

# Cloetta

Interim report April–June 2023



Q2

**"Cloetta is reporting continued strong growth in both Branded packaged products and Pick & mix, accompanied by strengthened profit."**

- Henri de Sauvage-Nolting, President and CEO



# Interim report

## April–June 2023

# Cloetta

### Second quarter, April–June 2023

- **Net sales** for the quarter increased by 22.9 per cent to SEK 1,998m (1,626) including a positive impact from foreign exchange rates of 6.2 per cent.
- **Sales of Branded packaged products** increased organically by 14.8 per cent during the quarter.
- **Sales of Pick & mix** increased organically by 22.4 per cent during the quarter.
- **Operating profit adjusted** for items affecting comparability, amounted to SEK 191m (162). Operating profit amounted to SEK 182m (-61), impacted by items affecting comparability of SEK -9m (-223) that was mainly related to the new greenfield facility.
- **Operating profit, adjusted, of Branded packaged products** amounted to SEK 186m (154).
- **Operating profit, adjusted, of Pick & mix** amounted to SEK 5m (8).
- **Profit for the period** amounted to SEK 73m (-94), which equates to basic and diluted earnings per share of SEK 0.26 (-0.33).
- **Cash flow** from operating activities was SEK 83m (-78).
- **Net debt/EBITDA** ratio was 2.3x (2.4).

### Events during and after the end of the period

- **Cloetta has extended** the maturities of its current loan facilities with the existing banking group by one year. The extended loans will mature during 2025-2027.
- **After the end of the quarter**, the Board resolved on the repurchase of the company's own B-shares to enable delivery of shares under the long-term share-based incentive program.

### Key ratios

SEKm	Second quarter			6 months			Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Change, %	Jan–Jun 2023	Jan–Jun 2022	Change, %	Jul 2022–Jun 2023	Jan–Dec 2022
Net sales	1,998	1,626	22.9 <sup>1</sup>	3,971	3,166	25.4 <sup>1</sup>	7,674	6,869
Operating profit, adjusted	191	162	17.9	391	320	22.2	762	691
Operating profit margin, adjusted %	9.6	10.0	-0.4-pts	9.8	10.1	-0.3-pts	9.9	10.1
Operating profit (EBIT)	182	-61	n/a	360	93	287.1	733	466
Operating profit margin (EBIT margin), %	9.1	-3.8	12.9-pts	9.1	2.9	6.2-pts	9.6	6.8
Profit before tax	96	-128	n/a	187	39	379.5	491	343
Profit for the period	73	-94	n/a	138	37	273.0	376	275
Earnings per share, basic and diluted, SEK	0.26	-0.33	n/a	0.48	0.13	269.2	1.31	0.96
Net debt/EBITDA, x (Rolling 12 months)	2.3	2.4	-4.2	2.3	2.4	-4.2	2.3	1.9
Free cash flow	2	-136	n/a	-21	-159	-86.8	443	305
Cash flow from operating activities	83	-78	n/a	107	-51	n/a	677	519

<sup>1</sup> Organic growth at constant exchange rates was 16.7 per cent for the quarter and 20.0 for the first half of the year. See further under Net sales on page 4.

**SEK 2.0 bn**  
Net sales

**16.7 %**  
Organic sales growth

**9.6 %**  
Operating profit margin, adjusted

# High organic growth and continued profit improvement

Cloetta is reporting continued strong growth in both Branded packaged products and Pick & mix, accompanied by strengthened profit.

We delivered yet another quarter of strong growth and improved operating profit, as we continued to execute on our long-term strategy. Our sales growth was primarily driven by strong pricing execution to offset cost inflation. The improved profit compared to last year reflects that in Q2 2022, our pricing was lagging the accelerating inflation and only partly offset the higher input cost. To take out cost and create capacity for profitable volume growth, we have ramped up our efforts on product portfolio rationalisation. We carefully monitor the market development and remain committed to mitigate the impact from inflation through a combination of mix, cost control and fair pricing.

## Second quarter development

Sales for the quarter increased by 22.9 per cent, of which organic growth accounted for 16.7 per cent and exchange rate differences for 6.2 per cent. Sales of Branded packaged products increased organically by 14.8 per cent, primarily driven by pricing. Sales of Pick & mix increased organically by 22.4 per cent during the quarter, positively impacted by pricing and premiumisation of the offering, as well as increased consumer activation.

The increase in adjusted operating profit is attributable to pricing offsetting the higher input cost.

## Delivering on our strategy

I am very pleased with the performance within our Branded packaged products, even in this challenging demand environment with reduced consumer purchasing power. I believe this is both because of the non-cyclical nature of confectionery products and thanks to our own long-term efforts in strengthening our brands and product quality. For example, during the quarter we continued to re-build our iconic Chewits brand in the United Kingdom and we launched new seasonal flavours of our innovative fruit-based candy across markets. We also continued to see a favourable mix within the Branded segment from our



“**To take out cost and create capacity for profitable volume growth, we have ramped up our efforts on product portfolio rationalisation.**”

higher-margin products, which strengthens my confidence in our ability to drive mix improvement also going forward.

The Pick & mix segment continued to deliver volume growth, now for the ninth consecutive quarter, and with the CandyKing brand again recognised in top-tier consumer media in Sweden. Cloetta is continuing to develop its e-commerce solutions within Pick & mix, with the CandyExpress pilot in Denmark steadily growing consumer base in online direct delivery. We also launched our first pre-packed mixes for online sales in both Sweden and Denmark through partnerships with key quick commerce players, thereby

strategically positioning us in a channel highly relevant to impulse-driven purchases of products such as confectionery.

During the quarter we continued to execute on our plan to reduce greenhouse gas emissions with 46 per cent by 2030 through activities across the business, including involving our key suppliers and reducing waste. We have submitted the Transparency Act Report on human rights and labour practices, in compliance with the OECD guidelines for Multinational Enterprises, to increase transparency and minimise risk throughout our global supply chain. Furthermore, our efforts in the field of environment and working environment have been verified by external audits, with no nonconformities identified.

The new greenfield facility project proceeded during the quarter, with the finalisation of the last union negotiation in Belgium and with the local city council publishing the intent to sell the land in Roosendaal to Cloetta. Furthermore, we initiated the tendering process of the factory building.

Net debt/EBITDA remained below our targeted 2.5x, as a result of improved operating profit. I am also pleased to report that we have now again extended the maturities of our current loan facilities by one year, at the same terms as initially agreed upon. The extended loans will mature during 2025-2027.

## Seizing opportunities in uncertain times

Even though there is great uncertainty as regards the future economic trends, Cloetta has a portfolio of local leading brands in robust categories and stable markets, committed employees and solid finances. In conclusion, I am convinced that we have the right strategy as well as the experience, the organisational structure and not the least the right offering in place to navigate through continued macro-economic uncertainty while seizing opportunities. I therefore look forward with optimism.

Henri de Sauvage-Nolting  
*President and CEO*

# Financial overview

## Second quarter development

### New greenfield facility

The new greenfield facility project proceeded during the quarter, with the finalisation of the last union negotiation in Belgium and with the local city council publishing the intent to sell the land in Roosendaal to Cloetta. Furthermore, the tendering process of the factory building was initiated.

### Geopolitical developments

Russia's war in Ukraine that started in 2022 entails risks of further impact on the global economy, further cost inflation, and disruptions in supply chains. While Cloetta does not have any significant direct financial exposure to any of the countries involved, the company is being impacted by rising input costs and global supply chain challenges.

### Net sales

Net sales for the second quarter increased by SEK 372m to SEK 1,998m (1,626) compared to the same period last year. Organic growth was 16.7 per cent and the impact of changes in exchange rates was 6.2 per cent.

Changes in net sales, %	Apr–Jun 2023	Jan–Jun 2023
Organic growth	16.7	20.0
Changes in exchange rates	6.2	5.4
<b>Total</b>	<b>22.9</b>	<b>25.4</b>

### Gross profit

Gross profit, adjusted for items affecting comparability, amounted to SEK 644m (579) which equates to a gross margin of 32.2 per cent (35.6). The increase in adjusted gross profit reflects that last year the pricing only partially offset the cost inflation. Gross profit amounted to SEK 640m (359), which equates to a gross margin of 32.0 per cent (22.1).

