

Cloetta

Interim report Q1,

January–March 2021

Stockholm, 23 April 2021

“During the quarter we launched several innovations in response to important consumer trends, such as a focus on plant-based and natural ingredients.”

Henri de Sauvage-Nolting, *President and CEO*

First quarter, January–March 2021

- **Net sales** for the quarter decreased by 7.9 per cent to SEK 1,398m (1,518), including a negative impact from foreign exchange rates of 3.7 per cent.
- **Sales of Branded packaged products** increased organically by 2.5 per cent during the quarter: 2.7 per cent in January, –0.1 per cent in February and 3.8 per cent in March.
- **Sales of Pick & mix** declined organically by 22.9 per cent during the quarter: –38.5 per cent in January, –38.1 per cent in February and 13.4 per cent in March.
- **Operating profit** amounted to SEK 107m (149). Profit for the period amounted to SEK 106m (44). Operating profit, adjusted for items affecting comparability, amounted to SEK 111m (152).
- **Operating profit, adjusted, of Branded packaged products** amounted to SEK 135m (175).
- **Operating profit, adjusted, of Pick & mix** amounted to SEK –24m (–23).
- **Cash flow** from operating activities was SEK 57m (67).
- **Net debt/EBITDA** ratio was 2.8x (2.4).
- **After the end of the quarter**, Cloetta refinanced the Group through its existing banks for up to four years. Cloetta has also decided to invest an additional approximately SEK 130m in packaging technology.

Key ratios

| SEKm | First quarter | | | Rolling 12 | Full year |
|--|---------------|--------------|-------------------|-------------------|-----------|
| | Jan–Mar 2021 | Jan–Mar 2020 | Change, % | Apr 2020–Mar 2021 | 2020 |
| Net sales | 1,398 | 1,518 | –7.9 ¹ | 5,575 | 5,695 |
| Operating profit, adjusted | 111 | 152 | –27.0 | 474 | 515 |
| Operating profit margin, adjusted % | 7.9 | 10.0 | –2.1-pts | 8.5 | 9.0 |
| Operating profit (EBIT) | 107 | 149 | –28.2 | 420 | 462 |
| Operating profit margin (EBIT margin), % | 7.7 | 9.8 | –2.1-pts | 7.5 | 8.1 |
| Profit before tax | 127 | 60 | 111.7 | 470 | 403 |
| Profit for the period | 106 | 44 | 140.9 | 343 | 281 |
| Earnings per share, basic and diluted, SEK | 0.37 | 0.15 | 146.7 | 1.20 | 0.98 |
| Net debt/EBITDA, x (Rolling 12 months) | 2.8 | 2.4 | 16.7 | 2.8 | 2.7 |
| Free cash flow | 11 | –20 | n/a | 397 | 366 |
| Cash flow from operating activities | 57 | 67 | –14.9 | 646 | 656 |

¹ Organic growth at constant exchange rates and comparable units was –4.2 per cent for the quarter. See further under Net sales on page 4.

Cloetta

– a leading confectionery company in Northern Europe.

FOUNDED IN

1862



2,600

EMPLOYEES

SALES IN

>50

COUNTRIES



SUSTAINABILITY

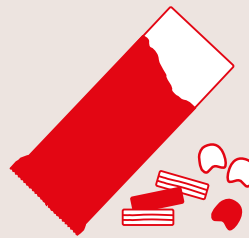


ANNUAL SALES

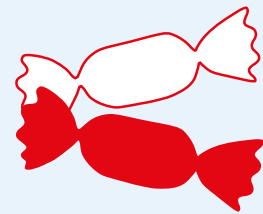
SEK

5.7

BILLION



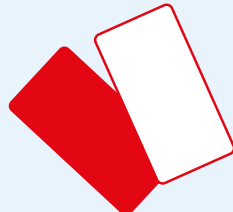
CHOCOLATE



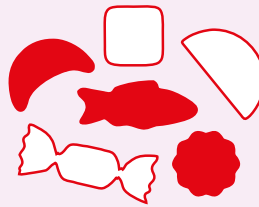
CANDY



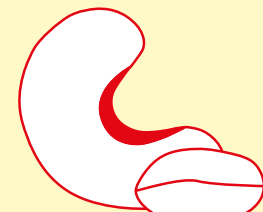
PASTILLES



CHEWING GUM



PICK & MIX



NUTS



Our purpose

**“We believe
in the Power of
True Joy”**

Cloetta's purpose,
strategies and goals
express
the company's
business idea.



Disruptive launches for growing consumer trends

Strong quarter for Branded packaged products while Pick & mix was still negatively impacted by Covid-19, despite stronger Easter sales.

It has now been more than a year since the full force of the Covid-19-pandemic hit. I am proud that we as a team have navigated these challenging times with a strong focus on health and safety whilst keeping up momentum on the execution of our strategy.

We have increased our emphasis on e-commerce and sustainability as changes have been further catalysed by the pandemic. Our enhanced approach to consumer-focused innovations also ensures that we align with evolving consumer trends.

The restrictions introduced in various countries to reduce the spread of the virus continued to have an impact both on our sales channels and consumer behaviour during the first quarter. Nonetheless, our strong innovations and successful marketing investments enabled us to grow Branded packaged products. Furthermore, the sales of Pick & mix improved during the end of the quarter driven by stronger Easter sales.

While there are promising signs that society will start to open up during this year, we recognise the uncertainty that still exists due to the pandemic.

First quarter development

Sales for the quarter decreased by 7.9 per cent, of which organic growth accounted for -4.2 per cent and exchange rate differences for -3.7 per cent. Sales of Branded packaged products increased organically by 2.5 per cent, driven by successful marketing and innovation, and further fuelled by increased distribution for Red Band on the German market. Sales of Pick & mix declined organically by 22.9 per cent during the quarter due to lower in-store activation and lower consumer demand. Overall, sales were favourably impacted by the timing of Easter compared to the prior year.

The decrease in the adjusted operating profit is attributable to the lower volumes, unfavourable mix with less refreshment sales, under-absorption of costs due to lower production and increased marketing investments. The negative operating profit impact

was partly offset by actions taken to improve Pick & mix profitability and continued tight cost control. To further increase the transparency of the performance of the business, we will disclose net sales and profitability for Branded packaged products and Pick & mix separately going forward.

Strong focus on marketing and innovation

Product development is one of the key drivers of the strength of our brands. During the quarter we launched several innovations within Branded packaged products in response to important consumer trends, such as a focus on plant-based and natural ingredients. As an example, we launched Kexchoklad Vegan, a non-dairy version of our Kexchoklad, Sweden's most popular chocolate wafer bar. Our fruit-based candy is now also available on the shelves. Fruit-based candy, containing 50 per cent fruit, is a major 2021 initiative that is being launched across markets under our existing local candy brand portfolio. We will continue to drive innovations as well as increase investments in our brands and capabilities, enabling us to strengthen our competitive position for the future.

For Pick & mix we continued efforts to re-build volumes during the quarter and made progress on our journey to bring profitability to the segment. In Finland, we successfully launched the revamped CandyKing concept offering consumers an enhanced pick & mix shopping experience. For selected stores we introduced a differentiated premium offer, "CandyKing - The premium mix" with a unique assortment and visual execution. For Easter, we also launched a digital activation platform for CandyKing in Sweden, achieving more than 165,000 visits in four weeks. The platform offers services such as recipes and product information and enables consumers to interact with CandyKing in a fun and engaging way.

We continued to drive our sustainability agenda during the quarter, making progress



“I am proud that we as a team have navigated these challenging times with a strong focus on health and safety whilst keeping up momentum on the execution of our strategy.”

on the roll-out of PlantPack into more brands as well as starting our pilot project with the Rainforest Alliance. We are finalising our commitment to the Science Based Target initiative, which is expected to be completed during the second half of this year.

I am pleased to see that our ongoing VIP+ cost program is delivering according to plan, with several new initiatives taken during the quarter. For instance, we have now centralised our administrative processes for general ledger accounting to a Global Shared Service Centre in the Netherlands and we have started doing the same thing for accounts payable from our manufacturing site in Slovakia.

Cash flow during the quarter was healthy, with positive free cash flow despite the lower operating profit. After the end of the quarter we refinanced the Group through our existing banking group for up to four years. As part of our strategic agenda in relation to the Perfect Factory program we have decided to invest approximately SEK 130m in carton packaging technology phased over 2021 and 2022, in addition to the regular capex.

I am deeply impressed by and proud of how our employees continue to show commitment, perseverance and flexibility during this unprecedented time. For me it confirms that we have the right culture to support our strategy. Combined with our strong brands and market presence, this makes me confident that Cloetta stands strong.

Henri de Sauvage-Nolting
President and CEO

Financial overview

First quarter development

Covid-19

At Cloetta, various measures have been taken to mitigate the short-term and long-term impact of Covid-19. We are monitoring the situation closely and when needed we are adapting our actions according to local government advice and regulations, whilst at the same time striving to mitigate any disruptions to our business.

