Cloetta

Interim report July–September **2022**

Q3

"Cloetta is reporting the seventh consecutive quarter of growth in Branded packaged products and continued profitable growth in Pick & mix. Further price increases were implemented during the quarter to compensate for the continuing cost inflation, whilst protecting volumes."

–Henri de Sauvage-Nolting, President and CEO

Interim report

July–September 2022

Cloetta

Third quarter, July–September 2022

- **Net sales** for the quarter increased by 14.8 per cent to SEK 1,798m (1,566) including a positive impact from foreign exchange rates of 3.3 per cent.
- **Sales of Branded packaged products** increased organically by 10.2 per cent during the quarter.
- **Sales of Pick & mix** increased organically by 15.7 per cent during the quarter.
- **Operating profit adjusted** for items affecting comparability, amounted to SEK 188m (180). Operating profit amounted to SEK 186m (179).
- **Operating profit, adjusted, of Branded packaged products** amounted to SEK 186m (171).
- **Operating profit, adjusted, of Pick & mix** amounted to SEK 2m (9).
- **Profit for the period** amounted to SEK 130m (136), which equates to basic and diluted earnings per share of SEK 0.45 (0.47).
- **Cash flow** from operating activities was SEK 289m (281).
- **Net debt/EBITDA** ratio was 2.2x (2.5).

Events during and after the end of the period

- Cloetta conducted an investor event to update the market on the investment in a new greenfield facility in the Netherlands.
- Following the consultation and informing process with the European Works Council and local unions, the Board has now decided to proceed with the investment in a new greenfield facility in the Netherlands.

Key ratios

	Third quarter			9 months			Rolling 12	Full Year
SEKm	**Jul–Sep 2022**	**Jul–Sep 2021**	**Change, %**	**Jan–Sep 2022**	**Jan–sep 2021**	**Change, %**	**Oct 2021–Sep 2022**	**Jan–Dec 2021**
Net sales	1,798	1,566	14,8[1]	4,964	4,384	13,2[1]	6,626	6,046
Operating profit, adjusted	188	180	4.4	508	414	22.7	665	571
Operating profit margin, adjusted %	10.5	11.5	-1.0-pts	10.2	9.4	0.8-pts	10.0	9.4
Operating profit (EBIT)	186	179	3.9	279	408	-31.6	436	565
Operating profit margin (EBIT margin), %	10.3	11.4	-1,1-pts	5.6	9.3	-3,7-pts	6.6	9.3
Profit before tax	154	168	-8.3	193	400	-51.8	351	558
Profit for the period	130	136	-4.4	167	325	-48.6	314	472
Earnings per share, basic and diluted, SEK	0.45	0.47	-4.3	0.58	1.13	-48.7	1.09	1.64
Net debt/EBITDA, x (Rolling 12 months)	2.2	2.5	-12.0	2.2	2.5	-12.0	2.2	2.0
Free cash flow	223	238	-6.3	64	351	-81.8	377	664
Cash flow from operating activities	289	281	2.8	238	490	-51.4	606	858

1 Organic growth at constant exchange rates was 11.5 per cent for the quarter and 10.2 per cent for the first three quarters of the year. See further under Net sales on page 4.

SEK 1.8 bn
Net sales

11.5 %
Organic sales growth

10.5 %
Operating profit margin, adjusted

Continued growth and strong focus on pricing execution

Cloetta is reporting the seventh consecutive quarter of growth in Branded packaged products and continued profitable growth in Pick & mix. Further price increases were implemented during the quarter to compensate for the continuing cost inflation, whilst protecting volumes.

I am very pleased with our overall performance during the third quarter, where we delivered strong growth both within Branded packaged products and Pick & mix.

During the quarter, our previously communicated pricing came into effect, and together with our efforts on mix and savings enabled us to protect profit despite the increasing input costs. In an inflationary environment, we believe that price increases in combination with cost savings remain the only sustainable strategy. We are taking further pricing actions during the beginning of next year to address the continuing rising input costs.

Despite soaring inflation, global supply chain challenges, and uncertainty regarding the war in Ukraine, we have managed to avoid any material impact on the Group and we will continue to take all possible actions to protect our business. This ability to adapt, together with our strong brands in resilient categories, positions us well to execute our pricing strategy whilst mitigating volume impact on account of the decreased consumer purchasing power.

Third quarter development

Sales for the quarter increased by 14.8 per cent, of which organic growth accounted for 11.5 per cent and exchange rate differences for 3.3 per cent. Sales of Branded packaged products increased organically by 10.2 per cent, driven by pricing supported by successful marketing and innovation initiatives. Sales of Pick & mix increased organically by 15.7 per cent during the quarter and continued to be driven by our efforts to premiumise the offering, increased consumer activation as well as pricing.

The increase in adjusted operating profit is attributable to favourable mix and strong cost control, which together with pricing are offsetting the higher input cost.

> **"We are well equipped to strengthen our position as a leading confectionery company in Western Europe, also in these uncertain times.**

Strong strategy execution

I am very pleased with the strong consumer demand for our products, with Branded packaged products delivering its seventh consecutive quarter of growth. Stand-out results from our Innovations 2.0 include the launch of Tupla Puffs in Finland as well as Ahlgrens Gröna bilar, the first product in our assortment with the CO_2 footprint on the pack. I am also delighted that we received an award for best Sustainability report 2021 alongside two other Mid Cap listed companies on Nasdaq Stockholm, a confirmation of our credible sustainability strategy. Within the Pick & mix segment, we continued to grow our CandyKing concept across markets whilst making further progress on creating sustainable profitability.

During the quarter, we hosted a digital investor event to share more information on the investment in a new greenfield facility in the Netherlands. Following the consultation and informing process with the European Works Council and local unions, the Board has now decided to proceed with the investment and consequently to close the three current confectionery factories in Turnhout, Belgium, and Roosendaal, the Netherlands.

We again delivered a quarter of healthy free cash flow, driven by a stronger operating profit and improved working capital. Net debt/EBITDA remained below our targeted 2.5x, with stable net debt levels and improved EBITDA.

Strengthening position in volatile times

In volatile times, as we are now experiencing, it is important to focus on being efficient and agile without losing sight of the long-term strategic priorities. Our third quarter performance provides important evidence that Cloetta is growing even when consumers' purchasing power is decreasing. With engaged colleagues, working hard to continue to meet loyal consumers' expectations of our brands, and strong finances, we are well equipped to strengthen our position as a leading confectionery company in Western Europe, also in these uncertain times.

Henri de Sauvage-Nolting
President and CEO

Financial overview

Third quarter development

New greenfield facility

During the quarter, Cloetta hosted a digital investor event to share more information on the investment in a new greenfield facility in the Netherlands. Following the consultation and informing process with the European Works Council and local unions, the Board has now decided to proceed with the investment and consequently to close the three current confectionery factories in Turnhout, Belgium, and Roosendaal, the Netherlands.

Geopolitical developments

Russia's war in Ukraine that started at the end of February 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 third quarter increased by SEK 232m to SEK 1,798m (1,566) compared to the same period last year. Organic growth was 11.5 per cent and the impact of changes in exchange rates was 3.3 per cent.

Changes in net sales, %	Jul–Sep 2022	Jan–Sep 2022
Organic growth	11.5	10.2
Changes in exchange rates	3.3	3.0
Total	**14.8**	**13.2**

Gross profit

Gross profit amounted to SEK 563m (551), which equates to a gross margin of 31.3 per cent (35.2). The gross profit increase was driven by pricing and mix, largely offset by higher input costs. The gross margin compression was primarily driven by the strong sales growth.

Operating profit

Operating profit, adjusted for items affecting comparability, amounted to SEK 188m (180), and was positively impacted by higher gross profit. Operating profit amounted to SEK 186m (179).

Items affecting comparability

Operating profit for the third quarter includes items affecting comparability of SEK -2m (-1) that are related to the greenfield facility.