### Operating profit

Operating profit, adjusted for items affecting comparability, amounted to SEK 191m (162), and was positively impacted by higher gross profit,

partly offset by higher indirect costs. Operating profit amounted to SEK 182m (-61).

### Items affecting comparability

Operating profit for the second quarter includes items affecting comparability of SEK -9m (-223), mainly related to the new greenfield facility.

### Net financial items

Net financial items for the quarter amounted to SEK -86m (-67). Net interest expenses related to external borrowings, cash pool and realised results on single currency interest rate swaps were in total SEK -12m (-7), exchange differences on cash and cash equivalents were SEK -66m (-70) which mainly related to unrealised differences due 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 -8m (10) of which SEK 0m (12) was related to the unrealised results on single currency interest rate swaps. Of the total net financial items SEK -42m (-24) is non-cash in nature.

### Profit for the period

Profit for the period was SEK 73m (-94), which equates to basic and diluted earnings per share of SEK 0.26 (-0.33). Income tax for the period was SEK -23m (34).

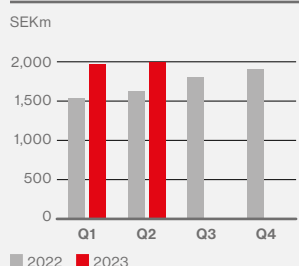
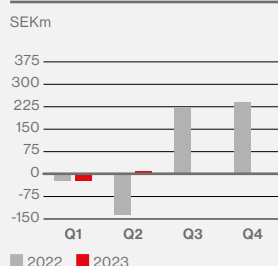
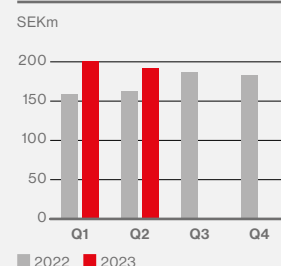
The effective tax rate for the quarter was 24.0 per cent (26.6) and was positively impacted by international tax rate differences and negatively impacted by non-deductible expenses.

### Free cash flow

The free cash flow was SEK 2m (-136). Cash flow from operating activities before changes in working capital was SEK 226m (190). The increase compared to last year is mainly the result of a higher operating profit. The cash flow from changes in working capital was SEK -143m (-268).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -81m (-58).



**Net sales****Free cash flow****Operating profit, adjusted****Cash flow from changes in working capital**

Cash flow from changes in working capital was SEK -143m (-268). The cash flow from changes in working capital was negatively impacted by an increase in inventories for an amount of SEK -156m (-123) and a decrease in payables amounting to SEK -37m (-48), partly offset by a decrease in receivables of SEK 50m (-97).

**Cash flow from other investing activities**

Cash flow from other investing activities was SEK 0m (1).

**Cash flow from financing activities**

The cash flow from financing activities was SEK -314m (-309). The cash flow from financing activities was related to the dividend distribution of SEK -285m (-287), payments of lease liabilities of SEK -24m (-19) and net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK -5m (-3).

**Development during the year****Net sales**

Net sales for the first half of the year increased by SEK 805m to SEK 3,971m (3,166) compared to the same period last year. Organic growth was 20.0 per cent and the impact of changes in exchange rates was 5.4 per cent.

**Gross profit**

Gross profit, adjusted for items affecting comparability, amounted to SEK 1,282m (1,140) which equates to a gross margin of 32.3 per cent (36.0). The increase in adjusted gross profit reflects that last year the pricing only partially offset the cost inflation as well as a favourable mix. Gross profit amounted to SEK 1,258m (920), which equates to a gross margin of 31.7 per cent (29.1).

**Operating profit**

Operating profit, adjusted for items affecting comparability, amounted to SEK 391m (320), and was positively impacted by higher gross profit, partly offset by higher indirect costs. Operating profit amounted to SEK 360m (93).

**Items affecting comparability**

Operating profit for the first half of the year includes items affecting comparability of SEK -31m (-227), mainly related to the new green-field facility.

**Net financial items**

Net financial items for the period amounted to SEK -173m (-54). Net interest expenses related to external borrowings, cash pool and realised results on single currency interest rate swaps were in total SEK -19m (-10), exchange differences on cash and cash equivalents were SEK -137m (-64) which mainly related to unrealised differences due to the development of the Swedish and Norwegian krona and the Great Britain pound against the euro. Other financial items amounted to SEK -17m (20) of which SEK -7m (24) related to the unrealised results on single currency interest rate swaps. Of the total net financial items SEK -57m (-38) is non-cash in nature.

**Profit for the period**

Profit for the period was SEK 138m (37), which equates to basic and diluted earnings per share of SEK 0.48 (0.13). Income tax for the period was SEK -49m (-2).

The effective tax rate for the quarter was 26.2 per cent (5.1) and was negatively impacted by international tax rate differences and non-deductible expenses.

**Free cash flow**

The free cash flow was SEK -21m (-159). Cash flow from operating activities before changes in working capital was SEK 428m (365). The increase compared to last year is mainly the result of a higher operating profit. The cash flow from changes in working capital was SEK -321m (-416).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -128m (-108).

**Cash flow from changes in working capital**

Cash flow from changes in working capital was SEK -321m (-416). The cash flow from changes in working capital was negatively impacted by an increase in inventories for an amount of SEK -339m (-264) and an increase in receivables of SEK -186m (-223), partly offset by an increase in payables amounting to SEK 204m (71).

**Cash flow from other investing activities**

Cash flow from other investing activities was SEK 0m (1).

**Cash flow from financing activities**

The cash flow from financing activities was SEK -334m (-326). The cash flow from financing activities was related to the dividend distribution of SEK -285m (-287), payments of lease liabilities of SEK -44m (-36) and net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK -5m (-3).

## Financial position

Consolidated equity at 30 June 2023 amounted to SEK 5,150m (4,594), which equates to SEK 18.0 (16.0) per share outstanding. Net debt at 30 June 2023 was SEK 2,394m (2,194).

Long-term borrowings amounted to SEK 2,360m (2,208) and consisted of SEK 2,276m (2,141) in gross non-current loans from credit institutions, SEK 95m (71) in non-current lease liabilities and SEK -11m (-4) in capitalised transaction costs.

Total short-term borrowings amounted to SEK 207m (211) and consisted of SEK 149m (149) in commercial papers, SEK 61m (64) in current lease liabilities, SEK -5m (-2) in capitalised transaction costs and accrued interest on borrowings from credit institutions for an amount of SEK 2m (0).

During the second quarter Cloetta has lifted the extension options on all existing loan facilities with one year. The extensions were agreed upon with the existing banking group at the same terms as agreed upon in the facilities agreement. The terms after lifting the extension options comprise, in short:

- a SEK 800m term loan repayable on 30 June 2025;
- a EUR 125m term loan repayable on 30 June 2026;
- a EUR 60m revolving credit facility available up to 30 June 2027;
- a EUR 60m revolving credit facility available up to 27 October 2027; and,
- a EUR 100m term loan repayable on 27 October 2026; with the possibility of extending the facility for an additional year.

SEKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
Gross non-current loans from credit institutions	2,276	2,141	2,190
Commercial papers	149	149	149
Lease liabilities	156	135	156
Derivative financial instruments	-52	-26	-59
Interest payable	2	-	2
<b>Gross debt</b>	<b>2,531</b>	<b>2,399</b>	<b>2,438</b>
Cash and cash equivalents	-137	-205	-583
<b>Net debt</b>	<b>2,394</b>	<b>2,194</b>	<b>1,855</b>

Cash and cash equivalents at 30 June 2023 amounted to SEK 137m (205). At 30 June 2023 Cloetta had an unutilised credit facility of SEK 2,597m (644) and the possibility to issue additional commercial papers for an amount of SEK 850m (850).

## Performance by business segment

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

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

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

Information related to each reportable segment (business segment) is set out below.

### 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

#### Second quarter development

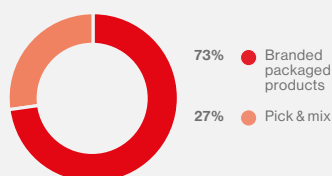
##### Net Sales

Net sales for the second quarter increased by SEK 251m to SEK 1,464m (1,213) compared to the same period of last year for Branded packaged products. Organic growth was 14.8 per cent.

##### Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 186m (154). The increase in adjusted operating profit reflects that last year the pricing only partially offset the cost inflation as well as a favourable mix, partly offset by higher indirect costs.

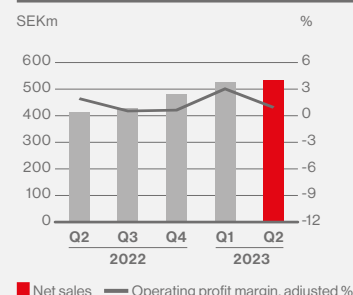
### Business segment, share of sales



### Branded packaged products



### Pick & mix



Apr–Jun 2023 SEKm	Branded packaged products	Pick & mix	Total	Jan–Jun 2023 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,464	534	1,998	Net sales	2,912	1,059	3,971
Operating profit, adjusted	186	5	191	Operating profit, adjusted	370	21	391
Items affecting comparability			-9	Items affecting comparability			-31
<b>Operating profit</b>			<b>182</b>	<b>Operating profit</b>			<b>360</b>
Net financial items			-86	Net financial items			-173
<b>Profit before tax</b>			<b>96</b>	<b>Profit before tax</b>			<b>187</b>
Income tax			-23	Income tax			-49
<b>Profit for the period</b>			<b>73</b>	<b>Profit for the period</b>			<b>138</b>

Apr–Jun 2022 SEKm	Branded packaged products	Pick & mix	Total	Jan–Jun 2022 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,213	413	1,626	Net sales	2,373	793	3,166
Operating profit, adjusted	154	8	162	Operating profit, adjusted	303	17	320
Items affecting comparability			-223	Items affecting comparability			-227
<b>Operating profit</b>			<b>-61</b>	<b>Operating profit</b>			<b>93</b>
Net financial items			-67	Net financial items			-54
<b>Profit before tax</b>			<b>-128</b>	<b>Profit before tax</b>			<b>39</b>
Income tax			34	Income tax			-2
<b>Profit for the period</b>			<b>-94</b>	<b>Profit for the period</b>			<b>37</b>

#### Development during the year

##### Net Sales

Net sales for the first half of the year increased by SEK 539m to SEK 2,912m (2,373) compared to the same period of last year for Branded packaged products. Organic growth was 17.6 per cent.

##### Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 370m (303). The increase in adjusted operating profit reflects that last year the pricing only partially offset the cost inflation as well as a favourable mix, partly offset by higher indirect costs.

##### Segment Pick & mix

##### Second quarter development

##### Net Sales

Net sales for the second quarter increased by SEK 121m to SEK 534m (413) compared to the same period of last year. Organic growth was 22.4 per cent.

##### Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 5m (8). The decrease in adjusted operating profit was primarily driven by the earlier Easter and higher indirect costs.

#### Development during the year

##### Net Sales

Net sales for the first half of the year increased by SEK 266m to SEK 1,059m (793) compared to the same period of last year. Organic growth was 27.3 per cent.

##### Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 21m (17). The increase in adjusted operating profit was driven by higher volumes and continued margin-enhancing initiatives, partly offset by higher indirect costs.

##### Other disclosures

##### Seasonal variations

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

##### Employees

The average number of employees during the quarter was 2,584 (2,618).

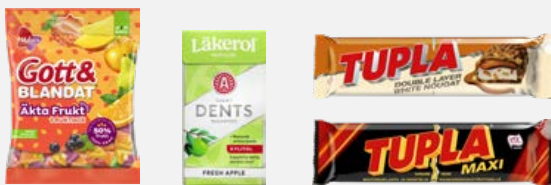
##### Events after the balance sheet date

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

# Examples of new launches during the second quarter

## Sweden

MALACO GOTT & BLANDAT – Real fruit candy, Fruitmix  
 LÄKEROL DENTS – Apple Fresh, Green apple & lemon balm  
 TUPLA – Double Layer White Nougat, White nougat & roasted almonds  
 TUPLA – Maxi - Cocoa nougat



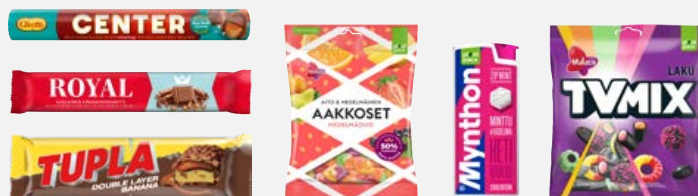
## The Netherlands

SPORTLIFE – Extra mints  
 SPORTLIFE – Smash mints  
 SPORTLIFE – Pepper mints



## Finland

CENTER – Sea salt caramel  
 ROYAL – Suolainen Kinuskikrokantti, Caramel croquette  
 AAKKOSET – Aito & Heldmäinen, Real fruit candy, Fruitmix  
 MYNTHON – Zip Mint, Mint & raspberry  
 TUPLA – Double Layer Banana, Banana-flavored nougat & roasted almonds  
 TV Mix – Laku, Licorice mix





# Cloetta

– a leading confectionery company in Northern Europe

**1862**

Founded in

**2,600**

Employees

**> 50**

Countries

**7**

Factories

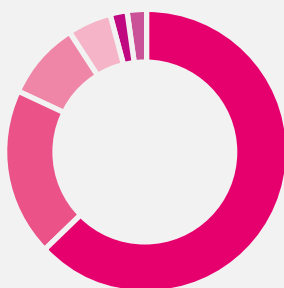
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Business segments



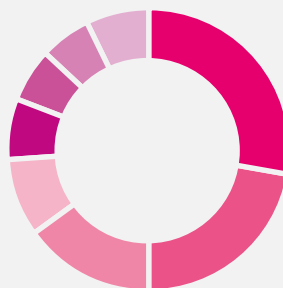
We believe in the Power of True Joy

## Cloetta's net sales, April–June 2023



### By Category

- 63% Candy
- 19% Chocolate
- 9% Pastilles
- 5% Chewing gum
- 2% Nuts
- 2% Other



### By Country

- 28% Sweden
- 22% Finland
- 15% The Netherlands
- 9% Denmark
- 7% The UK
- 6% Norway
- 6% Germany
- 7% International Markets

**73%**

Branded packaged products

**27%**

Pick & mix

**65%**

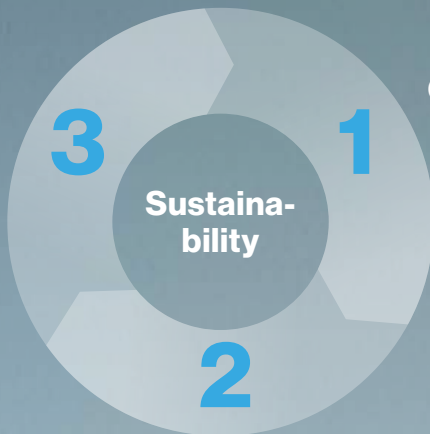
Nordic countries

**35%**

Other

# Strategic priorities

Lower costs  
and greater  
efficiency



Growth leadership  
in Branded packaged  
products

Sustainable value  
within the Pick & mix  
business



## Q2 highlights

### 1 Growth leadership in Branded packaged products

#### Activities

- Strong performance in a challenging demand environment with reduced consumer purchasing power
- Favourable mix impact from higher-margin products
- Re-building iconic Chewits brand in UK and new launch of innovative fruit-based candy

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

#### Activities

- The CandyKing brand recognised in top-tier consumer media in Sweden
- Important initiatives in quick commerce, positioning Cloetta in a channel highly relevant to impulse-driven purchases
- CandyExpress pilot in Denmark steadily growing consumer base in online direct delivery

### 3 Focus on lower costs and greater efficiency

#### Activities

- Finalisation of the last union negotiation in Belgium and the local city council published the intent to sell the land in Roosendaal to Cloetta
- Ramped up efforts on product portfolio rationalisation to take out cost and create capacity for profitable volume growth

# Sustainability

## For You

### We provide choices for you

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

## For People

### We care about people

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

## For the Planet

### We improve our planet footprint

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

## Q2 highlights

### More vegan

- Driving the transition for more vegan products to enable phasing out ingredients with high emissions.