Compared to the annual and sustainability report which was issued on 15 March 2021, the risk-profile of Cloetta has not significantly changed although the ongoing Covid-19-pandemic continues to affect the business performance of Cloetta.

For more information on measures taken by Cloetta in relation to Covid-19, please visit www.cloetta.com.

Net sales

Net sales for the first quarter decreased by SEK 120m to SEK 1,398m (1,518) compared to the same period of last year. Organic growth was -4.2 per cent and the impact of changes in exchange rates was -3.7 per cent.

| Changes in net sales, % | Jan-Mar 2021 |
|---------------------------|--------------|
| Organic growth | -4.2 |
| Changes in exchange rates | -3.7 |
| Total | -7.9 |

| Monthly organic sales growth, % | January 2021 | February 2021 | March 2021 |
|---------------------------------|--------------|---------------|------------|
| Total | -8.5 | -11.1 | 6.0 |
| Branded packaged products | 2.7 | -0.1 | 3.8 |
| Pick & mix | -38.5 | -38.1 | 13.4 |

Gross profit

Gross profit amounted to SEK 465m (540), which equates to a gross margin of 33.3 per cent (35.6). The gross profit decrease was driven by lower sales volumes, unfavorable Branded packaged mix, as well as under-absorption of costs due to lower production, partially offset by various margin-enhancing initiatives in Pick & mix.

Operating profit

Operating profit amounted to SEK 107m (149). Operating profit, adjusted for items affecting comparability, amounted to SEK 111m (152). The operating profit decrease was driven by lower gross profit and increased marketing investments, partly offset by continued strong cost control.

Items affecting comparability

Operating profit for the first quarter includes items affecting comparability of SEK -4m (-3) that are related to costs for restructuring.

Net financial items

Net financial items for the quarter amounted to SEK 20m (-89). Interest expenses related to external borrowings were SEK -8m (-7), exchange differences on cash and cash equivalents were SEK 31m (-78) 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 -3m (-4). Of the total net financial items SEK -21m (-47) is non-cash in nature.

Profit for the period

Profit for the period was SEK 106m (44), which equates to basic and diluted earnings per share of SEK 0.37 (0.15). Income tax for the period was SEK -21m (-16).

The effective tax rate for the quarter was 16.5 per cent (26.7) and was positively impacted by the utilisation of unrecognised tax losses carried forward in one of the countries. International tax rate differences, non-deductible expenses and an adjustment in prior year filing position had a negative impact on the effective tax rate for the quarter.

Free cash flow

The free cash flow was SEK 11m (-20). Cash flow from operating activities before changes in working capital was SEK 125m (166). The reduction compared to last year is mainly due to the lower operating profit. The cash flow from changes in working capital was SEK -68m (-99).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -46m (-87).

Cash flow from changes in working capital

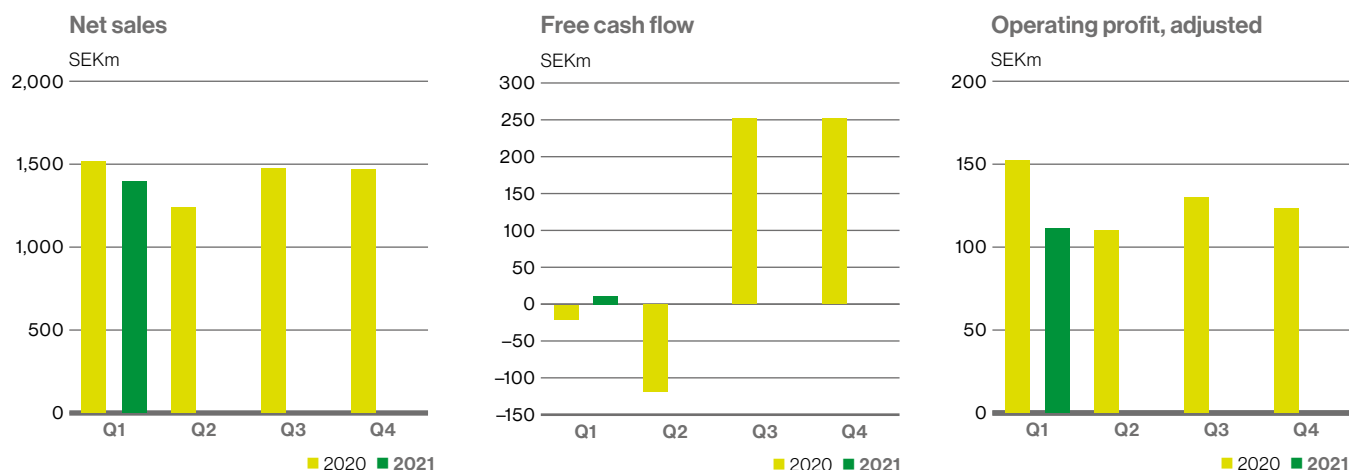
Cash flow from changes in working capital was SEK -68m (-99). The cash flow from changes in working capital was negatively impacted by the increase in receivables for an amount of SEK -117m (-60) partly offset by a decrease in inventories of SEK 28m (-184) and the increase in payables amounting to SEK 21m (145).

Cash flow from other investing activities

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

Cash flow from financing activities

Cash flow from financing activities was SEK -17m (93). The cash flow from financing activities was related to payments of lease liabilities of SEK -18m (-18) and net proceeds and repayments of loans from credit institutions and commercial papers of SEK 1m (111).



Financial position

Consolidated equity at 31 March 2021 amounted to SEK 4,419m (4,445), which equates to SEK 15.3 (15.4) per share. Net debt at 31 March 2021 was SEK 2,097m (2,420).

Long-term borrowings totaled SEK 98m (912) and consisted of SEK 98m (112) in non-current lease liabilities and SEK 0m (800) in gross non-current loans from credit institutions.

Total short-term borrowings amounted to SEK 2,388m (2,055) and consisted of SEK 2,080m (1,693) in gross current loans from credit institutions, SEK 250m (300) in commercial papers, SEK 58m (61) in current lease liabilities, SEK -2m (-1) in capitalised transaction costs and accrued interest on borrowings from credit institutions and commercial papers for an amount of SEK 2m (2).

The current loans from credit institutions mature in the third quarter of 2021. Cloetta agreed on refinancing the Group through its existing banks for up to four years. The terms as agreed in the new multicurrency term and revolving facilities agreement will come into effect on 30 June 2021.

Performance by business segment

Cloetta has made a reassessment of its operating segments. Based on the reassessment made it is Cloetta's conclusion that the "Branded packaged products" business and the "Pick & mix" business are identified as Cloetta's operating segments. Reference is made to page 23 for further information regarding this reassessment.

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. Net financial items and income tax are not allocated to segments, as these types of activities are driven by the central treasury department and central tax department respectively.

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

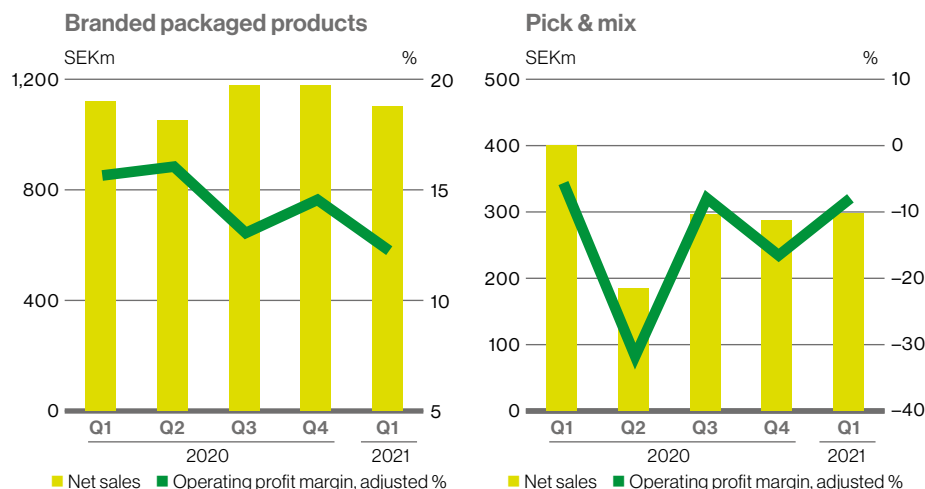
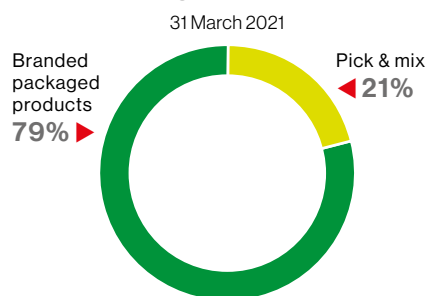
Information related to each reportable segment (business segment) is set out below. For more information regarding the determination of reportable segments reference is made to page 23.