Net financial items

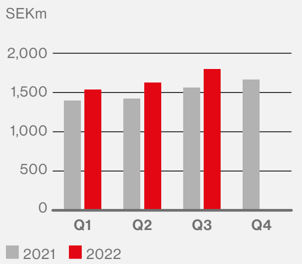
Net financial items for the quarter amounted to SEK -32m (-11). Interest expenses related to external borrowings were SEK -11m (-8), exchange differences on cash and cash equivalents were SEK -52m (-1) which mainly related to the development of the Swedish and Norwegian krona and the Great Britain pound against the euro during the quarter. Other financial items amounted to SEK 31m (-2) of which SEK 29m (1) related to the unrealised gains on single currency interest rate swaps. Of the total net financial items SEK 10m (-13) is non-cash in nature.

Profit for the period

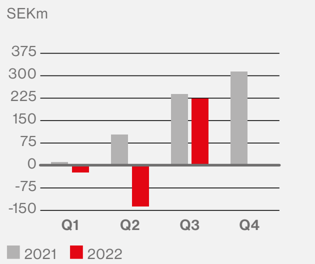
Profit for the period was SEK 130m (136), which equates to basic and diluted earnings per share of SEK 0.45 (0.47). Income tax for the period was SEK -24m (–32).

The effective tax rate for the quarter was 15.6 per cent (19.0) and was positively impacted by international tax rate differences and differences between expected and actual tax filings related to the previous year in a number of countries. Non-deductible expenses had a negative impact on the effective tax rate for the quarter.

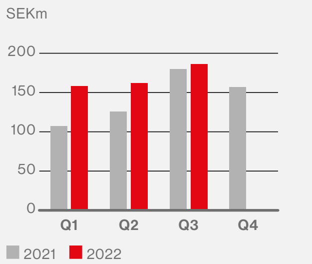
Net sales



Free cash flow



Operating profit, adjusted



Free cash flow

The free cash flow was SEK 223m (238). Cash flow from operating activities before changes in working capital was SEK 234m (200). The improvement compared to last year is mainly due to lower corporate income tax payments. The cash flow from changes in working capital was SEK 55m (81).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -66m (-43).

Cash flow from changes in working capital

Cash flow from changes in working capital was SEK 55m (81). The cash flow from changes in working capital was positively impacted by an increase in payables amounting to SEK 152m (140), a decrease in inventories for an amount of SEK 53m (65), partly offset by an increase in receivables of SEK -150m (-124).

Cash flow from other investing activities

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

Cash flow from financing activities

Cash flow from financing activities was SEK -20m (-16). The cash flow from financing activities was related to payments of lease liabilities of SEK -19m (–16) and net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK -1m (0).

Development during the year

Net sales

Net sales for the first nine months increased by SEK 580m to SEK 4,964m (4,384) compared to the same period of last year. Organic growth was 10.2 per cent and the impact of changes in exchange rates was 3.0 per cent.

Gross profit

Gross profit, adjusted for items affecting comparability, amounted to SEK 1,705m (1,543), which equates to a margin of 34.3 per cent (35.2). The profit was positively impacted by higher volumes, favourable mix and pricing, partly offset by higher input costs. The gross margin compression was primarily driven by the strong sales growth. Gross profit amounted to SEK 1,483m (1,543), which equates to a gross margin of 29.9 per cent (35.2).

Operating profit

Operating profit, adjusted for items affecting comparability, amounted to SEK 508m (414), and was positively impacted by higher gross profit, partly offset by higher marketing investments. Operating profit amounted to SEK 279m (408).

Items affecting comparability

Operating profit for the first nine months of the year includes items affecting comparability of SEK -229m (–6) that are mainly related to the greenfield facility, consisting of recognised impairments of SEK -130m and provisions and other items affecting comparability of SEK -97m.

Net financial items

Net financial items for the first nine months of the year amounted to SEK -86m (-8). Interest expenses related to external borrowings were SEK -27m (-24), exchange differences on cash and cash equivalents were SEK -116m (24) which mainly related to the development of the Swedish and Norwegian krona and the Great Britain pound against the euro during the first nine months of the year. Other financial items amounted to SEK 57m (-8) of which SEK 53m (4) related to the unrealised gains on single currency interest rate swaps. Of the total net financial items SEK -28m (-9) is non-cash in nature.

Profit for the period

Profit for the period was SEK 167m (325), driven by items affecting comparability and unrealised exchange rate differences on cash and cash equivalents, which equates to basic and diluted earnings per share of SEK 0.58 (1.13). Income tax for the period was SEK -26m (-75).

The effective tax rate for the period was 13.5 per cent (18.8) and was positively impacted due to the relatively high weighted applicable tax rate of the countries where the costs related to the greenfield facility are recognised, by the impact of the international tax rate differences and differences between expected and actual tax filings related to the previous year in a number of countries. Non-deductible expenses had a negative impact on the effective tax rate for the period. The effective tax rate for the period, excluding the items affecting comparability, would have been 19.7 per cent.

Free cash flow

The free cash flow was SEK 64m (351). Cash flow from operating activities before changes in working capital was SEK 599m (471). The improvement compared to last year is mainly due to the higher operating profit, adjusted. The cash flow from changes in working capital was SEK -361m (19).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -174m (-139).

Cash flow from changes in working capital

Cash flow from changes in working capital was SEK -361m (19). The cash flow from changes in working capital was negatively impacted by an increase in receivables amounting to SEK -373m (-246), an increase in inventories for an amount of SEK -211m (98), partly offset by an increase in payables of SEK 223m (167).

Cash flow from other investing activities

Cash flow from other investing activities was SEK 1m (2).

Cash flow from financing activities

Cash flow from financing activities was SEK -346m (-275). The cash flow from financing activities was related to the dividend distribution of SEK -287m (-215), payments of lease liabilities of SEK -55m (–52) and net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK -4m (–7). Other cash flows from financing activities amounted to SEK 0m (–1).

Financial position

Consolidated equity at 30 September 2022 amounted to SEK 4,803m (4,398), which equates to SEK 16.7 (15.2) per share outstanding. Net debt at 30 September 2022 was SEK 2,005m (1,967).

Long-term borrowings totalled SEK 2,219m (2,158) and consisted of SEK 2,162m (2,071) in gross non-current loans from credit institutions, SEK 61m (92) in non-current lease liabilities and SEK -4m (-5) in capitalised transaction costs.

Total short-term borrowings amounted to SEK 208m (305) and consisted of SEK 149m (250) in commercial papers, SEK 61m (58) in current lease liabilities and SEK -2m (–3) in capitalised transaction costs.

During the third quarter new credit facilities, totaling EUR 160m, has been committed by Cloetta's existing banking group at competitive rates that are marginally higher than on existing facilities. The credit facilities are committed in connection to the investment in a new greenfield facility.

SEKm	30 Sep 2022	30 Sep 2021	31 Dec 2021
Gross non-current loans from credit institutions	2,162	2,071	2,081
Commercial papers	149	250	150
Lease liabilities	122	150	143
Derivative financial instruments	-55	1	-3
Gross debt	**2,378**	**2,472**	**2,371**
Cash and cash equivalents	-373	-505	-692
Net debt	**2,005**	**1,967**	**1,679**

Cash and cash equivalents at 30 September 2022 amounted to SEK 373m (505). At 30 September 2022 Cloetta had an unutilised credit facility of SEK 654m (610) and the possibility to issue additional commercial papers for an amount of SEK 850m (750).

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.

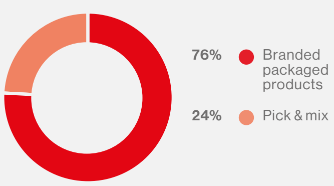
No segment information is provided to or assessed by the CODM on assets and liabilities and therefore these are not separately disclosed.

Information related to each reportable segment (business segment) is set out below. For more information regarding the determination of reportable segments reference is made to page 26.

