



Interim report for October–December 2024

Another year of profitable growth with an exceptionally strong last quarter

Fourth quarter

- **Net sales** for the quarter increased by 4.7 per cent to SEK 2,285m (2,182) including a positive impact from foreign exchange rates of 0.3 per cent
- **Sales of Branded packaged products** increased organically by 1.6 per cent during the quarter
- **Sales of Pick & mix** increased organically by 17.3 per cent during the quarter
- **Operating profit adjusted** for items affecting comparability, amounted to SEK 258m (200)
- **Operating profit** amounted to SEK 252m (174), with items affecting comparability of SEK -6m (-26)
- **Operating profit, adjusted, of Branded packaged products** amounted to SEK 214m (200)
- **Operating profit, adjusted, of Pick & mix** amounted to SEK 44m (0)
- **Profit for the period** amounted to SEK 158m (138), which equates to basic and diluted earnings per share of SEK 0.55 (0.48)
- **Cash flow** from operating activities was SEK 308m (478)
- **Net debt/EBITDA** ratio was 1.3x (1.7)
- The Board proposes a **dividend** of SEK 1.10 (1.00) per share

Events after the end of the reporting period

- There were no significant events after the end of the reporting period

Key ratios

SEKm	Fourth quarter			Full Year		
	2024	2023	Δ, %	2024	2023	Δ, %
Net sales	2,285	2,182	4.7 ¹	8,613	8,301	3.8 ¹
Operating profit, adjusted	258	200	29.0	910	799	13.9
Operating profit margin, adjusted, %	11.3	9.2	2.1-pts	10.6	9.6	1-pts
Operating profit (EBIT)	252	174	44.8	807	735	9.8
Operating profit margin (EBIT margin), %	11.0	8.0	3-pts	9.4	8.9	0.5-pts
Profit before tax	232	146	58.9	659	570	15.6
Profit for the period	158	138	14.5	477	437	9.2
Earnings per share, basic, SEK	0.55	0.48	14.6	1.67	1.53	9.2
Earnings per share, diluted, SEK	0.55	0.48	14.6	1.67	1.53	9.2
Net debt/EBITDA, x (Rolling 12 months)	1.3	1.7	-23.5	1.3	1.7	-23.5
Free cash flow	264	394	-33.0	602	496	21.4
Cash flow from operating activities	308	478	-35.6	765	778	-1.7

¹ Organic growth at constant exchange rates was 5.7 per cent for the quarter and 4.7 per cent for the for the year. See further under Net sales on page 3.

SEK **2.3** bn

Net sales

5.7 %

Organic sales growth

11.3 %

Operating profit margin, adjusted

Conference call and web presentation

A conference call with web presentation for media and the financial community is arranged on the day of report publication at 10:00 a.m. CET. We kindly ask those who wish to dial-in to make sure you are connected to the phone conference by calling in and to register a few minutes before the conference begins. An on-demand version of the call will be available on www.cloetta.com later the same day.

Broadcast link <https://creo-live.creomediamanager.com/d8980cdd-48ed-431a-b1b3-f429ebd4c549>

Dial-in numbers SE: +46 8 5051 0031 UK: +44 (0) 207 107 06 13 US: +1 631 570 5613

Comments from the CEO

Another year of profitable growth with an exceptionally strong last quarter

In the last quarter we continued our trajectory of delivering strong sales growth with stable total volumes, and improved profitability mainly driven by margin-enhancing activities in Pick & mix. The profitability was further boosted by a more favourable mix, despite Pick & mix growing faster than Branded packaged products.

In our last report we took on the challenge to continue delivering double-digit adjusted operating profitability despite continued raw material cost inflation. I am pleased to say that we more than met that challenge. In addition to keeping volume stable and without reducing long-term investments in our core brands, we were able to deliver an adjusted profitability of 11.3 per cent in the quarter.

One of the benefits of our diversified confectionery product portfolio, is that we during this quarter were able to shift our trade and field sales activation focus on non-chocolate categories to further mitigate the effect of the increased cocoa price. This, together with other margin enhancing activities in Pick & mix resulted in a highest-ever full year **adjusted operating profit** of SEK 910m (799), and an adjusted profitability of 10.6 per cent.

Our work to improve the profitability is perhaps best exemplified by our Pick & mix segment, which delivered its **fourth consecutive quarter of profitability in line with the long-term target** of 5-7 per cent.

We continue to see further growth opportunities based on **post-pandemic consumer behaviours** and **long-term consumer trends**. The recent increased interest in Pick & mix in the US, known in social media as Swedish candy, continues to drive growth in our relatively small business in North America and is a good example of our opportunities to grow further. Our sales to the US grew by approximately 30 per cent in 2024.

To ensure the profitability of our growth opportunities, we will continue to **optimize our product portfolio**. This includes reducing SKU's with lower profitability and maximising our production capacity.

Sales for the quarter increased by 4.7 per cent, of which **organic growth** accounted for 5.7 per cent, exchange rate differences for positive 0.3 per cent and the divestment of the Nutisal brand for negative 1.3 per cent.

Improved cash flow generation continues and delivered an all-time low Net debt/EBITDA ratio of 1.3x, again well below our long-term target of around 2.5x. The proposal from the Board to increase the dividend to SEK 1.10 is supported by our continued ability to deliver very healthy cash flows and a strong balance sheet.

As previously communicated, energy supply issues in Europe have impacted our long-term plan to **secure a more efficient manufacturing structure** and in the third quarter this year, we decided to put the **greenfield plant project in the Netherlands** on hold and are now reassessing if it remains the optimal way forward to create long-term shareholder value.



“ In our last report we took on the challenge to continue delivering double-digit adjusted operating profitability despite continued raw material cost inflation. I am pleased to say that we more than met that challenge.

Since I assumed my new role earlier this year, I have together with the Group Management Team worked on updating the long-term plan for Cloetta and the outcome the reassessment of the greenfield is an important input to be able to finalise that plan.

Earlier in January we invited our shareholders and investors to our upcoming Investor Day, where we will present these plans. I look forward to meeting you there and show you how we will continue to deliver both joy to consumers as well as value to our stakeholders!

Katarina Tell
President and CEO

Financial overview

Q4 development

Changes in operating environment and short-term uncertainties

Russia's escalation of the war in Ukraine that started in 2022 and the conflict in the Middle East continue to entail risks of further impact on the global economy, further cost inflation, and disruptions in supply chains, including the war risks spreading into other geographies.

Cloetta does not have operations in any of the countries directly affected by the increased geopolitical uncertainty.