| SEKm | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|--|--------------|--------------|--------------|
| Gross non-current loans from credit institutions | - | 800 | - |
| Gross current loans from credit institutions | 2,080 | 1,693 | 2,054 |
| Commercial papers | 250 | 300 | 250 |
| Lease liabilities | 156 | 173 | 176 |
| Derivative financial instruments (non-current and current) | 53 | 71 | 54 |
| Interest payable | 2 | 2 | 1 |
| Gross debt | 2,541 | 3,039 | 2,535 |
| Cash and cash equivalents | -444 | -619 | -396 |
| Net debt | 2,097 | 2,420 | 2,139 |

Cash and cash equivalents at 31 March 2021 amounted to SEK 444m (619). At 31 March 2021 Cloetta had an unutilised credit facility of SEK 1,229m (1,017) and the possibility to issue additional commercial papers for an amount of SEK 750m (700).

| Jan-Mar 2021 SEKm | Branded packaged products | Pick & mix | Total |
|-------------------------------|---------------------------|------------|------------|
| Net sales | 1,101 | 297 | 1,398 |
| Operating profit, adjusted | 135 | -24 | 111 |
| Items affecting comparability | | | -4 |
| Operating profit | | | 107 |
| Net financial items | | | 20 |
| Profit before tax | | | 127 |
| Income tax | | | -21 |
| Profit for the period | | | 106 |

Business segment, share of sales



| Jan-Mar 2020 | Branded packaged products | Pick & mix | Total |
|-------------------------------|---------------------------|------------|------------|
| SEKm | | | |
| Net sales | 1,118 | 400 | 1,518 |
| Operating profit, adjusted | 175 | -23 | 152 |
| Items affecting comparability | | | -3 |
| Operating profit | | | 149 |
| Net financial items | | | -89 |
| Profit before tax | | | 60 |
| Income tax | | | -16 |
| Profit for the period | | | 44 |

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK -24m (-23). The decrease in adjusted operating profit, was driven by lower volumes with under-absorption of costs, partly offset by various 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.

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 decreased by SEK 17m to SEK 1,101m (1,118) compared to the same period of 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 135m (175). The decrease in adjusted operating profit was driven by unfavorable product mix, under-absorption of costs, increased marketing investments and costs related to a product recall, partly offset by continued strong cost control.

Segment Pick & mix

First quarter development

Net Sales

Net sales for the first quarter decreased by SEK 103m to SEK 297m (400) compared to the same period of last year. Organic growth was -22.9 per cent.

Employees

The average number of employees during the quarter was 2,609 (2,709). The decrease in number of employees is mainly related to changes in the Swedish organisation and the outsourcing of the manufacturing of nuts.

Events after the balance sheet date

After the end of the reporting period, Cloetta agreed on refinancing the Group through its existing banks for up to four years. The terms as agreed in the new multicurrency term and revolving facilities agreement will come into effect on 30 June 2021 and comprise, in short, of:

- a SEK 800m term loan repayable on 30 June 2023, with the possibility of extending the facility for an additional two years;
- a EUR 125m term loan repayable on 30 June 2024, with the possibility of extending the facility for an additional two years; and
- a EUR 60m revolving credit facility (currently EUR 120m), available up to 30 June 2025, with the possibility of extending the facility for an additional two years.

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

Key business priorities

Prioritised activities for achieving organic growth and a 14% adjusted operating profit margin.



Sustainability

We believe in the Power of True Joy

For you, for people and for the planet.

Our three pillars

1

For you



We provide choices for you

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

2

For people



We care about people

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

3

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

Innovations to last

- Fruit-based candy launched in Finland
- Vegan alternative to classic Kexchoklad launched in Sweden

Learning together

- Kick-off meeting with partners of the Living Income Module Pilot Project.
- Feasibility study for Gum Arabic partnership

Climate footprint baseline

- Calculating our baseline year for our total climate footprint
- Connecting brands to our sustainability work

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, 23 April 2021

Cloetta AB (publ)

Mikael Norman
Board Chairman

Mikael Aru
Member of the Board

Patrick Bergander
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.

Examples of new launches during the first quarter



Sweden & Denmark

LÄKEROL – Red orange licorice
LÄKEROL YUP– Cranberry caramel
LÄKEROL YUP– Licorice

Sweden

AHLGRENS BILAR – Radiobilar
CLOETTA – Egg mini

MALACO – GOTT & BLANDAT – Choco Loco
CLOETTA KEXCHOKLAD – Vegan



The Netherlands

RED BAND – Wine gum mix, 30% less sugar
SPORTLIFE – This product gives the consumer extra Focus, Energy and Recovery with functional ingredients such a vitamin B, C and caffeine.
VENCO CHOCO DROPS – is a unique flavour sensation of Chocolate and Licorice. Enjoy the best of both worlds! Available in 5 different flavours.

Finland

MINI LAKUSEKOITUS – Licorice mix
MINI TV MIX CHOCO – Mixed bag with wine gum and chocolate
MINI TV MIX SUOLAINEN – Mixed bag with salmiac and salty wine gum
JENKKI PASTILLI – Chewy xylitol pastille in four different flavours
MYNTHON BLACK MENTHOL – Chewing gum with zinc to refresh your mouth
TUPLA – Double layer, white nougat
LÄTKÄLIIGA – Legendary salmiac bag from 70's
AAKOSET KUNINGATAR CHOCO – Mixed bag with white chocolate coated wine gum, choco-toffee and fruit wine gum



Financial statements in summary

Consolidated profit and loss account

| SEKm | First quarter | | Rolling 12 | Full year |
|---|-----------------|-----------------|-----------------------|-----------------|
| | Jan-Mar 2021 | Jan-Mar 2020 | Apr 2020- Mar 2021 | Jan-Dec 2020 |
| Net sales | 1,398 | 1,518 | 5,575 | 5,695 |
| Cost of goods sold | -933 | -978 | -3,673 | -3,718 |
| Gross profit | 465 | 540 | 1,902 | 1,977 |
| Selling expenses | -211 | -237 | -925 | -951 |
| General and administrative expenses | -147 | -154 | -557 | -564 |
| Operating profit | 107 | 149 | 420 | 462 |
| Exchange differences on cash and cash equivalents in foreign currencies | 31 | -78 | 99 | -10 |
| Other financial income | 1 | 1 | 3 | 3 |
| Other financial expenses | -12 | -12 | -52 | -52 |
| Net financial items | 20 | -89 | 50 | -59 |
| Profit before tax | 127 | 60 | 470 | 403 |
| Income tax | -21 | -16 | -127 | -122 |
| Profit for the period | 106 | 44 | 343 | 281 |
| <i>Profit for the period attributable to:</i> | | | | |
| Owners of the Parent Company | 106 | 44 | 343 | 281 |
| Earnings per share, SEK | | | | |
| Basic and diluted ¹ | 0.37 | 0.15 | 1.20 | 0.98 |
| Number of shares at end of period | 288,619,299 | 288,619,299 | 288,619,299 | 288,619,299 |
| Average number of shares (basic) ¹ | 286,633,680 | 286,538,416 | 286,614,627 | 286,590,993 |
| Average number of shares (diluted) ¹ | 286,870,774 | 286,764,134 | 286,707,493 | 286,805,203 |

¹ Cloetta entered into forward contracts to repurchase own shares to fulfil its future obligation to deliver the shares to the participants of the long-term share-based incentive plan. The outstanding contracts at the reporting date consist of one contract for 1,985,619 shares at a share price of SEK 24.90.