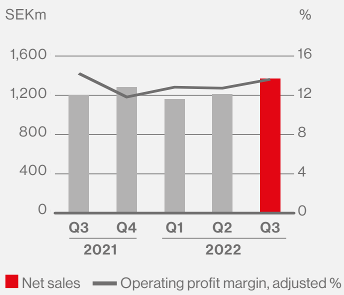
Business segments

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.

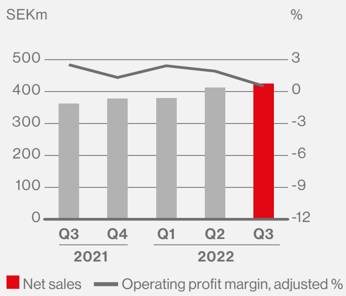
Business segment, share of sales



Branded packaged products



Pick & mix



Jul–Sep 2022 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,372	426	1,798
Operating profit, adjusted	186	2	188
Items affecting comparability			-2
Operating profit			**186**
Net financial items			-32
Profit before tax			**154**
Income tax			-24
Profit for the period			**130**

Jan–Sep 2022 SEKm	Branded packaged products	Pick & mix	Total
Net sales	3,745	1,219	4,964
Operating profit, adjusted	489	19	508
Items affecting comparability			-229
Operating profit			**279**
Net financial items			-86
Profit before tax			**193**
Income tax			-26
Profit for the period			**167**

Jul–Sep 2021 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,204	362	1,566
Operating profit, adjusted	171	9	180
Items affecting comparability			-1
Operating profit			**179**
Net financial items			-11
Profit before tax			**168**
Income tax			-32
Profit for the period			**136**

Jan–Sep 2021 SEKm	Branded packaged products	Pick & mix	Total
Net sales	3,402	982	4,384
Operating profit, adjusted	425	-11	414
Items affecting comparability			-6
Operating profit			**408**
Net financial items			-8
Profit before tax			**400**
Income tax			-75
Profit for the period			**325**

Segment Branded packaged products

Third quarter development

Net Sales

Net sales for the third quarter increased by SEK 168m to SEK 1,372m (1,204) compared to last year for Branded packaged products. Organic growth was 10.2 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 186m (171). The increase in adjusted operating profit was driven by favourable mix and pricing, partly offset by higher input costs.

Development during the year

Net Sales

Net sales for the first nine months of the year increased by SEK 343m to SEK 3,745m (3,402) compared to last year for Branded packaged products. Organic growth was 7.1 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 489m (425). The increase in adjusted operating profit was driven by favourable mix and pricing, partly offset by higher input costs and higher marketing investments.

Segment Pick & mix

Third quarter development

Net Sales

Net sales for the third quarter increased by SEK 64m to SEK 426m (362) compared to the same period of last year. Organic growth was 15.7 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 2m (9). The decrease in adjusted operating profit was driven by higher input costs, partly offset by pricing, higher volumes and continued margin-enhancing initiatives.

Development during the year

Net Sales

Net sales for the first nine months of the year increased by SEK 237m to SEK 1,219m (982) compared to the same period of last year. Organic growth was 21.1 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 19m (-11). The increase in adjusted operating profit was driven by higher volumes, pricing and continued margin-enhancing initiatives, partly offset by higher input 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 2,603 (2,587).

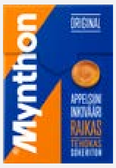
Events after the balance sheet date

After the end of the reporting period, following the consultation and informing process with the European Works Council and local unions, the Board has decided to proceed with the investment in a new greenfield facility in the Netherlands. and consequently to close the three current confectionery factories in Turnhout, Belgium, and Roosendaal, the Netherlands. No other significant events have taken place that could affect the company's operations.

Examples of new launches during the third quarter

Finland

TUPLA – Winter - Cinnamon
POLLY – Icecream - Raspberry, pear and caramel
JENKKI – Enjoy - Liqurice and lemon
MYNTHON – Orange and ginger
JENKKI – Enjoy - Mango and grapefruit
JENKKI – Fresh - Frosty mint
MALACO – Lakrifun Sekoitus - Liqurice, mango and salmiac
TUPLA – Crispy puffs - Milk chocolate with nougatfilling

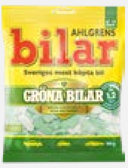


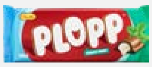
Denmark

MALACO GODT & BLANDET – Hyg-gemix - Mixed flavors
CLOETTA JULESKUM – Cola caramel
MALACO LAKRITSBIDDER – Liquo-rice bites - chocolate and strawberry
POLLY – Winter - Gingerbread, clem-entine and christmas caramel

Sweden

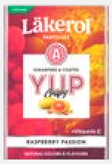
AHLGRENS BILAR – Green cars - Lemon, apple and pear
CLOETTA JULESKUM – Cola caramel
PLOPP – Milk chocolate - Fresh mint
PLOPP – Milk chocolate - Salty licorice
TUPLA – Crispy puffs - Milk chocolate with nougatfilling





Norway

YUP – Crispy - Raspberry and passion
AHLGRENS BILAR – Green cars - Lemon, apple and pear
CLOETTA JULESKUM – Cola caramel



International markets

RED BAND - Laces Tutti frutti - Fruit flavor
RED BAND - Twists Tutti frutti - Fruit flavor

Cloetta

– a leading confectionery company in Northern Europe.

1862
Founded in

2,600
Employees

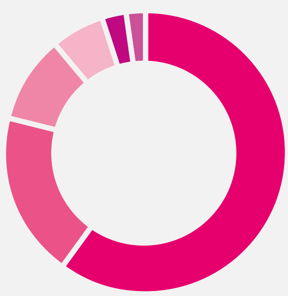
>50
Countries

7
Factories

2
Business segments

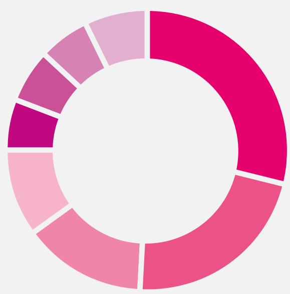
"We believe in the Power of True Joy

Cloetta's net sales, July-September 2022



By Category

- 60% Candy
- 19% Chocolate
- 10% Pastilles
- 6% Chewing gum
- 3% Nuts
- 2% Other



By Country

- 29% Sweden
- 22% Finland
- 14% The Netherlands
- 10% Denmark
- 6% The UK
- 6% Norway
- 6% Germany
- 7% International Markets

76%
Branded packaged products

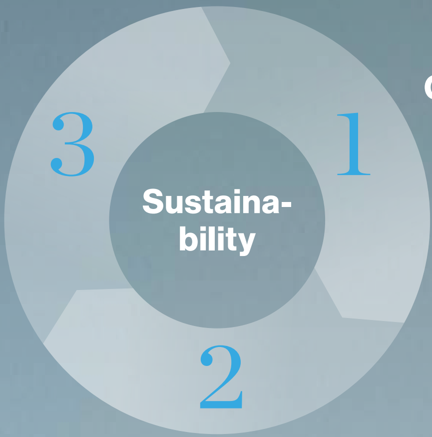
24%
Pick & mix

67%
Nordic countries

33%
Other

Strategic priorities

Lower costs and greater efficiency



Growth leadership in Branded packaged products

Sustainable value within the Pick & mix business

Q3 highlights

1 Growth leadership in Branded packaged products

Activities

- Innovations 2.0 delivering strong results; Tupla Puffs and Ahlgrens Gröna bilar
- Price increases implemented; new pricing announced given further inflation

2 Sustainable value within the Pick & mix business

Activities

- Continued growth of the CandyKing concept across markets
- Further progress on creating sustainable profitability
- Price increases implemented; new pricing announced given further inflation

3 Focus on lower costs and greater efficiency

Activities

- The Board has decided to proceed with the greenfield investment in the Netherlands
- Portfolio optimisation through complexity reduction

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.