Greenfield facility

In 2022, Cloetta announced the plan to invest in a greenfield plant and the closure of three existing confectionery plants in the Netherlands and in Belgium. Investments have so far been relatively limited as the greenfield project is currently in the regulatory permitting phase, which precedes the start of construction and associated major investments.

In September 2024 Cloetta initiated a reassessment of both the greenfield investment and alternative options to secure a more efficient manufacturing structure, due to increased risk relating to energy supply with resulting changes to the timing of the planned start-up.

The on-going reassessment covers both the current project plan for the greenfield as well as alternative options and is expected to be completed at the end of the first quarter of 2025. Further investments in the greenfield are on hold beyond what is necessary to support the reassessment process.

There remain opportunities in Cloetta's supply network to compensate for the volumes planned to be produced by the greenfield in the mid-term.

Net sales

Net sales for the quarter increased by SEK 103m to SEK 2,285m (2,182) compared to the same period last year. Organic growth was 5.7 per cent.

Changes in net sales, %	Oct–Dec 2024	Jan–Dec 2024
Organic growth	5.7	4.7
Structural changes ¹	-1.3	-0.9
Changes in exchange rates	0.3	-0.0
Total	4.7	3.8

¹ Structural changes refer to the divestment of the Nutisal brand.

Gross profit

Gross profit, adjusted for items affecting comparability, amounted to SEK 784m (689) which equates to a gross margin, adjusted, of 34.3 per cent (31.6). The increase was mainly driven by margin-enhancing initiatives in Pick & mix, continued fair pricing and a favourable mix in

Branded packaged products. Gross profit amounted to SEK 800m (668) which equates to a gross margin of 35.0 per cent (30.6).

Operating profit

Operating profit, adjusted for items affecting comparability, amounted to SEK 258m (200), and was positively impacted by higher gross profit, partially offset by increased investments in core brands. Operating profit amounted to SEK 252m (174).

Items affecting comparability

Operating profit for the quarter includes items affecting comparability of SEK -6m (-26).

Net financial items

Net financial items for the quarter amounted to SEK -20m (-28). Net interest expenses related to external borrowings, cash pool and realised results on single currency interest rate swaps were in total SEK -15m (-15), exchange differences on cash and cash equivalents were SEK 4m (27) which mainly related to the development of the Norwegian krona against the euro during the quarter. Other financial items amounted to SEK -9m (-40) of which SEK -1m (-31) was related to the unrealised results on single currency interest rate swaps. Of the total net financial items SEK -39m (11) is non-cash in nature.

Profit for the period

Profit for the quarter was SEK 158m (138), which equates to basic and diluted earnings per share of SEK 0.55 (0.48). Income tax for the period was SEK -74m (-8).

The effective tax rate for the quarter was 31.9 per cent (5.5) and was negatively impacted by the revaluation of deferred tax positions following changes in tax rates, increased provisions for tax losses carry forward in the UK and differences between expected and actual tax filings.

Free cash flow

The free cash flow was SEK 264m (394). Cash flow from operating activities before changes in working capital was SEK 250m (242). The cash flow from changes in working capital was SEK 58m (236).

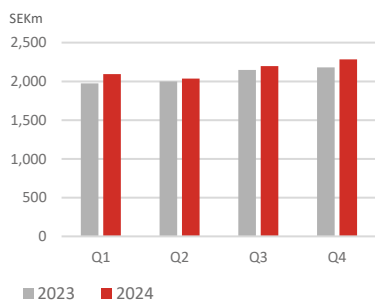
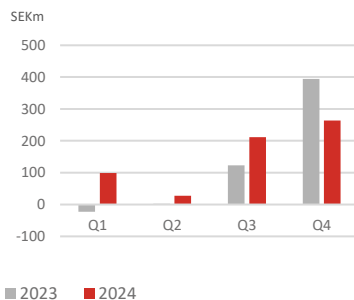
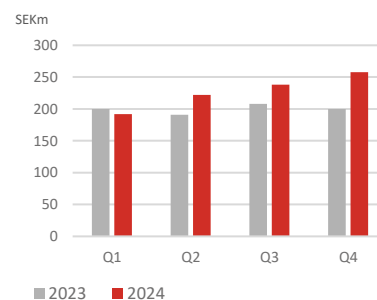
The cash flow from investments in property, plant and equipment and intangible assets was SEK -44m (-84).

Cash flow from changes in working capital

Cash flow from changes in working capital was SEK 58m (236). The cash flow from changes in working capital shows normal seasonal pattern and was positively impacted by a decrease in receivables of SEK 135m (238) and a decrease in inventories for an amount of SEK 29m (25), partially offset by a decrease in payables of SEK -106m (-27).

Cash flow from other investing activities

Cash flow from other investing activities was SEK 12m (0).

Net sales**Free cash flow****Operating profit, adjusted****Cash flow from financing activities**

The cash flow from financing activities was SEK -21m (-26). The cash flow from financing activities was related to payments of lease liabilities of SEK -21m (-25) and the purchase of treasury shares of SEK 0m (-1).

Development during the year**Net sales**

Net sales for the year increased by SEK 312m to SEK 8,613m (8,301) compared to last year. Organic growth was 4.7 per cent.

Gross profit

Gross profit, adjusted for items affecting comparability, amounted to SEK 2,841m (2,598) which equates to a gross margin, adjusted, of 33.0 per cent (31.3). The increase was mainly driven by continued fair pricing, margin-enhancing initiatives in Pick & mix and a favourable mix in our Branded packaged business, partially offset by higher input costs. Gross profit amounted to SEK 2,866m (2,550) which equates to a gross margin of 33.3 per cent (30.7).

Operating profit

Operating profit, adjusted for items affecting comparability, amounted to SEK 910m (799), and was positively impacted by higher gross profit, partially offset by increased marketing investments in core brands. Operating profit amounted to SEK 807m (735).

Items affecting comparability

Operating profit for the year includes items affecting comparability of SEK -103m (-64), mainly for impairments of intangible assets related to the divestment of the Nutisal brand.

Net financial items

Net financial items for the year amounted to SEK -148m (-165). Net interest expenses related to external borrowings, cash pool and realised results on single currency interest rate swaps were in total SEK -66m (-50), exchange differences on cash and cash equivalents were SEK -35m (-43) which mainly related to the development of the Norwegian krona against the euro during the year. Other financial items amounted to SEK -47m (-72) of which SEK -19m (-45) was related to the unrealised results on single currency interest rate swaps. Of the total net financial items SEK -56m (-58) is non-cash in nature.

Profit for the year

Profit for the year was SEK 477m (437), which equates to basic and diluted earnings per share of SEK 1.67 (1.53). Income tax for the period was SEK -182m (-133).