Consolidated statement of comprehensive income

| | First quarter | | Rolling 12 | Full year |
|---|-----------------|-----------------|-----------------------|-----------------|
| | Jan-Mar 2021 | Jan-Mar 2020 | Apr 2020- Mar 2021 | Jan-Dec 2020 |
| SEKm | | | | |
| Profit for the period | 106 | 44 | 343 | 281 |
| <i>Other comprehensive income</i> | | | | |
| Remeasurement of defined benefit pension plans | 60 | -18 | 68 | -10 |
| Income tax on remeasurement of defined benefit pension plans | -12 | 4 | -14 | 2 |
| Items that will never be reclassified to profit or loss for the period | 48 | -14 | 54 | -8 |
| Currency translation differences | 111 | 286 | -368 | -193 |
| Hedge of a net investment in a foreign operation | -24 | -91 | 120 | 53 |
| Income tax on hedge of a net investment in a foreign operation | 5 | 19 | -25 | -11 |
| Items that are or may be reclassified to profit or loss for the period | 92 | 214 | -273 | -151 |
| Total other comprehensive income | 140 | 200 | -219 | -159 |
| Total comprehensive income, net of tax | 246 | 244 | 124 | 122 |
| <i>Total comprehensive income for the period attributable to:</i> | | | | |
| Owners of the Parent Company | 246 | 244 | 124 | 122 |

Net financial items

| | First quarter | | Rolling 12 | Full year |
|---|-----------------|-----------------|-----------------------|-----------------|
| | Jan–Mar 2021 | Jan–Mar 2020 | Apr 2020– Mar 2021 | Jan–Dec 2020 |
| SEKm | | | | |
| Exchange differences on cash and cash equivalents in foreign currencies | 31 | -78 | 99 | -10 |
| Other financial income, third parties | 0 | 1 | 1 | 2 |
| Unrealised gains on single currency interest rate swaps | 1 | - | 2 | 1 |
| Other financial income | 1 | 1 | 3 | 3 |
| Interest expenses third-party borrowings and realised losses on single currency interest rate swaps | -8 | -7 | -33 | -32 |
| Amortisation of capitalised transaction costs | -1 | 0 | -3 | -2 |
| Unrealised losses on single currency interest rate swaps | - | 0 | 0 | - |
| Other financial expenses | -3 | -5 | -16 | -18 |
| Other financial expenses | -12 | -12 | -52 | -52 |
| Net financial items | 20 | -89 | 50 | -59 |

Condensed consolidated balance sheet

| SEKm | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|---|--------------|---------------|--------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 5,633 | 5,883 | 5,563 |
| Property, plant and equipment | 1,566 | 1,629 | 1,560 |
| Deferred tax asset | 23 | 14 | 20 |
| Other financial assets | 4 | 3 | 3 |
| Total non-current assets | 7,226 | 7,529 | 7,146 |
| Current assets | | | |
| Inventories | 937 | 1,104 | 952 |
| Other current assets | 890 | 1,008 | 763 |
| Cash and cash equivalents | 444 | 619 | 396 |
| Total current assets | 2,271 | 2,731 | 2,111 |
| TOTAL ASSETS | 9,497 | 10,260 | 9,257 |
| EQUITY AND LIABILITIES | | | |
| Equity | 4,419 | 4,445 | 4,179 |
| Non-current liabilities | | | |
| Long-term borrowings | 98 | 912 | 111 |
| Deferred tax liability | 868 | 814 | 837 |
| Derivative financial instruments | – | 3 | 0 |
| Provisions for pensions and other long-term employee benefits | 453 | 519 | 512 |
| Provisions | – | – | 5 |
| Total non-current liabilities | 1,419 | 2,248 | 1,465 |
| Current liabilities | | | |
| Short-term borrowings | 2,388 | 2,055 | 2,368 |
| Derivative financial instruments | 53 | 68 | 54 |
| Other current liabilities | 1,190 | 1,437 | 1,167 |
| Provisions | 28 | 7 | 24 |
| Total current liabilities | 3,659 | 3,567 | 3,613 |
| TOTAL EQUITY AND LIABILITIES | 9,497 | 10,260 | 9,257 |

Condensed consolidated statements of changes in equity

| SEKm | First quarter | | Full year |
|--|---------------|--------------|--------------|
| | Jan-Mar 2021 | Jan-Mar 2020 | 2020 |
| Equity at beginning of period | 4,179 | 4,197 | 4,197 |
| Profit for the period | 106 | 44 | 281 |
| Other comprehensive income | 140 | 200 | -159 |
| Total comprehensive income | 246 | 244 | 122 |
| Transactions with owners | | | |
| Share-based payments | -6 | 4 | 3 |
| Dividend ¹ | - | - | -144 |
| Dividend on outstanding shares in forward contracts to repurchase own shares | - | - | 1 |
| Total transactions with owners | -6 | 4 | -140 |
| Equity at end of period | 4,419 | 4,445 | 4,179 |

¹ The dividend paid in 2020 comprised a dividend of SEK 0,50 per share.

Condensed consolidated cash flow statement

| SEKm | First quarter | | Rolling 12 | Full year |
|--|---------------|--------------|-------------------|--------------|
| | Jan-Mar 2021 | Jan-Mar 2020 | Apr 2020–Mar 2021 | Jan-Dec 2020 |
| Cash flow from operating activities before changes in working capital | 125 | 166 | 577 | 618 |
| Cash flow from changes in working capital | -68 | -99 | 69 | 38 |
| Cash flow from operating activities | 57 | 67 | 646 | 656 |
| Cash flows from investments in property, plant and equipment and intangible assets | -46 | -87 | -249 | -290 |
| Cash flow from other investing activities | 2 | - | 3 | 1 |
| Cash flow from investing activities | -44 | -87 | -246 | -289 |
| Cash flow from operating and investing activities | 13 | -20 | 400 | 367 |
| Cash flow from financing activities | -17 | 93 | -586 | -476 |
| Cash flow for the period | -4 | 73 | -186 | -109 |
| Cash and cash equivalents at beginning of period | 396 | 579 | 619 | 579 |
| Cash flow for the period | -4 | 73 | -186 | -109 |
| Exchange difference | 52 | -33 | 11 | -74 |
| Total cash and cash equivalents at end of period | 444 | 619 | 444 | 396 |

Condensed consolidated key figures

| SEKm | First quarter | | Rolling 12 | Full year |
|--|-----------------|-----------------|-----------------------|-----------------|
| | Jan–Mar 2021 | Jan–Mar 2020 | Apr 2020– Mar 2021 | Jan–Dec 2020 |
| Profit | | | | |
| Net sales | 1,398 | 1,518 | 5,575 | 5,695 |
| Net sales, change, % | –7.9 | –2.6 | –13.6 | –12.3 |
| Organic net sales, change, % | –4.2 | –4.0 | –11.3 | –11.2 |
| Gross margin, % | 33.3 | 35.6 | 34.1 | 34.7 |
| Depreciation | –62 | –66 | –261 | –265 |
| Amortisation | –3 | –3 | –10 | –10 |
| Impairment loss other non-current assets | – | –2 | –11 | –13 |
| Operating profit, adjusted | 111 | 152 | 474 | 515 |
| Operating profit margin, adjusted % | 7.9 | 10.0 | 8.5 | 9.0 |
| Operating profit (EBIT) | 107 | 149 | 420 | 462 |
| Operating profit margin (EBIT margin), % | 7.7 | 9.8 | 7.5 | 8.1 |
| EBITDA, adjusted | 176 | 223 | 745 | 792 |
| EBITDA | 172 | 220 | 702 | 750 |
| Profit margin, % | 9.1 | 4.0 | 8.4 | 7.1 |
| Segments | | | | |
| Branded packaged products | | | | |
| Net sales | 1,101 | 1,118 | 4,510 | 4,527 |
| Operating profit, adjusted | 135 | 175 | 629 | 669 |
| Operating profit margin, adjusted % | 12.3 | 15.7 | 13.9 | 14.8 |
| Pick & mix | | | | |
| Net sales | 297 | 400 | 1,065 | 1,168 |
| Operating profit, adjusted | –24 | –23 | –155 | –154 |
| Operating profit margin, adjusted % | –8.1 | –5.8 | –14.6 | –13.2 |
| Financial position | | | | |
| Working capital | 614 | 713 | 614 | 540 |
| Capital expenditure | 50 | 92 | 330 | 372 |
| Net debt | 2,097 | 2,420 | 2,097 | 2,139 |
| Capital employed | 7,411 | 8,002 | 7,411 | 7,224 |
| Return on capital employed, % (Rolling 12 months) | 5.5 | 9.1 | 5.5 | 6.3 |
| Equity/assets ratio, % | 46.5 | 43.3 | 46.5 | 45.1 |
| Net debt/equity ratio, % | 47.5 | 54.4 | 47.5 | 51.2 |
| Return on equity, % (Rolling 12 months) | 7.8 | 10.0 | 7.8 | 6.7 |
| Equity per share, SEK | 15.3 | 15.4 | 15.3 | 14.5 |
| Net debt/EBITDA, x (Rolling 12 months) | 2.8 | 2.4 | 2.8 | 2.7 |
| Cash flow | | | | |
| Cash flow from operating activities | 57 | 67 | 646 | 656 |
| Cash flow from investing activities | –44 | –87 | –246 | –289 |
| Cash flow after investments | 13 | –20 | 400 | 367 |
| Free cash flow | 11 | –20 | 397 | 366 |
| Free cash flow yield (Rolling 12 months), % | 5.4 | 6.0 | 5.4 | 5.2 |
| Cash flow from operating activities per share, SEK | 0.2 | 0.2 | 2.2 | 2.3 |
| Employees | | | | |
| Average number of employees | 2,609 | 2,709 | 2,636 | 2,653 |