Q3 highlights

Gröna bilar: transparency

- With the launch of Ahlgrens Gröna bilar, we shared the CO_2 footprint on the packages, working toward more transparency for our consumers.

Living Income Fund

- We will continue to participate in the Rainforest Alliance's Living Income pilot project to distribute funds to cocoa farmers using blockchain technology.

Climate Action: Annual target setting

- Our workstreams set annual targets to align with our 2030 Science Based Target.

"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, 27 October 2022

Cloetta AB (publ)

Mikael Norman
Board Chairman

Mikael Aru
Member of the Board

Patrick Bergander
Member of the Board

Malin Jennerholm
Member of the Board

Lottie Knutson
Member of the Board

Alan McLean Raleigh
Member of the Board

Camilla Svenfelt
Member of the Board

Mikael Svenfelt
Member of the Board

Lena Grönedal
Employee Board member

Mikael Ström
Employee Board member

Henri de Sauvage-Nolting
President and CEO

Financial calendar

Interim report Q4 2022	**27 January 2023**
Annual and sustainability report 2022	**13 March 2023**
Annual General Meeting 2023	**04 April 2023**
Interim report Q1 2023	**26 April 2023**
Interim report Q2 2023	**14 July 2023**
Interim report Q3 2023	**27 October 2023**

Contact

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This information is information that Cloetta AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person detailed above, at 07:30 a.m. CEST on 27 October 2022.

Auditor's report

Cloetta AB (publ)
corp. reg.no. 556308-8144

Introduction

We have reviewed the condensed interim financial information (interim report) of Cloetta AB (publ) as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim f inancial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, 27 October 2022
Öhrlings PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorized Public Accountant
Partner in charge

Erik Bergh
Authorized Public Accountant

Financial statements in summary

Consolidated profit and loss account

	Third quarter		9 months		Rolling 12	Full Year
SEKm	**Jul–Sep 2022**	**Jul–Sep 2021**	**Jan–Sep 2022**	**Jan–Sep 2021**	**Oct 2021–Sep 2022**	**Jan–Dec 2021**
Net sales	1,798	1,566	4,964	4,384	6,626	6,046
Cost of goods sold	-1,235	-1,015	-3,481	-2,841	-4,538	-3,898
Gross profit	**563**	**551**	**1,483**	**1,543**	**2,088**	**2,148**
Selling expenses	-234	-209	-726	-662	-1,002	-938
General and administrative expenses	-143	-163	-478	-473	-650	-645
Operating profit	**186**	**179**	**279**	**408**	**436**	**565**
Exchange differences on cash and cash equivalents in foreign currencies	-52	-1	-116	24	-107	33
Other financial income	35	2	65	5	69	9
Other financial expenses	-15	-12	-35	-37	-47	-49
Net financial items	**-32**	**-11**	**-86**	**-8**	**-85**	**-7**
Profit before tax	154	168	193	400	351	558
Income tax	-24	-32	-26	-75	-37	-86
Profit for the period	**130**	**136**	**167**	**325**	**314**	**472**
Profit for the period attributable to:						
Owners of the Parent Company	130	136	167	325	314	472
Earnings per share, SEK						
Basic and diluted[1]	0.45	0.47	0.58	1.13	1.09	1.64
Number of shares outstanding at end of period[1]	287,028,670	288,619,299	287,028,670	288,619,299	287,028,670	287,028,670
Average number of shares (basic)[1]	287,028,670	288,619,299	287,028,670	287,411,926	287,194,270	287,480,924
Average number of shares (diluted)[1]	287,109,813	288,651,544	287,134,987	287,484,301	287,302,416	287,518,726

1 During 1 to 9 November 2021 Cloetta purchased 1.590.629 treasury shares to fulfill its future obligation to deliver shares to the participants of the long-term share-based incentive plan.

Consolidated statement of comprehensive income

	Third quarter		9 months		Rolling 12	Full Year
SEKm	Jul–Sep 2022	Jul–Sep 2021	Jan–Sep 2022	Jan–Sep 2021	Oct 2021–Sep 2022	Jan–Dec 2021
Profit for the period	**130**	**136**	**167**	**325**	**314**	**472**
Other comprehensive income						
Remeasurement of defined benefit pension plans	2	-25	145	46	108	9
Income tax on remeasurement of defined benefit pension plans	-1	5	-31	-10	-23	-2
Items that will never be reclassified to profit or loss for the period	**1**	**-20**	**114**	**36**	**85**	**7**
Currency translation differences	98	29	364	71	413	120
Hedge of a net investment in a foreign operation	-27	-8	-97	-14	-107	-24
Income tax on hedge of a net investment in a foreign operation	5	2	18	3	20	5
Items that are or may be reclassified to profit or loss for the period	**76**	**23**	**285**	**60**	**326**	**101**
Total other comprehensive income	**77**	**3**	**399**	**96**	**411**	**108**
Total comprehensive income, net of tax	**207**	**139**	**566**	**421**	**725**	**580**
Total comprehensive income for the period attributable to:						
Owners of the Parent Company	207	139	566	421	725	580

Net financial items

	Third quarter		9 months		Rolling 12	Full Year
SEKm	Jul–Sep 2022	Jul–Sep 2021	Jan–Sep 2022	Jan–Sep 2021	Oct 2021–Sep 2022	Jan–Dec 2021
Exchange differences on cash and cash equivalents in foreign currencies	**-52**	**-1**	**-116**	**24**	**-107**	**33**
Other financial income, third parties	5	1	11	1	12	2
Unrealised gains on single currency interest rate swaps	29	1	53	4	56	7
Realised gains on single currency interest rate swaps	1	-	1	-	1	-
Total Other financial income	**35**	**2**	**65**	**5**	**69**	**9**
Interest expenses third-party borrowings and realised losses on single currency interest rate swaps	-11	-8	-27	-24	-36	-33
Amortisation of capitalised transaction costs	-1	0	-2	-2	-3	-3
Other financial expenses, third parties	-3	-4	-6	-11	-8	-13
Total Other financial expenses	**-15**	**-12**	**-35**	**-37**	**-47**	**-49**
Net financial items	**-32**	**-11**	**-86**	**-8**	**-85**	**-7**

Condensed consolidated balance sheet

SEKm	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets	5,806	5,558	5,582
Property, plant and equipment	1,535	1,561	1,576
Deferred tax asset	56	29	42
Derivative financial instruments	23	0	2
Other financial assets	4	4	5
Total non-current assets	**7,424**	**7,152**	**7,207**
Current assets			
Inventories	1,091	863	843
Other current assets	1,231	1,023	806
Derivative financial instruments	32	0	1
Cash and cash equivalents	373	505	692
Total current assets	**2,727**	**2,391**	**2,342**
TOTAL ASSETS	**10,151**	**9,543**	**9,549**
EQUITY AND LIABILITIES			
Equity	**4,803**	**4,398**	**4,515**
Non-current liabilities			
Long-term borrowings	2,219	2,158	2,162
Deferred tax liability	920	881	863
Provisions for pensions and other long-term employee benefits	351	466	505
Provisions	102	-	-
Total non-current liabilities	**3,592**	**3,505**	**3,530**
Current liabilities			
Short-term borrowings	208	305	206
Derivative financial instruments	-	1	0
Other current liabilities	1,545	1,327	1,293
Provisions	3	7	5
Total current liabilities	**1,756**	**1,640**	**1,504**
TOTAL EQUITY AND LIABILITIES	**10,151**	**9,543**	**9,549**