The effective tax rate for the year was 27.6 per cent (23.3) and was negatively impacted by the revaluation of deferred tax positions following changes in tax rates, increased provisions for tax losses carry forward in the UK and differences between expected and actual tax filings.

Free cash flow

The free cash flow was SEK 602m (496). Cash flow from operating activities before changes in working capital was SEK 961m (878). The cash flow from changes in working capital was SEK -196m (-100).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -163m (-282).

Cash flow from changes in working capital

Cash flow from changes in working capital was SEK -196m (-100). The cash flow from changes in working capital was negatively impacted by an increase in receivables of SEK -131m (-63), a decrease in payables of SEK -64m (175) and an increase in inventories for an amount of SEK -1m (-212).

Cash flow from other investing activities

Cash flow from other investing activities was SEK 72m (2) and mainly relates to the proceeds from the divestment of the Nutisal brand.

Cash flow from financing activities

The cash flow from financing activities was SEK -367m (-379). The cash flow from financing activities was related to the dividend distribution of SEK -285m (-285), payments of lease liabilities of SEK -79m (-88), net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK -3m (-5) and the purchase of treasury shares of SEK 0m (-1).

Financial position

Consolidated equity at 31 December 2024 amounted to SEK 5,434m (5,098), which equates to SEK 19.0 (17.9) per share outstanding. Net debt at 31 December 2024 was SEK 1,610m (1,825).

Long-term borrowings amounted to SEK 2,306m (2,264) and consisted of SEK 2,232m (2,187) in gross non-current loans from credit institutions, SEK 80m (85) in non-current lease liabilities and SEK -6m (-8) in capitalised transaction costs.

Total short-term borrowings amounted to SEK 203m (220) and consisted of SEK 149m (149) in commercial papers, SEK 56m (74) in current lease liabilities, SEK 2m (2) in accrued interest on borrowings from credit institutions and SEK -4m (-5) in capitalised transaction costs.

SEKm	31 Dec 2024	31 Dec 2023
Gross non-current loans from credit institutions	2,232	2,187
Commercial papers	149	149
Lease liabilities	136	159
Derivative financial instruments	44	-14
Interest payable	2	2
Gross debt	2,563	2,483
Cash and cash equivalents	-953	-658
Net debt	1,610	1,825

Cash and cash equivalents at 31 December 2024 amounted to SEK 953m (658). At 31 December 2024 Cloetta had an unutilised credit facility of SEK 2,521m (2,441) 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

Q4 development

Net Sales

Net sales for the quarter increased by SEK 10m to SEK 1,631m (1,621) compared to the same period last year for Branded packaged products. The comparative figure includes a full fourth quarter of net sales of the Nutisal brand, divested in the second quarter of 2024. Organic growth was 1.6 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 214m (200). The increase in adjusted operating profit was mainly driven by fair pricing and a favourable mix, partially offset by increased marketing investments in core brands and higher input costs.

Development during the year

Net Sales

Net sales for the year increased by SEK 66m to SEK 6,219m (6,153) compared to last year for Branded packaged products. The comparative figure includes a full financial year of net sales of the Nutisal brand, divested in the second quarter of 2024. Organic growth was 1.9 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 740m (786). The decrease was mainly driven by lower volumes, increased marketing investments in core brands and higher input costs, partially offset by continued fair pricing and a favourable mix.

Segment Pick & mix

Q4 development

Net Sales

Net sales for the quarter increased by SEK 93m to SEK 654m (561) compared to the same period last year. Organic growth was 17.3 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 44m (0). The increase was driven by higher volumes and continued margin-enhancing initiatives, partially offset by higher input costs.

Development during the year

Net Sales

Net sales for the year increased by SEK 246m to SEK 2,394m (2,148) compared to last year. Organic growth was 12.8 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 170m (13). The increase was driven by higher volumes and continued margin-enhancing initiatives, partially offset by higher input costs.

The comparative figure includes a provision for uncollectible receivables of approximately SEK 24m related to one of the largest retail customers in the UK going into administration in the third quarter of 2023.

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, primarily in Sweden, 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 2,556 (2,589).

The Board's proposed dividend

For the financial year 2024 the Board of Directors of Cloetta AB proposes to distribute a dividend to the shareholders of SEK 1.10 (1.00) per share for the 2024 financial year corresponding to 66 per cent (65) of profit for the year and corresponding to 57 per cent of the profit for the year excluding impact of the impairment and other items affecting comparability relating to the divestment of the Nutisal brand. As the impairment for the divestment of the Nutisal brand is non-cash, it has not affected our ability to issue share dividends. The proposed date for the record is 14 April 2025 and payment is expected to be made on 17 April 2025. The ambition is to continue using future cash flows for payment of share dividends, while at the same time providing financial flexibility for planned investments.

The long-term target to distribute 40–60 per cent of profit after tax continues to apply.

Annual General Meeting

The Annual General Meeting of Cloetta AB will be held on Thursday, 10 April 2025 in Stockholm. Notice of the AGM will be published as a separate press release and will also be available on www.cloetta.com/en/governance/general-meetings/.

Events after the end of the reporting period

There were no significant events after the end of the reporting period.

Oct–Dec 2024 SEKm	Branded packaged products	Pick & mix	Total	Jan–Dec 2024 SEKm	Brande packaged products	Pick & mix	Total
Net sales	1,631	654	2,285	Net sales	6,219	2,394	8,613
Operating profit, adjusted	214	44	258	Operating profit, adjusted	740	170	910
Items affecting comparability			-6	Items affecting comparability			-103
Operating profit			252	Operating profit			807
Net financial items			-20	Net financial items			-148
Profit before tax			232	Profit before tax			659
Income tax			-74	Income tax			-182
Profit for the period			158	Profit for the period			477

Oct–Dec 2023 SEKm	Branded packaged products	Pick & mix	Total	Jan–Dec 2023 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,621	561	2,182	Net sales	6,153	2,148	8,301
Operating profit, adjusted	200	0	200	Operating profit, adjusted	786	13	799
Items affecting comparability			-26	Items affecting comparability			-64
Operating profit			174	Operating profit			735
Net financial items			-28	Net financial items			-165
Profit before tax			146	Profit before tax			570
Income tax			-8	Income tax			-133
Profit for the period			138	Profit for the period			437

Strategic priorities

1 Growth leadership in Branded packaged products

We have a clear growth strategy for growth for Branded packaged products which focuses on both the core operations and the Group's strong brands, well positioned to respond to the growing consumer trends demanding local brands and innovative offerings with a conscious and sustainable approach.

