

NEWS RELEASE

Cloetta puts investment in greenfield plant on hold and initiates reassessment of the plant and options

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Cloetta has decided to initiate 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. As a result, all construction or other infrastructure investments in the initiated greenfield have been put on hold.

In 2022, Cloetta announced the plan to invest in a greenfield facility and the closure of three existing confectionery plants in the Netherlands and in Belgium. The greenfield project is currently in the regulatory permitting phase, which precedes the start of construction and associated major investments.

"As the greenfield project is still in an early phase, investments have so far been relatively limited. Furthermore, there remain opportunities in our existing manufacturing network to compensate for the volumes planned to be produced by the greenfield in the mid-term. This is the right time to reassess if there are better alternatives to secure a more efficient manufacturing structure to support Cloetta's long-term profitable organic growth and environmental footprint", says Katarina Tell, President and CEO.

The reassessment will cover 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. The decision is not expected to have any material effect on the result of the third quarter 2024. Cloetta's long-term financial targets remain in place.

"We have experienced exceptional inflation and increased geopolitical uncertainty along with new energy supply issues in Europe. This is the single largest investment in the history of Cloetta and hence doing a reassessment when things

change is good business practice. This reassessment is done to validate if the greenfield remains the optimal way forward for Cloetta to create long-term shareholder value", says Morten Falkenberg, Chairman of the Board.

This disclosure contains information that Cloetta AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 26-09-2024 12:20 CET.

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