Condensed consolidated statement of changes in equity

	9 months		Full Year
SEKm	Jan–Sep 2022	Jan–Sep 2021	Jan–Dec 2021
Equity at beginning of period	**4,515**	**4,153**	**4,153**
Profit for the period	167	325	472
Other comprehensive income	399	96	108
Total comprehensive income	**566**	**421**	**580**
Transactions with owners			
Forward contract to repurchase own shares	-	48	48
Purchase of treasury shares	-	-	-44
Share-based payments	9	-9	-7
Dividend[1]	-287	-216	-216
Dividend on outstanding shares in forward contracts to repurchase own shares	-	1	1
Total transactions with owners	**-278**	**-176**	**-218**
Equity at end of period	**4,803**	**4,398**	**4,515**

1 The dividend paid in 2022 comprised a dividend of SEK 1.00 (0.75) per share.

Condensed consolidated cash flow statement

	Third quarter		9 months		Rolling 12	Full Year
SEKm	Jul–Sep 2022	Jul–Sep 2021	Jan–Sep 2022	Jan–Sep 2021	Oct 2021–Sep 2022	Jan–Dec 2021
Cash flow from operating activities before changes in working capital	234	200	599	471	803	675
Cash flow from changes in working capital	55	81	-361	19	-197	183
Cash flow from operating activities	**289**	**281**	**238**	**490**	**606**	**858**
Cash flows from investments in property, plant and equipment and intangible assets	-66	-43	-174	-139	-229	-194
Cash flow from other investing activities	0	-1	1	2	2	3
Cash flow from investing activities	**-66**	**-44**	**-173**	**-137**	**-227**	**-191**
Cash flow from operating and investing activities	**223**	**237**	**65**	**353**	**379**	**667**
Cash flow from financing activities	**-20**	**-16**	**-346**	**-275**	**-507**	**-436**
Cash flow for the period	**203**	**221**	**-281**	**78**	**-128**	**231**
Cash and cash equivalents at beginning of period	205	272	692	396	505	396
Cash flow for the period	203	221	-281	78	-128	231
Exchange difference	-35	12	-38	31	-4	65
Total cash and cash equivalents at end of period	**373**	**505**	**373**	**505**	**373**	**692**

Condensed consolidated key figures

	Third quarter		9 months		Rolling 12	Full Year
SEKm	Jul–Sep 2022	Jul–Sep 2021	Jan–Sep 2022	Jan–Sep 2021	Oct 2021–Sep 2022	Jan–Dec 2021
Profit						
Net sales	1,798	1,566	4,964	4,384	6,626	6,046
Net sales, change, %	14.8	6.2	13.2	3.7	13.3	6.2
Organic net sales, change, %	11.5	7.5	10.2	6.5	11.1	8.4
Gross margin, %	31.3	35.2	29.9	35.2	31.5	35.5
Depreciation	-62	-63	-188	-189	-249	-250
Amortisation	-3	-3	-8	-8	-10	-10
Impairment loss other non-current assets	-6	0	-132	-1	-132	-1
Operating profit, adjusted	188	180	508	414	665	571
Operating profit margin, adjusted %	10.5	11.5	10.2	9.4	10.0	9.4
Operating profit (EBIT)	186	179	279	408	436	565
Operating profit margin (EBIT margin), %	10.3	11.4	5.6	9.3	6.6	9.3
EBITDA, adjusted	255	246	706	612	926	832
EBITDA	257	245	607	606	827	826
Profit margin, %	8.6	10.7	3.9	9.1	5.3	9.2
Segments						
Branded packaged products						
Net sales	1,372	1,204	3,745	3,402	5,029	4,686
Operating profit, adjusted	186	171	489	425	641	577
Operating profit margin, adjusted %	13.6	14.2	13.1	12.5	12.7	12.3
Pick & mix						
Net sales	426	362	1,219	982	1,597	1,360
Operating profit/loss, adjusted	2	9	19	-11	24	-6
Operating profit margin, adjusted %	0.5	2.5	1.6	-1.1	1.5	-0.4
Financial position						
Working capital	751	525	751	525	751	363
Capital expenditure	75	58	209	164	275	230
Net debt	2,005	1,967	2,005	1,967	2,005	1,679
Capital employed	7,581	7,328	7,581	7,328	7,581	7,388
Return on capital employed, % (Rolling 12 months)	6.8	7.1	6.8	7.1	6.8	7.9
Equity/assets ratio, %	47.3	46.1	47.3	46.1	47.3	47.3
Net debt/equity ratio, %	41.7	44.7	41.7	44.7	41.7	37.2
Return on equity, % (Rolling 12 months)	6.5	9.1	6.5	9.1	6.5	10.5
Equity per share, SEK	16.7	15.2	16.7	15.2	16.7	15.7
Net debt/EBITDA, x (Rolling 12 months)	2.2	2.5	2.2	2.5	2.2	2.0
Cash flow						
Cash flow from operating activities	289	281	238	490	606	858
Cash flow from investing activities	-66	-44	-173	-137	-227	-191
Cash flow after investments	223	237	65	353	379	667
Free cash flow	223	238	64	351	377	664
Free cash flow yield (Rolling 12 months), %	7.4	7.7	7.4	7.7	7.4	8.8
Cash flow from operating activities per share, SEK	1.0	1.0	0.8	1.7	2.1	3.0
Employees						
Average number of employees	2,603	2,587	2,605	2,598	2,600	2,599

Reconciliation of alternative performance measures key figures

	Third quarter		9 months		Rolling 12	Full Year
SEKm	**Jul–Sep 2022**	**Jul–Sep 2021**	**Jan–Sep 2022**	**Jan–Sep 2021**	**Oct 2021–Sep 2022**	**Jan–Dec 2021**
Items affecting comparability						
Acquisitions, integration and restructurings	-2	-1	-231	-6	-231	-6
of which: impairment loss other non-current assets	*-4*	-	*-130*	-	*-130*	-
Other items affecting comparability	-	-	2	-	2	-
Items affecting comparability	**-2**	**-1**	**-229**	**-6**	**-229**	**-6**
Corresponding line in the condensed consolidated profit and loss account:						
Cost of goods sold	-2	-	-222	0	-221	1
Selling expenses	-	-	-4	-	-4	-
General and administrative expenses	0	-1	-3	-6	-4	-7
Total	**-2**	**-1**	**-229**	**-6**	**-229**	**-6**
Operating profit, adjusted						
Operating profit	186	179	279	408	436	565
Minus: Items affecting comparability	-2	-1	-229	-6	-229	-6
Operating profit, adjusted	**188**	**180**	**508**	**414**	**665**	**571**
Net sales	1,798	1,566	4,964	4,384	6,626	6,046
Operating profit margin, adjusted, %	**10.5**	**11.5**	**10.2**	**9.4**	**10.0**	**9.4**
EBITDA, adjusted						
Operating profit/loss	186	179	279	408	436	565
Minus: Depreciation	-62	-63	-188	-189	-249	-250
Minus: Amortisation	-3	-3	-8	-8	-10	-10
Minus: Impairment loss other non-current assets	-6	-	-132	-1	-132	-1
EBITDA	**257**	**245**	**607**	**606**	**827**	**826**
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	2	-1	-99	-6	-99	-6
EBITDA, adjusted	**255**	**246**	**706**	**612**	**926**	**832**
Capital employed						
Total assets	10,151	9,544	10,151	9,544	10,151	9,549
Minus: Deferred tax liability	920	881	920	881	920	863
Minus: Non-current provisions	102	-	102	-	102	-
Minus: Current provisions	3	7	3	7	3	5
Minus: Other current liabilities	1,545	1,328	1,545	1,328	1,545	1,293
Capital employed	**7,581**	**7,328**	**7,581**	**7,328**	**7,581**	**7,388**