Reconciliation of alternative performance measures key figures

| SEKm | First quarter | | Rolling 12 | Full year |
|---|---------------|--------------|-------------------|--------------|
| | Jan-Mar 2021 | Jan-Mar 2020 | Apr 2020-Mar 2021 | Jan-Dec 2020 |
| Items affecting comparability | | | | |
| Acquisitions, integration and restructurings | -4 | -3 | -54 | -53 |
| <i>of which: impairment loss other non-current assets</i> | - | - | -11 | -11 |
| Items affecting comparability | -4 | -3 | -54 | -53 |
| *Corresponding line in the condensed consolidated profit and loss account: | | | | |
| Cost of goods sold | - | - | -19 | -19 |
| Selling expenses | - | - | -12 | -12 |
| General and administrative expenses | -4 | -3 | -23 | -22 |
| Total | -4 | -3 | -54 | -53 |
| Operating profit, adjusted | | | | |
| Operating profit | 107 | 149 | 420 | 462 |
| Minus: Items affecting comparability | -4 | -3 | -54 | -53 |
| Operating profit, adjusted | 111 | 152 | 474 | 515 |
| Net sales | 1,398 | 1,518 | 5,575 | 5,695 |
| Operating profit margin, adjusted% | 7.9 | 10.0 | 8.5 | 9.0 |
| EBITDA, adjusted | | | | |
| Operating profit | 107 | 149 | 420 | 462 |
| Minus: Depreciation | -62 | -66 | -261 | -265 |
| Minus: Amortisation | -3 | -3 | -10 | -10 |
| Minus: Impairment loss other non-current assets | - | -2 | -11 | -13 |
| EBITDA | 172 | 220 | 702 | 750 |
| Minus: Items affecting comparability (excl. impairment loss other non-current assets) | -4 | -3 | -43 | -42 |
| EBITDA, adjusted | 176 | 223 | 745 | 792 |
| Capital employed | | | | |
| Total assets | 9,497 | 10,260 | 9,497 | 9,257 |
| Minus: Deferred tax liability | 868 | 814 | 868 | 837 |
| Minus: Non-current provisions | - | - | - | 5 |
| Minus: Current provisions | 28 | 7 | 28 | 24 |
| Minus: Other current liabilities | 1,190 | 1,437 | 1,190 | 1,167 |
| Capital employed | 7,411 | 8,002 | 7,411 | 7,224 |
| Capital employed comparative period previous year | 8,002 | 7,654 | 8,002 | 7,576 |
| Average capital employed | 7,707 | 7,828 | 7,707 | 7,400 |

Reconciliation alternative performance measures, continued

| | First quarter | | Rolling 12 | Full year |
|---|-----------------|-----------------|-----------------------|-----------------|
| | Jan–Mar 2021 | Jan–Mar 2020 | Apr 2020– Mar 2021 | Jan–Dec 2020 |
| SEKm | | | | |
| Return on capital employed | | | | |
| Operating profit (Rolling 12 months) | 420 | 712 | 420 | 462 |
| Financial income (Rolling 12 months) | 3 | 2 | 3 | 3 |
| Operating profit plus financial income (Rolling 12 months) | 423 | 714 | 423 | 465 |
| Average capital employed | 7,707 | 7,828 | 7,707 | 7,400 |
| Return on capital employed, % | 5.5 | 9.1 | 5.5 | 6.3 |
| Free cash flow yield | | | | |
| Cash flow from operating activities (Rolling 12 months) | 646 | 637 | 646 | 656 |
| Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months) | –249 | –230 | –249 | –290 |
| Free cash flow (Rolling 12 months) | 397 | 407 | 397 | 366 |
| Number of shares | 288,619,299 | 288,619,299 | 288,619,299 | 288,619,299 |
| Free cash flow per share (Rolling 12 months), SEK | 1.38 | 1.41 | 1.38 | 1.27 |
| Market price per share, SEK | 25.56 | 23.52 | 25.56 | 24.52 |
| Free cash flow yield (Rolling 12 months), % | 5.4 | 6.0 | 5.4 | 5.2 |
| Changes in net sales | | | | |
| Net sales | 1,398 | 1,518 | 5,575 | 5,695 |
| Net sales comparative period previous year | 1,518 | 1,559 | 6,452 | 6,493 |
| Net sales, change | –120 | –41 | –877 | –798 |
| Minus: Changes in exchange rates | –56 | 21 | –147 | –70 |
| Organic growth | –64 | –62 | –730 | –728 |
| Organic growth, % | –4.2 | –4.0 | –11.3 | –11.2 |

Quarterly data

| SEKm | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Profit and loss account | | | | | | | | | |
| Net sales | 1,398 | 1,466 | 1,474 | 1,237 | 1,518 | 1,722 | 1,629 | 1,583 | 1,559 |
| Cost of goods sold | -933 | -923 | -1,040 | -777 | -978 | -1,073 | -1,042 | -1,004 | -993 |
| Gross profit | 465 | 543 | 434 | 460 | 540 | 649 | 587 | 579 | 566 |
| Selling expenses | -211 | -253 | -248 | -213 | -237 | -271 | -244 | -253 | -243 |
| General and administrative expenses | -147 | -169 | -99 | -142 | -154 | -169 | -148 | -167 | -159 |
| Operating profit | 107 | 121 | 87 | 105 | 149 | 209 | 195 | 159 | 164 |
| Exchange differences on cash and cash equivalents in foreign currencies | 31 | 34 | -11 | 45 | -78 | 13 | -8 | -12 | -12 |
| Other financial income | 1 | 1 | 0 | 1 | 1 | 0 | 1 | 0 | 1 |
| Other financial expenses | -12 | -13 | -13 | -14 | -12 | -9 | -13 | -18 | -22 |
| Net financial items | 20 | 22 | -24 | 32 | -89 | 4 | -20 | -30 | -33 |
| Profit before tax | 127 | 143 | 63 | 137 | 60 | 213 | 175 | 129 | 131 |
| Income tax | -21 | -60 | -17 | -29 | -16 | -41 | -45 | -32 | -32 |
| Profit for the period | 106 | 83 | 46 | 108 | 44 | 172 | 130 | 97 | 99 |
| <i>Profit for the period attributable to:</i> | | | | | | | | | |
| Owners of the Parent Company | 106 | 83 | 46 | 108 | 44 | 172 | 130 | 97 | 99 |
| Key figures | | | | | | | | | |
| Profit | | | | | | | | | |
| Depreciation, amortisation and impairment | -65 | -72 | -77 | -68 | -71 | -74 | -75 | -77 | -77 |
| Operating profit, adjusted | 111 | 123 | 130 | 110 | 152 | 216 | 200 | 161 | 166 |
| EBITDA, adjusted | 176 | 196 | 195 | 178 | 223 | 290 | 275 | 238 | 243 |
| EBITDA | 172 | 193 | 164 | 173 | 220 | 283 | 270 | 236 | 241 |
| Operating profit margin, adjusted % | 7.9 | 8.4 | 8.8 | 8.9 | 10.0 | 12.5 | 12.3 | 10.2 | 10.6 |
| Operating profit margin (EBIT margin), % | 7.7 | 8.3 | 5.9 | 8.5 | 9.8 | 12.1 | 12.0 | 10.0 | 10.5 |
| Earnings per share, SEK | | | | | | | | | |
| Basic and diluted ¹ | 0.37 | 0.29 | 0.16 | 0.38 | 0.15 | 0.60 | 0.45 | 0.34 | 0.35 |
| Segments | | | | | | | | | |
| Branded packaged products | | | | | | | | | |
| Net sales | 1,101 | 1,179 | 1,178 | 1,052 | 1,118 | 1,261 | 1,187 | 1,130 | 1,131 |
| Operating profit, adjusted | 135 | 171 | 154 | 169 | 175 | 207 | 189 | 167 | 167 |
| Operating profit margin, adjusted % | 12.3 | 14.5 | 13.1 | 16.1 | 15.7 | 16.4 | 15.9 | 14.8 | 14.8 |
| Pick & mix | | | | | | | | | |
| Net sales | 297 | 287 | 296 | 185 | 400 | 461 | 442 | 453 | 428 |
| Operating profit, adjusted | -24 | -48 | -24 | -59 | -23 | 9 | 11 | -6 | -1 |
| Operating profit margin, adjusted % | -8.1 | -16.7 | -8.1 | -31.9 | -5.8 | 2.0 | 2.5 | -1.3 | -0.2 |
| Financial position | | | | | | | | | |
| Share price, last paid, SEK | 25.56 | 24.52 | 26.00 | 23.72 | 23.52 | 31.70 | 28.26 | 30.20 | 24.00 |
| Return on equity, % (Rolling 12 months) | 7.8 | 6.7 | 8.4 | 10.5 | 10.0 | 11.9 | 11.8 | 12.3 | 11.9 |
| Equity per share, SEK | 15.3 | 14.5 | 15.2 | 15.0 | 15.4 | 14.5 | 14.2 | 13.7 | 14.2 |
| Net Debt/EBITDA, x (Rolling 12 months) | 2.8 | 2.7 | 2.6 | 2.6 | 2.4 | 2.2 | 2.5 | 2.7 | 2.4 |
| Cash flow | | | | | | | | | |
| Free cash flow | 11 | 252 | 252 | -118 | -20 | 269 | 199 | -41 | 111 |
| Cash flow from operating activities per share, SEK | 0.2 | 1.1 | 1.1 | -0.1 | 0.2 | 1.1 | 0.9 | -0.0 | 0.5 |

¹ Cloetta entered into forward contracts to repurchase own shares to fulfil its future obligation to deliver the shares to the participants of the long-term share-based incentive plan. The outstanding contracts at reporting date consist of one contract for 1,985,619 shares at a share price of SEK 24.90.