### Transparency Act Report

- Submitting the Transparency Act Report, which includes disclosures on human rights and labour practices.

### Waste reduction

- Improved coordination between logistics and sales to ensure timely action on slow-moving inventories to avoid scrapping.

“  
A sweeter future



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

Stockholm, 14 July 2023

Cloetta AB (publ)

Mikael Norman

*Board Chairman*

Patrick Bergander

*Member of the Board*

Malin Jennerholm

*Member of the Board*

Pauline Lindwall

*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*

Henri de Sauvage-Nolting

*President and CEO*

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

## Financial calendar

Interim report Q3 2023

27 October 2023

## Contact

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Head of IR and Communication

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*This information is information that Cloetta AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person detailed above, at 07.30 a.m. CEST on 14 July 2023.*

# Financial statements in summary

## Consolidated profit and loss account

SEKm	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Jan–Dec 2022
Net sales	1,998	1,626	3,971	3,166	7,674	6,869
Cost of goods sold	-1,358	-1,267	-2,713	-2,246	-5,205	-4,738
<b>Gross profit</b>	<b>640</b>	<b>359</b>	<b>1,258</b>	<b>920</b>	<b>2,469</b>	<b>2,131</b>
Selling expenses	-267	-246	-525	-492	-1,042	-1,009
General and administrative expenses	-191	-174	-373	-335	-694	-656
<b>Operating profit</b>	<b>182</b>	<b>-61</b>	<b>360</b>	<b>93</b>	<b>733</b>	<b>466</b>
Exchange differences on cash and cash equivalents in foreign currencies	-66	-70	-137	-64	-216	-143
Other financial income	33	13	56	30	109	83
Other financial expenses	-53	-10	-92	-20	-135	-63
<b>Net financial items</b>	<b>-86</b>	<b>-67</b>	<b>-173</b>	<b>-54</b>	<b>-242</b>	<b>-123</b>
Profit/loss before tax	96	-128	187	39	491	343
Income tax	-23	34	-49	-2	-115	-68
<b>Profit/loss for the period</b>	<b>73</b>	<b>-94</b>	<b>138</b>	<b>37</b>	<b>376</b>	<b>275</b>
<i>Profit/loss for the period attributable to:</i>						
Owners of the Parent Company	73	-94	138	37	376	275
Earnings per share, SEK						
Basic and diluted <sup>1</sup>	0.26	-0.33	0.48	0.13	1.31	0.96
Number of shares outstanding at end of period <sup>1</sup>	285,405,738	287,028,670	285,405,738	287,028,670	285,405,738	285,405,738
Average number of shares (basic) <sup>1</sup>	285,405,738	287,028,670	285,405,738	287,028,670	286,001,554	286,806,351
Average number of shares (diluted) <sup>1</sup>	285,640,644	287,118,782	285,637,835	287,117,335	286,158,363	286,890,237

<sup>1</sup> During 31 October till 23 November 2022 Cloetta purchased 1,622,932 treasury shares to fulfill its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met.

## Consolidated statement of comprehensive income

SEKm	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Jan–Dec 2022
<b>Profit/loss for the period</b>	<b>73</b>	<b>-94</b>	<b>138</b>	<b>37</b>	<b>376</b>	<b>275</b>
<i>Other comprehensive income</i>						
Remeasurement of defined benefit pension plans	-5	71	-1	143	9	153
Income tax on remeasurement of defined benefit pension plans	1	-15	0	-30	-2	-32
<b>Items that will never be reclassified to profit or loss for the period</b>	<b>-4</b>	<b>56</b>	<b>-1</b>	<b>113</b>	<b>7</b>	<b>121</b>
Currency translation differences	297	214	372	266	602	496
Hedge of a net investment in a foreign operation	-75	-57	-96	-70	-156	-130
Income tax on hedge of a net investment in a foreign operation	14	10	18	13	30	25
<b>Items that are or may be reclassified to profit or loss for the period</b>	<b>236</b>	<b>167</b>	<b>294</b>	<b>209</b>	<b>476</b>	<b>391</b>
<b>Total other comprehensive income</b>	<b>232</b>	<b>223</b>	<b>293</b>	<b>322</b>	<b>483</b>	<b>512</b>
<b>Total comprehensive income, net of tax</b>	<b>305</b>	<b>129</b>	<b>431</b>	<b>359</b>	<b>859</b>	<b>787</b>
<i>Total comprehensive income for the period attributable to:</i>						
Owners of the Parent Company	305	129	431	359	859	787

## Net financial items

SEKm	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Jan–Dec 2022
<b>Exchange differences on cash and cash equivalents in foreign currencies</b>	<b>-66</b>	<b>-70</b>	<b>-137</b>	<b>-64</b>	<b>-216</b>	<b>-143</b>
Other financial income, third parties	19	1	34	6	49	21
Unrealised gains on single currency interest rate swaps	3	12	3	24	36	57
Realised gains on single currency interest rate swaps	11	-	19	-	24	5
<b>Total Other financial income</b>	<b>33</b>	<b>13</b>	<b>56</b>	<b>30</b>	<b>109</b>	<b>83</b>
Interest expenses third-party borrowings and realised losses on single currency interest rate swaps	-42	-8	-72	-16	-104	-48
Amortisation of capitalised transaction costs	-2	0	-3	-1	-5	-3
Unrealised losses on single currency interest rate swaps	-3	-	-10	-	-10	-
Other financial expenses, third parties	-6	-2	-7	-3	-16	-12
<b>Total Other financial expenses</b>	<b>-53</b>	<b>-10</b>	<b>-92</b>	<b>-20</b>	<b>-135</b>	<b>-63</b>
<b>Net financial items</b>	<b>-86</b>	<b>-67</b>	<b>-173</b>	<b>-54</b>	<b>-242</b>	<b>-123</b>

# Condensed consolidated balance sheet

SEKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	6,122	5,749	5,883
Property, plant and equipment	1,708	1,512	1,581
Deferred tax asset	66	60	43
Derivative financial instruments	17	5	25
Other financial assets	4	8	3
<b>Total non-current assets</b>	<b>7,917</b>	<b>7,334</b>	<b>7,535</b>
<b>Current assets</b>			
Inventories	1,505	1,135	1,090
Other current assets	1,322	1,079	1,074
Derivative financial instruments	35	21	34
Cash and cash equivalents	137	205	583
<b>Total current assets</b>	<b>2,999</b>	<b>2,440</b>	<b>2,781</b>
<b>TOTAL ASSETS</b>	<b>10,916</b>	<b>9,774</b>	<b>10,316</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>5,150</b>	<b>4,594</b>	<b>4,994</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2,360	2,208	2,277
Deferred tax liability	929	918	884
Provisions for pensions and other long-term employee benefits	342	356	345
Provisions	162	105	107
<b>Total non-current liabilities</b>	<b>3,793</b>	<b>3,587</b>	<b>3,613</b>
<b>Current liabilities</b>			
Short-term borrowings	207	211	207
Other current liabilities	1,764	1,377	1,496
Provisions	2	5	6
<b>Total current liabilities</b>	<b>1,973</b>	<b>1,593</b>	<b>1,709</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,916</b>	<b>9,774</b>	<b>10,316</b>

## Condensed consolidated statement of changes in equity

SEKm	6 months		Full Year
	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
<b>Equity at beginning of period</b>	4,994	4,515	4,515
Profit for the period	138	37	275
Other comprehensive income	293	322	512
<b>Total comprehensive income</b>	<b>431</b>	<b>359</b>	<b>787</b>
<b>Transactions with owners</b>			
Purchase of treasury shares	-	-	-34
Share-based payments	10	7	13
Dividend <sup>1</sup>	-285	-287	-287
<b>Total transactions with owners</b>	<b>-275</b>	<b>-280</b>	<b>-308</b>
<b>Equity at end of period</b>	<b>5,150</b>	<b>4,594</b>	<b>4,994</b>

<sup>1</sup> The dividend paid in 2023 comprised a dividend of SEK 1.00 (1.00) per share.