Reconciliation alternative performance measures, continued

	Third quarter		9 months		Rolling 12	Full Year
SEKm	**Jul–Sep 2022**	**Jul–Sep 2021**	**Jan–Sep 2022**	**Jan–Sep 2021**	**Oct 2021–Sep 2022**	**Jan–Dec 2021**
Capital employed comparative period previous year	7,328	7,515	7,328	7,515	7,328	7,198
Average capital employed	**7,455**	**7,422**	**7,455**	**7,422**	**7,455**	**7,293**
Return on capital employed						
Operating profit (Rolling 12 months)	436	522	436	522	436	565
Financial income (Rolling 12 months)	69	6	69	6	69	9
Operating profit plus financial income (Rolling 12 months)	**505**	**528**	**505**	**528**	**505**	**574**
Average capital employed	7,455	7,422	7,455	7,422	7,455	7,293
Return on capital employed, %	**6.8**	**7.1**	**6.8**	**7.1**	**6.8**	**7.9**
Free cash flow yield						
Cash flow from operating activities (Rolling 12 months)	606	800	606	800	606	858
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-229	-197	-229	-197	-229	-194
Free cash flow (Rolling 12 months)	**377**	**603**	**377**	**603**	**377**	**664**
Number of shares outstanding	287,028,670	288,619,299	287,028,670	288,619,299	287,028,670	287,028,670
Free cash flow per share (Rolling 12 months), SEK	**1.31**	**2.09**	**1.31**	**2.09**	**1.31**	**2.31**
Market price per share, SEK	17.61	27.12	17.61	27.12	17.61	26.20
Free cash flow yield (Rolling 12 months), %	**7.4**	**7.7**	**7.4**	**7.7**	**7.4**	**8.8**
Changes in net sales						
Net sales	1,798	1,566	4,964	4,384	6,626	6,046
Net sales comparative period previous year	1,566	1,474	4,384	4,229	5,850	5,695
Net sales, change	**232**	**92**	**580**	**155**	**776**	**351**
Minus: Changes in exchange rates	52	-19	132	-118	125	-125
Organic growth	**180**	**111**	**448**	**273**	**651**	**476**
Organic growth, %	11.5	7.5	10.2	6.5	11.1	8.4

Quarterly data

SEKm	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Profit and loss account									
Net sales	1,798	1,626	1,540	1,662	1,566	1,420	1,398	1,466	1,474
Cost of goods sold	-1,235	-1,267	-979	-1,057	-1,015	-893	-933	-923	-1,040
Gross profit	**563**	**359**	**561**	**605**	**551**	**527**	**465**	**543**	**434**
Selling expenses	-234	-246	-246	-276	-209	-242	-211	-253	-248
General and administrative expenses	-143	-174	-161	-172	-163	-159	-151	-176	-104
Operating profit/loss	**186**	**-61**	**154**	**157**	**179**	**126**	**103**	**114**	**82**
Exchange differences on cash and cash equivalents in foreign currencies	-52	-70	6	9	-1	-6	31	34	-11
Other financial income	35	13	17	4	2	2	1	1	0
Other financial expenses	-15	-10	-10	-12	-12	-13	-12	-13	-13
Net financial items	**-32**	**-67**	**13**	**2**	**-11**	**-17**	**20**	**22**	**-24**
Profit/loss before tax	**154**	**-128**	**167**	**158**	**168**	**109**	**123**	**136**	**58**
Income tax	-24	34	-36	-11	-32	-23	-20	-59	-16
Profit/loss for the period	**130**	**-94**	**131**	**147**	**136**	**86**	**103**	**77**	**42**
Profit/loss for the period attributable to:									
Owners of the Parent Company	130	-94	131	147	136	86	103	77	42
Key figures									
Profit									
Depreciation, amortisation and impairment	-71	-194	-63	-63	-66	-66	-66	-74	-78
Operating profit, adjusted	188	162	158	157	180	127	107	116	125
EBITDA, adjusted	255	230	221	220	246	193	173	191	191
EBITDA	257	133	217	220	245	192	169	188	160
Operating profit margin, adjusted %	10.5	10.0	10.3	9.4	11.5	8.9	7.7	7.9	8.5
Operating profit margin (EBIT margin), %	10.3	-3.8	10.0	9.4	11.4	8.9	7.4	7.8	5.6
Earnings per share, SEK									
Basic and diluted[1]	0.45	-0.33	0.46	0.51	0.47	0.30	0.36	0.27	0.15
Segments									
Branded packaged products									
Net sales	1,372	1,213	1,160	1,284	1,204	1,097	1,101	1,179	1,178
Operating profit, adjusted	186	154	149	152	171	123	131	164	149
Operating profit margin, adjusted %	13.6	12.7	12.8	11.8	14.2	11.2	11.9	13.9	12.6
Pick & mix									
Net sales	426	413	380	378	362	323	297	287	296
Operating profit/loss, adjusted	2	8	9	5	9	4	-24	-48	-24
Operating profit margin, adjusted %	0.5	1.9	2.4	1.3	2.5	1.2	-8.1	-16.7	-8.1
Financial position									
Share price, last paid, SEK	17.61	20.96	25.74	26.20	27.12	25.54	25.56	24.52	26.00
Return on equity, % (Rolling 12 months)	6.5	7.0	10.5	10.5	9.1	7.2	7.5	6.4	8.2
Equity per share, SEK	16.7	16.0	16.5	15.7	15.2	14.8	15.2	14.4	15.2
Net Debt/EBITDA, x (Rolling 12 months)	2.2	2.4	1.9	2.0	2.5	2.9	2.9	2.8	2.6
Cash flow									
Free cash flow	223	-136	-23	313	238	102	11	252	252
Cash flow from operating activities per share, SEK	1.0	-0.3	0.1	1.3	1.0	0.5	0.2	1.1	1.1

1 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.

Reconciliation of alternative performance measures per quarter

SEKm	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Items affecting comparability									
Acquisitions, integration and restructurings	-2	-225	-4	0	-1	-1	-4	-2	-43
of which: impairment loss non-current assets	*-4*	*-126*	-	-	-	-	-	*1*	*-12*
Other items affecting comparability	-	2	-	-	-	-	-	-	-
Items affecting comparability	**-2**	**-223**	**-4**	**0**	**-1**	**-1**	**-4**	**-2**	**-43**
Corresponding line in the condensed consolidated profit and loss account:									
Cost of goods sold	-2	-220	-	1	-	0	-	0	-19
Selling expenses	-	-	-4	-	-	-	-	0	-12
General and administrative expenses	0	-3	-	-1	-1	-1	-4	-2	-12
Total	**-2**	**-223**	**-4**	**0**	**-1**	**-1**	**-4**	**-2**	**-43**
Operating profit. adjusted									
Operating profit/loss	186	-61	154	157	179	126	103	114	82
Minus: Items affecting comparability	-2	-223	-4	0	-1	-1	-4	-2	-43
Operating profit, adjusted	**188**	**162**	**158**	**157**	**180**	**127**	**107**	**116**	**125**
Net sales	1,798	1,626	1,540	1,662	1,566	1,420	1,398	1,466	1,474
Operating profit margin, adjusted, %	**10.5**	**10.0**	**10.3**	**9.4**	**11.5**	**8.9**	**7.7**	**7.9**	**8.5**
EBITDA, adjusted									
Operating profit/loss	186	-61	154	157	179	126	103	114	82
Minus: Depreciation	-62	-66	-60	-61	-63	-63	-63	-72	-65
Minus: Amortisation	-3	-2	-3	-2	-3	-2	-3	-2	-3
Minus: Impairment loss other non-current assets	-6	-126	-	-	-	-1	-	0	-10
EBITDA	**257**	**133**	**217**	**220**	**245**	**192**	**169**	**188**	**160**
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	2	-97	-4	0	-1	-1	-4	-3	-31
EBITDA, adjusted	**255**	**230**	**221**	**220**	**246**	**193**	**173**	**191**	**191**
Capital employed									
Total assets	10,151	9,774	9,878	9,549	9,544	9,224	9,464	9,228	9,595
Minus: Deferred tax liability	920	918	894	863	881	871	867	836	813
Minus: Non-current provisions	102	105	1	-	-	1	-	5	6
Minus: Current provisions	3	5	6	5	7	11	28	24	28
Minus: Other current liabilities	1,545	1,377	1,422	1,293	1,328	1,184	1,187	1,165	1,233
Capital employed	**7,581**	**7,369**	**7,555**	**7,388**	**7,328**	**7,157**	**7,382**	**7,198**	**7,515**
Capital employed comparative period previous year	7,328	7,157	7,382	7,198	7,515	7,439	7,989	7,576	7,514
Average capital employed	**7,455**	**7,263**	**7,469**	**7,293**	**7,422**	**7,298**	**7,686**	**7,387**	**7,515**