Reconciliation of alternative performance measures per quarter

| SEKm | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Items affecting comparability | | | | | | | | | |
| Acquisitions, integration and restructurings | -4 | -2 | -43 | -5 | -3 | -7 | -5 | 1 | -2 |
| <i>of which: impairment loss non-current assets</i> | - | 1 | -12 | - | - | - | - | - | - |
| Other items affecting comparability | - | - | - | - | - | - | - | -3 | 0 |
| Items affecting comparability* | -4 | -2 | -43 | -5 | -3 | -7 | -5 | -2 | -2 |
| *Corresponding line in the condensed consolidated profit and loss account: | | | | | | | | | |
| Cost of goods sold | - | 0 | -19 | 0 | - | - | - | 3 | -1 |
| Selling expenses | - | 0 | -12 | 0 | - | -4 | -2 | - | - |
| General and administrative expenses | -4 | -2 | -12 | -5 | -3 | -3 | -3 | -5 | -1 |
| Total | -4 | -2 | -43 | -5 | -3 | -7 | -5 | -2 | -2 |
| Operating profit, adjusted | | | | | | | | | |
| Operating profit | 107 | 121 | 87 | 105 | 149 | 209 | 195 | 159 | 164 |
| Minus: Items affecting comparability | -4 | -2 | -43 | -5 | -3 | -7 | -5 | -2 | -2 |
| Operating profit, adjusted | 111 | 123 | 130 | 110 | 152 | 216 | 200 | 161 | 166 |
| Net sales | 1,398 | 1,466 | 1,474 | 1,237 | 1,518 | 1,722 | 1,629 | 1,583 | 1,559 |
| Operating profit margin, adjusted, % | 7.9 | 8.4 | 8.8 | 8.9 | 10.0 | 12.5 | 12.3 | 10.2 | 10.6 |
| EBITDA, adjusted | | | | | | | | | |
| Operating profit | 107 | 121 | 87 | 105 | 149 | 209 | 195 | 159 | 164 |
| Minus: Depreciation | -62 | -70 | -64 | -65 | -66 | -69 | -73 | -74 | -74 |
| Minus: Amortisation | -3 | -2 | -3 | -2 | -3 | -3 | -2 | -3 | -3 |
| Minus: Impairment loss other non-current assets | - | 0 | -10 | -1 | -2 | -2 | - | - | - |
| EBITDA | 172 | 193 | 164 | 173 | 220 | 283 | 270 | 236 | 241 |
| Minus: Items affecting comparability (excl. impairment loss other non-current assets) | -4 | -3 | -31 | -5 | -3 | -7 | -5 | -2 | -2 |
| EBITDA, adjusted | 176 | 196 | 195 | 178 | 223 | 290 | 275 | 238 | 243 |
| Capital employed | | | | | | | | | |
| Total assets | 9,497 | 9,257 | 9,619 | 9,384 | 10,260 | 9,660 | 9,676 | 9,410 | 9,854 |
| Minus: Deferred tax liability | 868 | 837 | 814 | 798 | 814 | 803 | 801 | 792 | 768 |
| Minus: Non-current provisions | - | 5 | 6 | - | - | 5 | 5 | 6 | 6 |
| Minus: Current provisions | 28 | 24 | 28 | 6 | 7 | 5 | 7 | 11 | 19 |
| Minus: Other current liabilities | 1,190 | 1,167 | 1,235 | 1,124 | 1,437 | 1,271 | 1,349 | 1,239 | 1,407 |
| Capital employed | 7,411 | 7,224 | 7,536 | 7,456 | 8,002 | 7,576 | 7,514 | 7,362 | 7,654 |
| Capital employed comparative period previous year | 8,002 | 7,576 | 7,514 | 7,362 | 7,654 | 7,027 | 6,904 | 6,833 | 7,319 |
| Average capital employed | 7,707 | 7,400 | 7,525 | 7,409 | 7,828 | 7,302 | 7,209 | 7,098 | 7,487 |

Reconciliation of alternative performance measures, continued

| SEKm | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Return on capital employed | | | | | | | | | |
| Operating profit (Rolling 12 months) | 420 | 462 | 550 | 658 | 712 | 727 | 677 | 662 | 658 |
| Financial income (Rolling 12 months) | 3 | 3 | 2 | 3 | 2 | 2 | 3 | 2 | 6 |
| Operating profit plus financial income (Rolling 12 months) | 423 | 465 | 552 | 661 | 714 | 729 | 680 | 664 | 664 |
| Average capital employed | 7,707 | 7,400 | 7,525 | 7,409 | 7,828 | 7,302 | 7,209 | 7,098 | 7,487 |
| Return on capital employed, % | 5.5 | 6.3 | 7.3 | 8.9 | 9.1 | 10.0 | 9.4 | 9.4 | 8.9 |
| Free cash flow yield | | | | | | | | | |
| Cash flow from operating activities (Rolling 12 months) | 646 | 656 | 659 | 601 | 637 | 724 | 694 | 689 | 811 |
| Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months) | -249 | -290 | -276 | -271 | -230 | -186 | -185 | -173 | -186 |
| Free cash flow (Rolling 12 months) | 397 | 366 | 383 | 330 | 407 | 538 | 509 | 516 | 625 |
| Number of shares | 288,619,299 | 288,619,299 | 288,619,299 | 288,619,299 | 288,619,299 | 288,619,299 | 288,619,299 | 288,619,299 | 288,619,299 |
| Free cash flow per share (Rolling 12 months), SEK | 1.38 | 1.27 | 1.33 | 1.14 | 1.41 | 1.86 | 1.76 | 1.79 | 2.17 |
| Market price per share, SEK | 25.56 | 24.52 | 26.00 | 23.72 | 23.52 | 31.70 | 28.26 | 30.20 | 24.00 |
| Free cash flow yield (Rolling 12 months), % | 5.4 | 5.2 | 5.1 | 4.8 | 6.0 | 5.9 | 6.2 | 5.9 | 9.0 |
| Changes in net sales | | | | | | | | | |
| Net sales | 1,398 | 1,466 | 1,474 | 1,237 | 1,518 | 1,722 | 1,629 | 1,583 | 1,559 |
| Net sales comparative period previous year | 1,518 | 1,722 | 1,629 | 1,583 | 1,559 | 1,646 | 1,538 | 1,472 | 1,562 |
| Net sales, change | -120 | -256 | -155 | -346 | -41 | 76 | 91 | 111 | -3 |
| Minus: Changes in exchange rates | -56 | -44 | -36 | -11 | 21 | 33 | 25 | 27 | 44 |
| Organic growth | -64 | -212 | -119 | -335 | -62 | 43 | 66 | 84 | -47 |
| Organic growth, % | -4.2 | -12.3 | -7.3 | -21.2 | -4.0 | 2.6 | 4.3 | 5.7 | -3.0 |

Parent company

Condensed parent company profit and loss account

| SEKm | First quarter | | Rolling 12 | Full year |
|-------------------------------------|---------------|--------------|-------------------|--------------|
| | Jan-Mar 2021 | Jan-Mar 2020 | Apr 2020-Mar 2021 | Jan-Dec 2020 |
| Net sales | 12 | 22 | 69 | 79 |
| Gross profit | 12 | 22 | 69 | 79 |
| General and administrative expenses | -28 | -24 | -85 | -81 |
| Operating loss | -16 | -2 | -16 | -2 |
| Net financial items | -3 | -2 | 49 | 50 |
| Profit/loss before tax | -19 | -4 | 33 | 48 |
| Income tax | 4 | 0 | -7 | -11 |
| Profit/loss for the period | -15 | -4 | 26 | 37 |

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

Condensed parent company balance sheet

| SEKm | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|--------------------------------------|--------------|--------------|--------------|
| ASSETS | | | |
| Non-current assets | 5,356 | 5,358 | 5,354 |
| Current assets | 90 | 85 | 77 |
| TOTAL ASSETS | 5,446 | 5,443 | 5,431 |
| EQUITY AND LIABILITIES | | | |
| Equity | 3,079 | 3,204 | 3,100 |
| Non-current liabilities | | | |
| Borrowings | 138 | 936 | 137 |
| Derivative financial instruments | – | 2 | – |
| Provisions | 1 | 1 | 1 |
| Total non-current liabilities | 139 | 939 | 138 |
| Current liabilities | | | |
| Borrowings | 1,050 | 500 | 1,050 |
| Derivative financial instruments | 3 | 2 | 3 |
| Other current liabilities | 1,175 | 798 | 1,140 |
| Total current liabilities | 2,228 | 1,300 | 2,193 |
| TOTAL EQUITY AND LIABILITIES | 5,446 | 5,443 | 5,431 |

Condensed parent company statement of changes in equity

| SEKm | First quarter | | Full year |
|---------------------------------------|-----------------|-----------------|--------------|
| | Jan–Mar 2021 | Jan–Mar 2020 | 2020 |
| Equity at beginning of period | 3,100 | 3,204 | 3,204 |
| Profit/loss for the period | –15 | –4 | 37 |
| Total comprehensive income | –15 | –4 | 37 |
| Transactions with owners | | | |
| Share-based payments | –6 | 4 | 3 |
| Dividend ¹ | – | – | –144 |
| Total transactions with owners | –6 | 4 | –141 |
| Equity at end of period | 3,079 | 3,204 | 3,100 |

¹ The dividend paid in 2020 comprised a dividend of SEK 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, 2021. 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 except for the changes in segment reporting as described below. 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 2020 at www.cloetta.com. No new standards are effective as from 1 January 2021 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.