## Condensed consolidated cash flow statement

SEKm	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Jan–Dec 2022
Cash flow from operating activities before changes in working capital	226	190	428	365	885	822
Cash flow from changes in working capital	-143	-268	-321	-416	-208	-303
<b>Cash flow from operating activities</b>	<b>83</b>	<b>-78</b>	<b>107</b>	<b>-51</b>	<b>677</b>	<b>519</b>
Cash flows from investments in property, plant and equipment and intangible assets	-81	-58	-128	-108	-234	-214
Cash flow from other investing activities	0	1	0	1	0	1
<b>Cash flow from investing activities</b>	<b>-81</b>	<b>-57</b>	<b>-128</b>	<b>-107</b>	<b>-234</b>	<b>-213</b>
<b>Cash flow from operating and investing activities</b>	<b>2</b>	<b>-135</b>	<b>-21</b>	<b>-158</b>	<b>443</b>	<b>306</b>
<b>Cash flow from financing activities</b>	<b>-314</b>	<b>-309</b>	<b>-334</b>	<b>-326</b>	<b>-414</b>	<b>-406</b>
<b>Cash flow for the period</b>	<b>-312</b>	<b>-444</b>	<b>-355</b>	<b>-484</b>	<b>29</b>	<b>-100</b>
Cash and cash equivalents at beginning of period	478	683	583	692	205	692
Cash flow for the period	-312	-444	-355	-484	29	-100
Exchange difference	-29	-34	-91	-3	-97	-9
<b>Total cash and cash equivalents at end of period</b>	<b>137</b>	<b>205</b>	<b>137</b>	<b>205</b>	<b>137</b>	<b>583</b>



## Condensed consolidated key figures

SEKm	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022–Jun 2023	Jan–Dec 2022
<b>Profit</b>						
Net sales	1,998	1,626	3,971	3,166	7,674	6,869
Net sales, change, %	22.9	14.5	25.4	12.3	20.0	13.6
Organic net sales, change, %	16.7	11.9	20.0	9.5	15.2	10.0
Gross margin, %	32.0	22.1	31.7	29.1	32.2	31.0
Depreciation	-78	-66	-145	-126	-270	-251
Amortisation	-2	-2	-5	-5	-11	-11
Impairment loss other non-current assets	3	-126	23	-126	13	-136
Operating profit, adjusted	191	162	391	320	762	691
Operating profit margin, adjusted %	9.6	10.0	9.8	10.1	9.9	10.1
Operating profit/loss (EBIT)	182	-61	360	93	733	466
Operating profit margin (EBIT margin), %	9.1	-3.8	9.1	2.9	9.6	6.8
EBITDA, adjusted	271	230	542	451	1,046	955
EBITDA	259	133	487	350	1,001	864
Profit margin, %	4.8	-7.9	4.7	1.2	6.4	5.0
<b>Segments</b>						
<b>Branded packaged products</b>						
Net sales	1,464	1,213	2,912	2,373	5,708	5,169
Operating profit, adjusted	186	154	370	303	736	669
Operating profit margin, adjusted %	12.7	12.7	12.7	12.8	12.9	12.9
<b>Pick &amp; mix</b>						
Net sales	534	413	1,059	793	1,966	1,700
Operating profit, adjusted	5	8	21	17	26	22
Operating profit margin, adjusted %	0.9	1.9	2.0	2.1	1.3	1.3
<b>Financial position</b>						
Working capital	1,080	799	1,080	799	1,080	701
Capital expenditure	102	63	171	134	333	296
Net debt	2,394	2,194	2,394	2,194	2,394	1,855
Capital employed	8,059	7,369	8,059	7,369	8,059	7,823
Return on capital employed, % (Rolling 12 months)	10.9	6.4	10.9	6.4	10.9	7.2
Equity/assets ratio, %	47.2	47.0	47.2	47.0	47.2	48.4
Net debt/equity ratio, %	46.5	47.8	46.5	47.8	46.5	37.1
Return on equity, % (Rolling 12 months)	7.3	7.0	7.3	7.0	7.3	5.5
Equity per share, SEK	18.0	16.0	18.0	16.0	18.0	17.5
Net debt/EBITDA, x (Rolling 12 months)	2.3	2.4	2.3	2.4	2.3	1.9
<b>Cash flow</b>						
Cash flow from operating activities	83	-78	107	-51	677	519
Cash flow from investing activities	-81	-57	-128	-107	-234	-213
Cash flow after investments	2	-135	-21	-158	443	306
Free cash flow	2	-136	-21	-159	443	305
Free cash flow yield (Rolling 12 months), %	7.9	6.5	7.9	6.5	7.9	5.1
Cash flow from operating activities per share, SEK	0.3	-0.3	0.4	-0.2	2.4	1.8
<b>Employees</b>						
Average number of employees	2,584	2,618	2,578	2,631	2,588	2,598

## Reconciliation of alternative performance measures key figures

SEKm	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Jan–Dec 2022
<b>Items affecting comparability</b>						
Acquisitions, integration and restructurings	-9	-225	-31	-229	-51	-249
<i>of which: impairment loss other non-current assets</i>	3	-126	24	-126	16	-134
Other items affecting comparability	-	2	-	2	22	24
<b>Items affecting comparability</b>	<b>-9</b>	<b>-223</b>	<b>-31</b>	<b>-227</b>	<b>-29</b>	<b>-225</b>
<i>Corresponding line in the condensed consolidated profit and loss account:</i>						
Cost of goods sold	-4	-220	-24	-220	-14	-210
Selling expenses	-	-	-	-4	-	-4
General and administrative expenses	-5	-3	-7	-3	-15	-11
<b>Total</b>	<b>-9</b>	<b>-223</b>	<b>-31</b>	<b>-227</b>	<b>-29</b>	<b>-225</b>
<b>Operating profit, adjusted</b>						
Operating profit/loss	182	-61	360	93	733	466
Minus: Items affecting comparability	-9	-223	-31	-227	-29	-225
<b>Operating profit, adjusted</b>	<b>191</b>	<b>162</b>	<b>391</b>	<b>320</b>	<b>762</b>	<b>691</b>
Net sales	1,998	1,626	3,971	3,166	7,674	6,869
<b>Operating profit margin, adjusted, %</b>	<b>9.6</b>	<b>10.0</b>	<b>9.8</b>	<b>10.1</b>	<b>9.9</b>	<b>10.1</b>
<b>EBITDA, adjusted</b>						
Operating profit/loss	182	-61	360	93	733	466
Minus: Depreciation	-78	-66	-145	-126	-270	-251
Minus: Amortisation	-2	-2	-5	-5	-11	-11
Minus: Impairment loss other non-current assets	3	-126	23	-126	13	-136
<b>EBITDA</b>	<b>259</b>	<b>133</b>	<b>487</b>	<b>350</b>	<b>1,001</b>	<b>864</b>
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	-12	-97	-55	-101	-45	-91
<b>EBITDA, adjusted</b>	<b>271</b>	<b>230</b>	<b>542</b>	<b>451</b>	<b>1,046</b>	<b>955</b>
<b>Capital employed</b>						
Total assets	10,916	9,774	10,916	9,774	10,916	10,316
Minus: Deferred tax liability	929	918	929	918	929	884
Minus: Non-current provisions	162	105	162	105	162	107
Minus: Current provisions	2	5	2	5	2	6
Minus: Other current liabilities	1,764	1,377	1,764	1,377	1,764	1,496
<b>Capital employed</b>	<b>8,059</b>	<b>7,369</b>	<b>8,059</b>	<b>7,369</b>	<b>8,059</b>	<b>7,823</b>