Reconciliation alternative performance measures, continued

SEKm	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Return on capital employed									
Operating profit (Rolling 12 months)	436	429	616	565	522	425	400	442	537
Financial income (Rolling 12 months)	69	36	25	9	6	4	3	3	2
Operating profit plus financial income (Rolling 12 months)	**505**	**465**	**641**	**574**	**528**	**429**	**403**	**445**	**539**
Average capital employed	7,455	7,263	7,469	7,293	7,422	7,298	7,686	7,387	7,515
Return on capital employed, %	**6.8**	**6.4**	**8.6**	**7.9**	**7.1**	**5.9**	**5.2**	**6.0**	**7.2**
Free cash flow yield									
Cash flow from operating activities (Rolling 12 months)	606	598	831	858	800	828	631	641	649
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-229	-206	-201	-194	-197	-211	-234	-275	-266
Free cash flow (Rolling 12 months)	**377**	**392**	**630**	**664**	**603**	**617**	**397**	**366**	**383**
Number of shares outstanding	287,028,670	287,028,670	287,028,670	287,028,670	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299
Free cash flow per share (Rolling 12 months), SEK	**1.31**	**1.37**	**2.19**	**2.31**	**2.09**	**2.14**	**1.38**	**1.27**	**1.33**
Market price per share, SEK	17.61	20.96	25.74	26.20	27.12	25.54	25.56	24.52	26.00
Free cash flow yield (Rolling 12 months), %	**7.4**	**6.5**	**8.5**	**8.8**	**7.7**	**8.4**	**5.4**	**5.2**	**5.1**
Changes in net sales									
Net sales	1,798	1,626	1,540	1,662	1,566	1,420	1,398	1,466	1,474
Net sales comparative period previous year	1,566	1,420	1,398	1,466	1,474	1,237	1,518	1,722	1,629
Net sales, change	**232**	**206**	**142**	**196**	**92**	**183**	**-120**	**-256**	**-155**
Minus: Changes in exchange rates	52	37	43	-7	-19	-43	-56	-44	-36
Organic growth	**180**	**169**	**99**	**203**	**111**	**226**	**-64**	**-212**	**-119**
Organic growth, %	11.5	11.9	7.1	13.8	7.5	18.2	-4.2	-12.3	-7.3

Parent company

Condensed parent company profit and loss account

SEKm	Third quarter Jul–Sep 2022	Third quarter Jul–Sep 2021	9 months Jan–Sep 2022	9 months Jan–Sep 2021	Rolling 12 Oct 2021–Sep 2022	Full Year Jan–Dec 2021
Net sales	27	20	72	55	103	86
Gross profit	**27**	**20**	**72**	**55**	**103**	**86**
General and administrative expenses	-29	-21	-87	-74	-125	-112
Operating loss	**-2**	**-1**	**-15**	**-19**	**-22**	**-26**
Net financial items	-5	-4	-	-12	81	69
Profit/loss before tax	**-7**	**-5**	**-15**	**-31**	**59**	**43**
Income tax	3	-1	4	4	-12	-12
Profit/loss for the period	**-4**	**-6**	**-11**	**-27**	**47**	**31**

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

Condensed parent company balance sheet

SEKm	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS			
Non-current assets	**5,367**	**5,362**	**5,355**
Current assets	**8**	**11**	**91**
TOTAL ASSETS	**5,375**	**5,373**	**5,446**
EQUITY AND LIABILITIES			
Equity	**2,575**	**2,848**	**2,864**
Non-current liabilities			
Borrowings	940	937	938
Provisions	6	1	2
Total non-current liabilities	**946**	**938**	**940**
Current liabilities			
Borrowings	149	250	150
Other current liabilities	1,705	1,337	1,492
Total current liabilities	**1,854**	**1,587**	**1,642**
TOTAL EQUITY AND LIABILITIES	**5,375**	**5,373**	**5,446**

Condensed parent company statement of changes in equity

SEKm	9 months Jan–Sep 2022	9 months Jan–Sep 2021	Full Year Jan–Dec 2021
Equity at beginning of period	**2,864**	**3,100**	**3,100**
Profit/loss for the period	-11	-27	31
Total comprehensive income	**-11**	**-27**	**31**
Transactions with owners			
Share-based payments	9	-9	-7
Purchase of treasury shares	-	-	-44
Dividend[1]	-287	-216	-216
Total transactions with owners	**-278**	**-225**	**-267**
Equity at end of period	**2,575**	**2,848**	**2,864**

1 The dividend paid in 2022 comprised a dividend of SEK 1.00 (0.75) 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, 2022. 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 2021 at www.cloetta.com. No new standards are effective as from 1 January 2022 which have been endorsed by the EU.

Disclosures

Segment reporting

In the years after the acquisition of the Candyking Group in 2017, the Pick & mix business became a significant part of Cloetta's total business with its own focus, operational organisation, management responsibilities and reporting flows. Following the changes in the business, also the management structure of the Group evolved with the introduction of a Chief Pick & mix Officer (CPMO) responsible for the development of the Pick & mix business and a Chief Marketing Officer (CMO) being responsible for the marketing of the Branded packaged business. Both officers are members of the executive committee and are accountable within their own business lines and report directly to the President and CEO.

In Q1 2021, Cloetta has reassessed the operating segments with an increased focus on the impact of the changes in the organisation as indicated above. The reassessment has been performed with the intention to come to a sustainable structure taking into account the current organisation, operating model and initiated initiatives related to the direction of the company.

In the assessment it has been considered that both the Branded packaged business and the Pick & mix business have their own specific characteristics. Both business lines generate their own external revenues and incur expenses and for both business lines a different companywide business and investment strategy has been developed and is in place.

The character of the more profitable Branded packaged business requires investments in the brands (A&P) with consumer visibility (traditional- and social media) to generate long term strength of our own brands, leading to value creation for the company. Cloetta manufactures nearly all products sold in this business in its own production facilities.

The much lower margin Pick & mix business is predominantly a wholesale business where Cloetta sells its own products and its competitors' products to retailers under their own private brand or under the CandyKing concept. The Pick & mix business is driven by volumes and requires investments in the pick & mix concept including investments in the fixtures in which the products are offered to the consumer.

Operating segments have been identified in accordance with the guidance provided in IFRS 8 paragraph 5–10.

The overall focus on revenues, profitability, and strategy specifically for the Branded packaged products business versus the Pick & mix business is reflected as such in Cloetta's external financial reporting and this split is aligned with the interest of Cloetta's investors.