As branded packaged products have an EBIT margin above the Group average, this segment is important for Cloetta to be able to reach its long-term profitability target. We will also continue to recover the mix within the segment to secure strong profitability.

2 Sustainable value within the Pick & mix business

Pick & mix is an important consumer market as it goes hand in hand with underlying consumer trends such as individualism and sustainable packaging.

The segment is also of importance for our customers as it increases in-store traffic and impacts our ability to sell other categories. From its strong market position Cloetta has good opportunities to develop the category and thereby drive profitability and growth, with the ambition to reach an EBIT margin in the range of 5–7 per cent in the medium-term.

3 Focus on lower costs and greater efficiency

Cloetta needs to invest to continue to grow. This includes increasing marketing investments for Branded packaged products, adapting to changing consumer and customer demand, and creating capacity to produce more products.

Cloetta's efficiency programmes, together with strengthened corporate culture and processes in One Cloetta, are important drivers to improve the overall profitability which allows for the investments.

4 Sustainability

Cloetta's sustainability agenda, A Sweeter Future, focuses on creating joy and long-lasting value For You, For People and For the Planet. The initiatives within the sustainability agenda cover topics all across the value chain where Cloetta has the ability to make an impact. Further information on Cloetta's sustainability journey is available in the latest Annual Report as well as on www.cloetta.com/sustainability.

Assurance of the Board of Directors and CEO

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, 29 January, 2025.

Cloetta AB (publ)

Morten Falkenberg, Board Chairman
 Patrick Bergander, Member of the Board
 Lena Grönedal, Employee Board member
 Malin Jennerholm, Member of the Board
 Alan McLean Raleigh, Member of the Board
 Pauline Lindwall, Member of the Board
 Camilla Svenfelt, Member of the Board
 Mikael Svenfelt, Member of the Board
 Katarina Tell, President and CEO

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

Upcoming financial reports and events 2025

Annual and Sustainability Report 2024	11 March
Investor Day (Stockholm)	27 March
Annual General Meeting 2025	10 April
Interim report Q1 2025	7 May
Interim report Q2 2025	17 July
Interim report Q3 2025	5 November

Cloetta continuously updates its financial reporting dates and investor events on www.cloetta.com/en/investors/calendar-investors/.

This information is information that Cloetta AB is obliged to make public pursuant to the EU Market Abuse. The information was submitted for publication, through the agency of the contact person detailed above, at 07:30 a.m. CET on 29 January 2025.

Contact

Laura Lindholm
Director, Communications and Investor Relations

+ 46 76 696 59 40

ir@cloetta.compress@cloetta.com
sustainability@cloetta.com

Financial statements in summary

Consolidated profit and loss account

SEKm	Fourth quarter		Full Year	
	2024	2023	2024	2023
Net sales	2,285	2,182	8,613	8,301
Cost of goods sold	-1,485	-1,514	-5,747	-5,751
Gross profit	800	668	2,866	2,550
Selling expenses	-327	-300	-1,160	-1,073
General and administrative expenses	-221	-194	-899	-742
Operating profit	252	174	807	735
Exchange differences on cash and cash equivalents in foreign currencies	4	27	-35	-43
Other financial income	23	39	111	128
Other financial expenses	-47	-94	-224	-250
Net financial items	-20	-28	-148	-165
Profit before tax	232	146	659	570
Income tax	-74	-8	-182	-133
Profit for the period	158	138	477	437
<i>Profit for the period attributable to:</i>				
Owners of the Parent Company	158	138	477	437
Earnings per share, SEK				
Basic ¹	0.55	0.48	1.67	1.53
Diluted ¹	0.55	0.48	1.67	1.53
Number of shares outstanding at end of period ¹	286,065,407	285,342,034	286,065,407	285,342,034
Average number of shares (basic) ¹	285,516,067	285,362,807	285,690,150	285,394,917
Average number of shares (diluted) ¹	285,697,302	285,632,704	285,786,127	285,650,818

¹ On 30 October 2023, Cloetta purchased 63,704 treasury shares to fulfil its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met. On 29 April 2024, a total of 723,373 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 on vesting. On 28 November 2024, Cloetta entered into a forward contract to repurchase 1,531,492 own shares to fulfil its future obligations 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	Fourth quarter		Full Year	
	2024	2023	2024	2023
Profit for the period	158	138	477	437
<i>Other comprehensive income</i>				
Remeasurement of defined benefit pension plans	36	-50	-2	-42
Income tax on remeasurement of defined benefit pension plans	-8	10	0	8
Items that will never be reclassified to profit or loss for the period	28	-40	-2	-34
Currency translation differences	108	-257	206	-40
Hedge of a net investment in a foreign operation	-22	64	-47	7
Income tax on hedge of a net investment in a foreign operation	5	-12	9	-1
Items that may be reclassified to profit or loss for the period	91	-205	168	-34
Total other comprehensive income	119	-245	166	-68
Total comprehensive income, net of tax	277	-107	643	369
<i>Total comprehensive income for the period attributable to:</i>				
Owners of the Parent Company	277	-107	643	369

Net financial items

SEKm	Fourth quarter		Full Year	
	2024	2023	2024	2023
Exchange differences on cash and cash equivalents in foreign currencies	4	27	-35	-43
Other financial income, third parties	19	30	83	91
Realised gains on single currency interest rate swaps	4	9	28	37
Total other financial income	23	39	111	128
Interest expenses third-party borrowings and realised losses on single currency interest rate swaps	-38	-54	-177	-178
Amortisation of capitalised transaction costs	-1	-1	-5	-5
Unrealised losses on single currency interest rate swaps	-1	-31	-19	-45
Other financial expenses, third parties	-7	-8	-23	-22
Total other financial expenses	-47	-94	-224	-250
Net financial items	-20	-28	-148	-165

Condensed consolidated balance sheet

SEKm	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Intangible assets	5,833	5,862
Property, plant and equipment	1,695	1,686
Deferred tax asset	59	23
Derivative financial instruments	1	5
Other financial assets	4	3
Total non-current assets	7,592	7,579
Current assets		
Inventories	1,336	1,292
Other current assets	1,260	1,136
Derivative financial instruments	4	18
Cash and cash equivalents	953	658
Total current assets	3,553	3,104
TOTAL ASSETS	11,145	10,683
EQUITY AND LIABILITIES		
Equity	5,434	5,098
Non-current liabilities		
Long-term borrowings	2,306	2,264
Deferred tax liability	910	900
Derivative financial instruments	4	8
Provisions for pensions and other long-term employee benefits	378	382
Provisions	163	160
Total non-current liabilities	3,761	3,714
Current liabilities		
Short-term borrowings	203	220
Derivative financial instruments	45	1
Other current liabilities	1,691	1,636
Provisions	11	14
Total current liabilities	1,950	1,871
TOTAL EQUITY AND LIABILITIES	11,145	10,683

Condensed consolidated statement of changes in equity

SEKm	Full year	
	2024	2023
Equity at beginning of period	5,098	4,994
Profit for the period	477	437
Other comprehensive income	166	-68
Total comprehensive income	643	369
Transactions with owners		
Forward contract to repurchase own shares	-40	-
Purchase of treasury shares	-	-1
Share-based payments	18	21
Dividend ¹	-285	-285
Total transactions with owners	-307	-265
Equity at end of period	5,434	5,098

¹ The dividend paid in 2024 comprised a dividend of SEK 1.00 (1.00) per share.