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 media, 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 going forward 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 |
|---------------------------|-----------------|-----------------|-----------------------|-----------------|
| | Jan–Mar 2021 | Jan–Mar 2020 | Apr 2020– Mar 2021 | Jan–Dec 2020 |
| SEKm | | | | |
| Net sales | | | | |
| Branded packaged products | 1,101 | 1,118 | 4,510 | 4,527 |
| Pick & mix | 297 | 400 | 1,065 | 1,168 |
| Total | 1,398 | 1,518 | 5,575 | 5,695 |

Breakdown of net sales by category

| | First quarter | | Rolling 12 | Full year |
|------------------|-----------------|-----------------|-----------------------|-----------------|
| | Jan–Mar 2021 | Jan–Mar 2020 | Apr 2020– Mar 2021 | Jan–Dec 2020 |
| % | | | | |
| Net sales | | | | |
| Candy | 59 | 59 | 59 | 59 |
| Chocolate | 20 | 17 | 18 | 17 |
| Pastilles | 11 | 12 | 12 | 12 |
| Chewing gum | 6 | 7 | 6 | 7 |
| Nuts | 2 | 3 | 3 | 3 |
| Other | 2 | 2 | 2 | 2 |
| Total | 100 | 100 | 100 | 100 |

Breakdown of net sales by country

| | First quarter | | Rolling 12 | Full year |
|-----------------|-----------------|-----------------|-----------------------|-----------------|
| | Jan–Mar 2021 | Jan–Mar 2020 | Apr 2020– Mar 2021 | Jan–Dec 2020 |
| % | | | | |
| Sweden | 31 | 29 | 31 | 31 |
| Finland | 21 | 21 | 22 | 22 |
| The Netherlands | 14 | 15 | 15 | 15 |
| Denmark | 9 | 10 | 9 | 9 |
| The UK | 4 | 7 | 4 | 5 |
| Norway | 9 | 6 | 7 | 6 |
| Germany | 6 | 5 | 6 | 6 |
| Other countries | 6 | 7 | 6 | 6 |
| Total | 100 | 100 | 100 | 100 |

Leases**Right-of-use assets**

| SEKm | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|----------------------------------|-------------|-------------|-------------|
| Land and buildings | 90 | 89 | 95 |
| Transportation | 49 | 55 | 52 |
| Other equipment | 14 | 29 | 23 |
| Total right-of-use assets | 153 | 173 | 170 |

Additions to the right-of-use assets were SEK 3m (5) during the quarter.

Lease liability

| SEKm | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|--|-------------|-------------|-------------|
| Current | 58 | 61 | 64 |
| Non-current (between 1 and 5 years) | 97 | 111 | 110 |
| Non-current (over 5 years) | 1 | 1 | 2 |
| Total Lease liability | 156 | 173 | 176 |

The non-current lease liability of SEK 98m (112) is reflected in the 'long-term borrowings'. The current lease liability of SEK 58m (61) is reflected in the 'short-term borrowings'.

Depreciation charge right-of-use assets

| SEKm | First quarter | | Rolling 12 | Full year |
|--|---------------|--------------|-------------------|--------------|
| | Jan-Mar 2021 | Jan-Mar 2020 | Apr 2020-Mar 2021 | Jan-Dec 2020 |
| Land and buildings | -7 | -8 | -33 | -34 |
| Transportation | -7 | -8 | -29 | -30 |
| Other equipment | -2 | -2 | -9 | -9 |
| Total depreciation charge right-of-use assets | -16 | -18 | -71 | -73 |

Cloetta makes use of the exemptions under IFRS 16 for short-term leases and leases of low-value assets, except for any leases of vehicles with a remaining lease term at implementation date of less than 12 months.

For a number of lease arrangements Cloetta cannot reliably separate the lease- and non-lease elements. For these lease arrangements the non-lease elements have been included in the calculation of the right-of-use asset.

Other disclosures

| SEKm | First quarter | | Rolling 12 | Full year | Recognised in: |
|--|---------------|--------------|-------------------|--------------|--|
| | Jan-Mar 2021 | Jan-Mar 2020 | Apr 2020-Mar 2021 | Jan-Dec 2020 | |
| Interest expense | -1 | -1 | -3 | -3 | net financial items, in the profit and loss account |
| Impairment of right-of-use assets | - | - | -4 | -4 | cost of goods sold, 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 | -2 | -2 | -8 | -8 | 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 | -4 | -4 | -17 | -17 | cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account |
| Total cash outflow for leases | -18 | -19 | -74 | -75 | cash flow from operating activities and financing activities, in the cash flow statement |

Taxes

The net effect of international tax rate differences and rate changes, changes in filing positions and non-deductible expenses impacted the effective tax rate of the Group unfavourably. Cloetta's deferred tax balances have been calculated applying the tax rates enacted or substantially enacted at the end of the reporting 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, with the exception of the forward contract to repurchase

own shares which has a fair value of SEK 0m (asset) while the carrying amount is SEK 49m (liability).

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 2021 | Carrying amount | | | | Fair value | | | |
|--|-------------------------|--|---|--------------|------------|----------|----------|----------|
| | Mandatorily at FVTPL | Financial assets at amortised cost | Other financial liabilities at carrying value | Total | Level 1 | Level 2 | Level 3 | Total |
| SEKm | | | | | | | | |
| Financial assets | | | | | | | | |
| • Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income | – | 779 | – | 779 | | | | |
| • Forward contract to repurchase own shares | – | – | – | – | – | 0 | – | 0 |
| • Cash and cash equivalents | – | 444 | – | 444 | | | | |
| Total assets | – | 1,223 | – | 1,223 | – | 0 | – | 0 |
| Financial liabilities | | | | | | | | |
| • 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 and excluding contingent consideration | – | – | 1,026 | 1,026 | | | | |
| Total liabilities | 4 | – | 3,561 | 3,565 | – | 4 | – | 4 |

| 31 Dec 2020 | Carrying amount | | | | Fair value | | | |
|--|----------------------|------------------------------------|---|--------------|------------|----------|---------|----------|
| | Mandatorily at FVTPL | Financial assets at amortised cost | Other financial liabilities at carrying value | Total | Level 1 | Level 2 | Level 3 | Total |
| SEKm | | | | | | | | |
| Financial assets | | | | | | | | |
| • Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income | – | 663 | – | 663 | | | | |
| • Cash and cash equivalents | – | 396 | – | 396 | | | | |
| Total assets | – | 1,059 | – | 1,059 | – | – | – | – |
| Financial liabilities | | | | | | | | |
| • Loans from credit institutions | – | – | 2,054 | 2,054 | | | | |
| • Commercial papers | – | – | 250 | 250 | | | | |
| • Forward contract to repurchase own shares | – | – | 49 | 49 | – | 2 | – | 2 |
| • Single currency interest rate swaps | 5 | – | – | 5 | – | 5 | – | 5 |
| • Lease liabilities | – | – | 176 | 176 | | | | |
| • Trade and other payables, excluding other taxes and social security payables and excluding contingent consideration | – | – | 982 | 982 | | | | |
| Total liabilities | 5 | – | 3,511 | 3,516 | – | 7 | – | 7 |

| 31 Mar 2020 | Carrying amount | | | | Fair value | | | |
|--|----------------------|------------------------------------|---|--------------|------------|-----------|---------|-----------|
| | Mandatorily at FVTPL | Financial assets at amortised cost | Other financial liabilities at carrying value | Total | Level 1 | Level 2 | Level 3 | Total |
| SEKm | | | | | | | | |
| Financial assets | | | | | | | | |
| • Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income | – | 895 | – | 895 | | | | |
| • Cash and cash equivalents | – | 619 | – | 619 | | | | |
| Total assets | – | 1,514 | – | 1,514 | – | – | – | – |
| Financial liabilities | | | | | | | | |
| • Loans from credit institutions | – | – | 2,493 | 2,493 | | | | |
| • Commercial papers | – | – | 300 | 300 | | | | |
| • Forward contract to repurchase own shares | – | – | 65 | 65 | – | 17 | – | 17 |
| • Single currency interest rate swaps | 6 | – | – | 6 | – | 6 | – | 6 |
| • Lease liabilities | – | – | 173 | 173 | | | | |
| • Trade and other payables, excluding other taxes and social security payables and excluding contingent consideration | – | – | 1,236 | 1,236 | | | | |
| Total liabilities | 6 | – | 4,267 | 4,273 | – | 23 | – | 23 |