Disaggregation of revenue from contracts with customers

Cloetta generates revenues from the transfer of goods and services at a point in time and over time in the following major sales categories and performance obligations:

Disaggregation of revenue

	Third quarter		9 months		Rolling 12	Full Year
SEKm	**Jul–Sep 2022**	**Jul–Sep 2021**	**Jan–Sep 2022**	**Jan–Sep 2021**	**Oct 2021–Sep 2022**	**Jan–Dec 2021**
Net sales						
Branded packaged products	1,372	1,204	3,745	3,402	5,029	4,686
Pick & mix	426	362	1,219	982	1,597	1,360
Total	**1,798**	**1,566**	**4,964**	**4,384**	**6,626**	**6,046**

Breakdown of net sales by category

	Third quarter		9 months		Rolling 12	Full Year
%	**Jul–Sep 2022**	**Jul–Sep 2021**	**Jan–Sep 2022**	**Jan–Sep 2021**	**Oct 2021–Sep 2022**	**Jan–Dec 2021**
Net sales						
Candy	60	61	61	60	61	61
Chocolate	19	19	19	18	19	19
Pastilles	10	10	10	11	10	10
Chewing gum	6	5	5	6	5	5
Nuts	3	3	3	3	3	3
Other	2	2	2	2	2	2
Total	**100**	**100**	**100**	**100**	**100**	**100**

Breakdown of net sales by country

	Third quarter		9 months		Rolling 12	Full Year
%	**Jul–Sep 2022**	**Jul–Sep 2021**	**Jan–Sep 2022**	**Jan–Sep 2021**	**Oct 2021–Sep 2022**	**Jan–Dec 2021**
Sweden	29	32	30	31	30	31
Finland	22	22	21	21	21	21
The Netherlands	14	11	15	14	15	14
Denmark	10	9	9	8	8	9
The UK	6	6	6	6	6	6
Norway	6	5	7	7	7	7
Germany	6	6	6	6	6	6
International Markets	7	9	6	7	7	6
Total	**100**	**100**	**100**	**100**	**100**	**100**

Leases

Right-of-use assets

SEKm	30 Sep 2022	30 Sep 2021	31 Dec 2021
Land and buildings	65	87	81
Transportation	42	51	50
Other equipment	14	11	10
Total right-of-use assets	**121**	**149**	**141**

Additions to the right-of-use assets were SEK 9m (14) during the quarter and SEK 36m (24) during the first nine months of the year.

Lease liability

SEKm	30 Sep 2022	30 Sep 2021	31 Dec 2021
Current	61	58	59
Non-current (between 1 and 5 years)	60	91	83
Non-current (over 5 years)	1	1	1
Total Lease liability	**122**	**150**	**143**

The non-current lease liability of SEK 61m (92) is reflected in the 'long-term borrowings'. The current lease liability of SEK 61m (58) is reflected in the 'short-term borrowings'.

Depreciation charge right-of-use assets

	Third quarter		9 months		Rolling 12	Full Year
SEKm	Jul–Sep 2022	Jul–Sep 2021	Jan–Sep 2022	Jan–Sep 2021	Oct 2021–Sep 2022	Jan–Dec 2021
Land and buildings	-8	-8	-23	-26	-30	-33
Transportation	-4	-7	-22	-21	-30	-29
Other equipment	-3	-2	-9	-5	-10	-6
Total depreciation charge right-of-use assets	**-15**	**-17**	**-54**	**-52**	**-70**	**-68**

Other disclosures

	Third quarter		9 months		Rolling 12	Full Year	
SEKm	Jul–Sep 2022	Jul–Sep 2021	Jan–Sep 2022	Jan–Sep 2021	Oct 2021–Sep 2022	Jan–Dec 2021	Recognised in:
Interest expense	0	-1	-1	-2	-1	-2	net financial items, in the profit and loss account
Expense relating to leases of low-value assets that are not short-term leases	-1	0	-1	0	-2	-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	-1	-2	-3	-4	-4	-5	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	-2	-4	-14	-12	-18	-16	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Total cash outflow for leases	-19	-16	-56	-53	-73	-70	cash flow from operating activities and financing activities, in the cash flow statement

Taxes

The effective tax rate for the period was positively impacted due to the relatively high weighted applicable tax rate of the countries where the costs related to the greenfield facility are recognised, by the impact of the international tax rate differences and differences between expected and actual tax filings related to the previous year in a number of countries. Non-deductible expenses had a negative impact on the effective tax rate for the period.

Fair value measurement

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

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

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 Sep 2022	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	-	1,095	-	1,095				
• Single currency interest rate swaps	55	-	-	55	-	55	-	55
• Cash and cash equivalents	-	373	-	373				
Total assets	**55**	**1,468**	**-**	**1,523**	**-**	**55**	**-**	**55**
Financial liabilities								
• Loans from credit institutions	-	-	2,162	2,162				
• Commercial papers	-	-	149	149				
• Lease liabilities	-	-	122	122				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,305	1,305				
Total liabilities	**-**	**-**	**3,738**	**3,738**	**-**	**-**	**-**	**-**

31 Dec 2021	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	-	721	-	721				
• Single currency interest rate swaps	3	-	-	3	-	3	-	3
• Cash and cash equivalents	-	692	-	692				
Total assets	**3**	**1,413**	**-**	**1,416**	**-**	**3**	**-**	**3**
Financial liabilities								
• Loans from credit institutions	-	-	2,081	2,081				
• Commercial papers	-	-	150	150				
• Single currency interest rate swaps	0	-	-	0	-	0	-	0
• Lease liabilities	-	-	143	143				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,129	1,129				
Total liabilities	**0**	**-**	**3,503**	**3,503**	**-**	**0**	**-**	**0**

30 Sep 2021	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	-	911	-	911				
• Single currency interest rate swaps	0	-	-	0	-	0	-	0
• Cash and cash equivalents	-	505	-	505				
Total assets	**0**	**1,416**	**-**	**1,416**	**-**	**0**	**-**	**0**
Financial liabilities								
• Loans from credit institutions	-	-	2,071	2,071				
• Commercial papers	-	-	250	250				
• Single currency interest rate swaps	1	-	-	1	-	1	-	1
• Lease liabilities	-	-	150	150				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,166	1,166				
Total liabilities	**1**	**-**	**3,637**	**3,638**	**-**	**1**	**-**	**1**

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 September 2022. Net sales in the Parent Company amounted to SEK 72m (55) and relate mainly to intra-group services. Operating loss was SEK -15m (-19). Net financial items totaled SEK 0m (-12). Loss before tax was SEK -15m (-31) and loss for the period was SEK -11m (-27). 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 September 2022, a total of 132,535,690 shares were traded for a combined value of SEK 2,988m, equivalent to around 47 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 September 2022 was SEK 26.62 (4 January) and the lowest was SEK 17.05 (29 September). The share price on 30 September 2022 was SEK 17.61 (last price paid). During the period from 1 January to 30 September 2022, the Cloetta share decreased by 33.3 per cent while the Nasdaq OMX Stockholm PI index decreased by 32.4 per cent. Cloetta's share capital at 30 September 2022 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 September 2022 Cloetta had 1,590,629 class B shares in treasury.

Shareholders

On 30 September 2022, Cloetta AB had 38,757 shareholders. The largest shareholder was AB Malfors Promotor with a holding corresponding to 40.7 per cent of the votes and 30.1 per cent of the share capital in the company. LSV Asset Management was the second largest shareholder with 3.0 per cent of the votes and 3.6 per cent of the share capital. The third largest shareholder was Dimensional Fund Advisors with 2.8 per cent of the votes and 3.2 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 2021 and consist of industry and market-related risks, operational risks and financial risks.

Compared to the Annual- and sustainability report which was issued on 14 March 2022, the risk-profile of Cloetta has not significantly changed although the rising input costs and global supply chain challenges, as mentioned in the Q1 interim report, 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.
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 forward contracts to repurchase own shares.	The earnings per share measures the amount of net profit that is available for payment to shareholders per share.
Equity per share	Equity at the end of the period divided by number of 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 exchanges 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 Sep 2022	30 Sep 2021	31 Dec 2021
EUR, average	10.5314	10.1552	10.1527
EUR, end of period	10.8993	10.1683	10.2503
NOK, average	1.0524	0.9939	0.9991
NOK, end of period	1.0298	1.0003	1.0262
GBP, average	12.4291	11.7729	11.8203
GBP, end of period	12.3435	11.8163	12.1987
DKK, average	1.4155	1.3655	1.3652
DKK, end of period	1.4656	1.3674	1.3784

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 2.5x.
- Cloetta's long-term intention is a dividend payout of 40–60 per cent of profit after tax.

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.

Sustainablity

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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