Condensed consolidated cash flow statement

SEKm	Fourth quarter		Full Year	
	2024	2023	2024	2023
Cash flow from operating activities before changes in working capital	250	242	961	878
Cash flow from changes in working capital	58	236	-196	-100
Cash flow from operating activities	308	478	765	778
Cash flows from investments in property, plant and equipment and intangible assets	-44	-84	-163	-282
Cash flow from other investing activities	12	0	72	2
Cash flow from investing activities	-32	-84	-91	-280
Cash flow from operating and investing activities	276	394	674	498
Cash flow from financing activities	-21	-26	-367	-379
Cash flow for the period	255	368	307	119
Cash and cash equivalents at beginning of period	661	310	658	583
Cash flow for the period	255	368	307	119
Exchange difference	37	-20	-12	-44
Total cash and cash equivalents at end of period	953	658	953	658

Condensed consolidated key figures

SEKm	Fourth quarter		Full Year	
	2024	2023	2024	2023
Profit				
Net sales	2,285	2,182	8,613	8,301
Net sales, change, %	4.7	14.5	3.8	20.8
Organic net sales, change, %	5.7	11.7	4.7	15.7
Gross margin, %	35.0	30.6	33.3	30.7
Depreciation	-66	-63	-273	-284
Amortisation	-3	-3	-11	-11
Impairment other non-current assets	17	-9	-60	17
Operating profit, adjusted	258	200	910	799
Operating profit margin, adjusted %	11.3	9.2	10.6	9.6
Operating profit (EBIT)	252	174	807	735
Operating profit margin (EBIT margin), %	11.0	8.0	9.4	8.9
EBITDA, adjusted	327	270	1,194	1,100
EBITDA	304	249	1,151	1,013
Profit margin, %	10.2	6.7	7.7	6.9
Segments				
Branded packaged products				
Net sales	1,631	1,621	6,219	6,153
Operating profit, adjusted	214	200	740	786
Operating profit margin, adjusted %	13.1	12.3	11.9	12.8
Pick & mix				
Net sales	654	561	2,394	2,148
Operating profit, adjusted	44	0	170	13
Operating profit margin, adjusted %	6.7	0.0	7.1	0.6
Financial position				
Working capital	1,017	796	1,017	796
Capital expenditure	66	127	225	379
Net debt	1,610	1,825	1,610	1,825
Capital employed	8,370	7,973	8,370	7,973
Return on capital employed, % (Rolling 12 months)	11.2	10.9	11.2	10.9
Equity/assets ratio, %	48.8	47.7	48.8	47.7
Net debt/equity ratio, %	29.6	35.8	29.6	35.8
Return on equity, % (Rolling 12 months)	8.8	8.6	8.8	8.6
Equity per share, SEK	19.0	17.9	19.0	17.9
Net debt/EBITDA, x (Rolling 12 months)	1.3	1.7	1.3	1.7
Cash flow				
Cash flow from operating activities	308	478	765	778
Cash flow from investing activities	-32	-84	-91	-280
Cash flow after investments	276	394	674	498
Free cash flow	264	394	602	496
Free cash flow yield (Rolling 12 months), %	8.3	9.5	8.3	9.5
Cash flow from operating activities per share, SEK	1.1	1.7	2.7	2.7
Employees				
Average number of employees	2,556	2,589	2,577	2,582

Reconciliation of alternative performance measures key figures

SEKm	Fourth quarter		Full Year	
	2024	2023	2024	2023
Items affecting comparability				
Acquisitions, integration and restructurings	-6	-26	-103	-64
<i>of which: impairment non-current assets</i>	17	-5	-60	23
Items affecting comparability	-6	-26	-103	-64
<i>Corresponding line in the condensed consolidated profit and loss account:</i>				
Cost of goods sold	16	-21	25	-48
Selling expenses	0	-	-3	1
General and administrative expenses	-22	-5	-125	-17
Total	-6	-26	-103	-64
Operating profit, adjusted				
Operating profit	252	174	807	735
Minus: Items affecting comparability	-6	-26	-103	-64
Operating profit, adjusted	258	200	910	799
Net sales	2,285	2,182	8,613	8,301
Operating profit margin, adjusted, %	11.3	9.2	10.6	9.6
EBITDA, adjusted				
Operating profit	252	174	807	735
Minus: Depreciation	-66	-63	-273	-284
Minus: Amortisation	-3	-3	-11	-11
Minus: Impairment non-current assets	17	-9	-60	17
EBITDA	304	249	1,151	1,013
Minus: Items affecting comparability (excl. impairment non-current assets)	-23	-21	-43	-87
EBITDA, adjusted	327	270	1,194	1,100
Capital employed				
Total assets	11,145	10,683	11,145	10,683
Minus: Deferred tax liability	910	900	910	900
Minus: Non-current provisions	163	160	163	160
Minus: Current provisions	11	14	11	14
Minus: Other current liabilities	1,691	1,636	1,691	1,636
Capital employed	8,370	7,973	8,370	7,973
Capital employed comparative period previous year	7,973	7,823	7,973	7,823
Average capital employed	8,172	7,898	8,172	7,898