No transfers between fair value hierarchy levels has 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 2021. Net sales in the Parent Company amounted to SEK 12m (22) and relate mainly to intra-group services. Operating loss was SEK -16m (-2). Net financial items totalled SEK -3m (-2). Loss before tax was SEK -19m (-4) and loss for the period was SEK -15m (-4). 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 2021, a total of 64,448,815 shares were traded for a combined value of SEK 1,648m, equivalent to around 24 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 2021 was SEK 26.10 (29 March) and the lowest was SEK 22.02 (28 January). The share price on 31 March 2021 was SEK 25.56 (last price paid). During the period from 1 January to 31 March 2021, the Cloetta share increased by 4.2 per cent while the Nasdaq OMX Stockholm PI index increased by 13.7 per cent. Cloetta's share capital at 31 March 2021 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.

Shareholders

On 31 March 2021, Cloetta AB had 36,921 shareholders. The largest shareholder was AB Malfors Promotor with a holding corresponding to 39.5 per cent of the votes and 28.7 per cent of the share capital in the company. La Financière de l'Echiquier was the second largest shareholder with 2.8 per cent of the votes and 3.3 per cent of the share capital. The third largest shareholder was Dimensional Fund Advisors with 2.6 per cent of the votes and 3.1 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 2020 and consist of industry and market-related risks, operational risks and financial risks.

Compared to the annual and sustainability report which was issued on 15 March 2021, the risk-profile of Cloetta has not significantly changed although the ongoing pandemic of the Covid-19 virus continues to affect the business performance of Cloetta.

Definitions

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

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

Glossary

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

Exchange rates

| SEK | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|--------------------|-------------|-------------|-------------|
| EUR, average | 10.1291 | 10.6920 | 10.4880 |
| EUR, end of period | 10.2383 | 11.0613 | 10.0343 |
| NOK, average | 0.9893 | 1.0164 | 0.9757 |
| NOK, end of period | 1.0243 | 0.9610 | 0.9584 |
| GBP, average | 11.6117 | 12.4128 | 11.7868 |
| GBP, end of period | 12.0155 | 12.4785 | 11.1613 |
| DKK, average | 1.3620 | 1.4312 | 1.4070 |
| DKK, end of period | 1.3766 | 1.4813 | 1.3485 |

Financial calendar 2021



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 8:00 a.m. CET on 23 April 2021.

Our purpose

**“We believe in
the Power of True Joy”**

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.

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.

We care about people

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

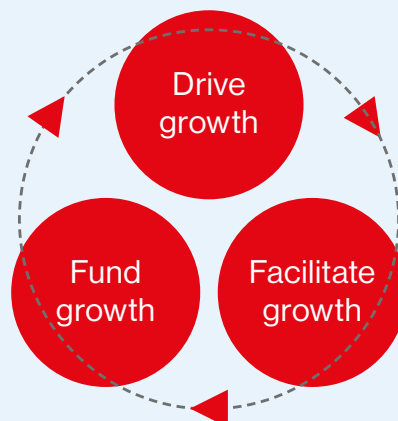
We improve our footprint

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

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.

Strategies

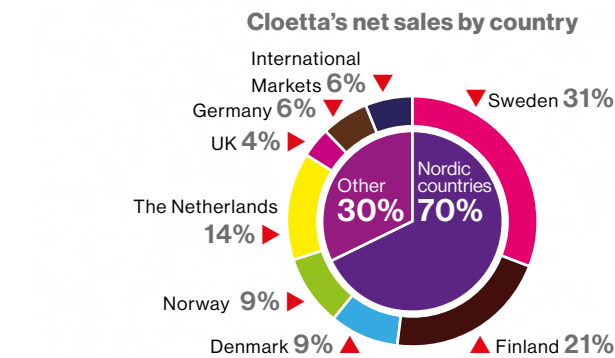
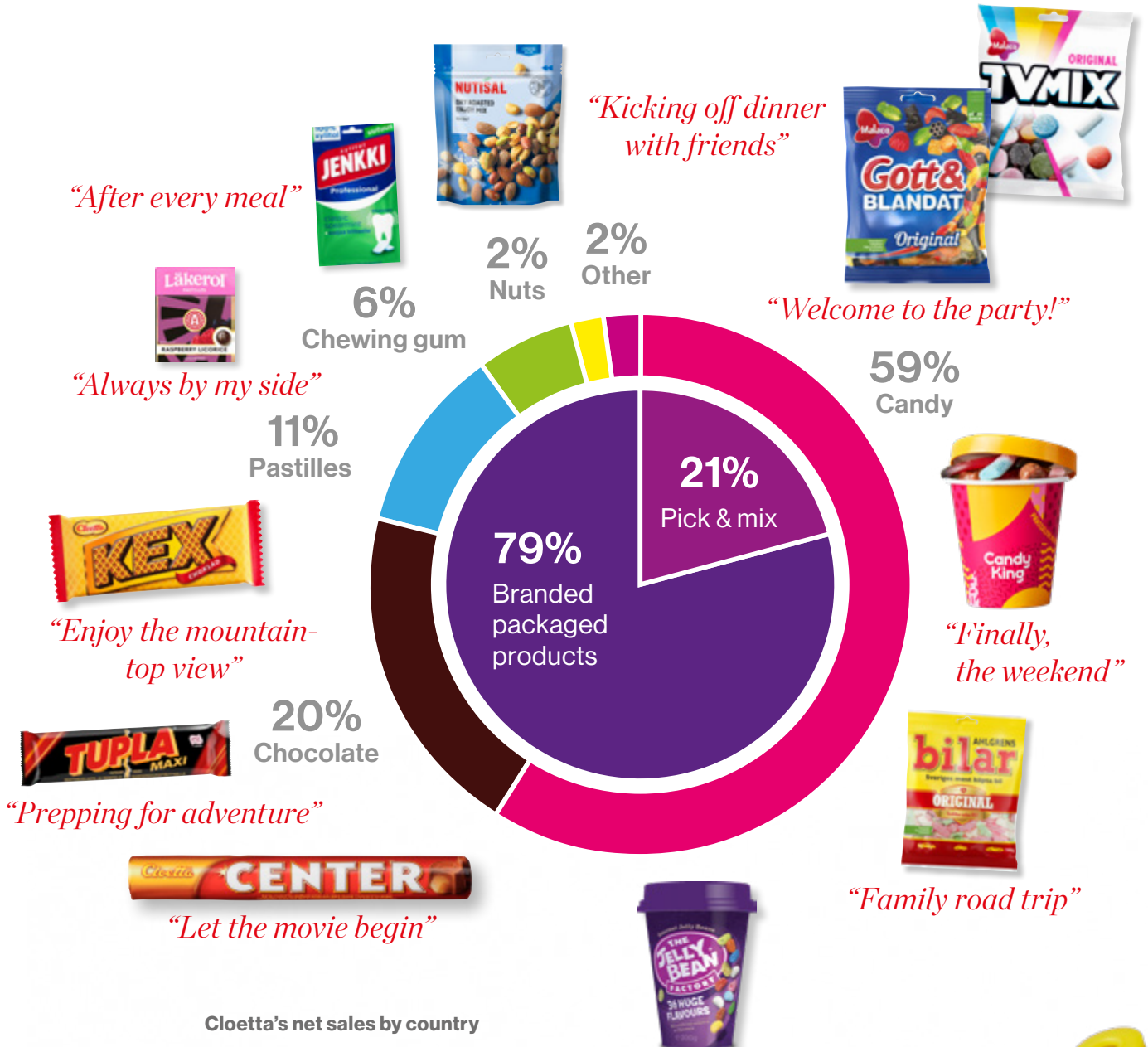


Value drivers

- 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.

A joyful product portfolio

Cloetta's net sales by category, Q1 2021





“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 • Solna Business Park, Englundavägen 7D, Box 6036, 171 06 Solna, Sweden • Tel +46 (0)8-52 72 88 00 • www.cloetta.com

More information about Cloetta is available at www.cloetta.com