## Reconciliation alternative performance measures, continued

SEKm	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Jan–Dec 2022
Capital employed comparative period previous year	7,369	7,157	7,369	7,157	7,369	7,388
<b>Average capital employed</b>	<b>7,714</b>	<b>7,263</b>	<b>7,714</b>	<b>7,263</b>	<b>7,714</b>	<b>7,606</b>
<b>Return on capital employed</b>						
Operating profit (Rolling 12 months)	733	429	733	429	733	466
Financial income (Rolling 12 months)	109	36	109	36	109	83
<b>Operating profit plus financial income (Rolling 12 months)</b>	<b>842</b>	<b>465</b>	<b>842</b>	<b>465</b>	<b>842</b>	<b>549</b>
Average capital employed	7,714	7,263	7,714	7,263	7,714	7,606
<b>Return on capital employed, %</b>	<b>10.9</b>	<b>6.4</b>	<b>10.9</b>	<b>6.4</b>	<b>10.9</b>	<b>7.2</b>
<b>Free cash flow yield</b>						
Cash flow from operating activities (Rolling 12 months)	677	598	677	598	677	519
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-234	-206	-234	-206	-234	-214
<b>Free cash flow (Rolling 12 months)</b>	<b>443</b>	<b>392</b>	<b>443</b>	<b>392</b>	<b>443</b>	<b>305</b>
Number of shares outstanding	285,405,738	287,028,670	285,405,738	287,028,670	285,405,738	285,405,738
<b>Free cash flow per share (Rolling 12 months), SEK</b>	<b>1.55</b>	<b>1.37</b>	<b>1.55</b>	<b>1.37</b>	<b>1.55</b>	<b>1.07</b>
Market price per share, SEK	19.61	20.96	19.61	20.96	19.61	20.86
<b>Free cash flow yield (Rolling 12 months), %</b>	<b>7.9</b>	<b>6.5</b>	<b>7.9</b>	<b>6.5</b>	<b>7.9</b>	<b>5.1</b>
<b>Changes in net sales</b>						
Net sales	1,998	1,626	3,971	3,166	7,674	6,869
Net sales comparative period previous year	1,626	1,420	3,166	2,818	6,394	6,046
<b>Net sales, change</b>	<b>372</b>	<b>206</b>	<b>805</b>	<b>348</b>	<b>1,280</b>	<b>823</b>
Minus: Changes in exchange rates	100	37	171	80	308	217
<b>Organic growth</b>	<b>272</b>	<b>169</b>	<b>634</b>	<b>268</b>	<b>972</b>	<b>606</b>
Organic growth, %	16.7	11.9	20.0	9.5	15.2	10.0

## Quarterly data

SEKm	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Profit and loss account</b>									
Net sales	1,998	1,973	1,905	1,798	1,626	1,540	1,662	1,566	1,420
Cost of goods sold	-1,358	-1,355	-1,257	-1,235	-1,267	-979	-1,057	-1,015	-893
<b>Gross profit</b>	<b>640</b>	<b>618</b>	<b>648</b>	<b>563</b>	<b>359</b>	<b>561</b>	<b>605</b>	<b>551</b>	<b>527</b>
Selling expenses	-267	-258	-283	-234	-246	-246	-276	-209	-242
General and administrative expenses	-191	-182	-178	-143	-174	-161	-172	-163	-159
<b>Operating profit/loss</b>	<b>182</b>	<b>178</b>	<b>187</b>	<b>186</b>	<b>-61</b>	<b>154</b>	<b>157</b>	<b>179</b>	<b>126</b>
Exchange differences on cash and cash equivalents in foreign currencies	-66	-71	-27	-52	-70	6	9	-1	-6
Other financial income	33	23	18	35	13	17	4	2	2
Other financial expenses	-53	-39	-28	-15	-10	-10	-12	-12	-13
<b>Net financial items</b>	<b>-86</b>	<b>-87</b>	<b>-37</b>	<b>-32</b>	<b>-67</b>	<b>13</b>	<b>1</b>	<b>-11</b>	<b>-17</b>
<b>Profit/loss before tax</b>	<b>96</b>	<b>91</b>	<b>150</b>	<b>154</b>	<b>-128</b>	<b>167</b>	<b>158</b>	<b>168</b>	<b>109</b>
Income tax	-23	-26	-42	-24	34	-36	-11	-32	-23
<b>Profit/loss for the period</b>	<b>73</b>	<b>65</b>	<b>108</b>	<b>130</b>	<b>-94</b>	<b>131</b>	<b>147</b>	<b>136</b>	<b>86</b>
<i>Profit/loss for the period attributable to:</i>									
Owners of the Parent Company	73	65	108	130	-94	131	147	136	86
<b>Key figures</b>									
<b>Profit</b>									
Depreciation, amortisation and impairment	-77	-50	-70	-71	-194	-63	-63	-66	-66
Operating profit, adjusted	191	200	183	188	162	158	157	180	127
EBITDA, adjusted	271	271	249	255	230	221	220	246	193
EBITDA	259	228	257	257	133	217	220	245	192
Operating profit margin, adjusted %	9.6	10.1	9.6	10.5	10.0	10.3	9.4	11.5	8.9
Operating profit margin (EBIT margin), %	9.1	9.0	9.8	10.3	-3.8	10.0	9.4	11.4	8.9
Earnings per share, SEK									
Basic and diluted <sup>1</sup>	0.26	0.23	0.38	0.45	-0.33	0.46	0.51	0.47	0.30
<b>Segments</b>									
<b>Branded packaged products</b>									
Net sales	1,464	1,448	1,424	1,372	1,213	1,160	1,284	1,204	1,097
Operating profit, adjusted	186	184	180	186	154	149	152	171	123
Operating profit margin, adjusted %	12.7	12.7	12.6	13.6	12.7	12.8	11.8	14.2	11.2
<b>Pick &amp; mix</b>									
Net sales	534	525	481	426	413	380	378	362	323
Operating profit, adjusted	5	16	3	2	8	9	5	9	4
Operating profit margin, adjusted %	0.9	3.0	0.6	0.5	1.9	2.4	1.3	2.5	1.2
<b>Financial position</b>									
Share price, last paid, SEK	19.61	21.88	20.86	17.61	20.96	25.74	26.20	27.12	25.54
Return on equity, % (Rolling 12 months)	7.3	4.1	5.5	6.5	7.0	10.5	10.5	9.1	7.2
Equity per share, SEK	18.0	18.0	17.5	16.7	16.0	16.5	15.7	15.2	14.8
Net Debt/EBITDA, x (Rolling 12 months)	2.3	2.0	1.9	2.2	2.4	1.9	2.0	2.5	2.9
<b>Cash flow</b>									
Free cash flow	2	-23	241	223	-136	-23	313	238	102
Cash flow from operating activities per share, SEK	0.3	0.1	1.0	1.0	-0.3	0.1	1.3	1.0	0.5

<sup>1</sup> Cloetta entered into forward contracts to repurchase own shares to fulfill its future obligation to deliver the shares to the participants of the long-term share-based incentive plan. The contract has been settled in the second quarter of 2021. During 1 till 9 November 2021 and during 31 October till 23 November 2022 Cloetta purchased 1,590,629 and 1,622,932 treasury shares respectively to fulfill its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met.