Reconciliation alternative performance measures, continued

SEKm	Fourth quarter		Full Year	
	2024	2023	2024	2023
Return on capital employed				
Operating profit (Rolling 12 months)	807	735	807	735
Financial income (Rolling 12 months)	111	128	111	128
Operating profit plus financial income (Rolling 12 months)	918	863	918	863
Average capital employed	8,172	7,898	8,172	7,898
Return on capital employed, %	11.2	10.9	11.2	10.9
Free cash flow yield				
Cash flow from operating activities (Rolling 12 months)	765	778	765	778
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-163	-282	-163	-282
Free cash flow (Rolling 12 months)	602	496	602	496
Number of shares outstanding	286,065,407	285,342,034	286,065,407	285,342,034
Free cash flow per share (Rolling 12 months), SEK	2.10	1.74	2.10	1.74
Market price per share, SEK	25.20	18.32	25.20	18.32
Free cash flow yield (Rolling 12 months), %	8.3	9.5	8.3	9.5
Changes in net sales				
Net sales	2,285	2,182	8,613	8,301
Net sales comparative period previous year	2,182	1,905	8,301	6,869
Net sales, change	103	277	312	1,432
Minus: Structural changes	-28	-	-70	-
Minus: Changes in exchange rates	7	54	-12	356
Organic growth	124	223	394	1,076
Organic growth, %	5.7	11.7	4.7	15.7

Quarterly data

SEKm	Q4 2024	Q3 2024	Q2 2024	Q1 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2022	Q4 2022
Profit and loss account									
Net sales	2,285	2,196	2,038	2,094	2,182	2,148	1,998	1,973	1,905
Cost of goods sold	-1,485	-1,493	-1,321	-1,448	-1,514	-1,524	-1,358	-1,355	-1,257
Gross profit	800	703	717	646	668	624	640	618	648
Selling expenses	-327	-268	-298	-267	-300	-248	-267	-258	-283
General and administrative expenses	-221	-197	-295	-186	-194	-175	-191	-182	-178
Operating profit	252	238	124	193	174	201	182	178	187
Exchange differences on cash and cash equivalents in foreign currencies	4	-26	16	-29	27	67	-66	-71	-27
Other financial income	23	20	33	35	39	33	33	23	18
Other financial expenses	-47	-66	-60	-51	-94	-64	-53	-39	-28
Net financial items	-20	-72	-11	-45	-28	36	-86	-87	-37
Profit before tax	232	166	113	148	146	237	96	91	150
Income tax	-74	-36	-31	-41	-8	-76	-23	-26	-42
Profit for the period	158	130	82	107	138	161	73	65	108
<i>Profit for the period attributable to:</i>									
Owners of the Parent Company	158	130	82	107	138	161	73	65	108
Key figures									
Profit									
Depreciation, amortisation and impairment	-52	-57	-162	-73	-75	-76	-77	-50	-70
Operating profit, adjusted	258	238	222	192	200	208	191	200	183
EBITDA, adjusted	327	306	290	271	270	288	271	271	249
EBITDA	304	295	286	266	249	277	259	228	257
Operating profit margin, adjusted %	11.3	10.8	10.9	9.2	9.2	9.7	9.6	10.1	9.6
Operating profit margin (EBIT margin), %	11.0	10.8	6.1	9.2	8.0	9.4	9.1	9.0	9.8
Earnings per share, SEK									
Basic and diluted ¹	0.55	0.45	0.29	0.37	0.48	0.56	0.26	0.23	0.38
Segments									
Branded packaged products									
Net sales	1,631	1,588	1,487	1,513	1,621	1,620	1,464	1,448	1,424
Operating profit, adjusted	214	191	183	152	200	216	186	184	180
Operating profit margin, adjusted %	13.1	12.0	12.3	10.0	12.3	13.3	12.7	12.7	12.6
Pick & mix									
Net sales	654	608	551	581	561	528	534	525	481
Operating profit/loss, adjusted	44	47	39	40	0	-8	5	16	3
Operating profit margin, adjusted %	6.7	7.7	7.1	6.9	0.0	-1.5	0.9	3.0	0.6
Financial position									
Share price, last paid, SEK	25.20	24.46	20.62	18.19	18.32	18.26	19.61	21.88	20.86
Return on equity, % (Rolling 12 months)	8.8	8.8	9.5	8.8	8.6	7.8	7.3	4.1	5.5
Equity per share, SEK	19.0	18.1	18.0	19.0	17.9	18.2	18.0	18.0	17.5
Net Debt/EBITDA, x (Rolling 12 months)	1.3	1.6	1.8	1.6	1.7	2.0	2.3	2.0	1.9
Cash flow									
Free cash flow	264	211	28	99	394	123	2	-23	241
Cash flow from operating activities per share, SEK	1.1	0.9	0.2	0.5	1.7	0.7	0.3	0.1	1.0

¹ During 1 till 9 November 2021, during 31 October till 23 November 2022 and on 30 October 2023, Cloetta purchased 1,590,629, 1,622,932 and 63,704 treasury shares respectively to fulfil its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met. On 29 April 2024, a total of 723,373 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 on vesting. On 28 November 2024, Cloetta entered into a forward contract to repurchase 1,531,492 own shares to fulfill its future obligations 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

EKm	Q4 2024	Q3 2024	Q2 2024	Q1 2023	Q4 2023	Q3 2023	Q2 2022	Q1 2022	Q4 2022
Items affecting comparability									
Acquisitions, integration and restructurings	-6	0	-98	1	-26	-7	-9	-22	-18
of which: impairment non-current assets	17	11	-94	6	-5	4	3	21	-4
Other items affecting comparability	-	-	-	-	-	-	-	-	22
Items affecting comparability	-6	0	-98	1	-26	-7	-9	-22	4
<i>Corresponding line in the condensed consolidated profit and loss account:</i>									
Cost of goods sold	16	6	-1	4	-21	-3	-4	-20	12
Selling expenses	0	-	-3	-	-	1	-	-	-
General and administrative expenses	-22	-6	-94	-3	-5	-5	-5	-2	-8
Total	-6	0	-98	1	-26	-7	-9	-22	4
Operating profit, adjusted									
Operating profit	252	238	124	193	174	201	182	178	187
Minus: Items affecting comparability	-6	0	-98	1	-26	-7	-9	-22	4
Operating profit, adjusted	258	238	222	192	200	208	191	200	183
Net sales	2,285	2,196	2,038	2,094	2,182	2,148	1,998	1,973	1,905
Operating profit margin, adjusted, %	11.3	10.8	10.9	9.2	9.2	9.7	9.6	10.1	9.6
EBITDA, adjusted									
Operating profit	252	238	124	193	174	201	182	178	187
Minus: Depreciation	-66	-65	-67	-75	-63	-76	-78	-67	-63
Minus: Amortisation	-3	-3	-2	-3	-3	-3	-2	-3	-3
Minus: Impairment non-current assets	17	11	-93	5	-9	3	3	20	-4
EBITDA	304	295	286	266	249	277	259	228	257
Minus: Items affecting comparability (excl. impairment non-current assets)	-23	-11	-4	-5	-21	-11	-12	-43	8
EBITDA, adjusted	327	306	290	271	270	288	271	271	249
Capital employed									
Total assets	11,145	10,886	10,779	11,162	10,683	10,873	10,916	10,732	10,316
Minus: Deferred tax liability	910	840	880	908	900	922	929	893	884
Minus: Non-current provisions	163	161	159	166	160	165	162	148	107
Minus: Current provisions	11	14	17	16	14	2	2	2	6
Minus: Other current liabilities	1,691	1,770	1,728	1,756	1,636	1,731	1,764	1,726	1,496
Capital employed	8,370	8,101	7,995	8,316	7,973	8,053	8,059	7,963	7,823
Capital employed comparative period previous year	7,973	8,053	8,059	7,963	7,823	7,581	7,369	7,555	7,388
Average capital employed	8,172	8,077	8,027	8,140	7,898	7,817	7,714	7,759	7,606

