch of the new Sportlife Mints. By expanding the brand into the pastilles category, Sportlife attracts more consumers and brings new growth to the category. The launch was supported with a big 360 degrees campaign including an own television program, driving market share growth for the Sportlife brand.



## Sportlife Mints – Market Share\*



Source: \*Circana FDP incl online incl HD, Euro sales Market share.

## CandyKing pre-pack and Juleskum at quick commerce players

To explore the growing online segment of quick commerce, Cloetta launched several initiatives during 2023. One example was the virtual Juleskum popup store at Foodora where both Juleskum candy and merchandise were available during Christmas.

Another success was the launch of CandyKing’s pre-packed cup, an online exclusive product, offering a mix of CandyKing’s most popular candies. The sales started strong and grew with 50 per cent during the first six months.



Source: POS data Foodora.