## Reconciliation of alternative performance measures per quarter

SEKm	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Items affecting comparability</b>									
Acquisitions, integration and restructurings	-9	-22	-18	-2	-225	-4	0	-1	-1
<i>of which: impairment loss non-current assets</i>	3	21	-4	-4	-126	-	-	-	-
Other items affecting comparability	-	-	22	-	2	-	-	-	-
<b>Items affecting comparability</b>	<b>-9</b>	<b>-22</b>	<b>4</b>	<b>-2</b>	<b>-223</b>	<b>-4</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
<i>Corresponding line in the condensed consolidated profit and loss account:</i>									
Cost of goods sold	-4	-20	12	-2	-220	-	1	-	0
Selling expenses	-	-	-	-	-	-4	-	-	-
General and administrative expenses	-5	-2	-8	0	-3	-	-1	-1	-1
<b>Total</b>	<b>-9</b>	<b>-22</b>	<b>4</b>	<b>-2</b>	<b>-223</b>	<b>-4</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
<b>Operating profit, adjusted</b>									
Operating profit/loss	182	178	187	186	-61	154	157	179	126
Minus: Items affecting comparability	-9	-22	4	-2	-223	-4	0	-1	-1
<b>Operating profit, adjusted</b>	<b>191</b>	<b>200</b>	<b>183</b>	<b>188</b>	<b>162</b>	<b>158</b>	<b>157</b>	<b>180</b>	<b>127</b>
Net sales	1,998	1,973	1,905	1,798	1,626	1,540	1,662	1,566	1,420
<b>Operating profit margin, adjusted, %</b>	<b>9.6</b>	<b>10.1</b>	<b>9.6</b>	<b>10.5</b>	<b>10.0</b>	<b>10.3</b>	<b>9.4</b>	<b>11.5</b>	<b>8.9</b>
<b>EBITDA, adjusted</b>									
Operating profit/loss	182	178	187	186	-61	154	157	179	126
Minus: Depreciation	-78	-67	-63	-62	-66	-60	-61	-63	-63
Minus: Amortisation	-2	-3	-3	-3	-2	-3	-2	-3	-2
Minus: Impairment loss other non-current assets	3	20	-4	-6	-126	-	-	-	-1
<b>EBITDA</b>	<b>259</b>	<b>228</b>	<b>257</b>	<b>257</b>	<b>133</b>	<b>217</b>	<b>220</b>	<b>245</b>	<b>192</b>
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	-12	-43	8	2	-97	-4	0	-1	-1
<b>EBITDA, adjusted</b>	<b>271</b>	<b>271</b>	<b>249</b>	<b>255</b>	<b>230</b>	<b>221</b>	<b>220</b>	<b>246</b>	<b>193</b>
<b>Capital employed</b>									
Total assets	10,916	10,732	10,316	10,151	9,774	9,878	9,549	9,544	9,224
Minus: Deferred tax liability	929	893	884	920	918	894	863	881	871
Minus: Non-current provisions	162	148	107	102	105	1	-	-	1
Minus: Current provisions	2	2	6	3	5	6	5	7	11
Minus: Other current liabilities	1,764	1,726	1,496	1,545	1,377	1,422	1,293	1,328	1,184
<b>Capital employed</b>	<b>8,059</b>	<b>7,963</b>	<b>7,823</b>	<b>7,581</b>	<b>7,369</b>	<b>7,555</b>	<b>7,388</b>	<b>7,328</b>	<b>7,157</b>
Capital employed comparative period previous year	7,369	7,555	7,388	7,328	7,157	7,382	7,198	7,515	7,439
<b>Average capital employed</b>	<b>7,714</b>	<b>7,759</b>	<b>7,606</b>	<b>7,455</b>	<b>7,263</b>	<b>7,469</b>	<b>7,293</b>	<b>7,422</b>	<b>7,298</b>

## Reconciliation alternative performance measures, continued

SEKm	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Return on capital employed</b>									
Operating profit (Rolling 12 months)	733	490	466	436	429	616	565	522	425
Financial income (Rolling 12 months)	109	89	83	69	36	25	9	6	4
<b>Operating profit plus financial income (Rolling 12 months)</b>	<b>842</b>	<b>579</b>	<b>549</b>	<b>505</b>	<b>465</b>	<b>641</b>	<b>574</b>	<b>528</b>	<b>429</b>
Average capital employed	7,714	7,759	7,606	7,455	7,263	7,469	7,293	7,422	7,298
<b>Return on capital employed, %</b>	<b>10.9</b>	<b>7.5</b>	<b>7.2</b>	<b>6.8</b>	<b>6.4</b>	<b>8.6</b>	<b>7.9</b>	<b>7.1</b>	<b>5.9</b>
<b>Free cash flow yield</b>									
Cash flow from operating activities (Rolling 12 months)	677	516	519	606	598	831	858	800	828
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-234	-211	-214	-229	-206	-201	-194	-197	-211
<b>Free cash flow (Rolling 12 months)</b>	<b>443</b>	<b>305</b>	<b>305</b>	<b>377</b>	<b>392</b>	<b>630</b>	<b>664</b>	<b>603</b>	<b>617</b>
Number of shares outstanding	285,405,738	285,405,738	285,405,738	287,028,670	287,028,670	287,028,670	287,028,670	288,619,299	288,619,299
<b>Free cash flow per share (Rolling 12 months), SEK</b>	<b>1.55</b>	<b>1.07</b>	<b>1.07</b>	<b>1.31</b>	<b>1.37</b>	<b>2.19</b>	<b>2.31</b>	<b>2.09</b>	<b>2.14</b>
Market price per share, SEK	19.61	21.88	20.86	17.61	20.96	25.74	26.20	27.12	25.54
<b>Free cash flow yield (Rolling 12 months), %</b>	<b>7.9</b>	<b>4.9</b>	<b>5.1</b>	<b>7.4</b>	<b>6.5</b>	<b>8.5</b>	<b>8.8</b>	<b>7.7</b>	<b>8.4</b>
<b>Changes in net sales</b>									
Net sales	1,998	1,973	1,905	1,798	1,626	1,540	1,662	1,566	1,420
Net sales comparative period previous year	1,626	1,540	1,662	1,566	1,420	1,398	1,466	1,474	1,237
<b>Net sales, change</b>	<b>372</b>	<b>433</b>	<b>243</b>	<b>232</b>	<b>206</b>	<b>142</b>	<b>196</b>	<b>92</b>	<b>183</b>
Minus: Changes in exchange rates	100	71	85	52	37	43	-7	-19	-43
<b>Organic growth</b>	<b>272</b>	<b>362</b>	<b>158</b>	<b>180</b>	<b>169</b>	<b>99</b>	<b>203</b>	<b>111</b>	<b>226</b>
Organic growth, %	16.7	23.5	9.5	11.5	11.9	7.1	13.8	7.5	18.2

# Parent company

## Condensed parent company profit and loss account

SEKm	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Jan–Dec 2022
Net sales	33	24	61	45	113	97
<b>Gross profit</b>	<b>33</b>	<b>24</b>	<b>61</b>	<b>45</b>	<b>113</b>	<b>97</b>
General and administrative expenses	-33	-30	-63	-58	-128	-123
<b>Operating loss</b>	<b>0</b>	<b>-6</b>	<b>-2</b>	<b>-13</b>	<b>-15</b>	<b>-26</b>
Net financial items	-21	3	-42	5	-117	-70
<b>Loss before tax</b>	<b>-21</b>	<b>-3</b>	<b>-44</b>	<b>-8</b>	<b>-132</b>	<b>-96</b>
Income tax	4	0	9	1	28	20
<b>Loss for the period</b>	<b>-17</b>	<b>-3</b>	<b>-35</b>	<b>-7</b>	<b>-104</b>	<b>-76</b>

Loss for the period corresponds to comprehensive income for the period.

## Condensed parent company balance sheet

SEKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>5,402</b>	<b>5,360</b>	<b>5,386</b>
<b>Current assets</b>	<b>38</b>	<b>114</b>	<b>33</b>
<b>TOTAL ASSETS</b>	<b>5,440</b>	<b>5,474</b>	<b>5,419</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>2,170</b>	<b>2,577</b>	<b>2,480</b>
<b>Non-current liabilities</b>			
Borrowings	943	939	941
Provisions	5	3	5
<b>Total non-current liabilities</b>	<b>948</b>	<b>942</b>	<b>946</b>
<b>Current liabilities</b>			
Borrowings	149	149	149
Other current liabilities	2,173	1,806	1,844
<b>Total current liabilities</b>	<b>2,322</b>	<b>1,955</b>	<b>1,993</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,440</b>	<b>5,474</b>	<b>5,419</b>

## Condensed parent company statement of changes in equity

SEKm	6 months		Full Year
	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
<b>Equity at beginning of period</b>	2,480	2,864	2,864
Loss for the period	-35	-7	-76
<b>Total comprehensive income</b>	<b>-35</b>	<b>-7</b>	<b>-76</b>
<b>Transactions with owners</b>			
Share-based payments	10	7	13
Purchase of treasury shares	-	-	-34
Dividend <sup>1</sup>	-285	-287	-287
<b>Total transactions with owners</b>	<b>-275</b>	<b>-280</b>	<b>-308</b>
<b>Equity at end of period</b>	<b>2,170</b>	<b>2,577</b>	<b>2,480</b>

1 The dividend paid in 2023 comprised a dividend of SEK 1.00 (1.00) 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, 2023. The consolidated interim report is presented compliant with IAS 34, Interim Financial Reporting, and in compliance with the relevant provisions in the Swedish Annual Accounts Act and the Swedish Securities Market Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which are consistent with the provisions in recommendation RFR 2, Accounting for Legal Entities. For lease accounting the company makes use of the exemption under RFR2 to treat all leases as operating lease.