Reconciliation alternative performance measures, continued

SEKm	Q4 2024	Q3 2024	Q2 2024	Q1 2023	Q4 2023	Q3 2023	Q2 2022	Q1 2022	Q4 2022
Return on capital employed									
Operating profit (Rolling 12 months)	807	729	692	750	735	748	733	490	466
Financial income (Rolling 12 months)	111	127	140	140	128	107	109	89	83
Operating profit plus financial income (Rolling 12 months)	918	856	832	890	863	855	842	579	549
Average capital employed	8,172	8,077	8,027	8,140	7,898	7,817	7,714	7,759	7,606
Return on capital employed, %	11.2	10.6	10.4	10.9	10.9	10.9	10.9	7.5	7.2
Free cash flow yield									
Cash flow from operating activities (Rolling 12 months)	765	935	879	903	778	581	677	516	519
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-163	-203	-235	-285	-282	-238	-234	-211	-214
Free cash flow (Rolling 12 months)	602	732	644	618	496	343	443	305	305
Number of shares outstanding	286,065,407	286,065,407	286,065,407	285,342,034	285,342,034	285,405,738	285,405,738	285,405,738	285,405,738
Free cash flow per share (Rolling 12 months), SEK	2.10	2.56	2.25	2.17	1.74	1.20	1.55	1.07	1.07
Market price per share, SEK	25.20	24.46	20.62	18.19	18.32	18.26	19.61	21.88	20.86
Free cash flow yield (Rolling 12 months), %	8.3	10.5	10.9	11.9	9.5	6.6	7.9	4.9	5.1
Changes in net sales									
Net sales	2,285	2,196	2,038	2,094	2,182	2,148	1,998	1,973	1,905
Net sales comparative period previous year	2,182	2,148	1,998	1,973	1,905	1,798	1,626	1,540	1,662
Net sales, change	103	48	40	121	277	350	372	433	243
Minus: Structural changes	-28	-32	-10	-	-	-	-	-	-
Minus: Changes in exchange rates	7	-42	14	9	54	131	100	71	85
Organic growth	124	122	36	112	223	219	272	362	158
Organic growth, %	5.7	5.7	1.8	5.7	11.7	12.2	16.7	23.5	9.5

Parent company

Condensed parent company profit and loss account

SEKm	Fourth quarter		Full Year	
	2024	2023	2024	2023
Net sales	35	24	137	113
Gross profit	35	24	137	113
General and administrative expenses	-70	-53	-177	-143
Operating profit/loss	-35	-29	-40	-30
Net financial items	448	107	340	29
Dividend income	1,909	-	1,909	-
Profit/loss before tax	2,322	78	2,209	-1
Income tax	-85	-17	-58	-2
Profit/loss for the period	2,237	61	2,151	-3

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

Condensed parent company balance sheet

SEKm	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets	5,437	5,410
Current assets	540	171
TOTAL ASSETS	5,977	5,581
EQUITY AND LIABILITIES		
Equity	4,056	2,212
Non-current liabilities		
Borrowings	954	949
Provisions	2	2
Total non-current liabilities	956	951
Current liabilities		
Borrowings	149	149
Other current liabilities	816	2,269
Total current liabilities	965	2,418
TOTAL EQUITY AND LIABILITIES	5,977	5,581

Condensed parent company statement of changes in equity

SEKm	Full Year	
	2024	2023
Equity at beginning of period	2,212	2,480
Profit/loss for the period	2,151	-3
Total comprehensive income	2,151	-3
Transactions with owners		
Forward contract to repurchase own shares	-40	-
Purchase of treasury shares	-	-1
Share-based payments	18	21
Dividend ¹	-285	-285
Total transactions with owners	-307	-265
Equity at end of period	4,056	2,212

¹ The dividend paid in 2024 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 2024. 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 2023 at www.cloetta.com. No new standards are effective as from 1 January 2024 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	Fourth quarter		Full Year	
	2024	2023	2024	2023
Branded packaged products	1,631	1,621	6,219	6,153
Pick & mix	654	561	2,394	2,148
Total	2,285	2,182	8,613	8,301

Breakdown of net sales by category

%	Fourth quarter		Full Year	
	2024	2023	2024	2023
Candy	62	63	62	62
Chocolate	23	20	21	19
Pastilles	9	9	9	10
Chewing gum	4	4	5	5
Nuts	1	2	1	2
Other	1	2	2	2
Total	100	100	100	100

Breakdown of net sales by country

%	Fourth quarter		Full Year	
	2024	2023	2024	2023
Sweden	31	32	30	30
Finland	19	19	20	21
The Netherlands	13	15	14	15
Denmark	11	11	11	10
The UK	5	4	5	5
Norway	7	6	6	6
Germany	7	6	7	6
International Markets	7	7	7	7
Total	100	100	100	100

Leases*Right-of-use assets*

SEKm	31 Dec 2024	31 Dec 2023
Land and buildings	59	85
Transportation	65	50
Other equipment	7	20
Total right-of-use assets	131	155

Additions to the right-of-use assets were SEK 20m (42) during the quarter and SEK 61m (97) for the year.

Lease liability

SEKm	31 Dec 2024	31 Dec 2023
Current	56	74
Non-current (between 1-5 years)	68	75
Non-current (over 5 years)	12	10
Total Lease liability	136	159

The non-current lease liability of SEK 80m (85) is reflected in the 'long-term borrowings'. The current lease liability of SEK 56m (74) is reflected in the 'short-term borrowings'.

Depreciation charge right-of-use assets

SEKm	Fourth quarter		Full Year	
	2024	2023	2024	2023
Land and buildings	-9	-10	-34	-37
Transportation	-10	-12	-41	-35
Other equipment	-2	-7	-11	-24
Total depreciation charge right-of-use assets	-21	-29	-86	-96

SEKm	Fourth Quarter		Full Year		Recognised in:
	2024	2023	2024	2023	
Interest expense	-2	-1	-5	-4	net financial items, in the profit and loss account
Expense relating to leases of low-value assets that are not short-term leases	0	0	-1	-1	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Expense relating to short-term leases, where no right-of-use asset has been recognized	-1	0	-4	-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	-11	-11	-30	-29	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Total cash outflow for leases	-23	-23	-84	-91	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 an increase of a tax provision in the UK, the revaluation of deferred tax positions following changes in enacted tax rates, differences between expected and actual tax filings and non-deductible expenses.

Fair value measurement

In the second quarter of 2024 a financial instrument categorised at level 3 of the fair value hierarchy was recognised for an amount of SEK 8m for to the contingent earn-out consideration related to the divestment of the Nutisal brand. In the fourth quarter of 2024, this contingent earn-out consideration has been revalued to zero.

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 deferred selling price related to the divestment of the Nutisal brand that is categorised within level 2 of the fair value hierarchy, as well as;
- the contingent earn-out consideration related to the divestment of the Nutisal brand that is categorised within level 3.

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

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

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

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

31 Dec 2024	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	-	1,056	-	1,056				
• Contingent earn-out consideration and deferred selling price	2	-	-	2	-	2	-	2
• Single currency interest rate swaps	5	-	-	5	-	5	-	5
• Cash and cash equivalents	-	953	-	953				
Total assets	7	2,009	-	2,016	-	7	-	7
Financial liabilities								
• Loans from credit institutions	-	-	2,232	2,232				
• Commercial papers	-	-	149	149				
• Forward contract to repurchase own shares	-	-	40	40	-	2	-	2
• Single currency interest rate swaps	9	-	-	9	-	9	-	9
• Trade and other payables, excluding other taxes and social security payables	-	-	1,424	1,424				
Total liabilities	9	-	3,845	3,854	-	11	-	11
<hr/>								
31 Dec 2023	Carrying amount			Fair value				
SEKm	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
Financial assets								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	989	-	989				
• Single currency interest rate swaps	23	-	-	23	-	23	-	23
• Cash and cash equivalents	-	658	-	658				
Total assets	23	1,647	-	1,670	-	23	-	23
Financial liabilities								
• Loans from credit institutions	-	-	2,187	2,187				
• Commercial papers	-	-	149	149				
• Single currency interest rate swaps	9	-	-	9	-	9	-	9
• Trade and other payables, excluding other taxes and social security payables	-	-	1,433	1,433				
Total liabilities	9	-	3,769	3,778	-	9	-	9

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 fair value measurement of the contingent earn-out consideration requires the use of significant unobservable inputs and is thereby initially categorised at level 3. 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.

The contingent earn-out consideration is measured at fair value using a scenario model with an earn-out threshold, different results and related changes. These data are aligned with the earn-out contract. The inter-relationship between significant unobservable inputs and fair value measurement are: The estimated fair value of the contingent earn-out consideration related to the divestment of the Nutisal brand will increase (decrease) if the forecasted combined sales value of Cloetta and De Monchy Food Group of the Nutisal products during the period 1 July 2024 until 30 June 2025 is higher (lower).

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 December 2024. Net sales in the Parent Company amounted to SEK 137m (113) and relate mainly to intra-group services. Operating loss was SEK -40m (-30). Net financial items totalled SEK 340m (29). Dividend income amounted to SEK 1,909m (0). Profit/loss before tax was SEK 2,209m (-1) and profit/loss for the period was SEK 2,151m (-3). 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 December 2024, a total of 172,962,836, shares were traded for a combined value of SEK 3 066m, equivalent to around 61 per cent of the total number of class B shares at the end of the year. The highest quoted bid price during the period from 1 January to 31 December 2024 was SEK 27.52 (28 October) and the lowest was SEK 15.92 (23 April). The share price on 31 December 2024 was SEK 25.20 (last price paid). During the period from 1 January to 31 December 2024, the Cloetta share increased by 37.0 per cent while the Nasdaq OMX Stockholm PI index increased by 5,7 per cent. Cloetta's share capital at 31 December 2024 amounted to 1,443,096,495. The total number of shares is 288,619,299, consisting of 5,735,249 (5,735,249) class A shares and 282,884,050 (282,884,050) class B shares, equal to a quota value of SEK 5 per share. At 31 December 2024, Cloetta had 2,553,892 class B shares in treasury.

Shareholders

On 31 December 2024, Cloetta AB had 40,831 shareholders. The largest shareholder was AB Malfors Promotor with a holding corresponding to 42.9 per cent of the votes and 32.7 per cent of the share capital in the company. Van Lanschot Kempen Investment Management was the second largest shareholder with 4.2 per cent of the votes and 4.9 per cent of the share capital. The third largest shareholder was LSV Asset Management with 3.2 per cent of the votes and 3.7 per cent of the share capital.

Cloetta regularly updates its list of shareholders on its investor website www.cloetta.com/en/investors/.

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 2023 and consist of industry and market-related risks, operational risks and financial risks.

Compared to the Annual and sustainability report, which was issued on 11 March 2024, 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

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.
Gross margin, adjusted	Net sales, adjusted for items affecting comparability less cost of goods sold, adjusted for items affecting comparability as a percentage of net sales, adjusted for items affecting comparability.	Adjusted gross margin excludes the impact of items affecting comparability, enabling a comparison of 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 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.
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 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.
Earnings per share	Profit for the period divided by the average number of outstanding shares adjusted for the effect of treasury 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 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		
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.
Gross profit, adjusted	Net sales, adjusted for items affecting comparability less cost of goods sold, adjusted for items affecting comparability.	Gross profit, adjusted increases the comparability of gross profit.
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 Dec 2024	31 Dec 2023
EUR, average	11.4408	11.4821
EUR, end of period	11.4590	11.0960
NOK, average	0.9831	1.0046
NOK, end of period	0.9715	0.9871
GBP, average	13.5177	13.2099
GBP, end of period	13.8197	12.7680
DKK, average	1.5339	1.5410
DKK, end of period	1.5365	1.4888

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.

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

About Cloetta

Cloetta is a leading confectionery company in Northern Europe. In total, Cloetta products are sold in more than 60 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 six production units in five countries. Cloetta's class B shares are traded on Nasdaq Stockholm.

Cloetta AB (publ)

Corp. ID no. 556308-8144

Landsvägen 50A, Box 2052, 174 02, Sundbyberg, Sweden

Tel +46 (0)8-52 72 88 00

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