### Basis of accounting

The same accounting policies and methods of computation are applied in the interim financial statements as in the most recent annual financial statements. Reference is made to Note 1 'General information and accounting and valuation policies of the Group' and Note 31 'Changes in accounting policies' in the Annual and sustainability report 2022 at [www.cloetta.com](http://www.cloetta.com). No new standards are effective as from 1 January 2023 which have been endorsed by the EU.

### Disclosures

#### 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

SEKm	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022–Jun 2023	Jan–Dec 2022
<b>Net sales</b>						
Branded packaged products	1,464	1,213	2,912	2,373	5,708	5,169
Pick & mix	534	413	1,059	793	1,966	1,700
<b>Total</b>	<b>1,998</b>	<b>1,626</b>	<b>3,971</b>	<b>3,166</b>	<b>7,674</b>	<b>6,869</b>

### Breakdown of net sales by category

%	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022–Jun 2023	Jan–Dec 2022
<b>Net sales</b>						
Candy	63	61	62	61	62	62
Chocolate	19	19	19	19	19	19
Pastilles	9	10	10	10	10	10
Chewing gum	5	5	5	5	5	5
Nuts	2	3	2	3	2	2
Other	2	2	2	2	2	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Breakdown of net sales by country

%	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Jan–Dec 2022
Sweden	28	31	29	30	30	30
Finland	22	21	21	21	21	21
The Netherlands	15	15	15	15	14	14
Denmark	9	8	10	8	10	9
The UK	7	7	6	6	6	6
Norway	6	6	6	7	6	7
Germany	6	6	6	6	6	6
International Markets	7	6	7	7	7	7
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Leases

## Right-of-use assets

SEKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
Land and buildings	94	72	104
Transportation	52	45	40
Other equipment	8	17	11
<b>Total right-of-use assets</b>	<b>154</b>	<b>134</b>	<b>155</b>

Additions to the right-of-use assets were SEK 21m (7) during the quarter and SEK 43m (27) during the first half of the year.

## Lease liability

SEKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
Current	61	64	61
Non-current (between 1 and 5 years)	83	70	83
Non-current (over 5 years)	12	1	12
<b>Total Lease liability</b>	<b>156</b>	<b>135</b>	<b>156</b>

The non-current lease liability of SEK 95m (71) is reflected in the 'long-term borrowings'. The current lease liability of SEK 61m (64) is reflected in the 'short-term borrowings'.

## Depreciation charge right-of-use assets

SEKm	Second quarter		6 months		Rolling 12	Full Year
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Jan–Dec 2022
Land and buildings	-9	-7	-18	-15	-37	-34
Transportation	-8	-11	-15	-18	-26	-29
Other equipment	-7	-4	-11	-6	-18	-13
<b>Total depreciation charge right-of-use assets</b>	<b>-24</b>	<b>-22</b>	<b>-44</b>	<b>-39</b>	<b>-81</b>	<b>-76</b>

## Other disclosures

SEKm	Second quarter		6 months		Rolling 12	Full Year	Recognised in:
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Jan–Dec 2022	
Interest expense	-1	-1	-2	-1	-3	-2	net financial items, in the profit and loss account
Expense relating to leases of low-value assets that are not short-term leases	0	0	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	-1	-3	-2	-5	-4	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	-3	-7	-13	-12	-22	-21	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
<b>Total cash outflow for leases</b>	<b>-25</b>	<b>-19</b>	<b>-45</b>	<b>-37</b>	<b>-84</b>	<b>-76</b>	cash flow from operating activities and financing activities, in the cash flow statement

### Taxes

The effective tax rate for the period was negatively impacted by international tax rate differences and non-deductible expenses.

### Fair value measurement

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

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

For measurement purposes, the fair value of financial assets and liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value measurements by level according to the fair value measurement hierarchy are as follows:

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

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

30 Jun 2023	Carrying amount				Fair value			
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
<b>SEKm</b>								
<b>Financial assets</b>								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	1,152	-	1,152				
• Single currency interest rate swaps	52	-	-	52	-	52	-	52
• Cash and cash equivalents	-	137	-	137				
<b>Total assets</b>	<b>52</b>	<b>1,289</b>	<b>-</b>	<b>1,341</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>52</b>
<b>Financial liabilities</b>								
• Loans from credit institutions	-	-	2,276	2,276				
• Commercial papers	-	-	149	149				
• Lease liabilities	-	-	156	156				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,525	1,525				
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>4,106</b>	<b>4,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 Dec 2022</b>								
<b>SEKm</b>								
<b>Financial assets</b>								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	941	-	941				
• Single currency interest rate swaps	59	-	-	59	-	59	-	59
• Cash and cash equivalents	-	583	-	583				
<b>Total assets</b>	<b>59</b>	<b>1,524</b>	<b>-</b>	<b>1,583</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>59</b>
<b>Financial liabilities</b>								
• Loans from credit institutions	-	-	2,190	2,190				
• Commercial papers	-	-	149	149				
• Lease liabilities	-	-	156	156				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,252	1,252				
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>3,747</b>	<b>3,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

30 Jun 2022	Carrying amount				Fair value			
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
<b>SEKm</b>								
<b>Financial assets</b>								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	929	-	929				
• Single currency interest rate swaps	26	-	-	26	-	26	-	26
• Cash and cash equivalents	-	205	-	205				
<b>Total assets</b>	<b>26</b>	<b>1,134</b>	<b>-</b>	<b>1,160</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>26</b>
<b>Financial liabilities</b>								
• Loans from credit institutions	-	-	2,141	2,141				
• Commercial papers	-	-	149	149				
• Lease liabilities	-	-	135	135				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,215	1,215				
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>3,640</b>	<b>3,640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

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

#### Parent Company

Cloetta AB's primary activities include head office functions such as group-wide management and administration. The comments below refer to the period from 1 January to 30 June 2023. Net sales in the Parent Company amounted to SEK 61m (45) and relate mainly to intra-group services. Operating loss was SEK -2m (-13). Net financial items totaled SEK -42m (5). Loss before tax was SEK -44m (-8) and loss for the period was SEK -35m (-7). 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 30 June 2023, a total of 67,924,719 shares were traded for a combined value of SEK 1,432m, 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 30 June 2023 was SEK 22.82 (23 February) and the lowest was SEK 18.85 (31 May). The share price on 30 June 2023 was SEK 19.61 (last price paid). During the period from 1 January to 30 June 2023, the Cloetta share decreased by 6.0 per cent while the Nasdaq OMX Stockholm PI index increased by 8.4 per cent. Cloetta's share capital at 30 June 2023 amounted to 1,443,096,495. The total number of shares is 288,619,299, consisting of 5,735,249 (5,735,249) class A shares and 282,884,050 (282,884,050) class B shares, equal to a quota value of SEK 5 per share. At 30 June 2023 Cloetta had 3,213,561 class B shares in treasury.

#### Shareholders

On 30 June 2023, Cloetta AB had 41,960 shareholders. The largest shareholder was AB Malfors Promotor with a holding corresponding to 41.6 per cent of the votes and 31.2 per cent of the share capital in the company. LSV Asset Management was the second largest shareholder with 3.2 per cent of the votes and 3.7 per cent of the share capital. The third largest shareholder was La Financière de l'Echiquier with 3.2 per cent of the votes and 3.7 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 2022 and consist of industry and market-related risks, operational risks and financial risks.

Compared to the Annual and sustainability report, which was issued on 13 March 2023, the risk-profile of Cloetta has not significantly changed although the rising input costs and global supply chain challenges are materialising and may further affect the business performance of Cloetta.

# Definitions

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

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

## Glossary

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

## Exchange rates

SEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
EUR, average	11.3431	10.4795	10.6346
EUR, end of period	11.8055	10.7300	11.1218
NOK, average	1.0006	1.0509	1.0532
NOK, end of period	1.0087	1.0369	1.0578
GBP, average	12.9565	12.4470	12.4689
GBP, end of period	13.7548	12.5029	12.5397
DKK, average	1.5233	1.4085	1.4295
DKK, end of period	1.5852	1.4424	1.4956



## Strategic priorities

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



## Our purpose

“We believe in the Power of True Joy”

## Business model

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

## Long-term financial targets

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

## Value drivers

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

## Sustainability

### We provide choices for you

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

### We care about people

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

### We improve our footprint

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

# “We believe in the Power of True Joy”

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



*Cloetta*

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